



T+2 Settlement

Market Implementation Group (MIG)

18 February 2016



1a) Welcome and Presenters



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Agenda

1. Introductions
 - a) Welcome & presenters
 - b) Agenda overview
2. Project Update
 - a) Project roadmap
3. Key Decisions
 - a) Implementation 'Go' decision
 - b) Implementation update from NZX
4. Readiness Update
 - a) Readiness check-in & attestation results
 - b) Testing environments
 - c) Readiness tips
5. Implementation Plan
 - a) ASX communication plan
 - b) Implementation weekend plan
 - c) Post implementation
6. Q&A



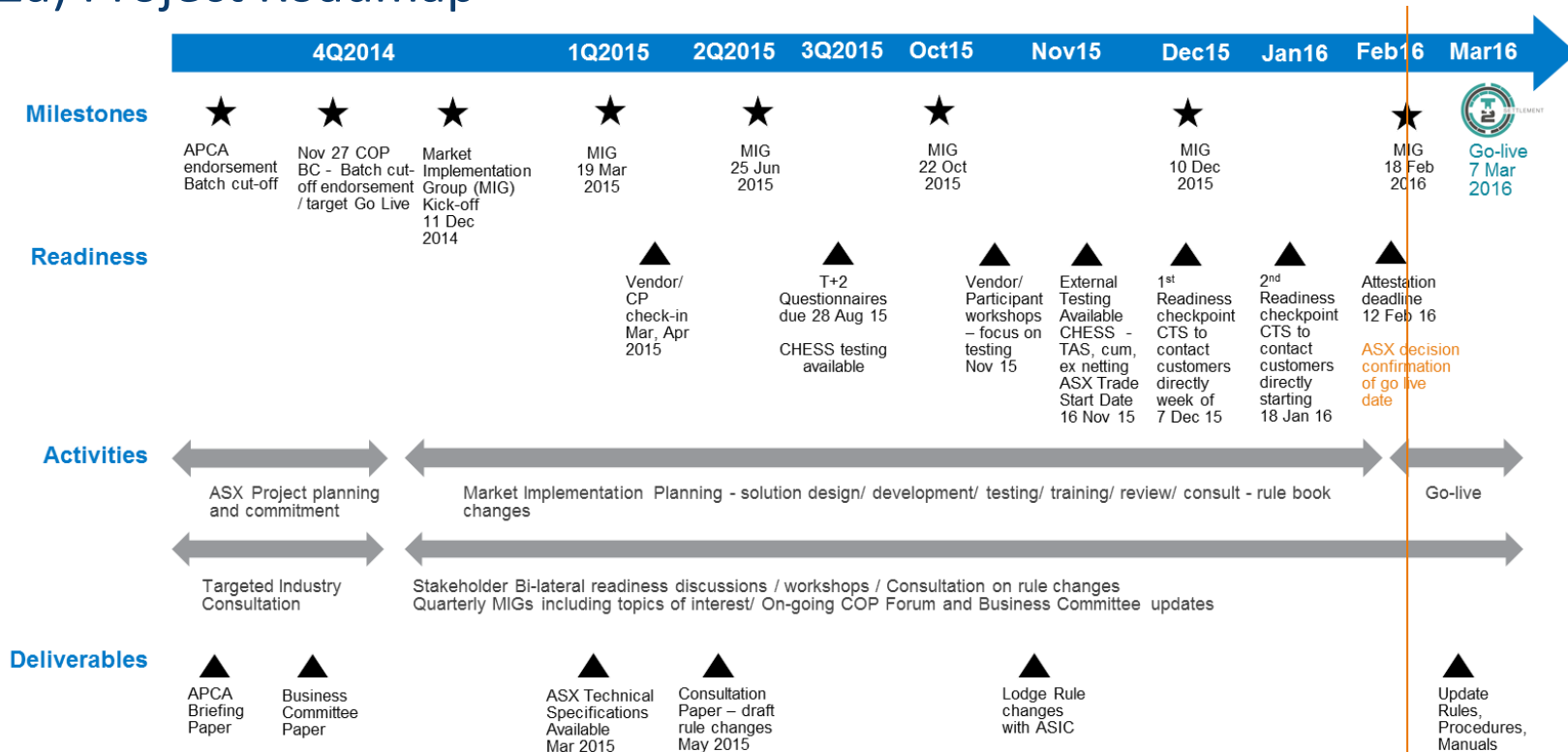
Reminder to submit questions

The screenshot shows the ASX T+2 Settlement website interface. At the top left is the ASX logo and the text "ASX T+2 SETTLEMENT". Below this is a navigation bar with various menu items. The main content area features a large graphic with the text "T+2 Settlement Market Implementation Group (MIG)" and the date "22 October 2015". On the right side, there is a "Q&A" section with a "Refresh Now" button and a "Submit" button, which is circled in red. A "Resource List" dropdown menu is also visible, showing "T+2 Settlement Webpage". The background of the website is a grid of blue letters. At the bottom, there is a Windows taskbar with various icons and a "POWERED BY ON24" logo.

2. Project Update



2a) Project Roadmap



3. Key Decisions



3a) Implementation 'Go' Decision – 7 March 2016

Readiness Risk	Scenario	Decision	Outcome
ASX (internal readiness)	ASX internal systems not production ready by end January 2016	Analysis undertaken of system issue and impact to external customers GO/NO GO decision dependent on impact of fix on customer testing	READY
Participant/software vendor (external readiness)	Readiness attestation not received by 12 February 2016	GO/NO GO decision dependent on assessment of potential settlement efficiency impact	READY
Markets – Australia and New Zealand			
Australian market operators	Systems, rules not ready by 12 February 2016	GO/NO GO decision dependent on assessment of potential settlement efficiency impact	READY
AFMA	ASX ready for go live, wholesale debt market not ready Wholesale debt market ready for go-live, ASX not ready	GO decision likely Wholesale debt market go-live date to be determined by AFMA	READY
NZX	ASX ready for go-live, NZX not ready NZX ready for go-live, ASX not ready	GO decision likely NZX go-live date to be determined by NZX	ON TRACK

3b) Implementation update from NZX

- NZX expects to transition to T+2 for cash trades on Monday 7 March in line with the ASX's transition on the same day.
- NZX participants are currently undertaking final market wide testing for the move to T+2. There have been no issues arising from testing to date.
- NZX will make an announcement closer to the 7 March transition date confirming all details.

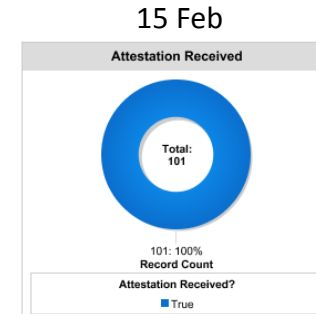
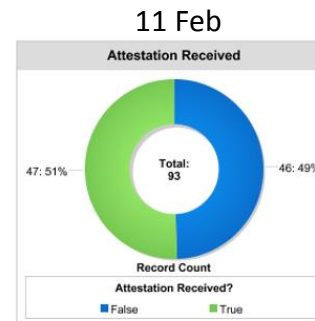
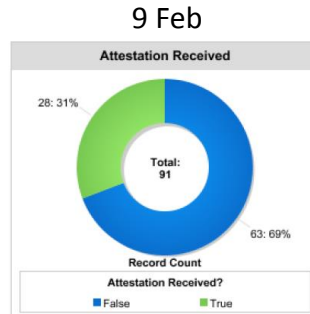
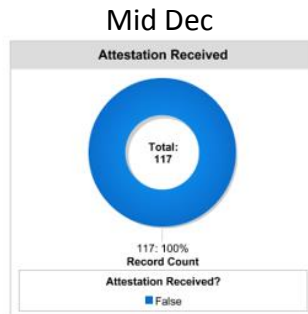
4. Readiness Update



4a) Readiness check-in and attestation results

- ASX Customer Technical Support (CTS) team have contacted CHESSE vendors, clearing and settlement participants, others at each checkpoint, and leading up to the Attestation due date
- Targeted email sent to payment providers on 29 January 2016 to ensure operational awareness of changes
- ASX Participant Compliance have also contacted certain participant groups directly

Tracking attestations:



4b) Testing environments

CHES RTE and Trade FTE available for further testing until go live date

Further round of corporate action events were provided Jan-Feb 2016, otherwise on request

CHES Existing Test Environment (Port 4207 and 4210) will be updated on go live weekend with T2 changes

Trade ETE and FTE are already T2 ready

For support:

Contact T2Settlement@asx.com.au for test support

Contact cts@asx.com.au for Trade test support (if need special market, cancellation support)

4c) Readiness tips

- Read the ASX Notice released today
- Consider what could go wrong with your implementation, have you considered workarounds?
- Do you have vendor support for the weekend implementation?
- Consider funding impacts to clients – cheques, Bpay and timing
- Payment provider considerations – processes, cut-off
- Review transition arrangements
- Securities lending arrangements – cover short positions
- Are you ready for an increase in client calls over the coming weeks?
- Is your client communication in progress or complete?

5. Implementation Plan



5a) ASX communication plan

8 February+	article in Australian Shareholder Association magazine
9 February	ASX Investor Update
18 February	confirm go-live date, implementation plans, impacts, effective date for rule changes T+2 Market Implementation Group webinar ASX Notice Listed@ASX Compliance Update T+2 web page, other media
Various	industry working groups, steering committees ASX call centre support
24 Feb – 9 March	strip ads in AFR on certain days
8 March	ASX Investor Update
End March	final message on CHES Holding Statement re T+2

5b) Implementation weekend plan

ASX release on Saturday 5 March 2016

- CHESS, various systems, no interdependencies, parallel approach
- Start 8am, expect completion around 3pm at latest, including internal post implementation checks

External checkpoint communications (via T2Settlement@asx.com.au, open conference line)

- 8am Sat 5 March start of implementation
- 1pm Sat 5 March system releases deployed, internal checks & validations in progress
- 3pm Sat 5 March all ASX checks successfully completed, ready for Monday 7 March
(expect some customers will then proceed with their own implementation)
- TBA Sat 5 –Sun 6 March confirm all known customer release / system changes successfully completed
(ASX will monitor progress vs. advised details of implementation plans)

Monday 7 March onward monitor CHESS, batch settlement, failed settlement
advise successful first batch on Monday, settlement on Wednesday

*note times are approximate, refer ASX Notice dated 18 February for more detail

5c) Post implementation

ASX will be monitoring post implementation activity to assess settlement performance and identify any opportunities to improve the framework supporting the T+2 initiative.

Monitoring activities will include reviewing:

- Participants overall settlement performance including:
 - Fails
 - Matching
 - Payments
- Participants system performance
- Participants performance with the Automatic Close out obligation

In addition ASX will carry out a Post implementation review, and seek feedback from all participants on pre and post settlement performance. Participants can also continue to provide feedback through the T2 mailbox.

6) Q&A



Please use

webinar facility to post questions

We will allow 10 minutes in the agenda for questions and answers



Thank you

