



12 March 2019

By email to: Clearing & Settlement Participants

Re: CHES Replacement System Access Pricing

I am writing to you to provide details on the costs to access the CHES replacement system for clearing and settlement participants. There has been a high level of interest in understanding the pricing for the various access options for clearing and settlement participants – including direct (distributed) ledger access via a DLT Node. We know this is important to assist your decision about how your organisation will connect to the new system.

ASX has previously announced that access to the CHES replacement customer development and test environments will be made available with no ASX access charges. This note provides information about the access costs to connect to clearing and settlement services once the new system is in production. These access costs are not the clearing and settlement fees - which continue to be under development and are subject to consultation with customers. Clearing and settlement fees will not differ based on the access option(s) chosen by participants.

Flexible access options

Together, we have been working on the application of distributed ledger technology (DLT) to replace CHES. The use of a DLT-based system will provide your organisation with the option to connect directly to the new system via a node, enabling access to build or run DLT applications on real-time, synchronised, source-of-truth data. This is an innovative feature of the new platform designed to reduce costs and complexity, and facilitate new business opportunities for you.

ASX is also providing other options to access clearing and settlement services – these being the ISO 20022 global messaging standard via AMQP and SWIFT, and a web browser option for low volume, infrequent usage. These options will help minimise costs for those who need traditional connectivity options.

These options are not mutually exclusive - meaning that simultaneous connection via two or more options is possible. For example, a customer may choose to simultaneously connect via direct, ISO messaging and browser connections. Designing a new service with the needs of customers in mind has been paramount.

Direct service access and distribution

A direct node connection gives your organisation a synchronised, real-time view of its data. Direct node connections can be used to connect your organisation to new services developed by ASX and by third parties over time. Moreover, direct node connections can empower your organisation to develop its own services for distribution across ASX's DLT infrastructure. The ability of the new technology to create growth opportunities for its universe of users is one of its key attractions.

Access pricing

The pricing model for clearing and settlement participants to access the CHES replacement system to acquire ASX's clearing and settlement services in production is as follows:

1. **Direct Access (via a DLT Node):** Provide for FREE for three years from the go-live date, a managed Direct Access service (connected via a DLT node). See Notes below.
2. **AMQP 1.0:** Provide for a monthly per user access session fee of \$495, connectivity via AMQP 1.0 protocol for ISO 20022 XML messaging. See Notes below.
3. **SWIFT InterAct:** Provide for cost plus an administration fee, connectivity via the SWIFT InterAct service for ISO 20022 XML messaging, noting that:
 - a. ASX-incurred SWIFT-related infrastructure uplift costs will be passed through to participants who choose the SWIFT connection option. This infrastructure uplift cost will be divided equally among the number of participants choosing this option and charged at go-live. See Notes below.
 - b. ASX-incurred SWIFT message-related costs for managing and sending messages over SWIFT InterAct will be passed back to the participant using this connection option. This is an equivalent commercial treatment to ASX Austraclear's SWIFT charging model.
4. **Web Browser:** Pricing details for the use of the web browser option in production will be determined and made available for the Industry Wide Testing (IWT) phase of the project.

While ASX encourages adoption of the Direct Access (via a DLT Node) model because we believe it will deliver the most benefits to customers and the industry overall, we appreciate the importance of giving customers choice of access options and continuing to work closely with them to address their needs as we move to replace CHES.

Service hosting and distribution pricing

The pricing model for Direct Access (via a DLT Node) for the purpose of hosting and distributing DAML-based application services is being developed. These charges will aim to encourage innovation through the adoption of DLT and be developed in consultation with service providers, which can include participants.

Further information

Should you have any questions please contact the CHES Replacement team on CHESReplacement@asx.com.au or 02 9227 0159.

Yours sincerely,

Cliff Richards | Executive General Manager

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Notes:

Direct Access

- One production primary and one secondary (DR – disaster recovery) session connection.
- Direct Access pricing beyond the three-year free access period will be discussed with participants no later than 12 months prior to the expiry of the fee-free period.
- ASX Net or ALC cross connect connectivity is required*.

AMQP 1.0

- One clearing and settlement participant AMQP user access session includes one user with one transaction queue pair (send/receive) and one reporting queue pair (send/receive).
- ASX Net or ALC cross connect connectivity is required*.

SWIFT Interact

- Participants connecting via SWIFT Interact after the go-live date may be charged a set-up and connection fee to access this service.

* Fees for ASX Net are found at www.asxonline.com/content/dam/asxonline/public/documents/schedule-of-fees/asx_016046.pdf
