

Minutes

ISO 20022 Technical Committee Meeting

Date	Tuesday, 27 August 2019	Time	3.00pm – 5.00pm
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Location	ASX Offices – Level 1, 20 Bridge Street, Sydney and via webinar
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1. Welcome, Agenda

2. Minutes from last meeting, open actions

3. Matters for Consideration (Business and Technical Matters)

- a) Focus Group update – Corporate actions
- b) Review of member feedback on published ‘to-be’ messages
- c) Collateral removal
- d) Transfer of novated equities transactions (Give-Ups)
- e) ‘To-be’ messages for review

4. Standing agenda items

- a) CHES Replacement project update by ASX
- b) ISO 20022 project update by ASX
- c) Update from Business Committee

5. Next meeting - Tuesday 1 October 2019 - Sydney

Technical Committee Members

Company	Name	Job Title	Apologies
Advanced Share Registry Limited	Frances Sumich	Accounts Manager	
Australian Payments Network Limited	Andy White	Chief Executive Officer	Apology
Australian Payments Network Limited	Paul Creswick	Security Standards Manager	
Bank of America Merrill Lynch	Andree Hindmarsh	Head of GMOT Australia	
Bank of America Merrill Lynch	Jimmie Alam		
Bell Potter Securities	Dean Surkitt	Managing Director Retail	
BNP Paribas Securities	Penelope Stafford	Manager Settlements	
BNP Paribas Securities	Wayne Murphy	Project Manager	
Boardroom Limited	Tony Robinson	Senior Software Engineer	
Boardroom Limited	Michael Mullins	CIO	
Broadridge (Australia)	Manoj Mathew	Business Analyst	
Broadridge (Australia)	Mabel Chow	Development and Support Manager	
Broadridge (Australia)	Tomas Kliman	Senior Project Manager	
Broadridge (Australia)	James Marsden	APAC Business Development & Strategy	
Broadridge (Australia)	Andy King	Product Specialist	
Broadridge (Australia)	Anil Wali	Product Specialist	
Broadridge (Australia)	Alok Ranjan	Technology Specialist	
Broadridge (Australia)	Beverley Chatterton	Senior Business Analyst	
Broadridge (Australia)	Richard Widjaya		
CBA Equities	Carolyn Webb	Test Manager	
CBA Equities	Ben Lowe	Manager Settlements	
Chi-X Australia	Mike Aikins	Head of Solution Development	
Chi-X Australia	Suketu Adhvaryu	Senior Solution Architect	
Citicorp	Miles O'Connor	Director, Direct Custody & Clearing Securities Markets & Securities Services	
Citicorp	Andrew Gibson	Director – Head of Direct Custody and Clearing Australia & NZ	

Company	Name	Job Title	Apologies
Citicorp	Brett Dennis	Head of Operations – Party Clearing	
Citicorp	Lyall Herron		
Citicorp	Janice O’Brien	Markets & Securities Services Technology	
Citicorp	Matthew Warner		
Citicorp	Ashok Kumar Balusa		
Citicorp	Glenn Pahilan		
Citicorp	Stephen Rylands	Product Manager	
Citicorp	Pradeep Pandian		
CMC Markets Stockbroking	Nikola Vanstan	Change Manager	
Computershare	Paul Walton	Senior Manager, Corporate Actions & New Business Development – Investor Services	
Computershare	Leanne Bailey	Senior Business Analyst Product & Innovation	
Computershare	Laik Tan		
Computershare	Carl Christensen	Senior Project Manager	
Computershare	Nicki Priem	Projects Manager, Technology Services	
Deutsche Securities	Kevin Novini		
Digital Asset	Fil Mackay	Senior Product Architect	
Digital Asset	Daniel Begley	Business Development & Strategic Partner Director	
FinClear Technology	Craig Gray	Product Manager – Australia and NZ	
FinClear Technology	Nikki Gleisner	Account Manager	
FinClear Technology	Allan Morris		
FinClear Technology	Craig Day		
FinClear Technology	Ravinder Jabbal		
GBST	Sue Schafer	Product Owner	
GBST	Khanh Le	Systems Architect	
GBST	Valter Di Girolamo	Senior Business Analyst	
Goldman Sachs	Josh Rice		
Goldman Sachs	Nidhi Luthra		

Company	Name	Job Title	Apologies
Goldman Sachs	Kenichi Shirasuna		
Goldman Sachs	Calvin Lo		
HSBC Securities Services	Gregory Wilkin	Head of HSBC Operations	
HSBC Securities Services	Salih Kulic	Manager Custody	
HSBC Bank Australia Limited	Michael Macintosh	Senior Client Account Manager, Global Liquidity and Cash Management	
HSBC Bank Australia Limited	Anna Fratini	Senior Product Manager – High Value Payments, Clearing and Financial Institutions,	
HSBC Bank Australia Limited	Phyllis Yeung	Senior Analyst	
HSBC	Herman Wong	Manager, Change Management & Delivery	
HSBC	Edmond Chan	Senior IT Development Manager	
HSBC	Cherrie Xu	Head of IT Securities Service	
HSBC	Asri Asat	Optimisation Manager, Securities Service	
HSBC	Chang Gao	Business Consultant	
JP Morgan	Ed Lawson	Settlements Manager	
JP Morgan	Danny Ng	Middle and Back office AD Manager	
JP Morgan	Scott Oakland	Direct Custody Product Manager Australia	
JP Morgan	Ned Miglez		
JP Morgan	Daniel Smith	VP, Network Management	
JP Morgan	Lesley Henderson	Technology Product team	
Link Group	Ian Batterham	Business Applications Architect	
Link Group	Stephen Dear	Project Manager	
Macquarie Group	Paul Bragg	Senior Manager Equities Clearing ANZ	Apology
Macquarie Group	Merrilyn Auton	Manager Operations	
Morgans Financial	Matt Neubauer	Team Leader, Service Management Team	
Morgans Financial	Ed Strike	IT Manager	
Morgan Stanley	Dorothy Wilson	Executive Director, Morgan Stanley Wealth Management, ISG Technology	
Morgan Stanley	Kirsty Venters	VP, Prime Brkrgr Funding & Fin Tech	

Company	Name	Job Title	Apologies
Morgan Stanley	Oscar Dela Cruz		
Morgan Stanley	Andrew Fielder		
Morgan Stanley	Gordon Davies	VP/Firmwide Ops	
Morgan Stanley	Andrew Sime		
Morgan Stanley	Emily Krezlewski	Operations	
NAB Asset Management	Suresh Chinnappa	Senior Manager ASO Process Enhancement	
NAB Asset Management	Mark Zahorjanski	Lead Overnight Custody Support	
National Stock Exchange	Yemi Oluwi	Head of Technology	
Nomura Research Institute	John Ryan	Senior Consultant	
Nomura Research Institute	Ashish Jha		
Nomura Research Institute	Sayantana Majumdar	Chief Manager, Business Solutions	
Nomura Research Institute	Diptesh Chakraborty	Solution Architect	
Northern Trust	Yen Pan Chung	Senior BA, Market Advocacy and Innovation Research	
Northern Trust	Pawel Kalbrun		
Northern Trust	Tracey Murphy		
Securitease	Anton Smith	Director	Apology
Securitease	Chris Werry	Business Analyst	
Securitease	Angela Losurdo	Business Systems Analyst	
Securitease	David Hinkley	General Manager	
Securitease	Joanne Gresslehner	Project Manager	
Share Investing	tbc		
SWIFT Standards	Nicole Jolliffe	Senior APAC Standards consultant	
Sydney Stock Exchange	Leo Zhang	Manager – Market Control	Apology
Sydney Stock Exchange	Omar Obol	Market Control Officer	
Sydney Stock Exchange	Antony Tolfts	Listing Director	
Third Party Platform	Lindsay Grugeon		
UBS	Phillip Drury	Phillip Drury, Executive Director, Equities IT	
UBS	Neil Martin	IT – Project Management	
Wealthhub Securities	James Channon	Manager, Capital Markets Trading	
Wealthhub Securities	Alona Ma	Associate – Broking Operations Specialist	

Company	Name	Job Title	Apologies
Wealthhub Securities	Sandeep Samireddy Gari		

ASX Management

Name	Job Title	Apologies
Tim Hogben	Chief Operating Officer (Chair of the Technical Committee)	
Gary Hobourn	Senior Economic Analyst, Regulatory and Public Policy	Apology
Con Korkofigas	Senior Legal Counsel and Senior Manager	
Tegan Jones	Senior Legal Counsel	
Rohan Cush	Senior Legal Counsel	
Adriana Wild Taylor	Legal Counsel	Apology
Cliff Richards	Executive General Manager, Equity Post Trade Services	Apology
Katie McDermott	General Manager, Equity Post Trade Services	
Karen Webb	Senior Manager, Equity Post Trade Services	
Russell Eyre	Enterprise Architect	Apology
Anne-Marie Fisher-Taylor	Project Subject Specialist	Apology
Richard Sherbinski	Project Subject Specialist	
Fraser Moodie	Manager, Integration and Connectivity, CHES Replacement	Apology
Frederik Van den Weghe	Head of Product, Equity Post Trade	
Chris Boyes	Lead Business Analyst, Equity Post Trade	
Priscilla Ferri de Barros	Lead Business Analyst, Equity Post Trade	
Sachin Zope	Senior Business Analyst, Equity Post Trade	

The meeting commenced at 3.05pm.

AGENDA ITEM 1: AGENDA OVERVIEW

The Chair welcomed Technical Committee members to the meeting, including members attending by webinar.

The Chair outlined the Agenda for the meeting, referring to the presentation slides prepared by ASX.

AGENDA ITEM 2: MINUTES FROM LAST MEETING, OPEN ACTIONS

The Chair noted that the minutes from the last meeting held on 23 July 2019 had been finalised, with no comments received. The minutes had been distributed and published on the CHES Replacement web page.

The Chair noted the outstanding actions from the last meeting as outlined on slide numbers 5 to 7 of the ASX presentation.

Action item 20 was for ASX to provide a proposed plan for the remaining training webinars. The Chair noted that ASX would be guided by committee members as to the appropriate timing and content, and there had been no recent feedback on this item. **This item remains on hold.**

Action item 62 part 3) was for ASX to consider the visibility of holding locks to issuers on an intra-day basis. The Chair confirmed this action would be carried forward. **Part 3) of this item remains open.**

Action item 84 noted that ASX will not provide backwards compatibility, but will evaluate how to provide better transparency on substantive changes. At the 25 June 2019 meeting members were requested to provide feedback on commonly used fields they believe are relevant and substantive for ASX to consider how it could provide better visibility on these standard field length and other characteristics, and the Chair advised that ASX had received no feedback, and this part of the action was closed. At the 23 July 2019 meeting, an additional action was noted for ASX to provide clarity on the reason behind the unit quantity field change, and advise whether it would include decimal values. The Head of Product, Equity Post Trade acknowledged feedback ASX had received around downstream reporting requirements, and advised that each member needed to consider their own downstream integration in the context of ASX's specified unit quantity field length of 18 characters. A member noted the downstream issues were larger than their own in-house systems, citing ATO reporting requirements, which they suggested many other members would also have, and asked what the solution was for the wider group/industry. The Head of Product, Equity Post Trade reiterated his earlier comment that ASX was following the implementation of ISO 20022. The Chair sought clarification whether the member was suggesting the ATO had advised the move to field length of 18 characters would be problematic for them. The member clarified they had not received that specific advice, rather it was an example of the wider implications of the change. The Chair confirmed that ASX would liaise with ATO to work through this point (whether ASX's proposed field size would be problematic for them), and members were invited to advise ASX of any further external regulatory reporting requirements for consideration, specific to each asset class (**Matters Arising 1 – Action Item 94**). On the matter of decimal places, the Chair confirmed use in the context of ASX's mFund service, and the member noted that they sought written confirmation whether decimal places would be used for equities. The Head of Product, Equity Post Trade confirmed that decimal places would not be used for equities (at present), and the schema would be asset class agnostic. **Action item 84 was closed.**

Action item 85 was for ASX to consider inclusion of investor identity (HIN) to allow a validation pre change of controlling participant transfer. At the previous meeting the Chair requested members provide specific feedback regarding mismatches, including statistics on the frequency and where mismatches occur and pose a risk – and otherwise ASX would leave the solution as is. The Chair advised that ASX did not receive any feedback, and **this item was closed.**

Action item 88 was for ASX to provide details of the draft T2S messages it intended to use. The Senior Manager, Equity Post Trade Services provided an update with reference to ASX presentation slide number 8 – showing current known T2S messages in scope for mapping is estimated to be 4 messages (2 for SRN enquiry which the committee had already seen, 1 for code change and 1 for security detail). This is significantly fewer than the 25 draft T2S messages earmarked by ASX in the past. A member raised the lack of visibility over how certain it is that these messages will proceed, and

noted the members do not have the full landscape, rather only see messages each month. The Senior Manager, Equity Post Trade Services confirmed that ASX's forward view was as per ASX presentation slide number 8. **This item was closed.**

Action item 89 was for ASX to consider how it can make the document it publishes capturing member feedback via MyStandards and ASX's responses more user-friendly, including to investigate whether it could be published or emailed as an excel file instead of a PDF. The Senior Manager, Equity Post Trade Services confirmed that soon after the last meeting ASX commenced publishing comments it received via MyStandards, along with ASX's responses, in both PDF and excel. The change was communicated to members directly, and ASX would publishing both formats on ASX's website going forward. **This item was closed.**

Action item 90 was for ASX to confirm the ReferencePoint products that include takeover offer information. The Head of Product, Equity Post Trade advised that in a recent Focus Group ASX proposed tying corporate actions related event information as generated via ReferencePoint to the event setup in CHESS. This was specifically to support elections and entitlement take-ups. ASX proposed CHESS Replacement would use the event type code, event ID, underlying security codes, option IDs and option types as published in ReferencePoint, and that ASX would move away from the 6 character takeover ID that is currently being used. The Senior Manager, Equity Post Trade Services added that where some data was not available in ReferencePoint (such as takeovers, which are not in the E34 file), ASX would provide a market notice containing the relevant details (as it currently does). For details that are currently provided via ReferencePoint, in the future these will be contained within the ISO 20022 product. A member asked whether ASX would use numeric takeover codes, as opposed to the current codes that contain numbers/letters and have a meaning embedded within them, and ASX confirmed numeric takeover codes would be used. **This item was closed.**

Action item 91 was for ASX to provide an update on the status of work being progressed as Business-As-Usual regarding enforcement of turnaround times on the participant side for takeover acceptances. The ASX Senior Legal Counsel and Senior Manager noted ASX had released an update on this topic the day before in the CHESS Replacement project newsletter, and advised that since then ASX had received confirmation from ASIC to formally lodge the rule amendments. The Senior Legal Counsel and Senior Manager reminded the committee that coming out of the industry working groups in 2017 and ASX's 2018 consultation paper, there were two aspects to the rule change related to enhancement of takeover offer processing. The first was around extending the indemnity controlling participants provide to (amongst others) issuers, holders, and bidders if they reject a message received from a participant bidder, in relation to a holder's acceptance provided directly to the bidder, so that it also applies if there is neither an acceptance nor a rejection of that message by the controlling participant. This is because a lack of acceptance of the message practically has the same outcome as a rejection – it doesn't get processed and the securities do not get placed into a takeover sub-position. ASX is proceeding with that change, in the manner identified in its 2018 consultation paper. The second element of the rule changes involved an obligation on a controlling participant to use reasonable endeavours to seek holder instructions once they receive a participant bidder-initiated message. Having regard to the feedback ASX received from its 2018 consultation paper and subsequent consultation with stakeholders, the Senior Legal Counsel and Senior Manager advised that ASX would not proceed with that change, as the industry feedback was that the change could result in further uncertainty and potentially increase the number of rejections, which would be contrary to the rationale for the change. On the first element, which is proceeding, ASX had some logistics to complete prior to formal lodgement with ASIC, after which ASX would publish the rule amendments. The anticipated go-live date was in approximately one month. A member asked when they would see the amendments, and the Senior Legal Counsel and Senior Manager confirmed that ASX would publish the amendments once they had been formally lodged with ASIC. **This item was closed.**

Action item 92 was for ASX to consider whether a seev_036 base message could be used in place of pldg_303_semt_015 for confirmation of the bid finalisation trigger. The Senior Business Analyst, Equity Post Trade thanked the member for the suggestion, and advised that ASX had considered this feedback and decided to proceed with mapping the confirmation of the bid finalisation trigger to seev_034 (an existing message the committee had already seen), not the seev_036 which is a confirmation message. The change would be published in the next release of technical documentation. **This item was closed.**

Action item 93 was for ASX to consider whether the field 'Accepted for Further Processing' in evnt_743_seev_043 should use AUTH for pending, or whether another code would be better suited. The Senior Business Analyst, Equity Post Trade advised that upon further consideration a more appropriate reason code is PEND (an ISO code used for pending), and the corrected message would be published in the next release of technical documentation. **This item was closed.**

AGENDA ITEM 3: MATTERS FOR CONSIDERATION

a) Focus Group update – Corporate actions

The Head of Product, Equity Post Trade noted that ASX held the third focus group on corporate actions related matters on 13 August 2019, where ASX walked through its proposed solution for a consolidated, ISO-compliant messaging set that allows corporate action elections for scenarios including: dividends (cash, DRP and BSP), rights issues (renounceable, non-renounceable and accelerated), share purchase plans, off-market takeovers, equal-access buybacks, and any additional events which use the takeover facility today. It was a productive meeting that generated valuable feedback, with key takeaways for ASX to consider. These takeaways included consideration of how foreign cash would be treated (whether it should be considered an election option), and whether a fourth focus group is required. Some retail focused customers also requested further consideration of ASX's design proposal such that it better suited their business model. To address that, ASX held an additional meeting with retail focused customers on 26 August to further understand their requirements and issues with ASX's proposed solution. Regarding the suggestion of an additional, fourth, focus group on corporate actions related matters, the Head of Product, Equity Post Trade confirmed that ASX was waiting for the feedback window to close on 30 August, to consider the feedback it received, prior to deciding whether a fourth focus group meeting was required.

The Head of Product, Equity Post Trade noted that another focus group was held that morning, a standing focus group with payment providers via the quarterly ESPPSC forum, where ASX continued its conversation on Real-Time Gross Settlement (RTGS).

The next focus group was scheduled for 17 September, on mFunds.

The Chair added that ASX has been meeting and working closely with the Reserve Bank of Australia (RBA) on CHES Replacement payment topics. The Head of Product, Equity Post Trade noted that since the last Technical Committee meeting ASX had formalised its request to the RBA to commence the necessary work on batch settlement (ASX and RBA's RITS interacting over ISO 20022) and RTGS (ASX and RBA's RITS also interacting over ISO 20022). The RBA had foreshadowed that for payment providers, connectivity to RITS would likely be using the existing format (i.e. not ISO 20022), due to timeframe pressures for ASX's go-live. In terms of the pre-live testing environments, ASX would advise in due course how this will work for payment providers.

b) Review of member feedback on published 'to-be' messages

Referring to ASX presentation slide number 11, the Senior Business Analyst, Equity Post Trade provided an overview of feedback received regarding the messages presented at the 23 July 2019 meeting covering takeover and buyback, and collateral creation. On the takeover and buyback messages, comments on 6 guidelines were received from 4 members, with one change to the base message mapping for the bid finalisation process message (pldg_303_semt_015 message was replaced by evnt_743_seev_034). On the collateral creation messages, comments on 4 guidelines were received from 3 members, with no resulting changes to the schemas.

The Senior Business Analyst, Equity Post Trade also confirmed the outcome of ASX's review of the mapping for CHES EIS 146 message, as part of the batch settlement suite. Based on member feedback ASX had changed the ISO base message for sett_136 from sese.025 to semt.002. The replacement message would be included in the messages published for member review.

c) Collateral removal

Referring to ASX presentation slide number 12, the Lead Business Analyst, Equity Post Trade provided an overview of the collateral removal process (i.e. when a participant requests removal of cash equities collateral used to cover margin

obligations for Exchange Traded Options (ETOs) positions and Cash Market Margins (CMM)), highlighting key changes in the new system.

Referring to ASX presentation slide numbers 13 and 14, the Senior Business Analyst, Equity Post Trade provided an overview of the current CHES EIS messages and the ISO 20022 equivalents. The Senior Business Analyst noted that 30 unique messages were consolidated into 6 ISO messages (4 messages the committee had already seen at the last meeting, and 2 new messages).

Referring to ASX presentation slide numbers 15 to 19, the Senior Business Analyst, Equity Post Trade then walked through the usage of the 6 ISO 20022 messages in business flows for collateral removal for CMM (i.e. where the controlling participant is the clearing participant), collateral removal for ETO (i.e. where the controlling participant UIC is different to the clearing participant), an ASX Clear initiated collateral removal, and finally a collateral release and transfer (where ASX Clear is claiming collateral in the event of a default, which results in a transfer of units in CHES). Concerning the flow for ASX Clear initiated collateral removal, the Chair asked members where the flow is initiated by ASX Clear and taken out of the holding, practically what happened after then from the vendor/participant side. A member confirmed the participant received a notification (via market notice) from ASX that the collateral is no longer acceptable, and they would then look at the client's account to deduce whether they needed to move additional collateral into the client's account or were happy with what was in the account, i.e. there was a period of pre-warning of the need to potentially replace collateral.

Referring to ASX presentation slide numbers 20 to 21, the Senior Business Analyst, Equity Post Trade stepped through specific examples of the field level mapping for pldg_301 message (intra position movement instruction). A member asked how a user could identify whether a pldg_301 applies to ETO or CMM. The Senior Business Analyst, Equity Post Trade confirmed an identifier was included in the message – Securities Sub Balance Identification – populated with ETOC or CMMC. The member asked if a settlement participant erroneously initiated a collateral placement with the wrong code type (e.g. CMM), would CHES perform a validation and reject it because that settlement participant is not permitted to place collateral for CMM (because they are not a clearing participant). The Senior Business Analyst, Equity Post Trade confirmed that was correct.

Referring to ASX presentation slide numbers 22 to 26, the Senior Business Analyst, Equity Post Trade stepped through specific examples of the field level mapping for pldg_302 (intra position movement status advice), pldg_303 (intra position movement confirmation) and pldg_305 (collateral release confirmation).

d) Transfer of novated equities transactions (give-ups)

Referring to ASX presentation slide number 27, the Lead Business Analyst, Equity Post Trade provided an overview of give-ups of market trades. Give-ups are new functionality ASX is introducing to allow obligations under novated equity transactions to be transferred between clearing participants on the trade execution date (T) and prior to netting (which generally occurs on the night of T), to assist in better managing market disruption.

Referring to ASX presentation slide number 28, the Lead Business Analyst, Equity Post Trade stepped through the list of messages for give-ups, noting there was no current EIS equivalent and all 4 ISO 20022 messages are draft new messages created by ASX, for which ASX would soon raise a business justification to the registration authority. The Lead Business Analyst, Equity Post Trade added that the benefit of ASX creating the draft new messages for give-ups is that the messages will meet our market's needs.

Referring to ASX presentation slide numbers 29 and 30, the Lead Business Analyst, Equity Post Trade explained how the draft ISO 20022 messages were used in the flow for a give-up request and a give-up cancellation request.

The Lead Business Analyst, Equity Post Trade then stepped through specific examples of the field level mapping for the sett_124, sett_127, sett_125 and sett_126 messages, referring to ASX presentation slide numbers 31 to 36. The Chair asked the ASX representatives what the timing would be for a give up request on the trade execution date, prior to netting. The Project Subject Specialist confirmed ASX had received feedback from participants around timetables, and

participants are concerned about SLAs with their customers. ASX was continuing this discussion with participants. For a gross market trade which has been novated but not netted, it could be given-up up until the morning of settlement day, but that may not benefit the participant because they would not get any relief on CMM. A member asked whether it would be aligned with ETO functionality. The member requested clarity on the original use case this functionality was intended for, and why it is not being aligned with current ETO. The member's organisation was questioning whether they would use the function given they cannot re-coup brokerage on the original message. The Senior Legal Counsel and Senior Manager noted feedback around avoiding a large transaction completely exhausting a small/medium sized participant's resources, and taking that exposure which is potentially very risky to that participant and moving it to another clearing participant. The member stressed that if they were giving-up a transaction they would want to re-coup some brokerage on the transaction they had executed, as well as aligning the functionality between known functionality in ETOs to this functionality being discussed. The Project Subject Specialist clarified that in an ETO product the client is known to ASX, so commission can be passed across, and it goes into the excess shortage report that goes to the clearer of a client, but because an equity is not the same as an ETO, and it is not just a cash payment, it is also a delivery, booking and client contract note, the give-up functionality is about mitigating risk and CMM as a clearing participant, not servicing a client. The member suggested there would be a contract note at the end from the broker who made the give-up, which the Project Subject Specialist confirmed was correct. The Chair noted the question around where the contract note is generated, and the Project Subject Specialist confirmed the brokerage could not be passed on in the same manner as an ETO.

e) 'To-be' messages for review

Referring to ASX presentation slide number 37, the Lead Business Analyst, Equity Post Trade noted that the messages discussed today for collateral removal and give-ups would be published the next day. ASX would also publish the replacement settl_136 message.

AGENDA ITEM 4: STANDING AGENDA ITEMS

a) CHES Replacement project update by ASX

Referring to ASX presentation slide number 39, which sets out project milestones, the General Manager, Equity Post Trade Services reported that the project continued on track. A significant upcoming milestone was the release of the third drop of code in the customer development environment (CDE3), which would be released on Friday 30 August, and would include features used by clearing and settlement participants, as well as share registries, including: account and holder creation; netting and reversal; participant to/from issuer sponsored transfer; participant to/from issuer sponsored conversion; and SRN enquiry. The new drop of code would necessitate a refresh of the CDE, and those connected to CDE would receive direct communication from ASX regarding the timing of the refresh.

ASX released the fourth tranche of technical documentation on 31 July (for CDE code drop 4 in October), covering: batch settlement; settlement instruction management; change of controlling participant; and updated documentation for corporate actions.

The General Manager, Equity Post Trade Services noted ASX had released its third CHES Replacement project newsletter the day before this meeting – a regular, collated summary on project progress, stakeholder engagement activities and latest news. Any members who were not receiving the newsletter, and would like to, were advised to email CHESReplacement@asx.com.au.

Earlier that month ASX published on its website an announcement around SWIFT Reverse Billing, noting ASX would waive ASX infrastructure uplift costs for users choosing SWIFT and make SWIFT reverse billing method available for CHES Replacement ISO 20022 messaging – once it had confirmed contractual arrangements with SWIFT.

ASX also issued a media release the day before the meeting announcing that ASX, Digital Asset (DA) and VMware were joining forces on DLT. VMware is a New York Stock-Exchange listed server visualisation and cloud computing software

provider, and is already a vendor of ASX and many other industry members. ASX, DA and VMware had signed a three-party MoU to work together on DLT initiatives in Australia and New Zealand. The General Manager, Equity Post Trade noted it was a very positive development for ASX, and the first application to use it will be CHESSE Replacement, but the door is open for further use of DLT as well as aligning with DA's ability to function across multiple different providers of ledgers.

A member enquired about the timeline for production-like environment testing (which they noted had appeared in a previous ASX timeline), and whether the Industry Wide Testing (IWT) environment would be open to all participants for the whole period, or whether there would be cycles/windows for specific participants only. The General Manager, Equity Post Trade Services advised that ASX was currently working through the strategy for the implementation and transition stream, and ASX would hold the next meeting for that working group in the next month or so. The meeting would lay out the strategy for what will happen and detail what is meant when ASX says IWT. The member confirmed that information would be extremely helpful for their project planning.

A member asked when the content (forward view) of the remaining code drops would be released, noting this was committed to at the previous meeting. The Head of Product, Equity Post Trade confirmed it was in the process of being finalised to ensure the published information is of high fidelity, and ASX would be in a position to publish it within a few weeks. The General Manager, Equity Post Trade Services added that whilst it was important that what ASX published was of high fidelity, the forward work plan was, however, tentative in the sense that it is subject to the feedback cycle with focus groups and this committee.

b) ISO 20022 project update by ASX

The Senior Manager, Equity Post Trade Services provided an update on the ISO 20022 project. Topics in progress for 'to-be' mapping included settlement, transfer of novated equity transactions between clearing participants (give-ups), holding adjustment, corporate actions, mFund, reports, collateral, and takeover and buyback. ASX had been working with the SWIFT standard team on development of the new messages for give-ups.

On the global ISO 20022 engagement front, ASX had continued to join the monthly meetings of the ISO 20022 Securities Standards Evaluation Group (SEG), with the last meeting held the previous evening. Potentially of relevance to CHESSE Replacement and this committee is a current business justification by UK Funds Market Practice Group to create 3 new messages in the investment funds area. The T2S Evaluation Team had been on break for a few months, with the next meeting in September reviewing intra balance messages (which ASX did not have a specific interest in).

Regarding ASX's Business Application Header (BAH) request which has been submitted, ASX had no further updates since the last meeting, but noted its expected timeframe for completion by the end of this year.

The Senior Manager, Equity Post Trade Services noted ASX's business justification for 13 new messages had been approved and an additional justification was to be prepared to cover the new give-up messages, with ASX considering when it would submit for review.

The Senior Manager, Equity Post Trade Services referred to ASX presentation slide number 41, which demonstrated the progress with in scope EIS 'as-is' messages (a total of 420 messages) covered in 'to-be' drops (114 EIS equivalent messages as at end August 2019) as well as additional drafts shared with this committee (an additional 64 EIS equivalent messages). Combined, progress was at approximately 42% completion, and given the amount of consolidation occurring this completion rate would increase swiftly from here.

c) Update from Business Committee

The Chair advised that the Business Committee had not met since this committee last met. The next meeting was scheduled for 19 September 2019, with the anticipated agenda including updates on ASX's Corporate Actions Straight Through Processing (STP) Phase 2 project, a CHESSE Replacement project update, a presentation on the nature of innovations and associated industry benefits that can flow from the application of DLT, and reports on Cash Equities Clearing and Settlement per Regulatory Expectations.

AGENDA ITEM 5: NEXT MEETING

The Chair thanked members for their contributions to the meeting and noted the actions from the meeting.

The next meeting would be held on 1 October 2019 in Sydney, with the agenda to be confirmed.

The Chair noted that a future meeting date had changed (29 October meeting moved to 1 November), and three additional meetings had been scheduled for 10 December 2019, 28 January 2020 and 25 February 2020.

The meeting closed at 4.40 pm.

Signed as a correct record of the meeting.



Technical Committee Chair

20/9/2019.

Date

ACTION ITEMS

No.	Meeting Date	Open Action Items	Owner	Due Date
20	2 May 2017	Provide details of a proposed plan including potential topics for the remaining training webinars for feedback, standard training provided by SWIFT, and including identification of business vs. technical topics.	ASX	On hold
62	4 Sep 2018	ASX to review <ol style="list-style-type: none">1. the intended timing for housekeeping of unmatched messages, any standardisation opportunities for timing. (this item was closed, given related action item #79 was also closed)2. whether settlement requests could be future dated. (this item was closed – ASX response that future dating would not be supported)3. ASX would also consider the visibility of holding locks to issuers on an intra-day basis.	ASX	1 Oct 2019
94	27 Aug 2019	ASX to liaise with ATO to confirm whether ASX's field size for unit quantity will be acceptable for industry participant reporting. Members to advise ASX of any further external regulatory reporting requirements for consideration, specific to each asset class.	ASX/Members	1 Oct 2019

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1	13 Dec 2016	Amend the Charter to reflect that the Chair “will” (instead of “may”) forward copies of the minutes to the Business Committee for endorsement. ASX to publish and distribute final Charter.	ASX	13 Dec 2016
2	13 Dec 2016	Provide members with information on how to access SWIFT MyStandards.	ASX	14 Mar 2017
3	13 Dec 2016	Provide members with an overview of ISO 20022 training options.	ASX/SWIFT	7 Feb 2017
4	7 Feb 2017	Provide members with list of current scope of messages for detailed mapping during first half 2017.	ASX	14 Mar 2017
5	7 Feb 2017	Schedule training webinar for the attendance by members and seek and review feedback after the initial webinar.	ASX / SWIFT	14 Mar 2017
6	7 Feb 2017	Add link to relevant ISO 20022 information websites to the CHES Replacement web page.	ASX	14 Mar 2017
7	7 Feb 2017	Provide more details on access to online education available at swift.com.	SWIFT	14 Mar 2017
8	7 Feb 2017	Provide members with the current list of Market Identification Codes (MICs)	ASX	14 Mar 2017
9	7 Feb 2017	Provide members with more information on the use of BIC vs. UIC as the party identification code.	ASX / SWIFT	14 Mar 2017
10	7 Feb 2017	Market Operators to advise the preferred MIC to be presented in trade related messages as the “Place of Trade”.	ASX, Chi-X, NSX, SSX	6 Jun 2017
11	7 Feb 2017	ASX to conduct analysis on whether the identification of a financial instrument is a fixed value or true value of the proprietary code issuer.	ASX	14 Mar 2017
12	7 Feb 2017	Provide list of proposed code (i.e. condition or BOM) in ISO 20022 format (4 character) mapped against CHES codes.	ASX	14 Mar 2017
13	7 Feb 2017	Add a general CHES Replacement update to the standing agenda for meetings.	ASX	14 Mar 2017
14	7 Feb 2017	Check the next Technical Committee meeting date planned for March and advise members of any change.	ASX	14 Mar 2017
15	14 Mar 2017	Schedule future agenda item to discuss transition arrangements, including any changed values (e.g. party identifiers).	ASX	2 May 2017
16	14 Mar 2017	Create register of matters that may impact upstream, downstream systems or processes, including codes, identifiers and ISO 15022.	ASX	2 May 2017
18	14 Mar 2017	ASX to draft procedures for change requests to usage guidelines and code lists.	ASX	2 May 2017
21	2 May 2017	Provide a list of standard training topics to share. Noted this action item is combined with action item 20.	SWIFT	6 Jun 2017
22	2 May 2017	Provide members with a copy of the presentation material from the trial training webinar held on 27 April 2017.	ASX	6 Jun 2017

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24 2 May 2017	Resolve issue with Comments function on MyStandards and advise members when fixed.	ASX/SWIFT	6 Jun 2017
25 2 May 2017	Provide samples of the proposed consolidation and rationalisation scenarios for EIS 138 and EIS 134.	ASX	6 Jun 2017
26 2 May 2017	Provide proposal to broaden the engagement and method to seek feedback on key concepts such as consolidation/rationalisation.	ASX	6 Jun 2017
27 6 Jun 2017	Publish list of comments received on MyStandards with ASX responses regularly, around the time of each meeting.	ASX	18 Jul 2017
28 6 Jun 2017	Re-publish ISO 20022 equivalent of EIS 138 with corrected default value INFO for issuer of financial instrument code.	ASX	18 Jul 2017
29 6 Jun 2017	Review EIS 102 mapped equivalent message with Scott Oakland, JPM – optional inclusion of HIN.	ASX	18 Jul 2017
33 6 Jun 2017	Provide a presentation of CHES EIS mapping to ISO 20022, and typical ISO 20022 flows to assist committee discussion of key topics (e.g. rationalisation, consolidation, descope of certain processes like allegement modify). ASX would also seek input from key members about the best process going forward.	ASX	18 Jul 2017
34 6 Jun 2017	Add the overview of transaction ids to the July meeting agenda.	ASX	18 Jul 2017
31 6 Jun 2017	Sample consolidated (EIS 138) and rationalised (EIS 138 and 134) messages published in the MyStandards community – in a separate collection “Sample Message Review”. Members to review and provide further comments via MyStandards, email.	Members	22 Aug 2017
32 6 Jun 2017	For Cancel/Correct & Modify, ASX recommendation revised to only do cancel/correct for bilateral modifications (and not allow modify – removal of EIS 121). ASX to contact users of EIS 121, and action remains open until all members confirmed their agreement with the recommendation.	ASX, Members	22 Aug 2017
30 6 Jun 2017	Obtain international usage comparisons on the use of UTC time format. Members to provide input from international offices where possible.	ASX, members	22 Aug 2017
35 18 Jul 2017	ASX to publish all final draft usage guidelines in MyStandards and highlight to members those usage guidelines that need their review. SWIFT to advise if a flag is available in MyStandards to indicate particular review items.	ASX, SWIFT	22 Aug 2017
36 18 Jul 2017	Provide members with details of feature in MyStandards to affirm a comment.	ASX, SWIFT	22 Aug 2017
17 14 Mar 2017	Provide further information on party identification for issuers – UIC or BIC and proposed process.	ASX	10 Oct 2017
37 18 Jul 2017	Provide comparisons to other market implementations of transaction ids.	ASX, SWIFT	22 Aug 2017

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38	22 Aug 2017	Review consistency of the application of UTC date, date and time, zulu format, and add item to upstream/downstream considerations log re the use of UTC for Trade Date confirmations from AMOs (with flow on impact to EIS 164 equivalent).	ASX	10 Oct 2017
40	22 Aug 2017	Provide list of CHES EIS messages in scope for detailed mapping during 2 nd half of 2017, including identification of descoped messages.	ASX	10 Oct 2017
44	10 Oct 2017	ASX project team to consider effective housekeeping of rights that expire worthless – and whether this could be improved.	ASX	21 Nov 2017
45	10 Oct 2017	Review recommendations put to committee in Agenda item 6c) – approach to ISO best practice exceptions and provide feedback to ASX.	Members	21 Nov 2017
46	10 Oct 2017	Review recommendation put to committee in Agenda item 6d) – inclusion of unique event id in Market Infrastructure Tx id (MITI) field.	Members	21 Nov 2017
47	10 Oct 2017	Allow for future use of Party2+ identification in messages, and ensure discussion on same point at working group meetings re business requirement.	ASX	21 Nov 2017
19	2 May 2017	Provide sample of demonstration of comparison between ISO 20022 and ISO 15022 messages.	Scott Oakland, JPM	On hold
23	2 May 2017	Further review of the ASX CHES demand reporting summary and responses to questions contained in that summary. ASX to continue review of reports and provide further candidates for descoped at meetings.	Members / ASX	21 Nov 2017
39	22 Aug 2017	Chair to contact members seeking feedback on the approach of the Technical Committee, any suggestions to improve the process.	ASX	21 Nov 2017
41	22 Aug 2017	Conduct bilateral discussions with share registries and mailing houses regarding structuring of registration details and associated static data.	ASX	21 Nov 2017
42	22 Aug 2017	Conduct bilateral discussions with share registries regarding current holding balance changes associated with corporate actions and proposed withdrawal of EIS 421.	ASX	21 Nov 2017
43	10 Oct 2017	Provide a proposed governance method for Technical Committee input to and review of all matters tabled at the Standards Evaluation Group (SEG), including any matters raised by ASX on behalf of community.	ASX	21 Nov 2017
48	21 Nov 2017	Members to review information provided in agenda item 6d) and respond to the question – was there appetite for using xml in model 1b or 2a as presented or keep the mapping 1 to 1.	Members	6 Feb 2018

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49	6 Feb 2018	ASX to confirm additional 'as-is' usage guidelines that could be published in Q2 and members to provide expression of interest in reviewing this set.	ASX	17 Apr 2018
50	22 May 2018	Digital Asset to review the NDA regarding the DAML SDK and respond to questions around one way vs. two way.	DA	26 Jun 2018
52	22 May 2018	ASX to give consideration to how it would advise users of any change to the external code lists and report back to members.	ASX	31 Jul 2018
54	26 Jun 2018	Members to review and advise ASX of any feedback on the recommendation that Transaction Date Time (<TxDtTm>) in the sett_101 message is UTC.	Members	31 Jul 2018
55	31 Jul 2018	A member asked where change requests for SR2019 would be visible. The Senior Manager confirmed ASX would send information on where to find the information. The information is also published on MyStandards.	ASX	4 Sep 2018
53	22 May 2018	Members to answer 4 questions if they are considering using a BIC as their party identification: whether they would use a new or existing BIC, whether the BIC was connected or non-connected, whether it was a BIC8 or BIC11, and if that BIC would apply to all activity for that organisation or actor, or for multiple activities. Examples would be helpful.	Members / ASX	9 Oct 2018
56	31 Jul 2018	Provide members with more information on the Corporate Actions STP Phase 2 project.	ASX	9 Oct 2018
57	31 Jul 2018	Members to review the consideration to provide a complete set of settlement obligations (net broker, gross broker - per slide #12 from 31 July presentation) and advise feedback to ASX.	Members	9 Oct 2018
59	31 Jul 2018	Share registries to share findings from study of registration details at the 4 September meeting.	Share registries	9 Oct 2018
61	4 Sep 2018	ASX to ensure coverage of possible scenarios for locking in the requirements, particularly those that are participant driven for certain reasons.	ASX	9 Oct 2018
63	4 Sep 2018	Members to review ASX's recommendations regarding changes to the sett_101 as presented in Agenda item 6d) and provide feedback by 18 September 2018.	Members	18 Sep 2018
51	22 May 2018	ASX to consider how impacted stakeholders could be engaged on the standards for registration details prior to the next meeting.	ASX	27 Nov 2018
58	31 Jul 2018	ASX to publish proposed to be messages for updates to accounts – reda_023, reda_020, reda_021 for member review.	ASX	27 Nov 2018
60	4 Sep 2018	ASX to prepare and publish a consolidated list of all actions and outcomes from Technical Committee meetings, and update after each meeting going forward.	ASX	27 Nov 2018

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64	9 Oct 2018	ASX to advise Members the confirmed date for Technical Documentation release in December, and the associated webinar details.	ASX	27 Nov 2018
66	9 Oct 2018	Members to consider any specific topics regarding settlement, holding locks for inclusion in the agenda of the upcoming Focus group and advise ASX.	Members	27 Nov 2018
67	9 Oct 2018	ASX to review level of consolidation for Unilateral and Bilateral settlement instructions usage guidelines.	ASX	27 Nov 2018
68	27 Nov 2018	ASX to provide timeframe for when session with AMOS will be held, and provide sufficient notice to AMOs regarding the agenda and opportunity for AMOs to provide input on that agenda.	ASX	8 Feb 2019
69	27 Nov 2018	Members to provide feedback on principles for adoption of ISO 20022 per agenda item 6b.	Members	8 Feb 2019
71	8 Feb 2019	ASX to review SLAs and the timing of responses to queries submitted to both the CHES Replacement and CSP Support mailboxes, including acknowledging questions where ASX may not currently have an answer.	ASX	26 Mar 2019
72	8 Feb 2019	ASX to consider an AMO's request to join ASX's CHES Replacement community in MyStandards.	ASX	26 Mar 2019
73	8 Feb 2019	ASX to setup a meeting with Registries to further discuss Transfers and Conversions, prior to the Focus Group meeting currently scheduled for 27 February 2019.	ASX	26 Mar 2019
65	9 Oct 2018	ASX to consider if information such as participant party identification and preferences would be available within the node (in addition to published) and confirm to members as part of migration activity.	ASX	7 May 2019
70	8 Feb 2019	Members to provide feedback on where they considered the principles for ISO 20022 adoption not being followed, and ASX to consider how it measures and tests its principles of ISO 20022 adoption from a cost/benefit perspective, and clearly articulate why the changes are proposed.	Members / ASX	7 May 2019
74	26 Mar 2019	ASX to note the comment around re-work on accounts and potential impact on members own circumstances and consideration of slippage. ASX to come back to the committee if any further discussion is required.	ASX	7 May 2019
75	26 Mar 2019	ASX to review and respond to committee members regarding the availability of the access fee information.	ASX	7 May 2019
76	26 Mar 2019	ASX to review the availability of access fee information beyond go live + 3 years, and requested members contact ASX directly on this matter.	Members / ASX	7 May 2019

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77	26 Mar 2019	ASX to consider information to be provided to members regarding storage, capture, access of data within CSP and pass through of data.	ASX	7 May 2019
78	26 Mar 2019	Members to provide feedback around account creation and update related messages and information, including what they would and would not find of use in messages from CSP.	Members	7 May 2019
79	7 May 2019	Members to provide feedback on the housekeeping of unmatched DvP and bilateral demand messages end of day (related to Action item 62 – item 1).	Members	28 May 2019
80	7 May 2019	ASX to consider feedback regarding transparency of changes to scope, and consider how it could better bring changes to the Committee's attention.	ASX	28 May 2019
81	7 May 2019	Vendors to provide feedback to ASX if any changes in scope or time delays start to present challenges for their build.	Vendors	28 May 2019
82	7 May 2019	ASX to confirm the date when DAML SDK will be made available for Windows.	ASX	28 May 2019
83	7 May 2019	ASX to consider feedback received regarding the proposed model and messages for Transfer/Conversions and respond to members with final outcomes	ASX	28 May 2019
86	25 Jun 2019	Members who are or act for payment providers to ensure awareness of the changes to payment provider related messages. ASX to consider additional engagement activities with payment providers to ensure awareness.	ASX / Members	23 Jul 2019
87	25 Jun 2019	ASX to consider whether it could expand on the EIS messages contained within each of the business areas in the ISO 20022 Stream – Message Status table. ASX to also consider whether it can provide visibility on the draft messages under review with T2S Evaluation team, as relevant to CHES Replacement.	ASX	23 Jul 2019
84	28 May 2019	ASX will not provide backward compatibility, but will evaluate how to provide better transparency on substantive changes. 25 Jun 2019: Members to provide feedback on commonly used fields they believe are relevant and substantive for ASX to consider how it could provide better visibility on these standard field length and other characteristics. 23 Jul 2019: Additionally, ASX to provide clarity on the reason behind the unit quantity field change, and advise whether it would include decimal values.	ASX / Members	27 Aug 2019
85	28 May 2019	ASX to consider inclusion of investor identity (HIN) to allow a validation pre change of controlling participant transfer. 25 Jun 2019: Members to provide specific feedback regarding mismatches, including statistics on the frequency and where mismatches occur and pose a risk.	ASX / Members	27 Aug 2019

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88	23 Jul 2019	ASX to provide details of the draft T2S messages it intended to use.	ASX	27 Aug 2019
89	23 Jul 2019	ASX to consider how it can make the document it publishes capturing member feedback via MyStandards and ASX's responses more user-friendly, including to investigate whether it could be published or emailed as an excel file instead of a PDF.	ASX	27 Aug 2019
90	23 Jul 2019	ASX to confirm within the Reference point products that include takeover offer information.	ASX	27 Aug 2019
91	23 Jul 2019	ASX to provide an update on the status of work being progressed as Business-As-Usual regarding enforcement of turnaround times on the participant side for takeover acceptances.	ASX	27 Aug 2019
92	23 Jul 2019	ASX to consider whether a seev_036 base message could be used in place of pldg_303_semt_015 for confirmation of the bid finalisation trigger.	ASX	27 Aug 2019
93	23 Jul 2019	ASX to consider whether the field 'Accepted for Further Processing' in evnt_743_seev_043 should use AUTH for pending, or whether another code would be better suited.	ASX	27 Aug 2019

