



# CHESS Replacement Project

Connectivity & Integration  
Working Group

4 December 2019

# Important Information – Competition Law Policy

Working group members are reminded to have regard to their obligations under competition law. In particular, please note recent changes to the Competition and Consumer Act to prohibit a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.

# Agenda

> CDE Updates

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> Reporting

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> Browser

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> Questions

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# CDE Update

# Documentation Update

The sixth release of Technical Documentation was published on [29 November 2019 – Release Notes](#).

This publication included some of the following:

- **Primary Market Facility: Placements** – new feature
- **Corporate Actions** – new documentation supporting Holding Adjustments and Schemes of Arrangement
- **Payment Facilities** – major update to include payment or receipt of funds on a RTGS basis
- **Connectivity** – and update on the DAML Extractor overview
- **Testing** – update to the Trade Ingest API information

ASX also published a summary page for [CHESS Replacement Scope](#) for Day 1 requirements and also a summary of Mandatory/Optional Classification of new business requirements. Details on next slide.

# CHESS Replacement Day 1 Scope

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/112657385/CHESS+Replacement+Scope>

To be implemented on Day 1	To be implemented via releases post-Day 1	To be implemented separately to CHESS Replacement
<p><b>Account information</b></p> <ul style="list-style-type: none"> <li>Additional investor information</li> <li>Centralised data capture and storage</li> <li>Standardised registration details</li> </ul> <p><b>Pre-settlement</b></p> <ul style="list-style-type: none"> <li>Settlement lock for CHESS holdings</li> <li>Bilateral transaction matching (other than pre-matched status)</li> <li>Additional preliminary payment notifications</li> <li>Settlement lock for issuer sponsored holdings</li> <li>Transfer of novated equity transactions between CPs</li> </ul> <p><b>Settlement</b></p> <ul style="list-style-type: none"> <li>Non-batch DVP bilateral settlement</li> <li>Settlement message enhancements (other than opt out for certain messages)</li> <li>Linking bilateral settlements</li> <li>Optional early client settlement</li> <li>Auto-borrow</li> </ul> <p><b>Corporate Actions</b></p> <ul style="list-style-type: none"> <li>Electronic DRP and BSP elections</li> <li>Electronic acceptance of entitlement offers</li> <li>Electronic payment for entitlement offers</li> </ul> <p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>Electronic provision of holding statements and notifications</li> </ul> <p><b>mFund</b></p> <ul style="list-style-type: none"> <li>Real time cash settlement, 'hold' status and transfer capability</li> <li>Sharing of investor details and automation of regular payments</li> </ul>	<p><b>Account information</b></p> <ul style="list-style-type: none"> <li>Aggregated view of holdings</li> <li>Common investor number</li> </ul> <p><b>Pre-settlement</b></p> <ul style="list-style-type: none"> <li>Bilateral transaction matching (pre-matched status only)</li> <li>Single access point to validate SRNs</li> <li>Settlement lock for issuer sponsored holdings</li> <li>Transfer of novated equity transactions between CPs</li> </ul> <p><b>Settlement</b></p> <ul style="list-style-type: none"> <li>Settlement message enhancement (opt out for certain messages only)</li> <li>Settlement in foreign currencies</li> <li>Optional early client settlement</li> <li>Auto-borrow</li> </ul> <p><b>Corporate actions</b></p> <ul style="list-style-type: none"> <li>Electronic processing of dividend claims</li> <li>Electronic proxy voting</li> <li>Transfer of cum entitlement balance</li> </ul> <p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>Continuous holding balance information</li> </ul> <p><b>Participant structures</b></p> <ul style="list-style-type: none"> <li>Participant models for clearing and settlement services</li> </ul> <p><b>mFund</b></p> <ul style="list-style-type: none"> <li>Real time cash settlement, 'hold' status and transfer capability</li> <li>Sharing of investor details and automation of regular payments</li> </ul>	<p><b>Corporate Actions STP Phase 2</b></p> <ul style="list-style-type: none"> <li>Electronic single access point for corporate action event info</li> <li>Transparency through the life cycle of corporate actions</li> <li>Standardised DRP and BSP elections</li> <li>ISIN for entitlement in non-renounceable rights issues</li> <li>Spin-offs involving entitlements in securities in foreign jurisdictions</li> <li>Share purchase plans</li> <li>Review deferred settlement trading processes</li> </ul> <p><b>ASX business as usual</b></p> <ul style="list-style-type: none"> <li>Transfer between sub-registers - custodian offer-market transfers</li> <li>Corporate actions - takeover offers</li> </ul>

# CDE 5 - Update

The fifth release of code is targeted for market availability December 16

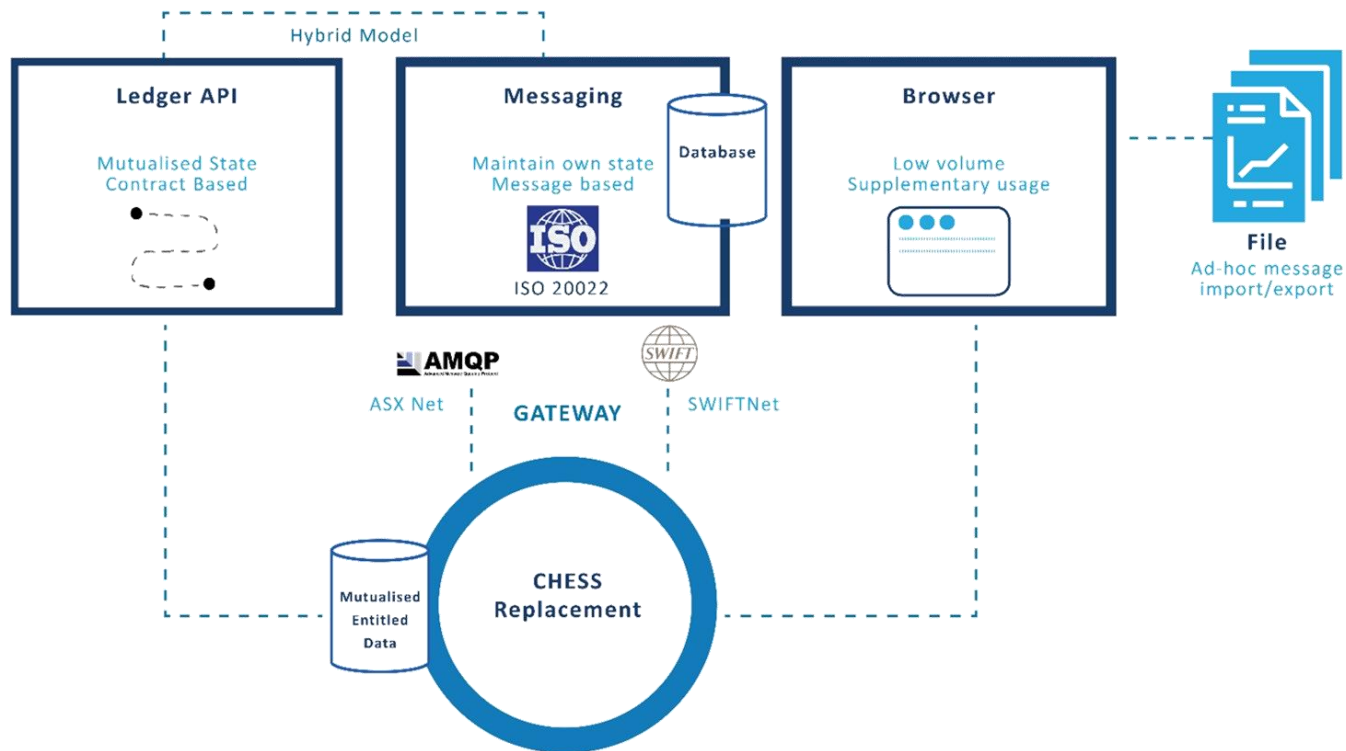
## New functionality including:

- **Change of controlling participant**
- **Settlement Locks on HIN holdings**
- **Issuer Agent Transfer (Warrants)**

## Notes

- Mutual TLS for Ledger API & Extractor will now be implemented post CDE 5 (end Jan 2020)
- The current schedule of refreshing CDE environment every 2 weeks will be removed.

# Connectivity Overview





# Reporting

# Reporting (Today)

- CHES provides data for the purposes of reporting in the form of CHES messages
- CHES reporting messages are generated as a result of CHES message 503 (Reporting Request)
- Demand reports are either ad-hoc or scheduled and with the ability to create standing reports

# Reporting (Objectives for CHES Replacement)

The objective of the reporting changes includes:

- Support ISO 20022 versions of carried forward CHES message based reports
- Simplify the technical build for software providers by identifying opportunities to:
  - descope reports that are not used
  - provide non-message based delivery for reports rarely used
  - rationalise allowable report parameters and workflows
  - convert from demand to unsolicited reports where more appropriate for specific business flows

# Reporting (Proposed Changes)

- Message based reporting delivery channels include (for frequently retained reports \*)
  - ISO 20022
  - Ledger API
  - Browser
- Data Enquiries available
  - Ledger API
  - Browser
- A number of reports are proposed to be decommissioned, based on observed usage in CHESs including:
  - DSR - Demand statement request (not used)
  - RPD - Reporting details report (not used)
  - TSH - Top shareholder report (not used)
  - Subject to feedback, some or all of the following reports (CFB, FHT, HLH, HSP, HTX, OBL, PPS, SET, SMP, SMR)
- Reports will now be made available either:
  - Ad-hoc
  - End of day (unsolicited)
  - Note the creation of scheduled reports and as at date and will no be longer supported

\* (HBL – Holding Balance, CEB - Cum Entitlement Balance, HSB - Supposition Balance, HRD – Holding Registration, HLD – Holder Detail)

Browser

# CHESS Replacement UI: Features

The CHESS Replacement UI will be a secure browser-based user interface that uses the ledger API to provide access to CHESS Replacement. Features include:

- 1 Ability to manually input all CHESS Replacement message types (e.g. hold\_201)
- 2 Ability to query all ingress (inbound) and egress (outbound) messages
- 3 Ability to query CHESS Replacement data and export in CSV format, including:
  - Accounts, Holders & Holdings (including sub-positions)
  - Settlement Instructions
  - Historical data
- 4 Ability for a nominated enterprise administrator to onboard their own UI users
- 5 Ability to bulk import data for specific use cases. However, CHESS UI will not be a message gateway and will not support upload/download of xml files.

# CHESS Replacement UI: Onboarding & Security

- 1 ASX Operations will onboard one or more Enterprise Administrators per organisation to the CHESS Replacement UI.
- 2 Enterprise Administrators can create, manage and permission users for the CHESS Replacement UI.
- 3 All users will be required to set up 2 factor authentication prior to access.  
UI users can be permissioned with read-only access (view and enquiry only) or read/write access (allowing submission of CHESS Replacement messages).
- 4 UI can be configured to include secondary approval workflow for message submission.

# CHESS Replacement UI: Access & Compatibility

- 1 The browser will not be available over the public internet and can only be accessed over ASX Net (including IPSEC).
- 2 An up to date version of one of the following browsers will be required:
  - Google Chrome
  - Microsoft Edge
  - Safari
  - Firefox
  - Internet Explorer 11
- 3 The following desktop operating systems will be supported:
  - Windows
  - macOS



# CHESS Replacement UI: Account Query

1 Navigation bar

2 Search

3 Notifications

4 User Management

ASX CHESS REPLACEMENT

Entity Account Securities Monitoring Settlement Instruction Reporting More

Account List

8 Click to action button

6 VIEW

7 SETTING

5 Table view

Participant UIC	HIN	NAME	DESIGNATION	TYPE	STATUS	CREATED AT	UPDATED AT
90809	8526351240	Mr John Alexander + Mrs Jane Christab	Investment Account	Sponsored	Active	11/11/2019, 10:39:58 AM	11/11/2019, 10:39:58 AM
90809	8521234666	John Smith	Trading Account	Sponsored	Active	11/11/2019, 10:39:58 AM	11/11/2019, 10:39:58 AM
90809	1234534666	Frank Ross	Investment Account	Sponsored	Active	11/11/2019, 10:39:58 AM	11/11/2019, 10:39:58 AM
90809	1234599966	Matt Simpson	Sample Account	Sponsored	Active	11/11/2019, 10:39:58 AM	11/11/2019, 10:39:58 AM

Results per page 10

CREATE ACCOUNT

ASX 0001 ASXOPS

# CHESS Replacement UI: Account Query

7 Table Settings allow the user to personalise their table view by hiding/displaying additional columns

ASX CHESS REPLACEMENT

EntityAccountSecuritiesMonitoringSettlement InstructionReportingMore

00001 ASXOPS

Account List

CREATE ACCOUNT

VIEW

SETTING

Column setting

☐ ACTOR PARTY

☐ COMMUNICATION PREFERENCE

☐ CONTROLLER ID

☐ EMAIL

☐ HOLDER IDS

☐ ID

☐ KEY


CANCEL

APPLY COLUMN SETTING

Participant UIC	HIN		UPDATED AT
99000	0000011118		2019-12-02T22:22:14.97Z
21004	0003250041		2019-12-02T22:22:15Z
21004	0005250048		2019-12-02T22:22:15Z
21004	0006250041		2019-12-02T22:22:15Z
21004	0007250045		2019-12-02T22:22:15Z
21004	0004250044		2019-12-02T22:22:15Z
21004	0008250049		2019-12-02T22:22:15Z
21004	0009250042		2019-12-02T22:22:15Z
20804	0007240040	DIRECTACCOUNT	2019-12-02T22:22:15Z
20804	0004240049	DIRECTACCOUNT	2019-12-02T22:22:15Z

Results per page 101 - 10 of 1531 2 3 4 ... 16

# CHESS Replacement UI: Account Query



EntityAccountSecuritiesMonitoringSettlement InstructionReportingMore

00001 ASXOPS

Account List

CREATE ACCOUNT

Sort in ascending/descending order

Filter results

VIEW

SETTING

Participant UIC	HIN	TYPE	STATEMENT ADDRESSEE LINE	RESIDENCY INDICATOR
99000	0000011118	DIRECTACCOUNT	OWNER DIRECT ACCOUNT	FOREIGN
21004	0003250041	SPONSOREDACCOUNT	SPONSOR DOMESTIC 1	DOMESTIC
21004	0005250048	SPONSOREDACCOUNT	HESTIC PARTY 2	DOMESTIC
21004	0006250041	SPONSOREDACCOUNT	SPONSORED PARTY 3	FOREIGN
21004	0007250045	DIRECTACCOUNT	SPONSOR NOMINEES LIMITED	DOMESTIC
21004	0004250044	DIRECTACCOUNT	20004 DIRECT FRGN PARTY 1	FOREIGN
21004	0008250049	DIRECTACCOUNT	JAMIESON NOMINEES LIMITED	MIXED
21004	0009250042	DIRECTACCOUNT	JAMIESON NOMINEES LIMITED	DOMESTIC
20804	0007240040	DIRECTACCOUNT	JAMIESON NOMINEES LIMITED	DOMESTIC
20804	0004240049	DIRECTACCOUNT	20004 DIRECT FRGN PARTY 1	FOREIGN


Results display

Results per page 10

Pagination

1 - 10 of 153 1 2 3 4 ... 16

# CHESS Replacement UI: Account Creation

EntityAccountSecuritiesMonitoringSettlement InstructionReports

Account List

Participant UIC	HIN	NAME	DESIGNATION
90809	8526351240	Mr John Alexander + Mrs Jane Christabe	Investment
90809	8521234666	John Smith	Trading
90809	1234534666	Frank Ross	Investment
90809	1234539966	Matt Simpson	Sample

ACCOUNT DETAILS

Account type \*  
Sponsored

Ownership type \*  
Joint

Designation  
Superannuation Account

Residency indicator \*  
Domestic

Communication preference \*  
Electronic

Email \*  
thesmiths@gmail.com

Mobile preference  
Same as Holder

ACCOUNT REGISTERED ADDRESS DETAILS

Account registered address preference  
Same as Holder

Country \*  
Australia

Address line 2  
20 Bridge Street

Address line 3

State  
NSW

Post code  
2000

HOLDER DETAILS

Holder type \*  
Individual

Holder name \*  
Ms Susan Savage

Date of birth  
16/02/1980

Email  
ssavage@hotmail.com

Mobile  
+61 523 482 331

HOLDER ADDRESS DETAILS

Country \*  
Australia

Address line 1 \*  
Unit 10

Address line 2  
103 George Street

Address line 3

Address line 4

Address line 5

Town name  
Sydney

State  
NSW

Post code  
2000

BACK

NEXT ▶

# CHESS Replacement UI: Account Details View

ASX  
CHESS  
REPLACEMENT

EntityAccountSecuritiesMonitoringSettlement  
InstructionReportingMore

ASX0001  
ASXOPS

Mr John Alexander + Mrs Jane Chr...

HIN  
8526351240

Designation  
Investment Account

Created on  
11/11/2019 10:39

Last updated on  
11/11/2019 10:39

ACCOUNT

EDIT

Account StatusActive

Account details

Account identifier	8526351240	Registered address	8526351240
Account name	Mr John Alexander + Mrs Jane Christabel	Mobile number	0403888999
Mailing addressee line	Mr John Alexander + Mrs Jane Christabel	Email address	john.alexander@test.com
Designation	Investment Account	Communication Preference	Email
Ownership type	Joint	Residency indicator	Domestic
Account type	Sponsored		

Holder 1 details

Holder status	Active
Holder name	Mr John Alexander
Address	20 Bridge Street
Mobile number	0403888999
Holder type	individual

Holder 2 details

Holder status	Active
Holder name	Mrs Jane Christabel
Address	20 Bridge Street
Mobile number	0403888999
Holder type	individual

# Questions

# Next Working Groups

## 2019

### 10 December 2019

- ISO 20022 Technical Committee

### 18 December 2019

- Implementation & Transition Webinar - ASX response to market feedback and Q&A

## 2020

### 19 February 2020

- Connectivity and Integration working group prior to release of CDE6

### January – December 2020

- Implementation and Transition Dates now published for 2020  
(<https://www.asx.com.au/services/implementation-and-transition.htm>)

Thank you



# Disclaimer

*This document provides general information only and reflects matters put forward for discussion at a point in time. You should obtain independent advice before making any decisions. ASX Limited (ABN 98 008 624 691) and its related bodies corporate (“ASX”) makes no representation or warranty with respect to the accuracy, reliability or completeness of the information. To the extent permitted by law, ASX and its employees, officers and contractors shall not be liable for any loss or damage arising in any way (including by way of negligence) from or in connection with any information provided or omitted or from anyone acting or refraining to act in reliance on this information.*

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