



BUSINESS COMMITTEE REPORT TO THE FORUM

From the 9 December 2013 Business Committee meeting

Key Recommendations

- The Business Committee recommended that progressing the initiative on the introduction of T+2 settlement cycle is of a higher priority than the initiative to introduce ISO 20022 standard messaging.
- The Business Committee expressed the view that ISO 20022 should be linked to the CHES refresh / replacement initiative.

Key Issues Discussed

- The high priority of introducing a T+2 settlement cycle in the next two years given the expected reduction in cash market margining and potential cost reduction benefits for the industry.
- The need to mandate the adoption of the ISO 20022 messaging protocol rather than offer it as an alternative to CHES proprietary messaging to assist in building the business case for such a significant change. The Business Committee also saw the introduction of ISO 20022 standard messaging as a medium term initiative on the basis of the benefits of linking the introduction of ISO 20022 standard messaging with the refresh or replacement of CHES.
- The process and methodology for undertaking the international cost benchmarking to be commissioned in early 2014. The Business Committee was comfortable with the jurisdictions identified for inclusion and no substantive issues were raised in relation to the proposed scope and methodology for the analysis. ASX agreed to an additional service (the TAS) being included in the report in response to a request from a member of the Business Committee.

Agreed Actions

1. At the next meeting, the Business Committee will be invited to provide input into the user profiles for the international benchmarking.
2. ASX to include connectivity costs associated with providing clearing and settlement arrangements to other market operators in the final Request For Proposal (RFP) for the international cost benchmarking and discuss the inclusion of these costs in the analysis with the successful consultant.
3. ASX to prepare a sample participant report on fees for consideration at the 19 February 2014 meeting of the Business Committee.
4. ASX to undertake analysis of the expected benefits of a T+2 settlement cycle for participants.