



Media Release

5 June 2023

ASX confirms program of work to maintain CHESSE as progress continues on the replacement solution

ASX today released a special report relating to CHESSE, the clearing and settlement system for Australia's securities market. The report, which was prepared for the Australian Securities and Investments Commission (ASIC), provides a detailed view of ASX's arrangements for the support and maintenance of CHESSE to ensure it remains operationally reliable until a replacement solution is implemented. It was also provided to the Reserve Bank of Australia (RBA) in the context of the RBA's letter of expectations dated 15 December 2022.

CHESSE was implemented in 1994 and ASX has continued a program of investment and improvement since its inception. With CHESSE replacement expected to take longer than initially anticipated given the pause to the project last November, ASX confirms it has a support and maintenance plan that will appropriately manage risks associated with operating for an extended timeframe.

ASX Managing Director and CEO, Helen Lofthouse, said: "CHESSE was a globally leading system when it was first introduced and I'm pleased to note that it has continued to operate safely and efficiently since then, serving the Australian market well.

"ASX considers that its existing governance, investment, and management arrangements for CHESSE are commensurate with its role in providing critical financial market infrastructure. Today's report provides comprehensive information to demonstrate this. The report is also transparent about the risks, and how these are being managed or mitigated, including through an ongoing roadmap of maintenance and support."

The report includes 27 initiatives that will be important in ensuring the ongoing operation of current CHESSE. These relate to capacity, availability, performance, and IT management as well as security and continuity.

The CHESSE special report has been independently audited by EY which found that:

- ASX has addressed the matters raised by ASIC in relation to the support and maintenance of CHESSE.
- The work undertaken by ASX supports the outcomes documented in the special report.
- ASX has conducted sufficient governance arrangements for the production of the special report.

The EY audit report also makes recommendations, which ASX acknowledges and will address.

Ms Lofthouse continued: "We will continue investing in and enhancing CHESSE to support the long-term interests of Australia's financial markets, and to ensure we continue to meet applicable regulatory requirements.

"We are making good progress on the CHESSE replacement solution design and our intention remains to announce the solution design by the final quarter of this calendar year. I would like to thank all of our stakeholders that are working alongside us to deliver the best long-term clearing and settlement solution for the Australian financial market."

The CHESSE special report and independent audit report are publicly available on our website:

- CHESSE special report: <https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/asx-chess-special-report-of-asx-clear-pty-limited-asx-settlement-pty-limited-redacted-28-apr-2023.pdf>
- Independent audit report: <https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/ey-audit-of-special-report-on-support-and-maintenance-of-chess-public-release-redacted-31-may-2023.pdf>

Further enquiries:

Media

David Park

Manager, Media and Communications

T +61 2 9227 0010

M +61 429 595 788

E david.park@asx.com.au

Analysts/Investors

Simon Starr

General Manager, Investor Relations &
Sustainability

T +61 2 9227 0646

M +61 416 836 550

E investor.relations@asx.com.au