



30th March 2016

ASX Limited
20 Bridge Street
Sydney
NSW 2000
Attention: Steven Ball

Email TO: regulatorypolicy@asx.com.au

Dear Steve,

RE: Australian Custodial Services Association – Submission on ASX consultation paper: “ASX Settlement Non-Business Days”

The Australian Custodial Services Association (‘ACSA’) is the peak industry body representing members of Australia’s custodial and administrator sector. Collectively, the members of ACSA hold securities and investments in excess of AUD\$2.5 trillion in value in custody and under administration. Members of ACSA include BNP Paribas, Bank of America, Citigroup, National Australia Bank Asset Servicing, JP Morgan, HSBC, State Street, RBC Investor Services and Northern Trust.

This submission is intended to provide the Australian Securities Exchange (‘ASX’) with the views of ACSA members on the issues raised by ASX’s Consultation Paper: “ASX Settlement Non-Business Days.”

General comments on the consultation

The general consensus of ACSA members is to support an ASX move towards the removal of settlement “Non-Business days” and ACSA appreciates the opportunity to be part of this consultation process.

Responses to the individual questions raised in the ASX Consultation paper:

1. Do you agree with the identified benefits of removing ASX Settlement Non-Business Days for cash market products? Are there any other benefits that have not been identified?

ACSA agrees with the benefits highlighted in the consultation paper. The removal of the non-business days will see the cash equity market move in line with Austraclear, RITS and other global standards in other jurisdictions.

ACSA also agrees that this will assist with liquidity requirements and remove the impacts that the current double settlement days can currently provide.

2. What operational and systems changes would your business need to make to accommodate the new settlement arrangements? Are you able to quantify the impact?

Operationally, this would require an update to system calendars to support the additional days of settlement. This should be a system configuration change.

ACSA members would also need to educate clients so they are aware of any such changes. Again this is industry practice and not a significant impact.

3. What time period would be necessary to implement any operational changes? Are there any specific administrative adjustments that would need to be made, for example negotiating changes to existing contracts, workplace awards or enterprise agreements to accommodate these changes?

ACSA believes operational changes would be minor to support this.

ACSA also believes with sufficient time in hand that any employee contract or enterprise agreements could be addressed ahead of the change to support the removal of non-settlement days.

Consequently ACSA's view is that a change with effect from 1 March 2017 would seem reasonable and appropriate.

Yours sincerely



Martin Carpenter
Deputy Chair, ACSA