



Issuer Services: New Pricing

Discussion Paper

March 2022

Invitation to comment

ASX is seeking submissions in response to this discussion paper by 14 April 2022.

Submissions should be sent to:

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Attention: Karen Webb

ASX prefers to receive submissions in electronic form.

If you would like your submission, or any part of it, to be treated as confidential, please indicate this clearly. All submissions will be provided to the relevant regulatory agencies.

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Executive Summary

Overview

Issuers that choose to list or quote securities with an exchange that utilises ASX Issuer Services will benefit from a technology platform and operational team that provides one of the most secure and efficient global title registration tracking systems.

ASX Issuer Services utilises the CHESS technology to track legal title, entitlements, and holder details for over 3 million holders with over 20 million unique security holdings. ASX Issuer Services records over 400 million changes of title each year and provides up to date register data to your share registry daily.

ASX Issuer Services also processes and publishes around 150,000 announcements annually and handles just under 5,000 corporate action events each year. Over 17 million individual dividends are tracked to ensure that at the dividend record date the correct entitlement is recorded. Dividend reinvestment plan, rights issues entitlements and other corporate action entitlements are also tracked and linked to the legal holder of securities registered in CHESS.

The current fees charged by ASX Issuer Services have been in place for a number of years and have become complex and difficult to reconcile for issuers. More importantly, the fees should better reflect the services provided by ASX Issuer Services and scale appropriately to factors within the control of issuers.

ASX have reviewed the current charging points and propose moving to a substantially simpler subscription model based on the number of holders managed in CHESS by ASX Issuer Services for an issuer. The following existing fees will be largely removed or reduced:

- CHESS operating charge – ad valorem fee paid on issuer market capitalisation
- CHESS holding statement fee - \$1.25 per paper statement sent to holders
- CHESS messaging fees – various fees based on messages delivered by an issuer (or its share registry)

The new fee model is intended to be simpler and provide greater certainty to issuers about ASX charges for issuer services. This document outlines the proposed changes and where issuers can find more information. The new fee model does not relate to listing fees that can be found [here](#).

Impacted stakeholders

The changes proposed in this paper are relevant to any issuer¹ of approved financial products that uses or will use ASX's Issuer Services (previously referred to as Issuer Administration Services).

Stakeholder feedback welcomed by ASX

ASX has published this paper for the information of issuers and other interested stakeholders. ASX welcomes feedback on the changes outlined in this paper, with written responses due by Thursday 14 April 2022.

ASX will consider feedback received with an aim to publish a response to feedback in early June 2022. At the same time, ASX will also confirm the effective date for the changes, any adjustments to the arrangements outlined in this paper, and the confirmed Issuer Services fee schedule.

Effective date

ASX is targeting a commencement date for the new issuer services fees of 1 July 2022. This is to allow for customer engagement and coincides with the commencement of the FY2023 financial year for the majority of issuers.

¹ This includes any issuer, regardless of their Australian listing exchange.



Information available to issuers and response period engagement activities

ASX has published information about issuer services on this [web page](#), including this discussion paper, and tools to assist issuers' assess the impact of the proposed changes. ASX will also schedule a number of information sessions for issuers and other interested stakeholders during the consultation period to discuss the changes in further detail and to provide the opportunity for questions. Details on the timing and format for these webinars can be found [here](#).

Further details on the tools and engagement activities are provided in sections 2.3, 3, 6 and 7 of this paper.

1. Introduction

1.1. Issuer Services

ASX Issuer Services provides a number of services to issuers of approved financial products. These services include:

- CHESSE register setup (including unique identifiers, assigned share registry)
- Legal title holder register
- Entitlement tracking (for corporate action or offer events such as dividends, rights issues)
- Holder detail changes (e.g. name, address)
- Holder information communication (e.g. TFN, bank details)
- Delivery vs Payment settlement of allocations for IPOs and capital raising activities (e.g. primary market facility)
- Offer management services (e.g. takeover, buy-back acceptances)
- Holding adjustments made as a result of corporate actions
- Issuer announcements and administration (e.g. issuer name and code changes, change of share registry etc.)
- CHESSE holding statements and investor portal (including issuer branding on statements)

Issuers are currently charged for these issuer services as outlined in sections 4 and 5.2 of the [Clearing, Settlement and Issuer Administration Services Schedule of Fees](#).

A number of the fees are based on transactional activity, such as the number of CHESSE messages processed to support these services (including where applicable as initiated by participants, or share registries on the issuer's behalf), and the number of holding statements issued. For example, the charge for CHESSE holding statements is based on the number of statements sent by ASX to holders each month. ASX launched an electronic delivery option for CHESSE holding statements on 13 December 2021 allowing security holders to elect to receive CHESSE holding statements electronically once this service is supported by their sponsoring participant ("broker"). ASX has waived the fees it charges for CHESSE holding statements delivered electronically pending the move to the new issuer services pricing model described in this paper. More information on the electronic CHESSE holdings statements project is outlined in section 1.3.

Issuers are also charged the CHESSE Equity and Fund Issuer Annual Operating Charge. This fee is calculated as 10% of the annual listing fee charged, or that would apply had it been charged, which is ultimately based on a market capitalisation value calculation.

This document does not relate to or propose any changes to the ASX listing fees including Initial listing fees, annual listing fees and subsequent listing fees charged to ASX listed entities. Details of these listing fees can be found [here](#).

1.2. Proposed fee changes

ASX Issuer Services proposes the introduction of a **new subscription-based pricing model**. The new subscription model is based on the number of holdings held on a Holder Identification Number ("HIN") for each issuer. This fee will replace a number of existing fees including the Equity and Fund Issuer Annual Operating Charge and a number of charges related to holder maintenance that are usually charged based on the number of relevant CHESSE messages processed.

The new model is simpler, it scales with the services provided and allows issuers to budget based on known variables such as the number of holders. As part of this new model ASX Issuer Services will reduce the cost of CHESSE holding statements from \$1.25 to \$0.50 (paper statements) and unlimited electronic statements will be included in the base subscription price with no additional charges.



Services such as holding adjustments (generally made as a result of corporate activities), the primary market facility, report requests and offer administration will be charged based on usage and are not included in the new subscription fee.

This paper also outlines the circumstances in which certain issuers will be entitled to discounted fees in the form of an annual fee rebate (refer to section 2.2.4).

A summary of the existing, changed, removed or new fees is provided in section 2.1, with a detailed overview of the new and proposed fee changes provided in section 2.2. ASX will publish a new dedicated Issuer Services Fee Schedule, as outlined in section 3. A draft of this fee schedule can be found [here](#).

Unless otherwise specified, fees will be charged monthly allowing for more predictable budgeting and cash flow management. The availability of the **new fee calculator** (as outlined in section 2.3) will also help issuers estimate key fees.

1.3. Electronic CHESS holding statements

CHESS holding statements are sent to holders with a HIN after each month in which there has been a change to a holders balance. The statements are an important 'source of truth'. Holders with securities recorded under a HIN have the protection of a trusted, independent and standardised record of the transaction. Holders are also sent notifications where their CHESS sponsor or broker has advised ASX that their registration details have changed.

CHESS holding statements and notifications have traditionally been sent by mail. Issuers are charged a monthly fee by ASX based on the number of CHESS holding statements sent to holders of their securities (\$1.25 per statement sent).

ASX introduced a new service on 13 December 2021 that provides shareholders in listed companies and investment products with the option to receive their CHESS holding statements and notifications electronically, through a simple election process. Holders can opt-in (via their broker) to receive electronic statements, and also to provide their email details to the issuer (via their registry).

This provides holders with access to an electronic portal for fast, reliable and secure records of share ownership and confirmation of changes to their CHESS holding details, including a personal archive of statements that will build over time. Holders will continue to have the choice to receive paper or electronic statements.

ASX announced that fees for CHESS holding statements delivered electronically will be waived pending the introduction of the new pricing outlined in this paper. With the introduction of the new pricing the fees for CHESS holding statements will be:

- **Paper:** \$0.50 per statement (reduced from \$1.25)
- **Electronic delivery (including online investor portal with access to historical statements):** Unlimited statements included in subscription

To encourage take up by brokers on behalf of their customers, ASX has temporarily waived the fee that would normally be charged to the broker for the message to CHESS advising an email address and opting in to the service for an existing holder.

More information on electronic holding statements is available [here](#).

2. Fee changes

2.1. Summary of fee changes

The following table summarises the proposed changes to the Issuer Services Fees, including existing fees to be carried forward, changed, and removed or new fees. The key changes are highlighted:

Product Code (and section references per current fee schedule)	Service	Current Fee (excl. GST)	New, Changed or Removed Fee
4.1	Issuer Administration		
06250020	Issuer Establishment Fee	\$500 per New Issuer Code created in CHES	No change
06250025	New Product Creation Fee	\$310 for each new financial product created in CHES and approved by ASX Settlement	No change
4.2	Registry Services		
04900260	Provision of CD containing registration details	\$150 Per CD supplied	Removed – service decommissioned
4.3	Holder Notifications & Recordkeeping		
	CHES Holding Statements		
04900200	CHES Statement – Paper*	\$1.25 per Statement	Decrease to \$0.50 per statement
04900201	CHES Statement – Electronic (NEW)	N/A	Unlimited statements included in Subscription Fee
04900205	CHES Holding Statement – Special Message	\$100 per Message Per Month	Quote provided on enquiry
04900210	CHES and Sub-register Transfer & Conversion	\$0.35 per message (EIS message 402, 404, 406, 408, 412, 414, 416, 418)	Replaced by Subscription Fee
04900215	Notification of Holding Details Update	\$0.35 per message (EIS message 759)	Replaced by Subscription Fee
04900220	Notification of Tax File Number	\$0.35 per message (EIS message 534)	Replaced by Subscription Fee
04900225 (product code change to 04900226)	Holding Adjustments	\$0.35 per message request (EIS message 421, 425, 512)	Changed to rate per message. The rate applied depends on monthly volume (EIS message 421, 425). The 512 message will be covered by the Subscription Fee. (see detailed information in section 2.2.3 below)
04900110	Report Request & Enquiry Output	Per schedule, \$0.20 per message request (EIS message 503, 505, 514, 538)	No change

Product Code (and section references per current fee schedule)	Service	Current Fee (excl. GST)	New, Changed or Removed Fee
4.4	Primary Market Facility		
04900005	DvP Settlement / Miscellaneous Payment	\$1.30 per Request (EIS message 101)	No change
04900255	Primary Market Facilitation Fee	\$5,250 minimum (issue value \$0 to \$50m), plus 0.0105% of excess amount over \$50m; per request	No change
4.5	Offer Administration		
04900230	Offer Establishment Fee	\$500 per Offer	No change
04900235	Offer Facilitation Fee	\$1,000 per Offer	No change
04900240	Sponsored Holder Offer Acceptance/ Completion	\$1.25 per Offer Acceptance (EIS message 082, 704)	No change
04900245	Direct Holder Offer Acceptance/ Completion	\$0.35 per Offer Acceptance (EIS message 082, 704)	No change
04900250	Offer Transfer/ Acceptance	\$0.35 per Transfer/Acceptance (EIS message 034, 711)	No change
4.6	Equity and Fund Issuer Annual Operating Charge		
04900265	Equity and Fund Issuer Annual Operating Charge	\$1,500 minimum, or 10% of Annual Listing Fee or the Annual Fee that would apply if the entity was ASX Listed/Quoted	Replaced by Subscription Fee
5.2	Listing Market Issuers (non ASX quoted/listed)		
06200511	Issuer Administration and Corporate Action Service – medium complexity corporate action	\$60 per manual corporate action notification	No charge
06200512	Issuer Administration and Corporate Action Services – high complexity corporate action	\$90 per manual corporate action notification	No charge
New Fees			
04900256 (corporate issuers) 04900257 (investment product issuers)	Subscription fee per HIN*	Per schedule (see detailed information in section 2.2.1 below); annual rate divided by twelve for monthly charge	New fee

*fees eligible for a discount in the form of a rebate (refer section 2.2.4)

2.2. Details of the new and changed fees

More detailed information on the key fee changes is outlined below, including the circumstances in which fee rebates (discounts) will apply.

2.2.1 Subscription fee

This is a new fee that will replace some existing fees including the Equity and Fund Issuer Annual Operating Charge, and a number of charges related to holder maintenance (usually charged based on the number of relevant CHES messages processed), as identified in section 1.2 of this paper. Currently the Equity and Fund Issuer Annual Operating Charge is based on 10% of the annual listing fee or equivalent if it had been charged, based on market capitalisation value. This fee was also charged once a year, rather than a more evenly distributed monthly arrangement.

The new subscription fee based on the number of HINs per issuer better reflects the administrative and maintenance aspects of maintaining holder accounts and information in the CHES sub-register, at a HIN level, including holder changes advised by participants.

The new fee model is intended to be simpler and provide greater certainty to issuers around the fees that they pay for ASX issuer services.

The subscription fee rates that apply will depend on whether the issuer falls into the category of a corporate issuer or an investment product issuer.

The flat fee and the marginal \$ rate per HIN shown in the tables below are annual rates. The proposed fee will be charged monthly, and the annual rates will be divided by 12 to determine the monthly subscription fee.

Subscription Fee - Corporate Issuers² and Listed Investment Companies³ (annual rates)

Number of HINs	Rate per HIN	Flat Fee	+	Additional per HIN fee
1 to 1,000	\$3.50	\$1,500	+	\$3.50 for each HIN
1,001 to 5,000	\$3.00	\$2,400	+	\$3,500 plus \$3.00 for each HIN above 1,000
5,001 to 50,000	\$1.90	\$4,800	+	\$15,500 plus \$1.90 for each HIN above 5,000
50,001 to 100,000	\$1.50	\$4,800	+	\$101,000 plus \$1.50 for each HIN above 50,000
>100,000	\$1.30	\$6,000	+	\$176,000 plus \$1.30 for each HIN above 100,000

A new product code 04900256 will be introduced for this fee.

² Includes equity and debt listed issuers, AGBs

³ Includes Listed Investment Companies and Listed Investment Trusts (“LICs” and “LITs”). These entities are listed via the ASX admission criteria of “+investment entity”.



For example, considering three different issuers with 500, 7,500 and 110,000 holders on HIN respectively, the fees would be:

# of holders on HIN	Annual flat fee	Annual per HIN fee	Total annual fee	Total paid monthly ⁴
500	\$1,500	\$1,750	\$3,250	\$271
7,500	\$4,800	\$20,250	\$25,050	\$2,088
110,000	\$6,000	\$189,000	\$195,000	\$16,250

Notes:

- No per HIN fees are charged for holders on an issuer sponsored (SRN) register
- Some issuers will be entitled to fee rebates (refer section 2.2.4 below)
- Other fees excluded from this calculation

Subscription Fee - Investment Product Issuers (e.g. issuers of ETFs, mFunds, XTBs, managed funds, warrants and structured products) (annual rate)

Number of HINs	Rate per HIN	Flat Fee	+	Additional per HIN fee
1 to 50,000	\$3.00	Nil	+	\$3.00 for each HIN
50,001 to 150,000	\$2.00	\$12,000	+	\$150,000 plus \$2.00 for each HIN above 50,000
150,001 to 300,000	\$1.00	\$12,000	+	\$350,000 plus \$1.00 for each HIN above 150,000
>300,000	\$0.50	\$12,000	+	\$500,000 plus \$0.50 for each HIN above 300,000

A new product code 04900257 will be introduced for this fee.

For example, considering three different issuers with 5,000, 55,000 and 350,000 holders on HIN respectively, the fees would be:

# of holders on HIN	Annual flat fee	Annual per HIN fee	Total annual fee	Total paid monthly ⁵
5,000	-	\$15,000	\$15,000	\$1,250
55,000	\$12,000	\$160,000	\$172,000	\$14,333
350,000	\$12,000	\$525,000	\$537,000	\$44,750

Notes:

- No per HIN fees are charged for holders on an issuer sponsored (SRN) register
- Some issuers will be entitled to fee rebates (refer section 2.2.4 below)
- Other fees excluded from this calculation

⁴ Fees are recalculated each month based on the number of investors on HIN

⁵ Fees are recalculated each month based on the number of investors on HIN

Multiple investment products or classes of securities

Where an issuer has multiple classes of securities (e.g. ordinary shares and company options) or multiple investment products (e.g. a fund issuer with more than one investment fund) a holder in each different class or product will be counted as a separate investment on HIN, however:

- The flat fee will only be charged once per parent issuer; and
- The total number of HINs will be aggregated under the parent issuer so that the issuer will benefit from the lower tier charges for larger issuers.

For example – corporate issuer:

Account / HIN	Classes of Securities per issuer held in HIN	Count of HIN for fee calculation
Joe Smith (123456789)	1, e.g. security code ABC	1
Joe Smith (123456789)	2, e.g. security code ABCO	2
Joe Smith (123456789)	3, e.g. security code ABCPA	3

For the purposes of the example ABC, ABCO and ABCPA are classes of securities provided by a single parent issuer (e.g. issuer code ABC).

2.2.2 CHES holding statements

From 13 December 2021, ASX will not charge issuers for the issue of electronic CHES holding statements. Paper CHES holding statements will continue to be charged at the current rate of \$1.25 from 13 December 2021 to 30 June 2022. ASX proposes that effective from the launch of the new pricing, the charge for paper/mailed statements is reduced from \$1.25 to \$0.50 per statement.

Current charge for mailed statements	New charge for mailed statements	New charge for electronic statements
\$1.25	\$0.50	Unlimited statements included in subscription

A new product code 04900201 will be introduced for electronic holding statements, with unlimited statements included in the subscription fee.

2.2.3 Holding Adjustments (change to existing fee)

It is proposed that any holding adjustments undertaken that would result in changes to CHES holdings for a holder be charged according to the rate schedule outlined below. Holding adjustments ordinarily relate to corporate activity including (but not limited to) the issue and allocation of securities for dividend reinvestment plans, security purchase plans, renounceable issues, placements and other security adjustments, issue or redemption of units for managed funds. The holding changes associated with these corporate activities are initiated by share registries on behalf of issuers using CHES EIS messages 421 (Securities Transformation) and 425 (Holding Adjustments). To date this fee has been charged at \$0.35 per message.



The table below provides the applicable rate to be charged per adjustment (as represented by a message), and will be calculated each month based on the number of adjustments made during the month.

Number of adjustments (by message #) per month	Rate per Adjustment per security per holder	Total Amount
1 to 500	\$2.50	\$2.50 for each adjustment
501 to 1,250	\$1.50	\$1,250 plus \$1.50 for each adjustment above 500
>1,250	\$0.50	\$2,375 plus \$0.50 for each adjustment above 1,250

The new product code 04900226 replaces the existing product code 04900225. This charge previously included any message notifications to registries of new or changed registration, email or other details for a holder and their holdings (as advised to CHESS by a participant using message 512). As for other holding detail changes (other than holding adjustments), this charge is now replaced by the subscription fee.

2.2.4 Discount (end of financial year rebate)

ASX Issuer Services will apply a discount in the form of an annual rebate in the following circumstances.

A discount of 25% will be provided to the following Issuers:

- Issuers who are “low velocity users”. A low velocity user is an issuer that has an annual ratio of CHESS holding statements provided to its holders to the number of HINs of less than 1.0 times. This discount will only apply to existing issuers as at 30 June 2022. New issuers established in CHESS after 30 June 2022 will not qualify; or
- Listed Investment Companies and Listed Investment Trusts (“LICs” and “LITs”). These entities are listed via the ASX admission criteria of “+investment entity”.

For the avoidance of doubt, an issuer that is both a LIC/LIT and a “low velocity user” will receive a discount of 25%, and not two discounts of 25%.

For issuers that are eligible to receive the discount, the 25% discount will be calculated on the total amount of CHESS holding statement fees, and subscription fees only. The discount will not apply to the corporate activity fees or any other fees charged by ASX.

The discount will initially be calculated and rebated following the end of the 2022/2023 financial year.

2.3. Fee calculator

ASX has developed an online fee calculator to assist issuers with calculating the new and changed fees and discounts (if applicable). The fee calculator is available [here](#) or from the [What’s New](#) section of the issuer services web page. The calculator can be set to calculate the fees on a monthly or annual basis. Guidance on how to use the calculator is provided on the web page.

3. Fee Schedule changes and new Issuer Services Fee Schedule

ASX proposes to make the following changes to the existing [Clearing, Settlement and Issuer Administration Fee Schedule](#) to differentiate between different sets of service fees applicable to different users.

- Extract all Issuer Administration Service Fees (as outlined in the list in Section 2) and republish in a standalone Issuer Services fee schedule. A draft of this standalone fee schedule is available for issuers' information on the [What's New](#) section of the issuer services web page. A finalised version of this fee schedule will be published before the targeted 1 July 2022 effective date.
- Extract sections 1.1 (Derivatives Settlement Obligations) and 2 (Derivatives Registration Fees) and republish in a standalone fee schedule. This schedule will be available on the 1 July 2022 effective date.
- Republish the Clearing and Settlement Fee Schedule (excluding the extracted fees noted above) on the 1 July 2022 effective date.

Following these changes, all fee schedules will be available [here](#).

4. Fee calculations and frequency of invoicing

All Issuer Services fees are to be calculated and invoiced on a monthly basis in arrears.

CHESS holding statement fees will be calculated and invoiced each month, based on the number of CHESS holding statements issued in the preceding month.

Subscription fees will be calculated and invoiced each month, based on the number of holders ASX manages on HIN for each issuer, determined as a snapshot at the end of the previous month. As a result, the flat monthly fee may vary each month depending on the quantity of HINs. ASX notes that the replaced Equity and Fund Issuer Annual Operating Charge is invoiced on an annual basis. The removal of this fee and move to monthly invoicing will allow for more evenly applied fees through the year.

The corporate activity fee for holding adjustments will be calculated and invoiced each month, based on the number of holding adjustments (as represented by number of messages) related to corporate activities made in the preceding month.






As outlined in section 2.2.4, the discount will initially be calculated and rebated following the end of the 2023 financial year.

5. Example invoice

ASX has prepared sample invoices for each of 'corporate' and 'investment product' issuers, including the key fees proposed in this paper, with an explanation of each fee where needed. The sample invoices are available on the [What's New](#) section of the issuer services web page.

6. Stakeholder engagement and responses

The key dates that issuers and interested stakeholders should be aware of in relation to this proposal and the proposed effective date are:

ACTIVITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
 Discussion paper published 03/03/2022			○				
 Engagement & webinar series March-April 2022			○	—	○		
 Issuer feedback due 14/04/2022				○			
 ASX response to feedback 01/06/2022						○	
 Target effective date 01/07/2022							○

From the release date of this paper, ASX has allowed a six week period for submission of responses to this paper, with written responses due by 14 April 2022. If you would like your submission, or any part of it, to be treated as 'confidential', please indicate this clearly in your submission. Please note that all submissions, including those marked 'confidential' will be provided to the relevant regulatory agencies. During the consultation period, ASX will directly or in coordination with key industry associations convene a number of forums to engage issuers and other stakeholders on the changes. Details of ASX hosted events are available on the [Engagement](#) section of the issuer services web page.

Should you wish to speak to an ASX representative about these changes, please refer to the contact details provided on page 2 of this paper.

ASX will consider feedback received, and will publish a response to consultation in early June 2022. This will include the publication of the finalised Issuer Services fee schedule and confirmation of the effective date.

7. Other considerations

Issuers should note that these changes will remain in place following the April 2023 go live of the CHES replacement project. At that time, the Issuer Services fee schedule will be updated to replace any EIS message references with ISO 20022 message references or other references, as required.