

Issuer Services: New Pricing

Frequently Asked Questions



We have established the [Issuers Services website](#) and [mailbox](#) to provide issuers with further information about our services and the proposed changes to pricing. We have highlighted and answered the most frequently asked questions on the new pricing below.

Topic	Question	Response
New Fee Model	When will the new fees start?	The new fees will be effective from 1 July 2022, as reflected in invoices issued in August 2022 for the month of July 2022
Subscription fee	How does the count of HINs work for the subscription fee if we are an investment product issuer (e.g. issuing ETFs) and we have a direct investor service that runs an omnibus structure? The holdings are held under one HIN on CHESS.	That HIN will be counted as 1 in the calculation of the subscription fee.
Subscription fee	Is there any cap on the subscription fees that will be charged?	No, there is no cap however fees scale down based on the number of HINs. Please refer to the rate card in the draft fee schedule – product codes 04900256 and 04900257.
Subscription fee	How is the subscription fee calculated if holders have more than one holding for the issuer’s securities (i.e. the investor has holdings in an issuer’s different classes of securities)?	Each holding is counted as 1 in the subscription fee calculation. Please refer to the Discussion Paper (section 2.2.1 – page 11) for examples.
Subscription fee	How does ASX determine the categorisation of corporate v. investment product issuers for the different rate cards that apply for the subscription fee?	The categorisation is based on the types of entities and the products they issue, as outlined in the Discussion Paper (section 2.2.1). The different rates reflect the different use cases –corporate issuers tend to maintain one register, whereas product manufacturers often use CHESS for multiple products requiring multiple registers.
Subscription fee	Some holders have nil balances – are they included in the count of HINs for calculation of the subscription fee?	No – we are only counting HINs with balances to calculate the subscription fee.

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Holding Adjustment Fee	ASX has said the new and changed fees provide greater certainty and ability for issuers to forecast fees. Can you explain how maintaining a fee on CHES message #421 and #425 provides certainty for issuers on top of the proposed subscription fee?	<p>CHES message #421 and #425 activity (holding adjustments) is entirely under control of the issuer (registry) – based on issuer activities. Registries advise CHES to make adjustment to holder’s holdings as a result of corporate activity such as allocations under DRPs or capital raising such as rights issues and placements.</p> <p>Historically this product code [04900225] also included charges for CHES message #512. We are removing this message from the product code reducing the chargeable volume by around 80% for most issuers.</p>
Holding Adjustment Fee	Why was CHES message #512 included in the previous holding adjustment charge – it is not a holding adjustment?	Historically this message type has been included in the current product code for Holding Adjustments and Transitions. We will remove message #512 from the Holding Adjustment charge as it does not relate to holder changes. There will be no additional charge for #512 messages once the new fee model is implemented.
Discounts	What proportion of issuers would be categorized as low velocity issuers?	Based on historical activity, about 25% of issuers were categorized as low velocity.
Discounts	How is ASX determining the number of HINs and the number of CHES holding statements for determining eligibility for the low velocity issuer discount?	<p>A low velocity user is an issuer that has an annual ratio of CHES 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 CHES after 30 June 2022 will not qualify.</p> <p>To determine the number of CHES holding statements, ASX will count all statements issued during the financial year, including electronic and paper statements.</p> <p>To determine the number of HINs, ASX will take a snapshot at the end of each month (as it will to calculate the subscription fee); add these month end figures together to get a total for the financial year and then determine an average for the year.</p>
Fee calculator/ estimate of fees	What is the best way for a listed entity to compare what they are currently paying with what they will pay in the future?	We have provided a number of tools here for issuers to review and calculate the new or changed fees. We suggest the issuer selects ‘annual’ in the fee calculator to do this calculation. To compare with historical fees we suggest the issuer takes a full year’s worth of CHES invoices (July to June) to summarise fees charged, and to ensure the existing annual operating charge (to be replaced by the subscription fee) is also included.

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Fee calculator/ estimate of fees	I am an investment product issuer and when calculating the new fees I am getting higher fee estimates compared to historical fees for my organisation. Can ASX check our calculations, and do you have any tips for investment product issuers?	<p>Please email the issuer services team at issuers@asx.com.au if you have any specific questions about your calculations.</p> <p>ASX notes that it will aggregate the count of HINs across all funds for calculation of the subscription fee each month (add all HINs together before calculating)</p>
Fee calculator/ estimate of fees	I am calculating the new fees and getting higher fee estimates compared to historical fees – am I missing something, as I expected lower fees?	<p>Our tips are:</p> <ul style="list-style-type: none"> - Use a full year’s summary of historical fees – so you include all possible fee charges, especially given the annual operating charge is charged once (normally in August), and some activity may be lower or higher at certain times of the year. We recommend you don’t take one month’s historic data and multiply by twelve to get an historical view. - For the Holding Adjustment fee we note that this fee will not include a count of message #512 activity from July. Historically, on average this message has accounted for about 80% of volume for this fee. So estimate 20% of historic volumes to be applicable for the fee changes (and calculated using the new Holding Adjustment rate card).
Fee calculator/ estimate of fees	I am comparing monthly fee calculations to the fee calculator estimates and getting some differences. Do you have any tips?	<p>The key tip is to be consistent in calculating annual vs. monthly fees.</p> <ul style="list-style-type: none"> - The subscription fee rate card is expressed in annual rates. If calculating manually you will need to divide by 12 to get the monthly fee. Likewise be careful when selecting annual vs. monthly in the fee calculator. - The holding adjustment fee is a monthly rate card – so adjust the number of adjustments accordingly for monthly vs. annual calculations. If you do input an annual figure in the fee calculator, please note that the calculator will divide the number of adjustments by 12 to calculate a monthly fee then it will add up the twelve monthly fees to arrive at an annual figure.

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Fee calculator/ estimate of fees	The online fee calculator is very helpful. What are the key pieces of information an issuer will need if they want to use the calculator to do an estimate of their new fees?	<p>The issuer will need these key inputs:</p> <ul style="list-style-type: none"> - number of HINs (can source via your share registry) - number of CHES holding statements issued during a month/year (an issuer can find this in previous CHES invoices) - Number of holding adjustments (an issuer can find this in previous invoices, noting the previous charges included message #512 which will be removed. Issuers can make an assumption to use 20% of historic volumes) - Make an assumption re take-up of electronic holding statements - for now we recommend an issuer assumes 0%. <p>More tips are available in the Questions section under the calculator.</p>
Other ASX fees	As an investment product issuer, do we still have to pay FUM fees?	The proposed changes do not impact or remove ASX listing fees or the AQUA product issuer fees charged to ASX investment product issuers.
Electronic holding statements	How is the take up of electronic holding statements proceeding?	We do have a number of investors that have opted in to receive electronic statements, supported by about 12 brokers so far. We continue to engage with all brokers on their ability to support this service and expect more take up during 2022.
Electronic holding statements	Are there any steps an issuer can take to encourage the take-up of electronic holding statements?	The ability for an investor to opt in to electronic statements is managed by their sponsoring broker. We encourage you to speak to brokers, especially if your organization owns a broker.
Electronic holding statements	To enable electronic statements for investors - are you receiving and utilising investors email addresses and communication elections from the registries?	<p>No. Only a broker can change an investor's details in CHES, as they perform KYC etc. The brokers do have good email penetration, so it shouldn't be a shortcoming to not use registry information.</p> <p>As brokers send email details to CHES these can flow to registries and supplement their information. Overall this is a good change for the market with take up of electronic communications across a number of activities.</p>

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Electronic holding statements	<p>The take-up for delivery of electronic statements relies on sponsoring brokers making changes to their systems so that the issuers will get this benefit of "free e-statements". Will ASX be paying for these system costs?</p> <p>If not, does that mean that ASX will continue to collect the paper statement fee as it does now?</p>	<p>ASX is on board to make this work and increase take up of electronic holding statements, including reducing fees for issuers with the paper statement fee reductions.</p> <p>Brokers need to enable the service – and it depends on their technology. They are all working on it, alongside other priorities, and we note the ability to send email addresses will be compulsory for CHES replacement. If the technology is available then it is just a matter of putting a process in place with investors.</p> <p>3 large (retail) brokers cover 70% of the market, so we will make good in roads once they are on board.</p> <p>If we can't achieve predicted take-up then we may look at what other changes can be made to make it happen, including further consultation with associations, government, issuers.</p>
Invoices	<p>Is there any change to the way invoices will be issued to issuers from 1 July?</p>	<p>Historically CHES invoices have been sent after the end of each month to each issuer, as represented by a UIC (user identification code) in CHES. If an investment product issuer has more than one fund or product in CHES, it is likely each have a different UIC and therefore separate invoices have been issued.</p> <p>Following the changes on 1 July, the first invoices with the changed and new fees will be sent in early August.</p>

Please contact us if you have any further questions at issuers@asx.com.au:

Andrew Jones

General Manager, Issuer Services
Securities and Payments

Karen Webb

Senior Manager, Issuer Services
Securities and Payments