

Program Newsletter



[CHESS Replacement homepage](#)

CHESS Replacement Project Update

January 2020

As 2019 came to an end, we delivered our fifth drop of code in to the Customer Development Environment (CDE).

There are a number of recent and near-term activities that I would like to share with you as we roll into 2020.

- Both of the business requirements ear-marked for progression independent of the CHESS Replacement project, [Transfers to the CHESS Subregister](#) and [Corporate Actions Takeover Offer](#) are now completed.
- On 8 January we updated our Technical Documentation with information relating to batch settlement testing within CDE. You can read more about it in the [What's New page - 8 January 2020](#).
- We will hold the next **ISO 20022 Technical Committee** meeting on 28 January as we near completion of the work replacing the existing EIS message set with ISO 20022 messages.
- Our next industry **Implementation & Transition Working Group** webinar will take place on 29 January, which will focus on the management of inflight transactions at the cut-over to the new system.
- We will bring forward the publication of some functional specifications in our **Technical Documentation** portal to the end of January, ahead of the planned February release - in order to share as much of the new specifications and design as we have them. Subscribers to technical documentation will receive details of this publication soon.
- We will also be hosting a **Connectivity & Integration Working Group** meeting in mid-February which will provide an update on our next code release (CDE6).

Information about upcoming meetings and all other detailed updates can be found on our newsletter page, by clicking in to the individual sections below.

If you have any feedback on the content of this newsletter please contact the project team at CHESSReplacement@asx.com.au.

Happy new year and we look forward to working with you in 2020.



Cliff Richards

Executive General Manager
Equity Post Trade

A decorative graphic consisting of a dark blue arrow pointing right, which transitions into a light blue rectangular bar.

Engagement Activities



Connectivity & Integration Working Group

A Connectivity & Integration working group (C&I WG) was held on 4 December and included an overview on Browser & Reporting. The next meeting will be held on 19 February.

[Read more >](#)



Focus Groups

Focus Groups were held on 21 November and 12 December. This concludes the planned engagement through Focus Group meetings.

[Read more >](#)



Implementation & Transition Working Group

The latest Implementation & Transition working group was held on 18 December. The webinar presented ASX responses to market questions and feedback. The next webinar will be on Wednesday 29 January.

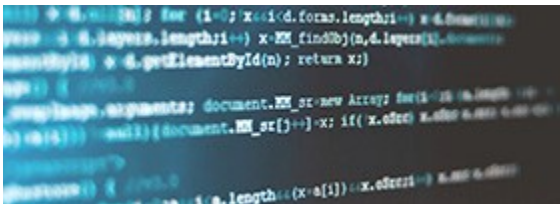
[Read more >](#)



ISO 2022 Technical Committee Meetings

ASX will convene one ISO 2022 Technical Committee meeting during this month, on 28 January. The following committee meeting will be held on 25 February 2020.

[Read more >](#)



Customer Development Environment Updates

Our fifth release of code (CDE 5) was released on 13 December, which added Change of Controlling Participant, Settlement Locks on HINs, Issuer's Agent Transfer (Warrants) and other capabilities. ASX will publish the next update of the application in CDE by end February (CDE 6).

[Read more >](#)



Rule Amendment & Public Consultation Timeline

The deadline for written submissions to ASX's consultation paper on the first of three tranches of operating rule amendments was 17 January. The consultation on the second tranche of operating rule amendments will be released in mid-February.

[Read more >](#)



Corporate Actions STP

The Corporate Actions STP Phase 2 project continues work on 2020 release schedule.

[Read more >](#)



Customer Frequently Asked Questions

We have established the CHES Replacement mailbox & CSP Support mailbox as a means of addressing any project related questions. We have highlighted the most recent questions of interest.

[Read more >](#)



BAU Project Updates

Two business requirements, identified as part of the 2017 CHES Replacement Business Requirements Working Groups, have been progressed by ASX outside of the CHES Replacement project, as Business-As-Usual activities, as neither are dependent on the new system.

[Read more >](#)

Technical Documentation



[What's new](#)



[Release notes](#)



[Forward release plan](#)

Where to next?



Upcoming activities



Project milestones



Useful weblinks

Contact us:

CHESSReplacement@asx.com.au

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Connectivity & Integration Working Group



Connectivity & Integration Working Group

The latest Connectivity & Integration working group (C&I WG) meeting was held on **4 December 2019**. The session provided details on:

- CDE 5 updates
- Overview of proposed changes to Reporting
- Updates on the CHESSE secure Browser

Materials from this session can be found [here](#).

The next C&I WG meeting will be held on **19 February 2020**, topics for discussion include a forward view of CDE 6.

A list of previous meeting topics, future Working Group dates, as well as a copy of all working group presentation materials can be found [here](#).

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Focus Groups



Focus Groups

Focus Groups were held on 21 November 2019 and 12 December 2019 respectively.

The Focus Group held on **21 November** was on the topic of Demand Reporting. This focus group was requested by the share registry community to facilitate a reporting deep-dive, in addition to reporting message discussions being facilitated via the ISO 20022 Technical Committee which included the broader stakeholder cohorts.

The Focus Group discussed a number of topics, which included:

- Holder and holding enquiries
- Transaction history and obligation reports
- Movement and balance reports
- Security details report

The Focus Group held on **12 December** was on the topic of Excess Cash and Margin Settlement. Focus Group attendees included clearing participants that utilise the excess cash function to support cash market margin obligations.

The Focus Group discussed a number of topics, which included:

- Notification and reporting supporting daily cash market margin obligations
- Management of daily margin settlement via the use of excess cash
- Management of funding via the use of excess cash standing instruction

Focus Group attendees were requested to provide feedback to the presented solutions.

A summary of key themes raised through the Focus Groups, as well as ASX's response to stakeholders' feedback will be published with the release of Technical Documentation for the final functional specifications that are developed.

This concludes the planned engagement through Focus Group meetings. A list of previous meetings can be found [here](#).

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Implementation & Transition Working Group



Implementation & Transition Working Group

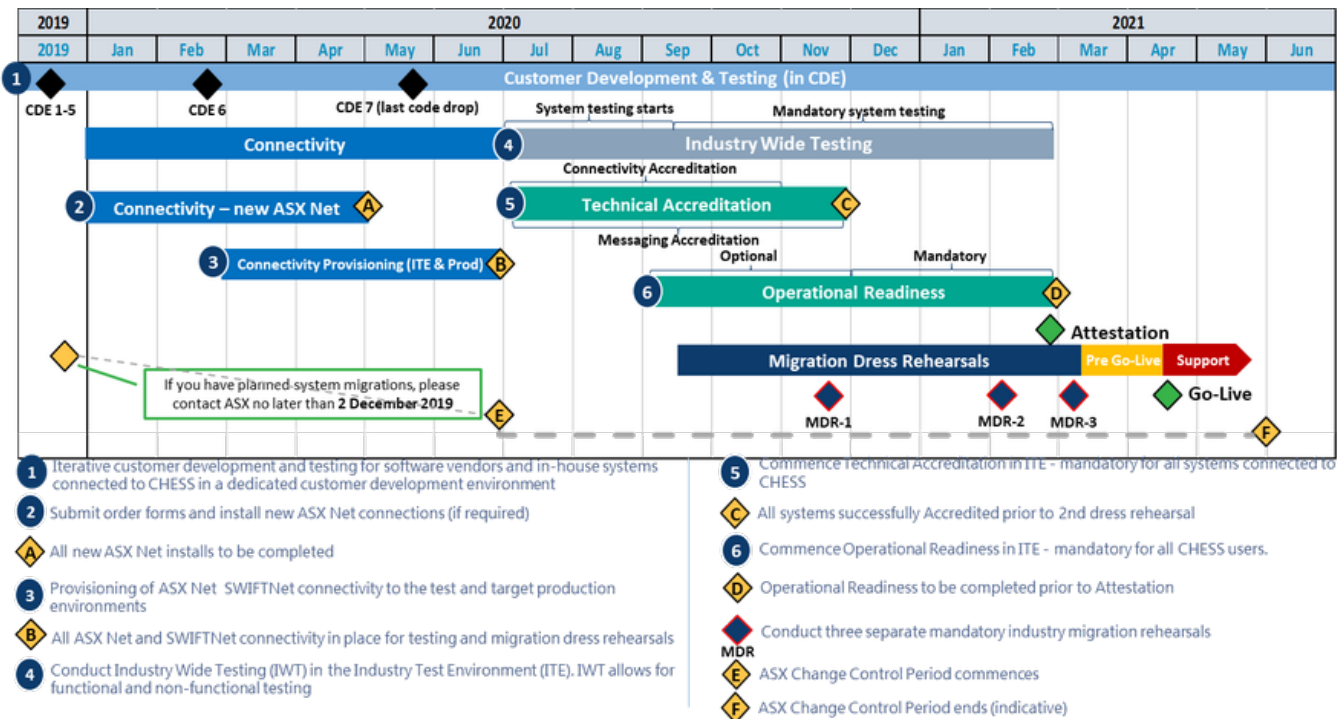
The latest Implementation & Transition working group (I&T WG) webinar was held on **18 December 2019**.

The webinar aimed to provide ASX responses to market questions and feedback and a re-cap of the major activities and timelines.

[Implementation & transition questions](#) have been published in the Technical Documentation portal, in line with this session. Information on what to expect of Industry Wide Testing (IWT) and key dates have also been updated [here](#), also in the portal.

Presentation slides from December are available [here](#), and webinar recording available [here](#) on the CHES Replacement website.

The next I&T working group webinar will be on **Wednesday 29 January 2020**, 2pm - 3pm, and will focus on inflight transaction during the transition period and cutover weekend.



REMINDER: For your consideration in planning your implementation

CHES Changes:

- If you have any migrations or other significant changes to your CHES configuration planned between July 2020 and April 2021 please contact the Participant Transitions team at participant.transitions@asx.com.au

Materials from previous meetings can be accessed [here](#) on the CHES Replacement Stakeholder Engagement website.

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ISO 20022 Technical Committee Meetings



ISO 20022 Technical Committee Meetings

ASX will convene one ISO 20022 Technical Committee meeting during this month. The meeting will be held on **28 January** and provide an overview of the Margin Settlement & Excess Cash Instruction Focus Group and the proposed ('to-be') ISO 20022 messages for the business function of mFund redemption and Corporate Action refund. ASX will also provide an overview of updates to the Demand Reporting solution, and provide members with a summary of member feedback on the previously published draft messages regarding Corporate Action Elections, Investor Details, and Settlement Processing of Unit Failure.

Following that, the next ISO 20022 Technical Committee meeting will be held on **25 February 2020** in Sydney. The agenda for the meeting is not yet determined. ASX will also provide a summary of member feedback on the previously published draft messages for mFund redemption and Corporate Action refund.

A list of previous meeting topics and materials as well as future ISO 20022 Technical Committee dates can be found [here](#).

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Customer Development Environment Updates



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Our fifth release of code (CDE 5) was released on **13 December 2019**, which added Change of Controlling Participant, Settlement Locks on HINs, Issuer's Agent Transfer (Warrants) and other capabilities. ASX will publish the next update of the application in CDE by **end February 2020** (CDE 6).

CDE - Release 5

ASX recently refreshed CDE with a new code drop, Release 5 on 13 December 2019. New capabilities introduced with this code drop included:

- Change of Controlling Participant - [July 2019](#) release notes
- Settlement Locks on HIN Holdings - [December 2018](#) and [September 2019](#) release notes
- Issuer's Agent Transfer (Warrants) - [October 2019](#) (part II) release notes

With the CDE5 code release notes ASX provided details of minor updates to testing documentation as well as any known issues or observed behaviours in the development environment.

Within the Release Notes for CDE 5, ASX advised that they will refresh environments every two weeks for internal CDE maintenance. ASX will always notify CDE Subscribers prior to any environment refresh.

CDE - Release 6

ASX will publish the next application code release in to CDE by **end February 2020** (CDE 6). Features associated with this code drop were published in our Release 6 notes - [November 2019](#) and January 2020. New capabilities planned to be introduced with this drop will include:

- Collateral Management - ETO & CMM
- Batch Settlement - Unit Fails
- Primary Market Facility: Placements
- Payment Facilities - for facilitation for the payment or receipt of funds on a RTGS basis

Details of remaining CDE code drops are published on our [Forward Release Plan](#) on our Technical Documentation portal.

CDE reminders:

The CDE supports early access development and low volume transaction and functional testing, following iterative development of the technical solutions.

- We have published for users details of CDE [constraints](#) and any [known limitations](#).
- ASX may refresh the CDE environment periodically, ASX will always notify the CDE Subscribers prior to any environment refresh
- Details of how to [request access](#) to the CDE are available in our Technical Documentation portal.

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Corporate Actions STP

Corporate Actions Straight Through Processing Phase 2 project

The STP project team continues to work with the CHES Replacement team and industry working group on a number of activities. The project is working to finalise the specifications and development for the ISO 20022 notification service for all in scope corporate action events. The CHES Replacement system will consume the ISO 20022 corporate action event notifications. The availability of the ISO 20022 notification service for all corporate action events is expected to be mid-2020. The team is also continuing work to develop and build additional online forms for the use of listed entities to announce certain events.

More information is available on the ASX website [here](#).

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BAU Project Updates



BAU Project Updates

Two business requirements identified as part of the 2017 CHES Replacement Business Requirements Working Groups (captured in ASX's April 2018 Consultation Paper "[CHES Replacement: New Scope and Implementation Plan](#)") have been progressed by ASX outside of the CHES Replacement project, as Business-As-Usual activities, as neither are dependent on the new system.

We are pleased to confirm that both of the business requirements are now completed. For further information see the respective market notices for [Transfers to the CHES Subregister](#) and [Corporate Actions Takeover Offer](#).

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Rule Amendment & Public Consultation Timeline



Rule Amendment & Public Consultation Timeline

On 15 November 2019, ASX released a [consultation paper](#) on the first of three tranches of operating rule amendments required to facilitate the implementation of the new system that will replace CHES in April 2021. These relate to accounts, participants, securities and pre-settlement aspects for Day 1 CHES replacement system functionality. The consultation paper invited feedback from users and other stakeholders on the operation of the draft tranche 1 rule amendments, including any unintended consequences by **17 January 2020**.

As shown in the timeline below, ASX expects to provide one formal response to the feedback from all three tranches in early October. ASX also expects to advise of any proposed material changes to each tranche of rule amendments approximately six weeks after the feedback deadline for each tranche (for this first tranche this is expected to be available by March 2020).

A consultation paper on the second tranche of rule amendments will be released in **mid-February 2020**. That consultation paper will set out how submissions on the tranche 2 rule amendments can be provided to ASX.

Timeline Overview

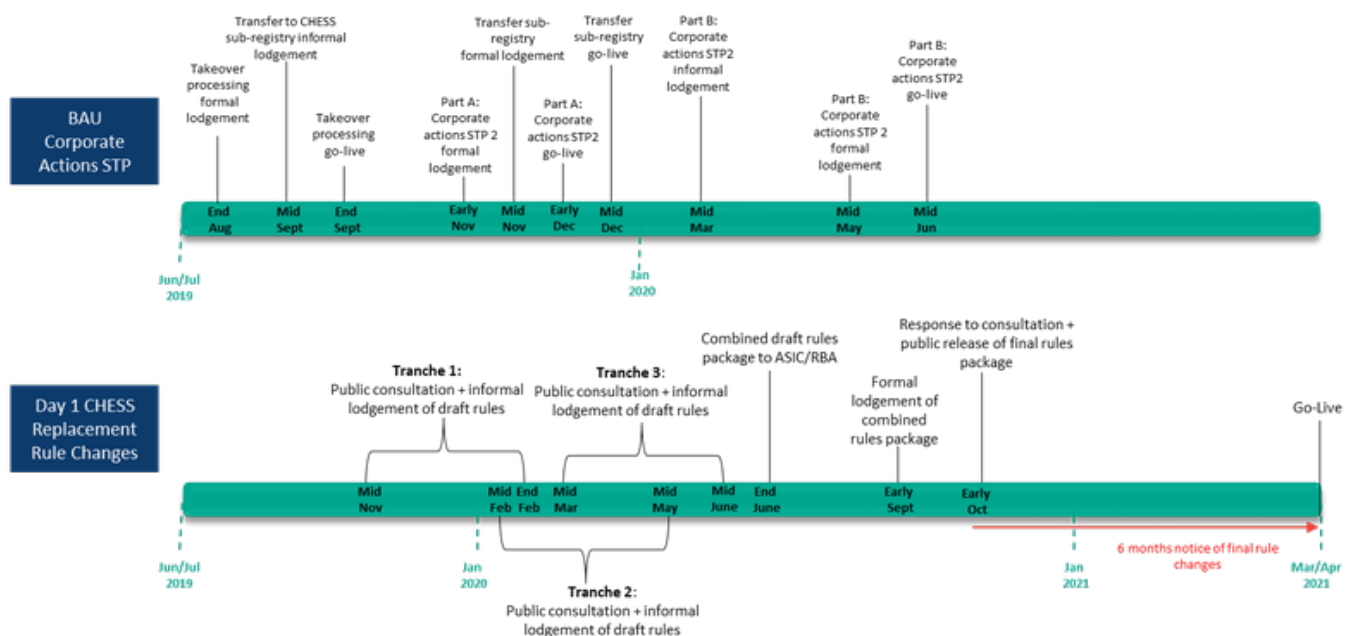
ASX has been engaging with regulators in relation to the rules and other relevant regulatory aspects that need to be addressed to support any new or changed services and functionality, including our indicative timeline.

Included below is a timeline setting out key dates for regulatory and public consultation processes for the rule amendments required for CHES Replacement.

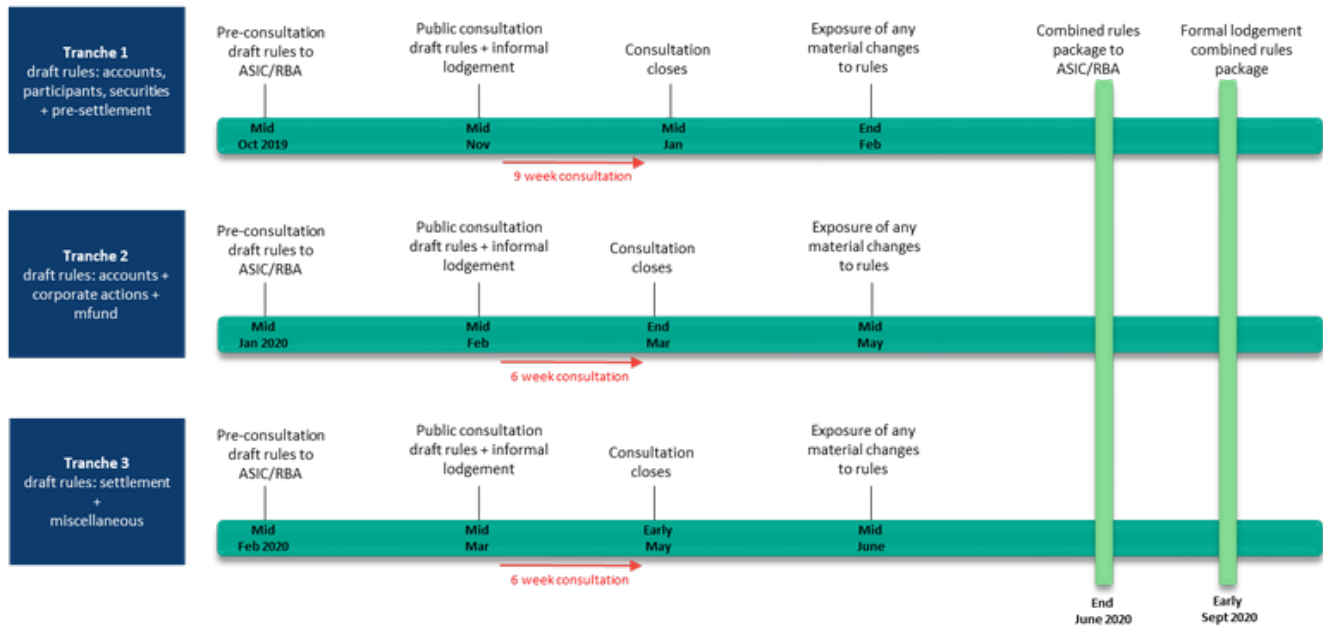
The timeline covers rule amendments required for Day 1 changes in the new system, including new business requirements, re-engineering of solutions for existing CHES functionality and the decommissioning of existing CHES functionality.

The timeline also covers rule amendments that address new business requirements generated through industry consultation but which are not dependant on the new system and are being progressed through ASX Business as Usual (BAU) processes or the Corporate Actions STP Phase 2 Project. These will be delivered prior to the replacement system going live.

New Post Trade System Rule Development Timeline: Key Dates (2019-20)



Day 1 CHESS Replacement: Detailed Rule Development Timeline (2019-20)



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Upcoming Activities



Upcoming Activities

Date	Activity
Tuesday 28 January 2020, 3pm to 5pm	ISO 20022 Technical Committee (refer here)
Wednesday 29 January 2020, 2pm-3pm, 2020	Implementation & Transition working group (refer here)
end January 2020	Technical Documentation publication - early release 7 Part I (refer here)
Wednesday 19 February 2020, 2-3.30pm, 2020	Connectivity & Integration (C&I) working group - CDE 6 (refer here)
Tuesday 25 February 2020, 3pm to 5pm	ISO 20022 Technical Committee (refer here)
Wednesday 26 February 2020, 2pm-3pm, 2020	Implementation & Transition working group (refer here)
end February 2020	Technical Documentation publication - release 7 Part II (refer here)
end February 2020	CDE 6 code release (refer here)

Refer to the CHES Replacement [Project Milestones](#).

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