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CHES Replacement: Revised Implementation Timetable Consultation Paper Response

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By email:
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The National Stock Exchange of Australia (NSX) welcomes the opportunity to contribute to the consultation on the revised implementation timetable for CHES Replacement.

NSX is a licensed market operator and is the second largest listing exchange in Australia. As a Tier 1 marketplace, the fundamental purpose of NSX is capital formation; that is, bringing together companies which require capital to fund growth, with investors who have capital and are looking for investment opportunities. Through its role as a securities exchange NSX sees itself as facilitating innovation, diversification of investment, economic growth and job creation in the Australian economy due to its focus on companies with a sub \$100m market capitalisation.

NSX's response to the Consultation Paper is attached. Much of the feedback that is sought is contingent on the completion of future deliverables including technical deployments, finalised functional specifications and code drops into test environments. As a consequence, providing "yes/no" responses is subject to deliveries by the ASX CHES Replacement Project occurring in accordance with the stated dates.

As outlined in the attached responses, NSX expects that services provided to NSX issuers & participants by the CHES Replacement environment, including non-Clearing and Settlement specific services such as sub registry, Corporate Actions, Holder Services, are provided in a fair, efficient and transparent manner across all Approved Market Operators (AMOs), including ASX as an AMO.

NSX looks forward to continuing to engage on the implementation of CHES Replacement and the reconvening of the AMO Working Group considering the last engagement was in April 2019.

Yours sincerely,

(sent electronically without signature)

John Williams
Head of Admissions

Responses:

Question	Response
<p>1. Can your organisation meet the revised implementation timetable with a go-live date of April 2022?</p> <p>YES/NO.</p>	<p>Provided the pre-requisites that are necessary are delivered with appropriate to complete integration, testing and implementation.</p> <p>The following considerations regarding the public and school holidays of April 2022 are noted: In 2022 Easter public holidays occur across 15 – 18 April while the ANZAC Day holiday falls on Mon 25 April. NSW School Holidays are planned for 11 to 22 April 2022.</p>
<p>2. If you answered NO to question 1, what are the challenges for your organisation in meeting the timeline?</p>	
<p>3. If you answered YES to question 1 are there any dependencies that ASX should be aware of, and what would be the impact to your organisation of a delay beyond April 2022?</p>	<p>NSX notes the below dependencies for its readiness in April 2022:</p> <ol style="list-style-type: none"> 1. Vendor and service provider readiness of stakeholders and participants required to be connected to the CHES Replacement system to partake in the NSX market as they do today. 2. NSX expects to receive further technical information on the provision of consistent AMO connectivity to ensure a fair, efficient and transparent connectivity and services across all AMOs which includes ASX as an AMO. In essence the current Trace Acceptance Service being provided by ASX Clear to non-ASX AMOs needs to be replaced with a standard Trade Acceptance Service encompassing all AMOs inclusive of ASX AMO. 3. Further, NSX expects that services provided to NSX issuers & participants by the CHES Replacement system, including non-Clearing and Settlement specific services, such as Subregister, Corporate Actions and Holder Services, are provided in a fair, efficient and transparent manner across all Approved Market Operators (AMOs), including ASX as an AMO.

<p>4. If your organisation chooses to provide feedback on the rule amendments, can your organisation meet the revised timetable for providing feedback on the further rules consultation commencing in early November 2020 as set out in section 5.3?</p> <p>YES/NO/Not applicable. If you answered no, please provide information supporting your answer.</p>	<p>Yes, providing there is no slippage in the consultation process into late November and December 2020.</p>
<p>5. How long after the go-live date would your organisation be ready to commence readiness activities (including technical accreditation and operational readiness) for features included in release 1.1 as set out in section 2.3?</p> <p>Specify the number of months. Please provide information supporting your answer.</p>	<p>Providing a time is contingent on better understanding business and technical aspects of the features that are proposed to be included in release 1.1</p> <p>It would also be necessary, to the extent relevant, that the NSX market, i.e. securities, issuers, participants, is included in end to end testing that is representative of the current CHES Production Environment and the CHES Replacement test environments.</p> <p>NSX recommends that the AMO working group is reconvened in the near future to engage that group in the outcomes of the replanning of the implementation of CHES Replacement.</p>