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Context of this Document

The ASX Settlement Procedure Guidelines must be read in the context of the ASX Settlement Operating Rules and associated ASX Settlement Operating Rules Procedures. Terms defined in the ASX Settlement Operating Rules have the same meaning in the ASX Settlement Procedure Guidelines.

This section of the ASX Settlement Procedure Guidelines apply to mFund products only.

Settlement Participants are advised that this section incorporates recommended guidelines only and particular processes (i.e. deceased estate procedures) may vary between each AQUA Product issuer.

Change History

Version	Date	Description of changes
1.8	May 2012	New section describing mFund Settlement Service (mFund) functionality
1.9	October 2013	The inclusion of a PDS Issue Date for Application and Switch requests has seen the modification of impacted procedures
2.5	April 2014	**New** version incorporating validation tables, hyperlinks to other sections of the APG and change of name from AMFS to mFund Settlement Service
2.6	July 2014	Inclusion of US Foreign Account Tax Compliance Act (FATCA) requirements
3.1	Jan 2016	ASXOnline document merge.
3.2	Mar 2016	T+2 implementation and change in references from C&S Operations to Post Trade Operations
3.3	Aug 2016	CHESS Release 9 implementation and miscellaneous terminological amendments.
3.5	April 2017	Inclusion of Trading Participant references, miscellaneous PISP/Registry reference amendments and revised Section 28.2 diagram

Version	Date	Description of changes
3.6	Oct 2018	CHESS Release 10 implementation includes: • CRS functionality • Transfer functionality • Remodelled application process • Removal of SRN access to CHESS mFund • Removal of the AML/CTF requirements for Redemptions, Switches and Conversions • Clarification regarding the provision of supporting documentation for conversions and transfers • Corrections to the Annual Income Statements.

SECTION 28. MFUND SETTLEMENT SERVICE

28.1   MFUND SETTLEMENT SERVICE OVERVIEW

The mFund Settlement Service is the next phase of the AQUA Market for managed funds and structured Products. Phase I was implemented in Q4, 2008, delivering the listing rules. The mFund Settlement Service takes the next step by enabling CHESS Participants to settle certain managed fund applications and redemptions routed via ASX to AQUA Product issuers, represented by Product Issuer Settlement Participants (PISPs).

The mFund Settlement Service offers the following:

*   Provides the ability for ASX Settlement Participants to direct application, redemption and switch requests from broker sponsored investors to Product Issuer Settlement Participants for Managed Funds admitted for settlement through the mFund Settlement Service ("mFund products").
*   Provides cash settlement for applications and redemptions of mFund products in CHESS.
*   Provides the ability to hold fund units in CHESS HINs (allowing for fractional units on the CHESS sub-register).
*   Provides for distribution preference elections and subsequent amendments.
*   Provides for periodic and annual income statements.
*   Provides the ability to convert mFund holdings between issuer sponsored and broker sponsored holdings and vice versa.
*   Provides the ability to transfer mFund units between holdings under the control of the same Settlement Participant. (NB this functionality is subject to regulatory analysis and is not currently available.)

Participant mFund Settlement Service transactions will be processed as part of the existing Batch Settlement. Refer to Section 28.5 (Settlement Processing).

28.2   KEY ROLES WITHIN MFUND SETTLEMENT SERVICE

The following list identifies the key roles within the mFund Settlement Service:

*   Product Issuer Settlement Participant (PISP)
*   AQUA Product Issuer
*   Registry/PISP
*   Settlement Participant

Note: It is important that the relationship between the PISP and the associated registry is based on shared access to registry data. Interfaces, external to CHESS, may be required to facilitate this.

The following diagram shows the key roles within the mFund and their interaction with each other.
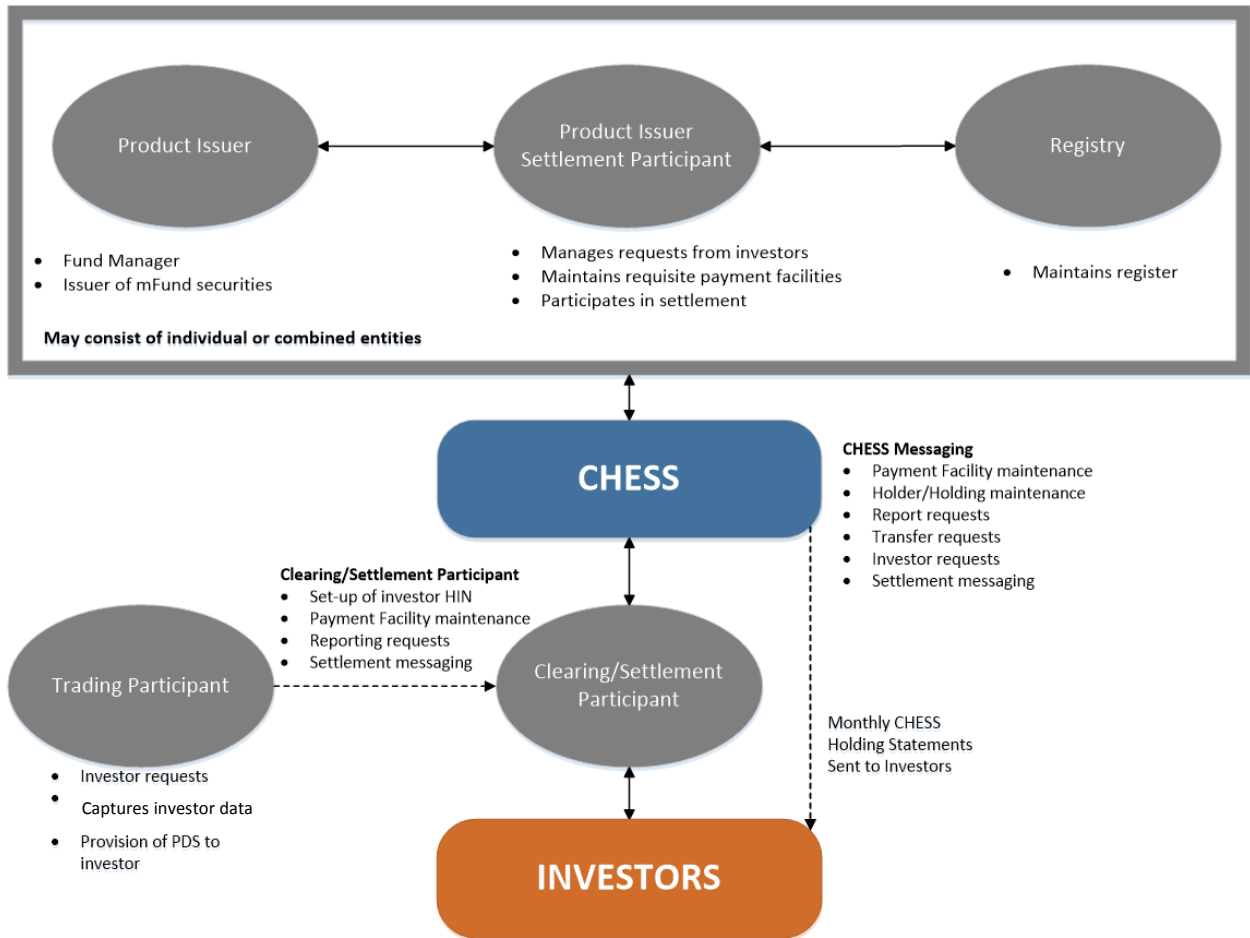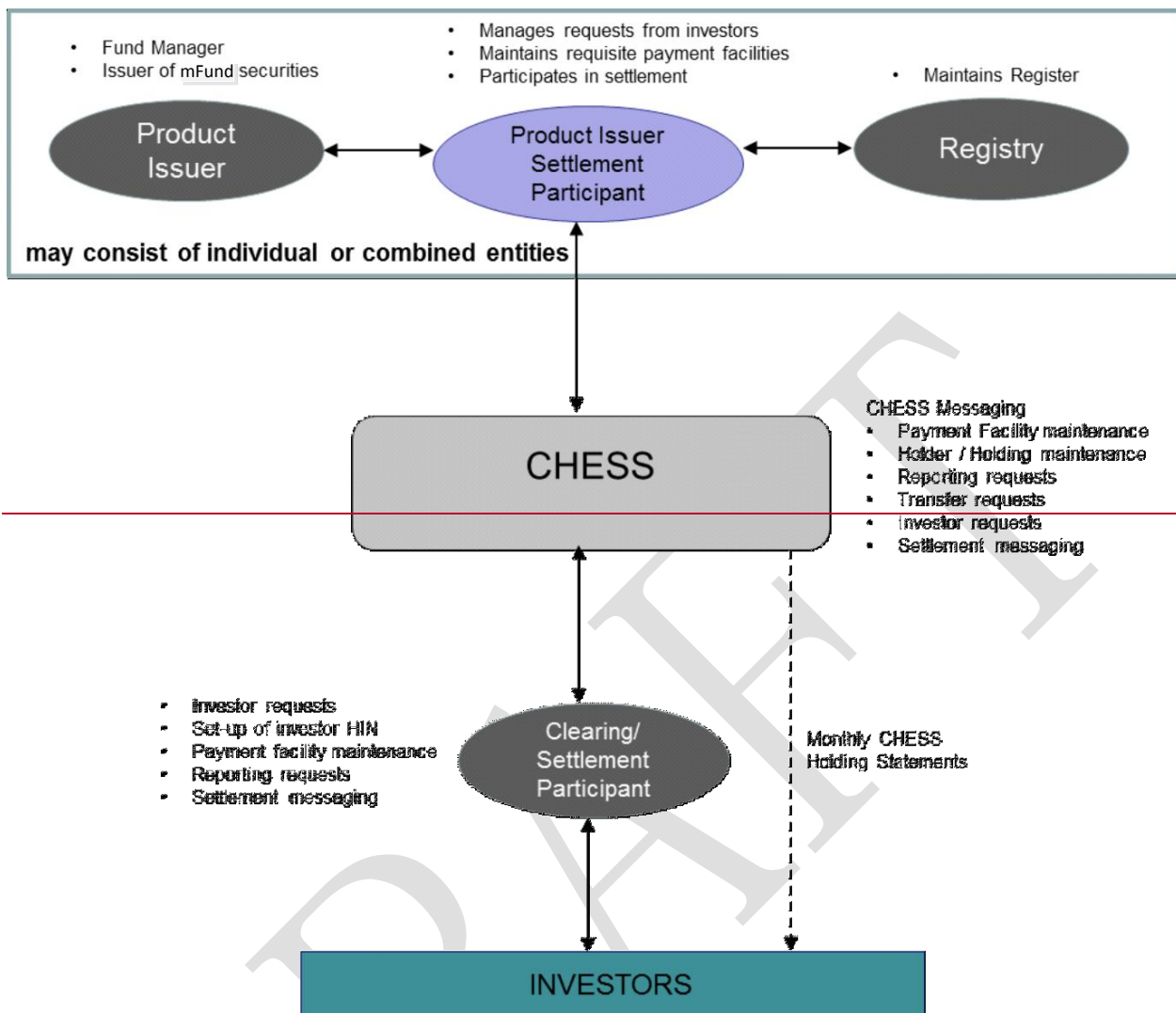
28.2.1 Product Issuer Settlement Participant (PISP)

The Product Issuer Settlement Participant (PISP) has direct access to CHESS and Batch Settlement with ASX Settlement Participant status. The PISP is responsible for the following functions:

- Responding to order/transfer/conversion requests
- Participation in Batch Settlement and management of payment facilities
- Issue of units/redemption of units
- Reporting to CHESS to assist the Registry to manage the unit register

Further detail regarding PISP actions and responsibilities is included in Section 28.6 (mFund Settlement Service Processing).

28.2.2   AQUA Product Issuer

The AQUA Product issuer does not have direct access to CHESS or Batch Settlement however the AQUA Product Issuer may be the same entity as the PISP, with that entity undertaking the functions of both the AQUA Product Issuer and the PISP.

28.2.3   Registry

The Registry has direct access to CHESS ~~and~~ but not Batch Settlement, and may be one ~~in~~ and the same entity as the PISP. The Registry is responsible for the following functions:

- Maintenance and reconciliation of the unit register
- ~~Issuing Shareholder Reference Numbers (SRNs) and registration of unit holdings (where unit holdings are not registered to a Holder Identification Number (HIN) in CHESS)~~
- ~~Issuing of statements for holdings allocated to SRNs~~
- Responding to AQUA Product Issuer sponsored balance requests from the Settlement Participant
- ~~Participation in Batch Settlement and management of Payment Facilities (where the Registry and PISP are the same entity).~~

The Registry may be the same entity as the PISP, with that entity undertaking the functions of both the Registry and the PISP.

Specific detail regarding PISP actions and responsibilities are documented in 28.6 mFund Settlement Service processing.

28.2.4   Settlement Participant

The Settlement Participant has direct access to CHESS and Batch Settlement. The Settlement Participant is responsible for the following primary functions:

- Creation of Holder Identification Numbers (HINs) for investors
- ~~Processing~~ Submitting application, redemption and switch requests
- ~~Processing~~Submitting transfer and conversion requests
- Participation in Batch Settlement and management of payment facilities

Settlement Participants are required to confirm that clients have received the current PDS issued for each mFund product, via the Trading Participant through which those clients access the mFund Settlement service.

Further detail regarding Settlement Participant actions and responsibilities is included in 28.6 (mFund Settlement Service Processing).

28.2.5   CHESS

CHESS is an acronym for Clearing House Electronic Subregister System. CHESS provides a centralised electronic subregister for holdings of approved financial products. Refer to Section 2 CHESS overview for further information regarding CHESS. CHESS is responsible for the following functions:

- Processing of Batch Settlement
- Processing of CHESS messages in accordance with the External Interface Specification (EIS).

28.3   BECOMING A PARTICIPANT

Refer to Section 3 (ASX Settlement Participation) for further information on:

- Becoming a Participant
- Changing Participant Details
- Withdrawal From Participation

28.3.1   Access to CHESS

Upon completion of application and CHESS set up, ASX Settlement will provide the Participant with a Participant Identification code (PID[1]) and relevant communications information. Refer to the External Interface Specification (EIS) for further technical information.

28.3.2   Participant Computer Systems

A Participant requires a back office computer system in order to communicate with CHESS. This can be achieved by either: the Participant building their own interface, the purchase of an interface from a third party vendor, or the use of ASX CHESS interface products: CHESS PC or CHESS ACCESS.

Refer to section 3 (ASX Settlement Participation) for further information on:

- Back Office System Concepts
- Changing Computer Systems
- Disaster Recovery and Business Continuity Planning

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[1] Participant Identification code (PID) may be referred to as a User Identification Code (UIC) in technical documentation such as the External Interface Specification (EIS).

28.4   PAYMENT FACILITIES

Each payment transaction due to settle in CHESS must target a particular Payment Facility. A Payment Facility provides the link between CHESS and the Participants Payment Provider (i.e. a bank with CHESS participation). mFund Settlement Service transactions are aggregated at the Payment Facility level in Batch Settlement and the value due (payment or receipt) for each Payment Facility is advised by CHESS to the Participant and Payment Provider.

There is a requirement to segregate mFund Settlement Service payments from CHESS equity payments to prevent a payment failure affecting the others ability to complete processing. All Participants active in the mFund Settlement Service must operate segregated payment facilities for:

* **Applications**: represents the receive position for a PISP and the pay position for a Settlement Participant
* **Redemptions**: represents the pay position for a PISP and the receive position for a Settlement Participant

CHESS does not hold any bank account numbers. Instead, CHESS holds a unique Payment Facility identifier that the Payment Provider can use to identify the specific Participant bank account associated with any payment instruction. The actual bank accounts used remain the purview of the Participant and their Payment Provider; ASX Settlement has no role in this arrangement.

The following diagram shows the Payment Facility set up for transactions relating to the mFund Settlement Service from a PISP perspective and from a Settlement Participant perspective.
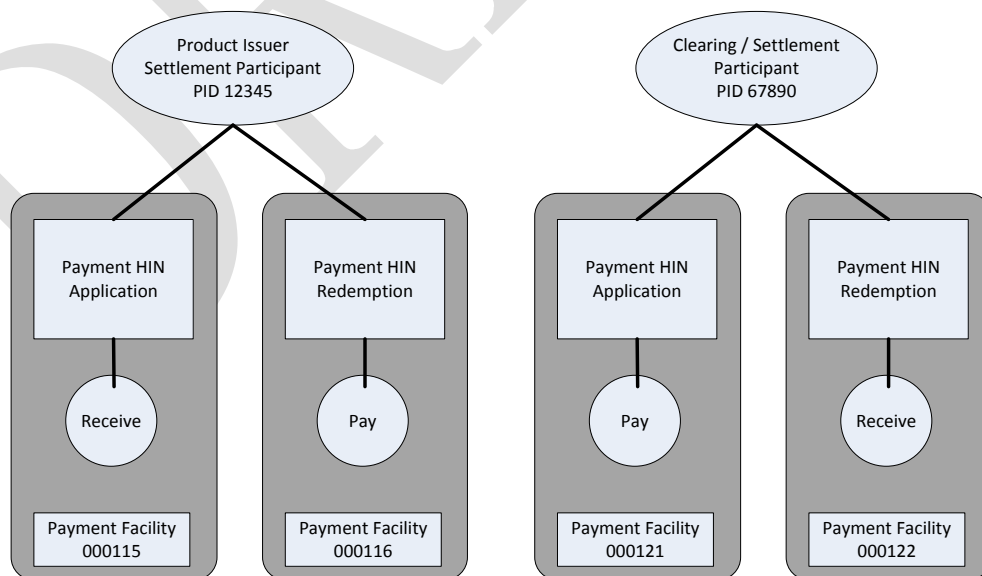
28.4.1 Establishing a Payment Facility

PISP's and Settlement Participants are required to establish two payment Holder Identification Numbers (HINs) for each PID they control. These HIN's will be linked to the relevant Payment Facility for 1) applications and 2) redemptions. The payment HINs must be established with the following information:

- Holder type: Entrepot (E)
- Entrepot type: Payment (P)
- Registration

  - Line 1 (30 characters): Participant name
  - Line 2 (30 characters): Participant name (cont. if required)
  - Line 3 (30 characters): applications or redemption designation
  - Line 4 (30 characters): address
  - Line 5 (30 characters): address continued
  - Line 6 (30 characters): address continued, must incl. suburb, state and postcode

Example of registration:

ABC Fund Admin

Participant Name Pty Limited
<Application a/c> or <Redemption a/c>,
500 Burke Street
Melbourne VIC 3000

Refer to section 5.2 Registration Name and Address standards for more information on Registration Name and Address Standards.

Refer to section 3 ASX Settlement Participation for further information on:

- Payment Facilities (not relating to mFund Settlement Service)
- Changing Payment Providers
- Removing a Payment Facility.

PROCEDURE

28.4.1.1   The Participant establishes application and redemption payment HINs (refer to Section 5.1 (Establishing a CHESS Holder and allocating a HIN) for details on this procedure).

Note: The reference to Participant within this section 28.4 also includes both Settlement Participants and the PISPs.

28.4.1.2   The Participant makes arrangements with a Payment Provider.

28.4.1.3   The Participant completes a Request to Create a New Payment Facility form (Appendix P1) and sends it to ASX Settlement Operations. This can be a PDF email copy.

28.4.1.4   ASX Settlement Operations processes the Request to Create a New Payment Facility Form and enters the new details into CHESS.

A Payment Facility can be made effective on the next Batch Settlement date or with a future effective date.

28.4.1.5   CHESS allocates a Payment Facility identifier. CHESS notifies both the Participant and the Payment Provider of the new Payment Facility identifier on the effective date.

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.4.1.1	201	New Registration Details	Settlement Participant/ PISP	CHESS
28.4.1.1	202	Accepted New Registration Details	CHESS	Settlement Participant/ PISP
28.4.1.5	240	Created Payment Facility	CHESS	Settlement Participant/ PISP
28.4.1.5	240	Created Payment Facility	CHESS	Payment Provider

28.5   SETTLEMENT PROCESSING

Existing Batch Settlement will be used to satisfy payment settlement of mFund Settlement Service transactions. The following mFund Settlement Service transactions are scheduled for Batch Settlement when a PISP has accepted an order request from a Settlement Participant:

- Application Order requests
- Redemption Order requests

The payment date on the order requests determines the scheduling for Batch Settlement.

Payments for settlement are provided by a Payment Provider on the Participant's behalf. CHESS seeks authorisation for the payments transfer of cash from each Participant's Payment Provider. The Payment Providers authorise release of payments for net payers, notify CHESS, and hold the committed payments for payment processing.

mFund Settlement Service settlement is payment only; no units are delivered through Batch Settlement. Units are allocated/redeemed by the PISP outside of Batch Settlement.

28.5.1 Settlement Timetable

The mFund Settlement Service is NOT a formal T+2 settlement regime.

For Application Order requests the Settlement Date will be set by ASX Settlement and will generally be the next Batch Settlement cycle. This is dependent on the timing of Application Order receipt and acceptance by the PISP. The Settlement Date may be altered by the PISP prior to Batch Settlement as business conditions dictate.

For Redemption Order requests the settlement date will be set by the PISP when accepting the Redemption Order and may be altered by the PISP prior to Batch Settlement as business conditions dictate.

Refer Section 2.2 (CHESS Processing Schedule) for details regarding the transaction processing schedule.

28.5.2 Failure to Settle – Funding

mFund Settlement Service transactions are segregated by the use of separate Payment Facilities, refer to section 28.4. The effect of this is that where payments are not be authorised by the Payment Provider for one Payment Facility it may authorise for another. Failure by a Settlement Participant or PISP to meet funds obligations will be referred to ASX Compliance. ASX Compliance will complete a review to determine if any action needs to be taken under the ASX Settlement Operating Rules, which may include restrictions, suspension, or termination from participation in CHESS.

In the event that a Participant's Payment Provider declines to authorise a payment oObligation., CHESS backs out relevant transactions for that Payment Facility for

that

Batch Settlement cycle.

Refer Section 9 (Settlement) for further detail.

28.5.3 Failure to Deliver Units

The following information only applies to Application and Switch transactions.

Where a PISP fails to deliver units on the notified Issue Date, CHESS will transmit a Reminder Notice message to the PISP. A copy is also sent to the Settlement Participant as a notification. The PISP has access to CHESS functionality to update the Allotment Date.

Where a PISP is issued with a Reminder Notice on three successive days, a referral will be lodged with ASX Compliance. ASX Compliance will complete a review to determine if any action needs to be undertaken under the ASX Settlement Operating Rules, which may include restrictions, suspension or termination from participation in CHESS.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.5.3	812 Reminder Notice	CHESS	PISP/ Settlement Participant

28.6 MFUND SETTLEMENT SERVICE PROCESSING

28.6.1 Application for Units in mFund Products

An investor instructs their authorised Trading Participant to place an application to purchase a dollar amount of units in an mFund product.

The investor needs to be broker sponsored to apply for units in a fund. Where an investor wishes to become broker sponsored an existing process described in Section 5 (Client Holder Administration) must be followed.

There is a marked difference between the procedures required to be followed for an initial application as opposed to a subsequent application (see Note). These procedures are set out as separate procedures to avoid confusion.

Note:
An initial application is an application for units in a Financial Product where the Holding balance of a Holder is zero at the time the application is made. An initial application requires accompanying foreign tax status and investor details.

A subsequent application is where an investor has an existing holding (> zero) in the requested fund. A subsequent application does not require accompanying foreign tax

status and investor details. The differences are shown in the table below (M signifies mandatory).

726 Application Request		
~~Field Name~~	~~Initial Application~~ ~~Value of 'Initial Application' = 'Y'~~	~~Subsequent Application~~ ~~Value of 'Initial Application' = 'N'~~
~~Fund Code~~	~~M~~	~~M~~
~~Fund Amount~~	~~M~~	~~M~~
~~HIN~~	~~M~~	~~M~~
~~Transaction Id~~	~~M~~	~~M~~
~~AML/CTF Check Flag~~	~~M~~	~~M~~
~~Current PDS Provided~~	~~M~~	~~M~~
~~PDS Issue Date~~	~~M~~	~~M~~
~~Initial Application~~	~~M must be 'Y'~~	~~M must be 'N'~~
~~*Note*~~	Must be accompanied by: • MT735 Foreign Tax Status • MT737 Investor Details	

28.6.1 Initial Application for Units in mFund Products

An initial application for units must be accompanied by a foreign tax status determination and investor details. CHESS will ensure that all mandatory fields contain a response prior to passing the application for units to the PISP.

PROCEDURE

28.6.1.1 The Settlement Participant receives instructions from an investor, via an authorised Trading Participant, to purchase a dollar amount of units in an mFund product.

28.6.1.2 The Settlement Participant is required to confirm that the investor has received the current PDS. The Settlement Participant ensures the date of the most recent PDS (PDS Issue date) is included on the Application request in the form YYYYMMDD.

28.6.1.3 The Settlement Participant is required to confirm that the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) have been satisfied.

28.6.1.4 The Settlement Participant sends an Application Request to CHESS accompanied by Foreign Tax Status and Investor Details. All 3 messages must be received and pass CHESS validation to form a valid Application Request that CHESS will then pass to the PISP. Note that the messages may be sent in any order

28.6.1.5 CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.1.6 The Settlement Participant sends Foreign Tax Status to CHESS. The Linking Transaction ID value must equal the Transaction ID of the Application request that the Foreign Tax Status pertains to.

Refer 28.6.5 Foreign Tax Status for validation criteria.

28.6.1.7 CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.1.8 The Settlement Participant sends Investor Details to CHESS. The Linking Transaction Id value must equal the Transaction ID of the Application request that the Investor Details pertains to.

Refer 28.6.6 Investor Details for validation criteria.

28.6.1.9 CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.1.10 Where the Application Request, Foreign Tax Status and Investor Details are not received by CHESS within 5 Business Days to form a valid Application request, CHESS will cancel the Application Request and notify the Settlement Participant.

28.6.1.11 CHESS forwards the accepted Application Request, Foreign Tax Status and Investor Details to the PISP once all 3 messages have been received and successfully validated.

28.6.1.12 The PISP validates the Application set to ensure it meets the fund requirements. The PISP will determine if the Application set will be accepted or rejected. The PISP may reject due to issues with any component of the application set.

The PISP sends CHESS a response. The PISP may need to respond a number of times to provide full Application Request data. In the initial response:

- Where the request is accepted, the PISP must include a Unit Pricing Date and a Unit Allotment Date.

- Where the request is rejected, the PISP must include a Rejected Reason. Note that rejection of the Application request itself or the accompanying Foreign Tax Status and Investor Details may be rejected via the Application response.

28.6.1.13 If valid, CHESS sends the PISP a Fund Response and the Settlement Participant an Effected Application/Payment Plan Application Response.

28.6.1.14 Where the request is accepted by the PISP, CHESS schedules the Application Request for Batch Settlement and notifies both the PISP and the requesting Settlement Participant of the Settlement Date and payment instruction details.

28.6.1.15 At any time prior to the advised Unit Allotment Date, the PISP must send all outstanding application details (refer 28.6.1.12) to CHESS. CHESS will forward these to the Settlement Participant.

28.6.1.16 At any time prior to the advised Unit Allotment Date, the PISP may advise CHESS of a revised Unit Allotment Date. CHESS will forward the revised details to the Settlement Participant.

28.6.1.17   On the advised Unit Allotment Date, the PISP adjusts the investor holding on the CHESS sub-register to reflect the Application Request. The Fund Reason must reflect the fact that the adjustment is for an Application Request.

28.6.1.18   If on the advised Unit Allotment Date, the PISP does not adjust the investor holding to reflect the application request, CHESS sends a reminder message to the PISP and also forwards the reminder message to the Settlement Participant for their information.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.1.4	726 Application Request	Settlement Participant	CHESS
28.6.1.5	720 Accepted Participant Request	CHESS	Settlement Participant
28.6.1.5	518 Rejected Transaction	CHESS	Settlement Participant
28.6.1.6	735 Foreign Tax Status	Settlement Participant	CHESS
28.6.1.7	720 Accepted Participant Request	CHESS	Settlement Participant
28.6.1.7	518 Rejected Transaction	CHESS	Settlement Participant
28.6.1.8	737 Investor Details	Settlement Participant	CHESS
28.6.1.9	720 Accepted Participant Request	CHESS	Settlement Participant
28.6.1.9	518 Rejected Transaction	CHESS	Settlement Participant
28.6.1.10	740 Cancelled Fund Request	CHESS	Settlement Participant
28.6.1.11	727 Application Order Request	CHESS	PISP
28.6.1.11	736 Foreign Tax Status Details	CHESS	PISP
28.6.1.11	738 Participant Investor Details	CHESS	PISP
28.6.1.12	729 Application Order / Payment Plan Application Response	PISP	CHESS
28.6.1.13	722 Fund Response	CHESS	PISP
28.6.1.13	730 Effected Application Order / Payment Plan Application Response	CHESS	Settlement Participant

Section	Message Number and Description	Sender	Recipient
28.6.1.14	731　Scheduled Settlement Payment Instruction	CHESS	Settlement Participant /PISP
28.6.1.15	729　Application Order / Payment Plan Application Response	PISP	CHESS
28.6.1.15	722　Fund Response	CHESS	PISP
28.6.1.15	730　Effected Application Order / Payment Plan Application Response	CHESS	Settlement Participant
28.6.1.16	810　Update Order	PISP	CHESS
28.6.1.16	722　Fund Response	CHESS	PISP
28.6.1.16	811　Effected Update Order	CHESS	Settlement Participant
28.6.1.17	732　Unit Adjustment	PISP	CHESS
28.6.1.17	722　Fund Response	CHESS	PISP
28.6.1.17	733　Effected Fund Unit Adjustment	CHESS	Settlement Participant
28.6.1.18	812　Reminder Notice	CHESS	PISP/ Settlement Participant

28.6.2 Subsequent Application for Units in mFund Products

A subsequent application for units does not need to be accompanied by a foreign tax status determination and investor details.

PROCEDURE

28.6.2.1   The Settlement Participant receives instructions from an investor, via an authorised Trading Participant, to purchase a dollar amount of units in an mFund product.

28.6.2.2   The Settlement Participant is required to confirm that the investor has received the current PDS. The Settlement Participant ensures the date of the most recent PDS (PDS Issue date) is included on the Application request in the form YYYYMMDD.

28.6.2.3   The Settlement Participant is required to confirm that the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) have been satisfied.

28.6.2.4   The Settlement Participant sends an Application Request to CHESS.

28.6.2.5   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.2.6   CHESS forwards the accepted Application Rrequest to the PISP.

28.6.2.7   The PISP validates the Application Request to ensure it meets the fund requirements. The PISP will determine if the Application Request will be accepted or rejected.

The PISP sends CHESS a response. The PISP may need to respond a number of times to provide full Application Request data. In the initial response:

- Where the request is accepted, the PISP must include a Unit Pricing Date and a Unit Allotment Date.

- Where the request is rejected, the PISP must include a Rejected Reason. Note that rejection of the Application request itself or the accompanying Foreign Tax Status and Investor Details may be rejected via the Application response.

28.6.2.8   If valid, CHESS sends the PISP a Fund Response and the Settlement Participant an Effected Application/Payment Plan Application Response.

28.6.2.9   Where the request is accepted by the PISP, CHESS schedules the Application Request for Batch Settlement and notifies both the PISP and the requesting Settlement Participant of the Settlement Date and payment instruction details.

28.6.2.10   At any time prior to the advised Unit Allotment Date, the PISP must send all outstanding application details (refer 28.6.2.7) to CHESS. CHESS will forward these to the Settlement Participant.

28.6.2.11　　At any time prior to the advised Unit Allotment Date, the PISP may advise CHESS of a revised Unit Allotment Date. CHESS will forward the revised details to the Settlement Participant.

28.6.2.12　　On the advised Unit Allotment Date, the PISP adjusts the investor holding on the CHESS sub-register to reflect the Application Request. The Fund Reason must reflect the fact that the adjustment is for an Application Request.

28.6.2.13　　If on the advised Unit Allotment Date, the PISP does not adjust the investor holding to reflect the application request, CHESS sends a reminder message to the PISP and also forwards the reminder message to the Settlement Participant for their information.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.2.4	726　　Application Request	Settlement Participant	CHESS
28.6.2.5	720　　Accepted Participant Request	CHESS	Settlement Participant
28.6.2.5	518　　Rejected Transaction	CHESS	Settlement Participant
28.6.2.6	727　　Application Order Request	CHESS	PISP
28.6.2.7	729　　Application Order / Payment Plan Application Response	PISP	CHESS
28.6.2.8	722　　Fund Response	CHESS	PISP
28.6.2.8	730　　Effected Application Order / Payment Plan Application Response	CHESS	Settlement Participant
28.6.2.9	731　　Scheduled Settlement Payment Instruction	CHESS	Settlement Participant /PISP
28.6.2.10	729　　Application Order / Payment Plan Application Response	PISP	CHESS
28.6.2.10	722　　Fund Response	CHESS	PISP
28.6.2.10	730　　Effected Application Order / Payment Plan Application Response	CHESS	Settlement Participant
28.6.2.11	810　　Update Order	PISP	CHESS
28.6.2.11	722　　Fund Response	CHESS	PISP
28.6.2.11	811　　Effected Update Order	CHESS	Settlement Participant
28.6.2.12	732　　Unit Adjustment	PISP	CHESS

Section	Message Number and Description	Sender	Recipient
28.6.2.12	722 Fund Response	CHESS	PISP
28.6.2.12	733 Effected Fund Unit Adjustment	CHESS	Settlement Participant
28.6.2.13	812 Reminder Notice	CHESS	PISP/ Settlement Participant

28.6.3   Redemption of Units in mFund Pproducts

An investor instructs their authorised Trading Participant to redeem units in an mFund product in which the investor has a holding.

The processing rules that apply for Redemption requests where full or partial redemption is to apply is as follows:

Full Redemption	Fund Amount	Number of Units	CHESS Accept or Reject
Y	Y	Y	Reject
Y	N	Y	Reject
Y	Y	N	Reject
Y	Not permitted	Not permitted	Accept
N	Y	Y	Reject
N	N	N	Reject
N	Y	N	Accept
N	N	Y	Accept

The PISP may respond multiple times to ensure that all required data is passed to the Participant broker. The following table outlines processing rules for a redemption response:

MT802 Redemption Order Response		
Field Name	**Initial Response**	**Subsequent Response**
Fund Code	M	M
APIR Code	O	O
Fund Amount	M if Fund Amount in MT800 request	M if no Fund Amount in MT800 request
HIN	M	M
PID	M	M
Processing Timestamp	M	M
Transaction Status	M	M
Hold Reason	M where request put on-hold	n/a
Transaction Id	M	M
Rejected Order Reason	M where rejected	n/a
Origin Transaction Id	M	M
Unit Price	O	M
Order Reference	O	O
Income	O	O
Tax Deducted	O	O
Nett or Gross	M	O
Number of Units	M if in MT800 request	M if no Number of Units in MT800 request
Unit Pricing Date	M where accepted	O
Fees	O	O
Payment Date	M where accepted	O

The investor does not need to be broker sponsored to apply for redemption of units in a fund. Where an investor wishes to become broker sponsored an existing process described in Section 5 (Client/Holder Administration) may be followed.

Note: The procedure shown here applies equally to both broker and issuer sponsored investors. Where procedural steps apply exclusively to a sponsorship type, the step is prefixed accordingly.

PROCEDURE

28.6.3~~2~~.1   The Settlement Participant receives instructions from an investor's authorised Trading Participant to redeem a nominated number of units or, a nominated fund amount or redeem their entire holding.

~~28.6.2.2~~   ~~The Settlement Participant ensures that the AML/CTF requirements under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) have been satisfied in addition to the FATCA requirements under the US Foreign Account Tax Compliance Act. For additional information about FATCA refer to Section 31 (US Foreign Account Tax Compliance Act).~~

28.6.3.~~2~~3   The Settlement Participant sends a Redemption Request to CHESS.

28.6.3.~~3~~4   If the Redemption Request is valid CHESS sends an Accepted Participant Request to the Settlement Participant advising that the request has been received. If the request is valid CHESS sends a rejected transaction to the Settlement Participant

28.6.3.~~4~~5   If the Redemption Request received is valid, then CHESS sends the Redemption Order Request to the PISP.

28.6.3.~~5~~6   The PISP validates the Redemption Order to ensure it meets the fund requirements. The PISP will determine if the Redemption Order request will be accepted/rejected or deferred.

28.6.3.~~6~~7   The PISP sends CHESS a response. The PISP may need to respond a number of times to provide full Redemption Request data. In the initial response:

- Where the Redemption Request is accepted, the PISP must include the details of the Unit Pricing Date and Payment Date when the transaction status is "A" for accepts.

- Where the PISP may, for business reasons such as overnight pricing of a fund, be unable to fulfil the Redemption Request, the PISP may place the request in a "Hold" state until such time as the request can be fulfilled.

- Where the Redemption Request is rejected, the PISP must include a Rejected Order Reason.

28.6.3.7   If valid, CHESS sends the PISP a Fund Response and the Settlement Participant an Effected Redemption Order Request

28.6.3.8   Where the PISP places the Redemption Order Request in a 'Hold' state, the investor may decide to cancel the Redemption Request. Please refer to 28.6.~~8~~6 for details regarding Cancellation of a 'Hold' Request

28.6.3.9   Where the PISP has placed the Redemption Order Request in a 'Hold' state and subsequently wishes to accept the Redemption Order Request, a response to the original Redemption Order Request may be sent with an accepted transaction status.

28.6.3.10   ~~*Broker sponsored only:*~~ The PISP will redeem the number of units on the investor holding on the CHESS sub-register to reflect the Redemption Request. The Fund Reason must reflect the fact that the adjustment is for a Redemption Request.

~~28.6.2.11   *Issuer sponsored only:* The PISP adjusts the investor holding on the Issuer register to reflect the Redemption Request.~~

28.6.3.11   CHESS schedules the Redemption Request for Batch Settlement based on the Payment Date advised by the PISP and notifies both the PISP and the requesting Settlement Participant of the payment instruction details.

If Batch Settlement has been completed for the advised Payment Date, the scheduled settlement payment instruction will be rescheduled to the next Batch Settlement.

28.6.3.12   At any time prior to the advised Payment Date, the PISP must send all outstanding redemption details (refer 28.6.3.6~~7~~) to CHESS. CHESS will forward these to the Settlement Participant.

28.6.3.13   At any time prior to the advised Payment Date, the PISP may advise CHESS of a revised Payment Date. CHESS will forward the revised details to the Settlement Participant.

28.6.3.14   CHESS will re-schedule the payment instruction based on the revised Payment Date and advise the Settlement Participant and the PISP of the change in settlement date.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.3.2	800 Redemption Request	Settlement Participant	CHESS
28.6.3.3	720 Accepted Participant Request	CHESS	Settlement Participant
28.6.3.3	518 Rejected Transaction	CHESS	Settlement Participant
28.6.3.4	801 Redemption Order Request	CHESS	PISP
28.6.3.6	802 Redemption Order Response	PISP	CHESS
28.6.3.7	722 Fund Response	CHESS	PISP
28.6.3.7	803 Effected Redemption Order Response	CHESS	Settlement Participant
28.6.3.9	802 Redemption Order Response	PISP	CHESS
28.6.3.9	722 Fund Response	CHESS	PISP

Section	Message Number and Description	Sender	Recipient
28.6.3.9	803 Effected Redemption Order Response	CHESS	Settlement Participant
28.6.3.10	732 Unit Adjustment	PISP	CHESS
28.6.3.10	722 Fund Response	CHESS	PISP
28.6.3.10	733 Effected Fund Unit Adjustment	CHESS	Settlement Participant
28.6.3.11	731 Scheduled Settlement Payment Instruction	CHESS	Settlement Participant/ PISP
28.6.3.12	802 Redemption Order Response	PISP	CHESS
28.6.3.12	722 Fund Response	CHESS	PISP
28.6.3.12	803 Effected Redemption Order Response	CHESS	Settlement Participant
28.6.3.13	810 Update Order	PISP	CHESS
28.6.3.13	722 Fund Response	CHESS	PISP
28.6.3.13	811 Effected Update Order	CHESS	Settlement Participant
28.6.3.14	824 Change Settlement Date	CHESS	Settlement Participant/ PISP

28.6.4   Switch of Units in mMFund Products

An investor instructs their authorised Trading Participant to Switch fund units from one mFund product to another mFund product; in effect a redemption and application where the investors' units are redeemed (redemption) and the units in the new fund are applied (application). The fund codes of the Switch request must be represented within the same PDS / Offer document and issued under the one AQUA Product issuer by the one PISP.

Verification processing rules for Switch parameters are as follows;

Full Switch	Specific Fund Amount	Specific Units Redeemed	CHESS Accept or Reject
Y	Y	Y	Reject
Y	N	Y	Reject
Y	Y	N	Reject
Y	Not permitted	Not permitted	Accept
N	Y	Y	Reject
N	N	N	Reject
N	Y	N	Accept
N	N	Y	Accept

The Switch of fund units is conducted as a two stage process by the PISP.

- First the reduction of the number of units in the CHESS holding for fund code being redeemed.
- Secondly the application of the units in the CHESS holding for the fund code in which is being applied.

Note: The above points are for broker sponsored holdings only.

The investor does not need to be broker sponsored to apply for a Switch of units between funds. Where an investor wishes to become broker sponsored an existing process described in Section 5 (Client Holder Administration) may be followed.

Note: The procedure shown here applies equally to both broker and issuer sponsored investors. Where procedural steps apply exclusively to a sponsorship type, the step is prefixed accordingly.

PROCEDURE

28.6.43.1   The investor instructs their authorised Trading Participant to fulfil a Switch Request from one fund to another fund. The Settlement Participant upon investor request will translate send athe Switch Request for one of the following;

- Fund Amount; or

- Specified number of Units; or

- Full Switch to effect entire holding to be switched 28.6.3.2. The Settlement Participant via an authorised Trading Participant confirms that the investor has received the current PDS / Offer document available via the ASX website.

~~The Settlement Participant ensures the date of the most recent PDS (PDS Issue date) is included on the Switch request in the form YYYYMMDD.~~

28.6.4.2   The Settlement Participant is required to confirm that the investor has received the current PDS. The Settlement Participant ensures the date of the most recent PDS (PDS Issue date) is included on the Application request in the form YYYYMMDD.

~~28.6.3.3   The Settlement Participant ensures that the AML/CTF requirements under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) have been satisfied in addition to the FATCA requirements under the US Foreign Account Tax Compliance Act. For additional information about FATCA refer to Section 31 (US Foreign Account Tax Compliance Act).~~

28.6.4.3~~4~~   The Settlement Participant sends a Switch Request to CHESS.

28.6.4.4~~5~~   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.4.5~~6~~   If the switch request is valid, CHESS sends the PISP a Switch Order request.

28.6.4.6~~7~~   The PISP validates that the Switch Order request to ensure it meets the fund requirements. The PISP will determine if the Switch Order request will be accepted or rejected.

28.6.4.7~~8~~   The PISP sends CHESS a response notifying if the request has been accepted, rejected or deferred. The PISP may need to respond a number of times to provide full Switch Request data. In the initial response:

Where the request is accepted, the PISP must include additional detail regarding the Switch requested; namely;

- Application Unit Pricing Date for the application leg
- Redemption Unit Pricing Date for the redemption leg
- Unit Allotment Date for the application leg

Where the PISP may, for business reasons, be unable to fulfil the Switch Request at that time, the PISP may place the request in a 'Hold' state until such time that the request can be fulfilled. The response must include a Hold Reason.

Where the request is rejected, the PISP must include a Rejected Order Reason.

28.6.4.8~~7~~   If valid CHESS sends the PISP a Fund Response and the Settlement Participant an Effected Switch Order Request

28.6.4.9   Where the PISP places the Switch Request in a 'Hold' state, the investor may decide to cancel the Switch request. Please refer to Section 28.6.8~~5~~ for details regarding Cancellation of a 'Hold' Request

28.6.4.10~~10~~   Where the PISP has placed the Switch Request in a 'Hold' state and subsequently wishes to accept the Switch Request, a response to the original Switch Request may be sent with an accepted transaction status.

28.6.4.1~~1~~   ***Broker sponsored only:*** The PISP will redeem the number of units on the investor holding on the CHESS sub-register to reflect the redemption leg of the Switch Request. The Fund Reason must reflect the fact that the adjustment is for a Switch Request.

~~28.6.3.12~~   ~~***Issuer sponsored only:*** The PISP adjusts the investor holding on the Issuer register to reflect the redemption leg of the Switch Request.~~

28.6.4.12~~3~~   At any time prior to the advised Allotment Date, the PISP must send all outstanding Switch details (refer Section 28.6.4.7~~8~~) to CHESS. CHESS will forward these to the Settlement Participant.

28.6.4.13~~4~~   At any time prior to the advised Unit Allotment Date, the PISP may advise CHESS of a revised Unit Allotment Date. CHESS will forward the revised details to the Settlement Participant.

28.6.4.14~~5~~   ***Broker sponsored only:*** On the advised Unit Allotment Date, the PISP will apply the number of units on the investor holding on the CHESS sub-register to reflect the application leg of the Switch Request. The Fund Reason must reflect the fact that the adjustment is for a Switch Request.

~~28.6.3.16~~   ~~***Issuer sponsored only:*** On the advised Unit Allotment Date, the PISP adjusts the investor holding on the Issuer register to reflect the application leg of the Switch Request.~~

28.6.4.15~~6~~   ***Broker sponsored only:*** If on the advised Unit Allotment Date, the PISP does not adjust the investor holding to reflect the application leg of the Switch Request, CHESS sends a reminder message to the PISP and also forwards the reminder message to the Settlement Participant for their information.

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.6.4.3	806	Switch Request	Settlement Participant	CHESS
28.6.4.4	720	Accepted Participant Request	CHESS	Settlement Participant
28.6.4.4	518	Rejected Transaction	CHESS	<u>Settlement Participant</u>~~Settlement Participant~~
28.6.4.5	807	Switch Order Request	CHESS	PISP
28.6.4.7	808	Switch Order Response	PISP	CHESS
28.6.4.8	722	Fund Response	CHESS	PISP
28.6.4.8	809	Effected Switch Order Response	CHESS	Settlement Participant

Section	Message Number and Description		Sender	Recipient
28.6.4.10~~9~~	808	Switch Order Response	PISP	CHESS
28.6.4.10~~9~~	722	Fund Response	CHESS	PISP
28.6.4.10~~9~~	809	Effected Switch Order Response	CHESS	Settlement Participant
28.6.4.11~~0~~	732	Unit Adjustment (redemption stage)	PISP	CHESS
28.6.4.11~~0~~	722	Fund Response	CHESS	PISP
28.6.4.11~~0~~	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant
28.6.4.12~~1~~	808	Switch Order Response	PISP	CHESS
28.6.4.12~~1~~	722	Fund Response	CHESS	PISP
28.6.4.12~~1~~	809	Effected Switch Order Response	CHESS	Settlement Participant
28.6.4.13~~2~~	810	Update Order	PISP	CHESS
28.6.4.13~~2~~	722	Fund Response	CHESS	PISP
28.6.4.13~~2~~	811	Effected Update Order	CHESS	Settlement Participant
28.6.4.14~~3~~	732	Unit Adjustment (application stage)	PISP	CHESS
28.6.4.14~~3~~	722	Fund Response	CHESS	PISP
28.6.4.14~~3~~	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant
28.6.4.15~~4~~	812	Reminder Notice	CHESS	PISP/ Settlement Participant

28.6.5 Foreign Tax Status

This section details the ongoing maintenance of an investor's details. Investor Details as it pertains to an 'Initial' Application request is detailed in 28.6.1.

A foreign tax status determination is required to be performed by the investors sponsoring participant to accompany any 'Initial' application for mFund units, requests for transfer, and also as an ongoing requirement as an investor's foreign tax status changes.

Foreign tax status determination must be made for all mFund investors. The determination is to be based on, and applies to, both US FATCA and global CRS tax compliance regimes. For additional information regarding FATCA and CRS refer to Section 31 (Foreign Tax Compliance).

CHESS validation will be based on the following table and is outlined in detail in Section 4 of the EIS for CHESS message 735:

Account Type	Address Type[1]	Address Details	Entity Type[2]	Foreign Residency Indicator	Superannuation Fund ABN[3]	Foreign Person[4]	Foreign Person Date of Birth	Foreign Country Code[5]	Foreign TIN[6]	TIN Absent[7]	Comments
	3 instances provided for Account Type 'J'				3 instances provided – any additional identified Foreign Persons can be indicated by using the **Additional Foreign Parties** indicator						
								3 instances provided			
S (Super Fund)				Y							No foreign tax reporting implications
I (Individual)	Y	Y		Y		Y	Y	Y	Y	Y if no Foreign TIN	
	Y	Y		N							No foreign tax reporting implications
J (Joint)	Y	Y		Y		Y	Y	Y	Y	Y if no Foreign TIN	Align the group entries with the holder names as they appear in the HIN Registration details.
	Y	Y		N							No foreign tax reporting implications
C (Company)	Y	Y	Y	Y							
	Y	Y	Y	N							No foreign tax reporting implications
T (Trust)	Y	Y	Y	Y							
	Y	Y	Y	N							No foreign tax reporting implications

Notes

1 A Residential Address is required for Account Types 'I'; a Registered Address is required for Account Type 'C'; a Trust Address is required for Account Type 'T'. Note that appropriate Address Details must be provided for each party to Account Type 'J'.

2 Entity Type denotes, for Account Types 'C' and 'T', whether the entity is an Active NFE, Passive NFE or a Financial Institution.

3 A Superannuation Fund ABN is required for Account Type 'S'.

4 Up to 3 Foreign Persons may be identified. Where more than 3 Foreign Persons are identified, the Additional Foreign Parties indicator must be used.

5 Up to 3 X 3 Character ISO Country Codes may be entered per Foreign Person. AUS (Australia) not accepted.

6 Up to 3 Tax Identifiers, such as a TIN, may be entered per Foreign Person.

7 Up to 3 unknown Tax Identifiers, such as a TIN, may be described as absent per Foreign Person.

PROCEDURE

28.6.5.1 The Settlement Participant receives instructions from an investor's authorised Trading Participant that their foreign tax status has changed. The Settlement

Participant is required to confirm the details of all changes to the investor's foreign tax status.

28.6.5.2   The Settlement Participant sends a Foreign Tax Status request to CHESS.

If the Foreign Tax Status request is accompanying an 'Initial' Application request it is important to ensure that the Linking Transaction ID value is the same as the Application request Transaction ID.

If the Foreign Tax Status request is being sent as a standalone maintenance request it is important to ensure that the Transaction ID and the Linking Transaction ID are the same.

28.6.5.3   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.5.4   CHESS forwards the accepted Foreign Tax Status request to the PISP.

28.6.5.5   The PISP must update the details pertaining to an investor's foreign tax status as provided. The details will override any previous details.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.5.2	735 Foreign Tax Status	Settlement Participant	CHESS
28.6.5.3	720 Accepted Participant Request	CHESS	Settlement Participant
28.6.5.3	518 Rejected Transaction	CHESS	Settlement Participant
28.6.5.4	736 Foreign Tax Status Details	CHESS	PISP

28.6.6 Investor Details

This section details the ongoing maintenance of an investor's details. Investor Details as it pertains to an 'Initial' Application request is detailed in 28.6.1.

Investor Details are static information pertaining to the investor. Required investor data is to be provided by the investors sponsoring participant to accompany any 'Initial' application for mFund units, requests for transfer, and also as an ongoing requirement as an investors details change.

PROCEDURE

28.6.6.1 The Settlement Participant receives instructions from an investor's authorised Trading Participant that their details have changed. The Settlement Participant is required to confirm the details of all changes to the investor's details.

28.6.6.2 The Settlement Participant sends an Investor Details request to CHESS.

If the Investor Details request is accompanying an 'Initial' Application request it is important to ensure that the Linking Transaction ID value is the same as the Application request Transaction ID.

If the Investor Details request is being sent as a standalone maintenance request it is important to ensure that the Transaction ID and the Linking Transaction ID are the same.

28.6.6.3 CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.6.6.4 CHESS forwards the accepted Investor Details request to the PISP.

28.6.6.5 The PISP must update the details pertaining to an investor's details as provided. The details will override any previous details.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.6.2	737 Investor Details	Settlement Participant	CHESS
28.6.6.3	720 Accepted Participant Request	CHESS	Settlement Participant
28.6.6.3	518 Rejected Transaction	CHESS	Settlement Participant
28.6.6.4	738 Participant Investor Details	CHESS	PISP

28.6.7 Cancellation of a Request by a PISP

A PISP may cancel an application, redemption or switching request that had previously been accepted (or in the case of requests for redemption only, deferred). The PISP may cancel the request pre or post the request being completed within CHESS.

- If Batch Settlement has been completed and no mFund units have been moved on or off an investor holding (HIN)/SRN then the reversal of payments needs to occur outside of the CHESS system.
- If Batch Settlement has been completed and mFund units have been moved on or off an investor holding (HIN)/SRN, unit adjustments for broker sponsored holdings can be made using the Miscellaneous Adjustment message suite; described in Section 28.6.9 (Miscellaneous Adjustment).
- Cancellation of Batch Settlement will only occur where a cancellation request is received after a scheduled Settlement Payment Instruction has been created and prior to Batch Settlement.

Note: The procedure shown here applies equally to both broker and Issuer Sponsored investors. Where procedural steps apply exclusively to a sponsorship type, the step is prefixed accordingly.

PROCEDURE

28.6.7.1 The PISP is to cancel an Application, Redemption or Switch Order which has previously been accepted (or in the case of requests for redemption only, deferred).

28.6.7.2 The PISP sends an Update Order to CHESS and includes a valid cancellation reason. The Target Transaction Id on this message will be the transaction Id of the previously accepted request (or in the case of requests for redemption only, deferred).

28.6.7.3 CHESS validates the request and if valid CHESS sends a Fund Response to the PISP to advise their update order has been accepted. If the request is not valid CHESS sends a rejected transaction to the PISP.

28.6.7.4 If the request is accepted CHESS will send an Effected Update Order to the Settlement Participant that initiated the request for issue or redemption.

28.6.7.5 If the PISP sends and Update Order to cancel a previously accepted application or Redemption Order request, and a scheduled settlement payment instruction had been sent to PISP and Settlement Participant and Batch Settlement has not occurred as yet for that day then CHESS will send a Cancelled Funds Settlement Payment Instruction to both the Settlement Participant and the PISP.

28.6.7.6 *Broker sponsored only:* Where a Redemption or Switch Request is to be cancelled and units have been redeemed by the PISP, the PISP is required to apply the mFund units redeemed to the investor holding (HIN) in accordance with Section 28.6.9 (Miscellaneous Adjustment).

28.6.4.7   *Issuer sponsored only:* Where a Redemption or Switch Request is to be cancelled and units have been redeemed by the PISP, the PISP is required to apply the fund units redeemed from the investor holding on the Issuer register.

28.6.7.7   *Where Batch settlement has been completed Broker sponsored only:* Where an Application or Switch Request is to be cancelled and mFund units have been allotted by the PISP, the PISP is required to reduce the number of units that had been allotted to the investor holding (HIN) in accordance with Section 28.6.9 (Miscellaneous Adjustment).

28.6.4.9   *Where Batch settlement has been completed - Issuer sponsored only:* Where an Application or Switch Request is to be cancelled and units have been allotted by the PISP, the PISP will redeem the previously allotted units from the investor holding on the Issuer register.

28.6.7.8   *Where Batch-settlement has been completed – Payment only:* If a scheduled settlement payment has settled, and the PISP sends an update order to cancel that order request, the payment reversals/considerations will need to be managed between the PISP and Settlement Participant outside of the CHESS Batch protocol.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.7.2	810 Update Order	PISP	CHESS
28.6.7.3	722 Fund Response	CHESS	PISP
28.6.7.3	518 Rejected Transaction	CHESS	PISP
28.6.7.4	811 Effected Update Order	CHESS	Settlement Participant
28.6.7.5	822 Cancelled Funds Settlement Payment Instruction	CHESS	PISP/ Settlement Participant

28.6.8   Cancellation of an 'On Hold' Request by Applicant

A Settlement Participant, via an authorised Trading Participant under instruction from their client, can send a Fund Order Cancellation Request for a previously submitted Redemption or Switch Request where the request has been placed in a 'Hold' state by the PISP.
Note: The procedure shown here applies equally to both broker and Issuer Sponsored investors.

PROCEDURE

28.6.8.1   The Settlement Participant via an authorised Trading Participant receives a request from the client to cancel a Redemption or Switch Request which the PISP had previously placed in a 'Hold' state.

28.6.8.2   The Settlement Participant sends a Fund Order Cancellation Request to CHESS. The Settlement Participant must populate the target transaction ID with the origin transaction ID of the order that is in a hold state.

28.6.8.3   CHESS validates the request. If the request is valid CHESS sends an Accepted Participant Request to the Settlement Participant. If the request is invalid CHESS sends a Rejected Transaction to the Settlement Participant.

28.6.8.4   If the Settlement Participants Order Funds Cancellation Request was accepted by CHESS, CHESS will send an Order Cancellation Request to the PISP for acceptance.

28.6.8.5   The PISP sends an Update Order to accept or reject the Settlement Participants Order Cancellation Request. If the PISP rejects the Settlement Participant's Order Cancellation Request, a valid Rejected Order Reason must be provided.

28.6.8.6   CHESS validates the update order. If update order is valid CHESS will send a Funds Response to the PISP. If update order is invalid CHESS will send a Rejected Transaction to the PISP.

28.6.8.7   If the PISP accepts the Settlement Participant Order Cancellation Request and the update order is valid in CHESS, CHESS will cancel the order and sent an Effected Update Order to the Settlement Participant.

If the PISP rejects the Settlement Participants Order Cancellation Request and the update order is valid in CHESS, CHESS will not cancel the order however will send an Effected Update Order to the Settlement Participant which will include a rejected order reason. The order request will remain in CHESS with a hold status.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.6.8.2	804 Fund Order Cancellation Request	Settlement Participant	CHESS

Section	Message Number and Description		Sender	Recipient
28.6.8.3	720	Accepted Participant Request	CHESS	Settlement Participant
28.6.8.3	518	Rejected Transaction	CHESS	Settlement Participant
28.6.8.4	805	Order Cancellation Request	CHESS	PISP
28.6.8.5	810	Update Order	PISP	CHESS
28.6.8.5	722	Fund Response	CHESS	PISP
28.6.8.6	518	Rejected Transaction	CHESS	PISP
28.6.8.7	811	Effected Update Order	CHESS	Settlement Participant

28.6.9 Miscellaneous Adjustment

From time to time, as circumstances dictate, a PISP may need to adjust an investor holding (HIN) on CHESS. This may be due to an error arising from a previously processed request or from an error due to distribution discrepancies.

AQUA Product issuer / investor correspondence will complement and support the use of this function.

Note: The procedure shown here applies only to broker sponsored investors. For Issuer Sponsored investors the PISP must adjust the appropriate issuer register.

PROCEDURE

28.6.9.1   The PISP sends a request to CHESS to adjust an investor holding (HIN) on the CHESS sub-register. The Fund Reason provided must be valid for the miscellaneous adjustment.

28.6.9.2   CHESS validates the request and notifies the PISP that the request is either accepted or rejected. If accepted, CHESS adjusts the investor holding (HIN).

28.6.9.3   CHESS forwards a message to the investor's sponsoring Settlement Participant advising of an adjustment to the investor holding (HIN).

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.6.9.1	732	Unit Adjustment	PISP	CHESS
28.6.9.2	722	Fund Response	CHESS	PISP

Section	Message Number and Description		Sender	Recipient
28.6.9.2	518	Rejected Transaction	CHESS	PISP
28.6.9.3	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant

28.6.10 Order Reversal

A PISP may need to reverse a previously completed order request to rectify mFund unit allotments. The reasons for this would generally be related to unit pricing discrepancies. Order reversal applies to Application, Redemption and Switch Requests. Note that payment adjustments must be managed outside of CHESS by the counterparties.

A PISP would generally reverse an order request within a short time post order completion. CHESS archives all orders after a period *(defined in ASX Settlement Operating Rules: Appendix 1: Scheduled Times)*. Any order reversal against an archived order request would need to be managed outside of CHESS.

For an Application or Redemption Request an order reversal is run as two sets of transactions; one to reverse the original order request and one to reapply the correct unit values.

For a Switch Request an order reversal is run as four sets of transactions if both legs (redemption and application) are to be reversed, or two sets of transactions if only one leg (redemption or application) is to be reversed.

Note: The procedure shown here applies equally to both broker and Issuer Sponsored investors. Where procedural steps apply exclusively to a sponsorship type, the step is prefixed accordingly.

PROCEDURE

28.6.10.1   The PISP seeks to reverse a previously completed Application, Redemption or Switch Request.

For Applications and Redemptions, and for one or both legs of a Switch Request, this must occur in two stages:

1. The first stage requires the PISP to complete the following;

    - Order Reversal notification including original details of the targeted transaction (i.e. the details to be reversed)

    - Unit Adjustment on investor holding (+ for redemption leg and – for application leg of Switch request)

2. The second stage requires the PISP to complete the following;

    - Order Reversal notification including the revised details of the targeted transaction (i.e. the details to be reapplied)

    - Unit adjustment on investor holding (- for redemption leg and + for application leg of Switch request)

28.6.10.2   The PISP initially sends an order reversal request to CHESS to notify the appropriate Settlement Participant of a reversal of a previously completed transaction. This includes the Transaction Id of the originating request (Origin Transaction Id) and original details.

28.6.10.3   CHESS validates the request and notifies the PISP that the request is either accepted or rejected.

28.6.10.4   CHESS forwards the accepted order reversal notification to the appropriate Settlement Participant.

28.6.10.5   *Broker sponsored only:* Where a Redemption or redemption leg of a Switch Request is to be reversed and units have been redeemed by the PISP, the PISP will return the previously redeemed units to the investor holding (HIN). Where an Application or application leg of a Switch Request is to be reversed and units have been allotted by the PISP, the PISP will redeem the previously allotted units from the investor holding (HIN).

28.6.7.6   *Issuer sponsored only:* Where a Redemption or redemption leg of a Switch Request is to be reversed and units have been redeemed by the PISP, the PISP will return the previously redeemed units to the investor holding on the issuer register. Where an Application or application leg of a Switch Request is to be reversed and units have been allotted by the PISP, the PISP will redeem the previously allotted units from the investor holding on the issuer register.

28.6.10.67   The PISP subsequently sends an order reversal request to CHESS to notify the appropriate Settlement Participant of a reapplication of unit values for a previously

completed transaction. This includes the Transaction Id of the originating request (Origin Transaction Id) and revised details.

28.6.10.7̶8̶   CHESS validates the request and notifies the PISP that the request is either accepted or rejected.

28.6.10.8̶9̶   CHESS forwards the accepted order reversal notification to the Settlement Participant.

28.6.10.9̶1̶0̶   ***Broker sponsored only:*** Where a Redemption or redemption leg of a Switch Request is to be reapplied; the revised unit value is redeemed by the PISP from the investor holding ̶(̶H̶I̶N̶)̶. Where an Application or application leg of a Switch Request is to be reapplied, the revised unit value is allotted by the PISP to the investor holding ̶(̶H̶I̶N̶)̶.

~~28.6.7.11~~   ~~***Issuer sponsored only:*** Where a Redemption or redemption leg of a Switch Request is to be reapplied; the revised unit value is redeemed by the PISP from the investor holding on the issuer register. Where an Application or application leg of a Switch Request is to be reapplied, the revised unit value is allotted by the PISP to the investor holding on the issuer register.~~

Message Reference Table

Section	Message Number and Description		Sender	Recipient
Reverse				
28.6.10.2	845	Unit Reversal Notification	PISP	CHESS
28.6.10.3	722	Fund Response	CHESS	PISP
28.6.10.3	518	Rejected Transaction	CHESS	PISP
28.6.10.4	846	Effected Unit Reversal Notification	CHESS	Settlement Participant
28.6.10.5	732	Unit Adjustment	PISP	CHESS
28.6.10.5	722	Fund Response	CHESS	PISP
28.6.10.5	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant
Reapply				
28.6.10.7	845	Unit Reversal Notification	PISP	CHESS
28.6.10.8	722	Fund Response	CHESS	PISP
28.6.10.8	518	Rejected Transaction	CHESS	PISP
28.6.10.9	846	Effected Unit Reversal Notification	CHESS	Settlement Participant
28.6.10.10	732	Unit Adjustment	PISP	CHESS
28.6.10.10	722	Fund Response	CHESS	PISP
28.6.10.10	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant

28.7 INCOME STATEMENTS

The purpose of the Income Statement Request message is to enable a Settlement Participant, on behalf of an investor, to request either an annual or periodic income statement or to cancel a standing periodic income statement.

Where a periodic or annual income statement is requested, only the last distribution payment details or last end of financial year summary distribution information will be made available to the Settlement Participant by the Registry.

A Settlement Participant may select to have a Periodic Income Statement as a regular standing report (applies to periodic only).

The following table details valid report type, report frequency and cancellation value combinations for Income Statement requests. Any other combinations will be rejected by CHESS.

Income Statement Report Type	Income Statement Report Frequency	Income Statement Cancellation
A (Annual)	A (On demand)	space
P (Periodic)	A (On demand) or S (standing)	space
P (Periodic)	space	Y (Yes)

It should be noted that a Settlement Participant only has the ability to cancel a standing Periodic Income Statement report. On demand report requests cannot be cancelled by a Settlement Participant.

CHESS billing is only applied at the time when the Periodic Income Statement and or Participant Income Statement information is provided to the Settlement Participant.

Note: The payment of distribution monies occurs outside of the CHESS system.

28.7.1 Periodic Income Statements

A Settlement Participant may advise ~~broker sponsored~~investors of distribution details by sending an Income Statement Request message to the Registry. The Registry is ~~then~~ required to ~~either~~ accept or reject the Income Statement Request sent by the Settlement Participant.

PROCEDURE

28.7.1.1   The Settlement Participant seeks to advise its ~~broker sponsored~~investors of their distribution entitlements.

28.7.1.2   The Settlement Participant sends an Income Statement Request message to CHESS using a report type value of 'P' and a report frequency value of either 'A' or 'S'.

28.7.1.3   CHESS acknowledges the request and passes the message to the Registry.

28.7.1.4 The Registry validates the request and notifies the Settlement Participant that the message is either accepted or rejected.

28.7.1.5 CHESS forwards the accepted Income Statement Advice to the appropriate Settlement Participant.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.7.1.2	869 Income Statement Request	Settlement Participant	CHESS
28.7.1.3	720 Accepted Participant Request	CHESS	Settlement Participant
28.7.1.3	868 Income Statement Authorisation Request	CHESS	Registry
28.7.1.4	881 Income Statement Authorisation	Registry	CHESS
28.7.1.4	762 Effected Registry Transaction	CHESS	Registry
28.7.1.4	884 Accepted Income Statement Request	CHESS	Settlement Participant
28.7.1.4	907 Income Statement Rejection	Registry	CHESS
28.7.1.4	762 Effected Registry Transaction	CHESS	Registry
28.7.1.4	860 Rejected Registry Authorisation	CHESS	Settlement Participant
28.7.1.5	816 Income Statement Advice	CHESS	Settlement Participant

28.7.2 Annual Income Statements

A Settlement Participant may advise broker sponsoredinvestors of Annual Income details by sending an Income Statement Request message to the Registry. The Registry is then required to either accept or reject the Income Statement Request sent by the Settlement Participant.

PROCEDURE

28.7.2.1 The Settlement Participant seeks to advise its broker sponsoredinvestors of their Annual Income for a particular mFund product.

28.7.2.2 The Settlement Participant sends an Income Statement Request message to CHESS using a report type value of 'A' and a report frequency value of 'A'.

28.7.2.3   CHESS acknowledges the request and passes the message to the Registry.

28.7.2.4   The Registry validates the request and notifies the Settlement Participant that the message is either accepted or rejected.

28.7.2.5   CHESS forwards the accepted Participant Income Statements to the appropriate Settlement Participant. Settlement Participants will typically receive Part A and Part B Statements, and any other parts where applicable, followed by an End Participant Income Statement Set message.

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.7.2.2	869	Income Statement Request	Settlement Participant	CHESS
28.7.2.3	720	Accepted Participant Request	CHESS	Settlement Participant
28.7.2.3	868	Income Statement Authorisation Request	CHESS	Registry
28.7.2.4	881	Income Statement Authorisation	Registry	CHESS
28.7.2.4	762	Effected Registry Transaction	CHESS	Registry
28.7.2.4	884	Accepted Income Statement Request	CHESS	Settlement Participant
28.7.2.4	907	Income Statement Rejection	Registry	CHESS
28.7.2.4	762	Effected Registry Transaction	CHESS	Registry
28.7.2.4	860	Rejected Registry Authorisation	CHESS	Settlement Participant
28.7.2.5	962	Participant Income Statement Part A	CHESS	Settlement Participant
28.7.2.5	964	Participant Income Statement Part B	CHESS	Settlement Participant
28.7.2.5	966	Participant Income Statement Part C AI	CHESS	Settlement Participant
28.7.2.5	968	Participant Income Statement Part C CG	CHESS	Settlement Participant
28.7.2.5	970	Participant Income Statement Part C FI	CHESS	Settlement Participant
28.7.2.5	972	Participant Income Statement Part C NA	CHESS	Settlement Participant
28.7.2.5	974	Participant Income Statement Part C OD	CHESS	Settlement Participant

Section	Message Number and Description	Sender	Recipient
28.7.2.5	976 End Participant Income Statement Set	CHESS	Settlement Participant

28.7.3   Standard Distribution Statement Format

The Participant Income Statement suite of messages are designed in accordance with the standard distribution statement (SDS) format recommended by the ATO, the Financial Services Council (FSC) and the Australian Custodial Services Association (ACSA) for disclosure by managed funds of tax information to resident individuals for completion of tax returns, relevant schedules and other requirements.

The standard format does not purport to deal with all possible scenarios that a fund manager may encounter. Where the funds' circumstances are outside those shown in the standard format, additional information or requirements need to be considered. For example, indexed capital gains may need to be included.

The format is based on the standard information needs of a resident individual unit holder in a unit trust operated by the funds management industry. The circumstances are relevant to those unit holders who hold units on capital account and where distributions labelled as 'non-assessable amounts' are not capital gains or ordinary income of the unit holder. The unit holder is assumed to be a resident for the whole of the year of income.

The basic structure consists of three parts.

Part A of the SDS details where amounts are shown on the Tax return for individuals (supplementary section).

Part B details the components of a distribution that investors may need to know to work out their net capital gain or capital loss and specifically provides the capital gains tax (CGT) concession amount. It also includes tax-deferred amounts required to adjust the cost base and reduced cost base of their units.

Part C provides for a reconciliation of the net cash amount distributed to the unit holder and provides information relevant to adjustments to the cost base and reduced cost base. It includes all non-assessable amounts: CGT concession, tax-exempted, tax-free and tax-deferred amounts.

The SDS format does not support consolidated reporting and a fund should provide a separate SDS for each fund that aligns with what is reported in the AIIR.

Further guidance and information on the SDS format is available from the Australian Taxation Office.

28.7.4 Standard Distribution Statement Components

Reference	Component	Size	Description
Part A	Non Primary Income	14 numeric, 2 decimal	Total share of non-primary production income.
Part A	Trust Franked Distributions	14 numeric, 2 decimal	Total franked distributions from trusts
Part A	Non Primary Distribution Deductions	14 numeric, 2 decimal	Other deductions relating to non-primary production distributions.
Part A	Franking Credit	14 numeric, 2 decimal	Share of franking credit from franked dividends.
Part A	TFN Withholding	14 numeric, 2 decimal	Share of credit for TFN amounts withheld from interest, dividends and unit trust distributions.
Part A	Annual Capital Gain	14 numeric, 2 decimal	Total capital gain for the current year.
Part A	Net Capital Gain	14 numeric, 2 decimal	Net capital gain for the current year.
Part A	Assessable Foreign Income	14 numeric, 2 decimal	Assessable foreign sourced income.
Part A	Other Foreign Income	14 numeric, 2 decimal	Additional net foreign sourced income.
Part A	Foreign Income Tax Offsets	14 numeric, 2 decimal	Foreign sourced income tax offsets.
Part B	Capital Gain Discounted	14 numeric, 2 decimal	Total capital gain using a discounted method.
Part B	Capital Gain Other	14 numeric, 2 decimal	Total capital gain using another method.
Part B	Annual Capital Gain Total	14 numeric, 2 decimal	Total capital gain for the current year.
Part B	CGT Concession	14 numeric, 2 decimal	The amount of CGT (Capital Gains Tax) concession.
Part B	Tax Deferred	14 numeric, 2 decimal	The amount of tax deferred.
Part C	AI Dividends Franked Amount Cash	14 numeric, 2 decimal	Australian Income: Total net cash distribution amount for franked dividends.

Reference	Component	Size	Description
Part C	AI Dividends Franked Amount Tax	14 numeric, 2 decimal	Australian Income: Total tax credit for franked dividends.
Part C	AI Dividends Franked Amount Taxable	14 numeric, 2 decimal	Australian Income: Total taxable amount for franked dividends.
Part C	AI Dividends Unfranked Amount Cash	14 numeric, 2 decimal	Australian Income: Total net cash distribution amount for unfranked dividends.
Part C	AI Dividends Unfranked Amount Taxable	14 numeric, 2 decimal	Australian Income: Total taxable amount of unfranked dividends.
Part C	AI Interest Cash	14 numeric, 2 decimal	Australian Income: Total net cash amount for interest paid.
Part C	AI Interest Taxable	14 numeric, 2 decimal	Australian Income: Total taxable amount for interest paid.
Part C	AI Other Income Cash	14 numeric, 2 decimal	Australian Income: Total net cash amount for other income paid.
Part C	AI Other Income Taxable	14 numeric, 2 decimal	Australian Income: Total taxable amount for other income paid.
Part C	AI Trust Deductions Cash	14 numeric, 2 decimal	Australian Income: Total net cash amount for trust related deductions.
Part C	AI Trust Deductions Taxable	14 numeric, 2 decimal	Australian Income: Total taxable amount for trust related deductions.
Part C	AI Non Primary Income Cash	14 numeric, 2 decimal	Australian Income: Total net cash amount of non-primary income.
Part C	AI Non Primary Income Taxable	14 numeric, 2 decimal	Australian Income: Total taxable amount of non-primary income.
Part C	CG Discount Cash	14 numeric, 2 decimal	Capital Gain: Total net cash reductions made to the taxable Australian property component of capital gain.
Part C	CG Discount Tax	14 numeric, 2 decimal	Capital Gain: Total tax paid or tax offset reductions made to the taxable Australian property component of capital gain.
Part C	CG Discount Taxable	14 numeric, 2 decimal	Capital Gain: Total taxable reductions made to the taxable Australian property component of capital gain.
Part C	CG Tax Concession Cash	14 numeric, 2 decimal	Capital Gain: Total net cash concessions applicable to the taxable Australian property component of capital gain.

Reference	Component	Size	Description
Part C	CG Tax Concession Taxable	14 numeric, 2 decimal	Capital Gain: Total taxable concessions applicable to the taxable Australian property component of capital gain.
Part C	CG Other Method Cash	14 numeric, 2 decimal	Capital Gain: Total net cash reductions made to the taxable Australian property component of capital gain using neither the discount nor the indexation method.
Part C	CG Other Method Tax	14 numeric, 2 decimal	Capital Gain: Total tax paid or tax offset reductions made to the taxable Australian property component of capital gain using neither the discount nor the indexation method.
Part C	CG Other Method Taxable	14 numeric, 2 decimal	Capital Gain: Total taxable reductions made to the taxable Australian property component of capital gain using neither the discount nor the indexation method.
Part C	CG Distributed Cash	14 numeric, 2 decimal	Capital Gain: Total net cash payments made for distributions.
Part C	CG Distributed Tax	14 numeric, 2 decimal	Capital Gain: Total tax paid or tax offset made for distributions.
Part C	CG Distributed Taxable	14 numeric, 2 decimal	Capital Gain: Total taxable payments made for distributions.
Part C	CG Net	14 numeric, 2 decimal	Capital Gain: Total capital gain.
Part C	FI Assessable Income Cash	14 numeric, 2 decimal	Foreign Income: Total net cash amount for foreign sourced income.
Part C	FI Assessable Income Tax	14 numeric, 2 decimal	Foreign Income: Total tax paid or tax offset for foreign sourced income.
Part C	FI Assessable Income Taxable	14 numeric, 2 decimal	Foreign Income: Total taxable amount for foreign sourced income.
Part C	FI Cash Distribution Cash	14 numeric, 2 decimal	Foreign Income: Total net cash amount for cash distributions.
Part C	FI Cash Distribution Tax	14 numeric, 2 decimal	Foreign Income: Total tax paid or tax offset for cash distributions.
Part C	FI Cash Distribution Cash Sub-Total	14 numeric, 2 decimal	Sub-Total: Total net cash amount.
Part C	NA Tax Exempted Amounts Cash	14 numeric, 2 decimal	Non Assessable: Total of net cash amount exempted from taxation.

Reference	Component	Size	Description
Part C	NA Tax Deferred Amounts Cash	14 numeric, 2 decimal	Non Assessable: Total of net cash amount deferred from taxation.
Part C	NA Gross Cash Distribution	14 numeric, 2 decimal	Gross Total: Total gross cash amount for distributions.
Part C	OD TFN Amounts Withheld	14 numeric, 2 decimal	Other Deductions: Total of net cash amounts withheld against a TFN.
Part C	OD Other Expenses	14 numeric, 2 decimal	Other Deductions: Total of other net cash expenses incurred by the investor.
Part C	OD Net Cash Distribution	14 numeric, 2 decimal	Net Total: Total net cash amount for distributions.

28.7.5 Annual Income Statement Field Descriptions and Component Omission

Two tax components which comprise the SDS format have been labelled incorrectly. The affected messages are the Registry Income Statement (Part A) message and the related Participant Income Statement (Part A) message.

The field name 'Trust Franked Distributions' has been represented incorrectly in the CHESS message as 'Trust Franked Deductions' and the field name 'Non Primary Distribution Deductions' has the word 'Distribution' omitted from the CHESS message as illustrated below. Settlement Participants and PISPs should take this into account when transcribing, importing or exporting CHESS Annual Income Statement data to external systems.

Incorrect CHESS Message description

Message Type	Bit Position	Field Name	Format	Mandatory/Optional
957	137	Trust Franked Deductions	14 Numeric, 2 Decimal	Optional
952	272	Non Primary Deductions	14 Numeric, 2 Decimal	Optional

Correct SDS description

Message Type	Bit Position	Field Name	Format	Mandatory/Optional
957	137	Trust Franked Distributions	14 Numeric, 2 Decimal	Optional
952	272	Non Primary Distribution Deductions	14 Numeric, 2 Decimal	Optional

In addition, a component contained within the SDS format has been erroneously omitted from the Registry Income Statement (Part C NA) message and the related Participant Income Statement (Part C NA) message.

The field name is the 'Tax-free' component contained under the Part C 'non-assessable' income section of the SDS as illustrated below.

Message Type	Bit Position	Field Name	Format	Mandatory/Optional
967/972	136	NA Tax Exempted Amounts Cash	14 Numeric, 2 Decimal	Optional
967/972		**NA Tax Free Amount Cash**	14 Numeric, 2 Decimal	Optional
967/972	137	NA Tax Deferred Amounts Cash	14 Numeric, 2 Decimal	Optional
967/972	165	NA Gross Cash	14 Numeric, 2 Decimal	Optional

This omission will affect Annual Income Statement requests where the relevant mFund product distributes 'tax-free' income. As a result, any Annual Income Statement request submitted by a Settlement Participant in relation to an affected mFund product will be rejected by the Registry with a rejected reason code of 'Z' = *Please contact registry directly for further detail.*

28.7.5 Distribution Reinvestment Plan

A PISP will advise broker sponsored investors of distribution reinvestment details as they pertain to a previously concluded Distribution Reinvestment Plan (DRP) arrangement between a ~~broker~~ sponsored investor (HIN) and the AQUA Product issuer.

PROCEDURE

28.7.5.1   The PISP advises ~~broker sponsored~~investors of their distribution reinvestment entitlements. This occurs outside of CHESS.

28.7.5.2   The PISP sends a distribution reinvestment notification to CHESS to notify the appropriate Settlement Participant of distribution reinvestment entitlements for an investor holding (HIN).

28.7.5.3   CHESS validates the message and notifies the PISP that the message is either accepted or rejected.

28.7.5.4   CHESS forwards the accepted distribution reinvestment notification to the appropriate Settlement Participant.

28.7.5.5   The PISP sends a request to CHESS to increase an investor holding (HIN) on the CHESS sub-register. The Fund Reason provided must be valid for the Distribution Reinvestment Plan.

28.7.5.6   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected. If accepted CHESS adjusts the investor's holding (HIN).

28.7.5.7   CHESS forwards a message to the Settlement Participant advising of an adjustment to an investor's holding (HIN).

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.7.5.2	817	Distribution Reinvestment Notification	PISP	CHESS
28.7.5.3	722	Fund Response	CHESS	PISP
28.7.5.3	518	Rejected Transaction	CHESS	PISP
28.7.5.4	818	Effected Distribution Investment Plan Advice	CHESS	Settlement Participant
28.7.5.5	732	Unit Adjustment	PISP	CHESS
28.7.5.6	722	Fund Response	CHESS	PISP
28.7.5.7	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant

28.7.6   Regular Payment Plan

A PISP will advise broker sponsored investors of regular payment details as they pertain to a previously concluded Regular Payment Plan (RPP) arrangement between an investor (HIN) and the AQUA Product issuer.

PROCEDURE

28.7.6.1   The PISP advises broker sponsored investors of their regular payment details.

28.7.6.2   The PISP sends a payment plan notification to CHESS to notify the appropriate Settlement Participant of regular payment details for an investor holding (HIN).

28.7.6.3   CHESS validates the message and notifies the PISP that the message is either accepted or rejected.

28.7.6.4   CHESS forwards the accepted payment plan notification to the appropriate Settlement Participant.

28.7.6.5   The PISP sends a request to CHESS to increase an investor holding (HIN) on the CHESS sub-register. The Fund Reason provided must be valid for the Regular Payment Plan.

28.7.6.6   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected. If accepted CHESS adjusts the investor's holding (HIN).

28.7.6.7   CHESS forwards a message to the Settlement Participant advising of an adjustment to an investor's holding (HIN).

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.7.6.2	729	Application Order / Payment Plan Application Response	PISP	CHESS
28.7.6.3	722	Fund Response	CHESS	PISP
28.7.6.3	518	Rejected Transaction	CHESS	PISP
28.7.6.4	730	Effected Application Order / Payment Plan Application Response	CHESS	Settlement Participant
28.7.6.5	732	Unit Adjustment	PISP	CHESS
28.7.6.6	722	Fund Response	CHESS	PISP
28.7.6.7	733	Effected Fund Unit Adjustment	CHESS	Settlement Participant

28.8 DISTRIBUTION ELECTION AMENDMENTS

A Settlement Participant may amend a holder's, on behalf of an investor, may amend the Holder's standing instructions in relation to distribution election preferences that were included in an application for fund units.

Where a Holder DRP preference is 'F' (Full), no additional details are required.

Where the Holder DRP Preference value is 'P' (Partial); DRP Units Participating and the Bank Account details must be provided.

Where a Holder DRP preference is 'N' (cash), the Bank Account details must be provided.

The following table details valid DRP preference value combinations for Distribution Election Requests. Any other combinations will be rejected by CHESS.

Holder DRP Preference	DRP Units Participating	Bank Details
F (Full)	Not applicable	Not applicable
P (Partial)	Mandatory	Mandatory
N (Cash)	Not applicable	Mandatory

It is recommended that a Settlement Participant read the current Product Disclosure Statement (PDS) of the relevant mFund product, or contact the relevant Registry, to determine the availability of a Distribution Reinvestment Plan before submitting a distribution election change request.

As Regular Payment Plan (RPP) functionality is not currently available, the Holder RPP Preference value must only include a space; for any other value CHESS will return an error.

28.8.1 Distribution Election Change Request

A Settlement Participant may amend DRP preferences for broker sponsoredan investor by sending a Distribution Election Request message to the PISP. The PISP is then required to either accept or reject the request.

PROCEDURE

28.8.1.1   The Settlement Participant seeks to amend a broker sponsoredan investor's DRP preference.

28.8.1.2   The Settlement Participant sends a Distribution Election Request message with the appropriate values and information to CHESS.

28.8.1.3   CHESS acknowledges the request and passes the message to the PISP.

28.8.1.4   The PISP validates the request and notifies the Settlement Participant that the message is either accepted or rejected.

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.8.1.2	863	Distribution Election Request	Settlement Participant	CHESS
28.8.1.3	720	Accepted Participant Request	CHESS	Settlement Participant
28.8.1.3	864	Distribution Election Authorisation Request	CHESS	PISP
28.8.1.4	865	Distribution Election Registry Authorisation	PISP	CHESS
28.8.1.4	762	Effected Registry Transaction	CHESS	PISP
28.8.1.4	866	Accepted Distribution Election Request	CHESS	Settlement Participant
28.8.1.4	867	Distribution Election Registry Rejection	PISP	CHESS
28.8.1.4	762	Effected Registry Transaction	CHESS	PISP
28.8.1.4	860	Rejected Registry Authorisation	CHESS	Settlement Participant

28.9 CONVERSIONS BETWEEN FUND SUBREGISTERS

When converting holdings between Fund subregisters, the targeted holding must be identified with an appropriate identifier, as follows:

Subregister	Identifier to use for conversions
CHESS (broker sponsored)	Holder Identification Number (HIN)
Issuer sponsored	Securityholder Registration Number (SRN)

A Participant may obtain an SRN directly from the registry, refer Section 5.15 (Security Holder Reference Number (SRN).

For both issuer to CHESS and CHESS to issuer conversions the broker is not required to provide written evidence of the client request to convert units between sub registers to the fund manager/PISP.

Note: It is important that the relationship between the PISP and the associated registry is based on shared access to registry data.

28.9.1 Issuer Sponsored to CHESS Conversion of Fund Units

Before a holder can convert Fund holdings from Issuer Sponsored to the CHESS subregister, they must enter into a sponsorship agreement with a Settlement Participant. No change of registration name or address can occur with a conversion.

Issuer Sponsored Fund conversions to CHESS requests will only be effected on the CHESS subregister when the PISP has authorised the request. (Effective, 1 July 2014, a Settlement Participant must complete the FATCA Questions. For additional information about FATCA refer to Section 31 (US Foreign Account Tax Compliance Act.)

ASX Settlement will send a CHESS Statement to the sponsored holder to notify them of the conversion onto their CHESS HIN.

CHESS will cancel any conversion requests that remain un-actioned after six business days. Refer to Section 10.5 for more information.

PROCEDURE

28.9.1.1 The Settlement Participant receives instructions from an investor to convert financial product from an issuer sponsored to CHESS subregister.

The Settlement Participant must advise CHESS of the investors Security Holder Reference Number (SRN) to enable the PISP to identify the holder on the issuer sponsored subregister.

28.9.1.2 The Settlement Participant sends an Issuer Sponsored Fund to CHESS conversion request to CHESS.

28.9.1.3   CHESS validates the request and notifies the Settlement Participant that the request is either valid or rejected request.

28.9.1.4   If the request is valid, CHESS will send the Settlement Participant an Accepted Participant Request to confirm that the request has been received and sent to the PISP for authorisation.

If the request is invalid, CHESS will send the Settlement Participant a Rejected Transaction message.

28.9.1.5   If the request is valid, CHESS will send an Issuer Sponsored Fund to CHESS conversion authorisation request to the PISP at the same time CHESS notifies the Settlement Participant that their request has been accepted. The accepted conversion request will provide the PISP with the registration details for the nominated HIN.

28.9.1.6   The PISP will validate the conversion request to determine whether to accept or reject the conversion request to CHESS.

The PISP will need to validate that sufficient financial product is available in the Issuer Sponsored investor holding for the conversion to the CHESS subregister before authorising the Settlement Participant request.

28.9.1.7   If the PISP authorises the conversion request, and the message is valid, CHESS will update the existing CHESS holding on the CHESS subregister or create a new holding if the holding does not exist with the conversion quantity that has been authorised.

28.9.1.8   If the authorisation is valid, CHESS will send a Fund Response to the PISP.

28.9.1.9   At the same time CHESS will send an Effected Conversion to Issuer Sponsored fund to CHESS message to the Settlement Participant.

28.9.1.10   If the PISP rejects the conversion request then CHESS will validate the message. The PISP must supply a valid rejected movement reason in the Conversion Rejection Issuer Sponsored Fund to CHESS message.

28.9.1.11   If the rejection is valid, CHESS will send a Fund Response message to the PISP.

28.9.1.12   At the same time CHESS will send a Rejected Conversion Issuer Sponsored Fund to CHESS message to the Settlement Participant.

If the Settlement Participant needs to communicate with the PISP to seek further detail regarding the rejected reason, they should use the values supplied by the PISP in the following fields;
- Transaction Id
- Rejected Movement Reason
- Registry Reference (this is an optional field that may not have been populated)

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.9.1.2	718 Issuer Sponsored Fund to CHESS Conversion Request	Settlement Participant	CHESS
28.9.1.4	720 Accepted Participant Request	CHESS	Settlement Participant
28.9.1.4	518 Rejected Transaction	CHESS	Settlement Participant
28.9.1.5	719 Issuer Sponsored Fund to CHESS Conversion Authorisation Request	CHESS	PISP
28.9.1.7	721 Conversion Authorisation Issuer Sponsored Fund to CHESS	PISP	CHESS
28.9.1.8	722 Fund Response	CHESS	PISP
28.9.1.9	723 Effected Conversion Issuer Sponsored Fund to CHESS	CHESS	Settlement Participant
28.9.1.10	724 Conversion Rejection Issuer Sponsored Fund to CHESS	PISP	CHESS
28.9.1.11	722 Fund Response	CHESS	PISP
28.9.1.12	725 Rejected Conversion Issuer Sponsored Fund to CHESS	CHESS	Settlement Participant

28.9.2   CHESS to Issuer Sponsored Conversion of Fund Units

No change of registration name or address can occur with a conversion. If an existing fund holding on the issuer sponsored subregister is referenced, and the registration details advised in the conversion request do not match the registration details of the nominated holding, the PISP will set up a new holding as a result of the conversion.

For holdings converted to the issuer sponsored subregister, a CHESS statement is produced showing the balance of the holding on the CHESS Subregister reduced by the amount of the conversion.

PROCEDURE

28.9.2.1   The Settlement Participant receives instructions from an investor to convert financial product from CHESS to the issuer sponsored subregister.

28.9.2.2   The Settlement Participant sends a conversion request to CHESS.

28.9.2.3   CHESS validates the conversion request and notifies the Settlement Participant that the request is either accepted or has been rejected.

28.9.2.4   CHESS processes the conversion request. CHESS updates the source holding by deducting the conversion quantity. CHESS notifies the Settlement Participant that the movement has occurred.

28.9.2.5   The Settlement Participant records the acknowledgment and verifies the closing balance of the account.

ASX Settlement notifies the holder by way of a CHESS holding statement.

28.9.2.6   CHESS sends the conversion request to the relevant PISP, which includes the registration details from the CHESS source holding. The PISP is bound to accept conversion details.

If the conversion request specifies an issuer's security holder reference number (SRN) and there is any discrepancy between the PISP's registration name and address record and the registration name and address on the conversion request, the PISP creates a new holding based on the registration name and address from the conversion request.

When the PISP receives inconsistent or inaccurate registration details, the PISP should telephone/fax the initiating Settlement Participant to determine an appropriate solution e.g. an amendment. The financial products in question are deemed to be part of the issuer sponsored subregister pending resolution of the registration details.

28.9.2.7   The PISP notifies the issuer sponsored holder of the conversion transaction by way of the next regular holding statement.

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.9.2.2	715	CHESS to Issuer Sponsored Fund Conversion Request	Settlement Participant	CHESS
28.9.2.4	717	Effected CHESS Conversion to Issuer Sponsored Fund	CHESS	Settlement Participant
28.9.2.4	518	Rejected Transaction	CHESS	Settlement Participant
28.9.2.6	716	CHESS Conversion Request to Issuer Sponsored Fund	CHESS	PISP

28.10 TRANSFERS BETWEEN FUND HOLDINGS

Subject to regulatory analysis and not currently available. The requirements described below are subject to change prior to the implementation of this functionality.

A Settlement Participant may request the transfer of mFund units between holdings under its control. The Receiving HIN must be a sponsored (investor) HIN. The rationale for requesting a transfer is based on the need to modify the name and legal title associated with the mFund holding. Refer Section 5.4.5 (Changing a Holder's Registration Name AND Legal Title).

A transfer for units must be accompanied by a foreign tax status determination and investor details. CHESS will ensure that all mandatory fields contain a response prior to passing the transfer to the PISP.

For holdings transferred between HINs, a CHESS statement is produced for the receiving HIN showing the balance of the holding on the CHESS Subregister increased by the amount of the transfer and one for the delivering HIN showing the balance of the holding on the CHESS Subregister reduced by the amount of the transfer.

Transfers for mFund will occur immediately upon PISP approval.

Note: It is important that the relationship between the PISP and the associated registry is based on shared access to registry data

PROCEDURE

28.10.1.1   The Settlement Participant receives instructions from an investor to transfer mFund units on the CHESS subregister from a HIN under its control to another HIN under its control. The Receiving HIN must be a sponsored (investor) HIN.

28.10.1.2   The Settlement Participant is required to confirm that the investor has received the current PDS. The Settlement Participant ensures the date of the most recent PDS (PDS Issue date) is included on the Application request in the form YYYYMMDD.

28.10.1.3   The Settlement Participant is required to confirm that the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) have been satisfied.

28.10.1.4   The Settlement Participant sends a Transfer Request to CHESS accompanied by Foreign Tax Status and Investor Details for the receiving HIN. This constitutes a Transfer set. All 3 must be received and pass CHESS validation to form a valid Transfer Request that CHESS will then pass to the PISP. Note that the messages may be sent in any order.

28.10.1.5   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.10.1.6   The Settlement Participant sends Foreign Tax Status for the receiving HIN to CHESS. The Linking Transaction ID value must equal the Transaction ID of the Transfer request that the Foreign Tax Status pertains to.

     Refer 28.6.5 Foreign Tax Status for validation criteria.

28.10.1.7   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.10.1.8   The Settlement Participant sends Investor Details for the receiving HIN to CHESS. The Linking Transaction ID value must equal the Transaction ID of the Transfer request that the Investor Details pertain to.

     Refer 28.6.6 Investor Details for validation criteria.

28.10.1.9   CHESS validates the request and notifies the Settlement Participant that the request is either accepted or rejected.

28.10.1.10   Where the Transfer Request, Foreign Tax Status and Investor Details are not received by CHESS within 5 Business Days to form a valid Transfer set, CHESS will cancel the Transfer Request. CHESS will notify the Settlement Participant.

28.106.1.11   CHESS forwards the accepted Transfer Request, Foreign Tax Status and Investor Details to the PISP once all 3 have been received and successfully validated.

28.160.1.12   The PISP validates the Transfer Request set to ensure it meets the fund requirements. The PISP will determine if the Transfer Request set will be accepted or rejected. The PISP may reject due to issues with any component of the Transfer set.

     The PISP sends CHESS a response.

     Where the request is rejected, the PISP must include a Rejected Transfer Reason. Note that rejection of the Transfer request itself or the accompanying Foreign Tax Status and Investor Details may be rejected via the Transfer response.

28.106.1.13   If valid CHESS sends the PISP a Fund Response and the Settlement Participant a Fund Transfer Response.

28.106.1.14   Where the request is accepted by the PISP, CHESS moves (transfers) the requested number of mFund units from the delivering HIN holding to the receiving HIN holding.

28.10.1.15   CHESS sends a holding registration details message to the Registry for the receiving HIN. This will ensure that the Registry can set up a holder structure for the HIN to allow the transfer of units to be recorded.

28.10.1.16   CHESS forwards the accepted Transfer Request, Foreign Tax Status and Investor Details to the Registry.

28.10.1.17   To ensure that transfers have been effected successfully and correctly, both Registries and PISPs are encouraged to utilise CHESS reporting, specifically the HBL report suite. Refer 28.13 Reporting Overview.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
28.10.1.4	851 CHESS to CHESS Fund Transfer Request	Settlement Participant	CHESS
28.10.1.5	720 Accepted Participant Request	CHESS	Settlement Participant
28.10.1.5	518 Rejected Transaction	CHESS	Settlement Participant
28.10.1.6	735 Foreign Tax Status	Settlement Participant	CHESS
28.10.1.7	720 Accepted Participant Request	CHESS	Settlement Participant
28.10.1.7	518 Rejected Transaction	CHESS	Settlement Participant
28.10.1.8	737 Investor Details	Settlement Participant	CHESS
28.10.1.9	720 Accepted Participant Request	CHESS	Settlement Participant
28.10.1.9	518 Rejected Transaction	CHESS	Settlement Participant
28.10.1.10	740 Cancelled Fund Request	CHESS	Settlement Participant
28.10.1.11	853 CHESS to CHESS Fund Transfer Request Details	CHESS	PISP
28.10.1.11	736 Foreign Tax Status Details	CHESS	PISP
28.10.1.11	738 Participant Investor Details	CHESS	PISP
28.10.1.12	854 CHESS to CHESS Fund Transfer Response	PISP	CHESS
28.10.1.13	722 Fund Response	CHESS	PISP

Section	Message Number and Description	Sender	Recipient
28.10.1.13	852 Fund Transfer Response	CHESS	Settlement Participant
28.10.1.15	512 Holding Registration Details	CHESS	Registry
28.10.1.16	853 CHESS to CHESS Fund Transfer Request Details	CHESS	Registry
28.10.1.16	736 Foreign Tax Status Details	CHESS	Registry
28.10.1.16	738 Participant Investor Details	CHESS	Registry

28.11~~4~~ ISSUER SPONSORED FUND HOLDING BALANCE ENQUIRY

The purpose of the Issuer Sponsored Fund Holding Enquiry is to enable;

- A Settlement Participant to request a registry to provide an Issuer Sponsored Holding Fund Balance for a specific holder;

- The PISP to respond to the Settlement Participants request for an Issuer Sponsored Fund Holding Balance

CHESS provides basic validation of issuer sponsored fund enquiry message contents. The matching of details and retrieval of data is performed by the Issuer/Registry.

Settlement Participants can also obtain an SRN, on behalf of an investor, from the PISP or Registry by completing a "Request for Security Holder Reference Number (SRN)" form, available from the SRA website (www.sraa.com.au).

PROCEDURE

28.11~~0~~.1.1   The Settlement Participant sends an Issuer Sponsored Fund Holding Balance Enquiry Request to CHESS.

28.11~~0~~.1.2   CHESS validates the request, if the request is valid CHESS sends an Accepted Participant Request to the Settlement Participant. If the request is invalid CHESS send a Rejected Transaction to the Settlement Participant.

28.11~~0~~.1.3   At the same time, if request is valid CHESS sends CHESS to Registry Fund Balance Request to the PISP. The PISP will validate the request to determine if the request will be accepted or rejected.

28.11~~0~~.1.4   If the request is accepted, the PISP will send a Registry to CHESS Fund Balance Response to CHESS

28.11~~0~~.1.5   If valid, CHESS will send a Fund Response to the PISP advising that their Participant Fund Balance Response was accepted by CHESS.

28.11~~0~~.1.6   If the request from the PISP is valid, CHESS will send the Settlement Participant a CHESS to Participant Fund Balance Response notifying the Settlement Participant of the registration details and Fund Holding Balance of the Security Holder Reference Number provided at the Settlement Participants request.

28.11~~0~~.1.7   If the request is rejected, the PISP will send a Registry to CHESS Fund Balance Rejection to CHESS.

28.11~~0~~.1.8   If valid, CHESS will send a Fund Response to the PISP advising that the Registry to CHESS Fund Balance Rejection message was accepted by CHESS.

28.11~~0~~.1.9   At the same time, CHESS will send the Settlement Participant a CHESS to Participant Fund Balance Reject message. This message will provide the Settlement Participant with the reason the PISP rejected their Issuer Sponsored Fund Holding Balance Enquiry Request.

Message Reference Table

Section	Message Number and Description		Sender	Recipient
28.11̶0̶.1.1	837	Participant to CHESS Balance Request	Settlement Participant	CHESS
28.11̶0̶.1.2	720	Accepted Participant Request	CHESS	Settlement Participant
28.11̶0̶.1.2	518	Rejected Transaction	CHESS	Settlement Participant
28.11̶0̶.1.3	838	CHESS to Registry Fund Balance Request	CHESS	PISP
28.11̶0̶.1.4	839	Registry to CHESS Fund Balance Response	PISP	CHESS
28.11̶0̶.1.5	722	Fund Response	CHESS	PISP
28.11̶0̶.1.6	840	CHESS to Participant Fund Balance Response	CHESS	Settlement Participant
28.11̶0̶.1.7	841	Registry to CHESS Fund Balance Rejection	PISP	CHESS
28.11̶0̶.1.8	722	Fund Response	CHESS	PISP
28.11̶0̶.1.9	842	CHESS to Participant Fund Balance Reject	CHESS	Settlement Participant

28.12̶1̶ DEATH OF A HOLDER

Refer to Section 5.11 (Death of a Holder) for the main stages in processing the holdings of a deceased estate.

28.13̶4̶ REPORTING

28.13̶4̶.1 Reporting Overview

This section provides a brief overview of reporting from an mFund perspective. Refer Section 16 (Reporting) for general CHESS reporting principles, concepts and usage.

A number of specific reporting messages have been created for the mFund Settlement Service.

Existing Reporting ID's provide access to these reports. The following table shows Reporting Id's and associated detail; this includes both mFund specific reports and existing reports that are applicable to mFund. The requestors may be the PISP, the Sponsoring Settlement Participant (P) and the Registry (R).

All reports may be requested using the standard CHESS 503 Report Request message.

Reporting ID	Report Name	Existing CHESS Output Message/s		New CHESS mFund Output Message/s	Requested By:
		Non-mFund Related	mFund Related		
CFB	Participant Counterparty Balance	158	158		PISP, P
CSI	Cancelled Settlement Instruction	048, 116, 118, 132	116		PISP, P
FHT	Full Fund Holding Transaction	014, 018, 022, 034, 042, 050, 052, 054, 056, 058, 060, 062, 068, 070, 072, 074, 090, 146		733, 834, 835	R, P
FSI	Full Settlement Instruction	116, 180, 188, 190, 192	116, 180, 188		PISP, P
HBL[2]	Holding Fund Balance	508, 510, 522		830, 832	R, P
HLD	Holder Detail	222	222		PISP, P
HLH	Holder History	224	224		PISP, P
HMV	Holding Net Fund Movement	510		831	R
HTX	Holding Transaction	002, 004, 006, 008, 010, 146, 172, 174		717, 723, 733, 852	P
PFD	Payment Facility Detail	230	230		PISP, P
PFH	Payment Facility History	232	232		PISP, P
RPD	Reporting Detail	234	234		R, PISP, P
SET	Settlement	124, 146, 156, 170, 192	124, 156, 170		PISP, P
SMP	Subregister Movement – Participant	008, 016, 076, 172, 174		717, 720, 723, 725	P
SMR	Subregister Movement – Registry	402, 404, 406, 408, 412, 414, 416, 418, 426		716, 719, 722	R
TSB	Total Security Fund Balance	532		833	R
TSH	Total Security Fund Holder	560		844	R
USD	User Detail	226	226		R, PISP, P
USH	User History	228	228		R, PISP, P

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[2] Where a Holding Daily Fund Balance (830) or Holding Daily Balance (508) is required, an *As At Date* must be furnished in the 503 Report Request.