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www.asxonline.com > Participants > Library > Manuals

Context of this Document

The ASX Settlement Procedure Guidelines must be read in the context of the ASX Settlement Operating Rules.

Any terms explicitly defined in the ASX Settlement Operating Rules and used in the ASX Settlement Procedure Guidelines should be interpreted according to the definition given in ASX Settlement Operating Rules. This includes terms such as participant, registry, holder, issuer, subregister, and financial product. Because of the large number of these terms, they have not been capitalised for emphasis in this document.

In the interests of readability and comprehension, where a procedure applies only in the context of securities in a listed company, the specific term security has been used instead of the more generic term financial product.

Change History

Version	Date	Description of changes
1.0	May 2005	Initial version of a merged guideline document incorporating details from both the PPG and IRPG
1.3	July 2007	Cross references to Section 2.2.2.3 updated to Section 2.1.9
1.4	Dec 2008	Cross reference to Section 25 updated to Section 2.1.9
1.6	August 2009	The addition of references to Securities Lending transactions as per CHESS Release 7.0
1.7	Dec 2010	Updates to include name changes within ASX Group and ASX Operating Rule books.
1.8	March 2012	Introduction of references to the ASX Managed Funds Service.
2.5	April 2014	Miscellaneous amendments
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	Amendments to Section 5.2 'Registration Name and Address Standards' and Section 5.11 'Death of a Holder'
3.5	April 2017	Amendments to Section 5.4.5 'Changing a Holder's Registration Name AND Legal Title'

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Version	Date	Description of changes
3.7	Dec 2021	<p>Electronic Communications</p> <ul style="list-style-type: none"> - Added Opt-In for new sponsored holders (refer to 5.1) - Update to Changing a Holders Registration (refer to 5.4.6.6) - Update to Email Detail (refer to 5.5) - Added Notification to Sponsored Holders (refer to 5.5.3) - Added Existing Email Address Opt-In and Preferences (refer to 5.5.5) - Added Opt-Out of Electronic Communications and Preferences (refer to 5.5.6) - Update to Changing the Controlling Participant for One Holder (refer to 5.8.11) - References to CHES holding Statement Sample D updated to include Sample D, D1 and D2 Section 5, refer to 5.4.5.5, 5.4.7.2, 5.4.7.3 <p>Other Changes</p> <ul style="list-style-type: none"> - Removed Registration Detail Data Cleansing (refer to 5.2.6) - Update to Holder Type Change (refer to 5.4.7.2) - Update to Holder Death Concepts, holder locks (refer to 5.11.1) - Removed references to SRAA website & form/s (refer to 5.2.2, 5.11.2.6, 5.11.3.7, 5.15.1.1) - Replaced references to emails, dispatching, sending, or sends with issues/issuing when referring to notifications or statements being generated (refer to 5.4.7.3, 5.8.1.10, 5.12.4.4)

SECTION 5: CLIENT HOLDER ADMINISTRATION

5.1 ESTABLISHING A CHESS HOLDER AND ALLOCATING A HIN

This section is only relevant to a registry where the registry has applied to become a limited ASX Settlement Participant in order to act as an offeror during a takeover.

In order to hold financial products on the CHESS subregister, the holder's details must be recorded on CHESS and CHESS must allocate the holder a Holder Identification Number (HIN). The controlling participant for the holder initiates this process.

Participants are able to request the allocation of a HIN for a new CHESS holder by sending a new registration details message to CHESS. The details must comply with CHESS standards to pass CHESS validation and should comply with the registry standards as set out in Section 5.2.

[Opt-in – to receive electronic communications for sponsored holders](#)

[A sponsored holder can choose to receive electronic communications from both the issuer of securities and ASX; ASX only or issuers only. Sponsoring participants must ensure they have the appropriate paperwork in place to support this request from the sponsored holder. Refer to 5.5 for Email Detail.](#)

[CHESS will not provide a rejection if opt-in has been unsuccessful.](#)

[MT201 new registration: Electronic communication Opt-in field requirements](#)

<u>Field</u>	<u>Requirement</u>
<u>Holder Type</u>	<u>Mandatory</u>
<u>Transaction Id</u>	<u>Mandatory</u>
<u>Registration Details</u>	<u>Mandatory</u>
<u>Entrepot Type</u>	<u>Optional</u>
<u>Residency Indicator</u>	<u>Mandatory</u>
<u>Email Address</u>	<u>Mandatory</u>
<u>Email Purpose</u>	<u>'A' (ASX electronic communications and Issuer), or 'B' (ASX electronic communications only)</u>

PROCEDURE

- 5.1.1 The participant determines a requirement to create a new sponsored holder on CHESS and establishes the relevant holder details.
- 5.1.2 The participant sends a new registration details message to CHESS. Participants must nominate the type of holder being created:
- Sponsored (client holdings refer to section 4)
 - Direct (A direct holding is a CHESS holding where the holder is the controlling participant, a body corporate related to the control participant, or a nominee company of the controlling participant);
 - Entrepot (only required at participant set up level to facilitate batch settlement).

If the holder type is sponsored, a new registration details message must not be sent unless a signed sponsorship agreement has been executed.

If the holder type is entrepot, the participant must nominate the entrepot type:

- Settlement (the HIN that ASX Clear will remove holdings from (for deliveries) or deposit holdings to (for receipts) within batch settlement processing);
- Accumulation (the HIN used to prime holdings prior to being moved into the settlement entrepot HIN);
- Payment (required to facilitate the settlement of ASX Managed Funds Service transactions, refer to Section 28).

The participant must also state the residency of the holder, which should be one of the following:

- Domestic;
- Foreign; or
- Mixed (i.e. a mixture of foreign and domestic holders)

The residency of the holder is only required in the processing of financial products subject to CHESS foreign ownership restrictions. The definition of a “foreign” person for the purposes of CHESS processing foreign-to-foreign allocations must be consistent with the definitions of those issuers. The controlling participant is responsible for determining the residency of the holder according to this definition.

The “Mixed” category is used for nominee and trustee companies that cannot maintain their holdings in separate domestic and foreign HINs. Before establishing holdings as “Mixed”, participants should ensure that they understand the implications of maintaining holdings in that way. Such holdings will require the controlling participant to regularly notify the issuer of the foreign sub-balance of the mixed holding.

For details on foreign ownership restrictions and foreign to foreign allocations, refer to Section 2.1.9.

- 5.1.3 The validation of registration details done by CHES is limited (refer to Section 8 of the External Interface Specification). Even if the new registration details pass CHES validation, the details may still be unacceptable to the registry (refer to Section 5.3).

If the new registration details do not pass validation checking, CHES rejects the registration.

- 5.1.4 If the new registration details are accepted, CHES creates a record for that holder and assigns a new HIN. CHES responds to the participant with an accepted new registration details message.

CHES notifies the issuer registry if new registration details upon creation of a new CHES holding.

- 5.1.5 ASXS notifies sponsored holders of their registration details (refer to Sample A).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.1.2	201 New Registration Details	Participant	CHESS
5.1.3	518 Rejected Transaction	CHESS	Participant
5.1.4	202 Accepted New Registration Details	CHESS	Participant
5.1.4	512 Holding Registration Details	CHESS	Registry

5.2 REGISTRATION NAME AND ADDRESS STANDARDS

5.2.1 Registration Concepts

CHES maintains registration name and address details for all CHES holdings. Registration details must conform to the registry standards, otherwise the details will not be accepted by the registry. CHES sends registration details to the relevant registry whenever financial products are moved into a holding for the first time and whenever registration details change.

Registration name and address for a participant's buying client who chooses to hold financial products on the issuer sponsored subregister are sent to the relevant registry. The message is initiated by the participant and routed to the registry via CHES. Registration details for such clients are not maintained by CHES, however the details must still conform to the registry standards.

5.2.2 Registry Standards

The following standards are based ~~on the~~ registry standards ~~published by the Securities Registrars Association (<http://www.sraa.com.au>)~~ and the address standards published by Australia Post (<http://www.auspost.com.au>).

[Participants can verify registry standards by contacting the relevant registry](#)

5.2.3 General Holder Registration Standards

5.2.3.1 A holder's registration details are made up of six lines (or blocks) of information, each of up to thirty characters (including spaces and punctuation).

5.2.3.2 Enter name and address information in such a way as to allow the name and address to be immediately useable by CHES and the registry for mailing purposes.

5.2.3.3 Enter all registration details in upper case.

5.2.3.4 Unless permitted under an issuer's constitution, do not establish a CHESSE holding that would be held jointly by more than 3 persons.

Where an issuer's constitution specifically allows for more than 3 joint holders, be aware that if you establish holdings in the name of more than 3 joint holders and the holder also wishes to maintain CHESSE holdings for financial products of issuers that do not allow more than 3 joint holders, the holder will require more than one HIN (one for holdings from each type of issuer). There are only 180 characters available for registration details it is likely to be very difficult to fit the full name and address of more than 3 holders.

5.2.3.5 Punctuation is acceptable as are all other special characters (e.g. hyphens, apostrophes, etc.) with the following exceptions:

- Leading spaces before the holder's name are not allowed.
- Only one comma is allowed and it MUST appear between the holder's name and address. When a designation is present, the comma should follow the closing bracket.
- Full stops are not allowed.
- Double-double quotes or double-single quotes are not allowed.
- Angle brackets (<>) and plus (+) signs are not allowed except as defined in Section 5.2.4.12.
- The backslash "\ " is not allowed in the registration details for CHESSE subregister holdings.

5.2.3.6 Refer to Section 8 of the External Interface Specification for details of validation performed on registration details.

5.2.4 Holder Registration Name Standards

5.2.4.1 Use a holder's full name to avoid possible confusion and errors with holders having similar names. If a surname contains a space, do not include that space in the registration details.

5.2.4.2 Holdings may be registered in the full name of a person or corporation or in the joint names of persons or corporations.

If a corporation has an ampersand in its registered name, include the ampersand in the registration name.

5.2.4.3 Holdings must be registered in the correct legal name of the holder. For example, in the case of a person or company carrying on business under a registered business name, the holding should be registered in the person's or company's name rather than the business name. In the case of holdings for a trust, the

holdings should be registered in the name of the trustee or trustees of the trust rather than in the name of the trust. In the case of holdings for the estate of a deceased person, the holdings should be registered in the name of the legal representative or representatives of the deceased person.

5.2.4.4 Enter personal names in the following order:

- (a) Salutation (MR, MRS, etc);
- (b) Given names in full;
- (c) Surname.

Enter all parts of the name, in this order, and on the same line, if possible. In the case of a deceased holder with a CHESSE holder record lock applied, include the prefix "EST ", i.e. EST followed by a single space before the salutation (refer to Section 5.10.3).

5.2.4.5 Always include a person's title.

In many cases, you may need to abbreviate the title. For example: Professor to PROF; Captain to CAPT; Doctor to DR. It is not considered appropriate to abbreviate LADY or SIR. Salutations normally precede the first given name of the holder except where protocol demands otherwise.

5.2.4.6 Identify the end of the holding name or names with a comma (,).

When a designation is present, the comma should follow the closing bracket. This is the only instance where a comma may be used in the registration details.

5.2.4.7 Where the holding is in joint names, link the names with a plus (+) sign. If possible, enter joint names on separate lines. The plus sign will be converted to an ampersand (&) and the comma deleted by the registry when printing the holder name and address details.

5.2.4.8 Enter the name of each person in a joint holding in full, as you would an individual holder, with separate titles and separate names. For example:

MR JOHN SMITH + MRS CAROL SMITH

Do not enter this information as MR & MRS JOHN AND CAROL SMITH.

The ampersand cannot be used to link the names of joint holders because it is used in many company names.

5.2.4.9 If there is insufficient space on the first line, continue onto the second line. When a name is extended to the second line, never break a word over the end of a line.

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- 5.2.4.10 Where a name is exactly 30 characters long, place the comma as the first character on the next line. However, this should be avoided if at all possible. Note that there should be no space before the next character (i.e. between the comma and the start of the address). For example:

MRS MARGARET LINDA MARIE JONES ,100 GEORGE STREET SYDNEY NSW 2000
--

- 5.2.4.11 Company names can only be abbreviated by the use of legally accepted abbreviations such as CO, PTY, and LTD.

- 5.2.4.12 Where a designation is required to be recorded after the holding name or names (e.g. NO 2 ACCOUNT or SUPERANNUATION ACCOUNT), enter the designation between angle brackets (i.e. less than "<" and greater than ">" symbols) followed by the word ACCOUNT. A/C may be used if space is restricted.

Insert the comma used to separate the name or names from the address after the closing symbol (">") containing any designation.

The designation, word ACCOUNT (or alternative), and symbols must be contained within one separate line of thirty characters.

Designations should not give notice of a trust (including any testamentary trust or custodial arrangement), whether express, implied or constructive, on the register (refer to section 1072E(10) of the Corporations Act). Hence the phrases "AS TRUSTEE FOR" or "AS CUSTODIAN FOR", the words "TRUST" or "TESTAMENTARY", the abbreviations "ATF", "ACF" or "TEST", or other similar contractions, should not be used in any designation. Where used, they will generally be rejected by CHES.

It is acceptable to use the "ACCOUNT" or "A/C" designation to differentiate between personal holdings and holdings held as trustee or custodian, provided the designation does not include any of the words, phrases or abbreviations mentioned in the preceding paragraph.

For example:

MR GEORGE FREDERICK JONES + MRS
MARGARET LINDA JONES
< NO 2 ACCOUNT >,
500 BOURKE STREET

MELBOURNE VIC
3000

Because of the space limitations, names and addresses will sometimes need to include non-standard abbreviations. Take care when using abbreviations and make sure that there should be no inadvertent change to the legal details of the holder as a result of the abbreviation.

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Some acceptable abbreviations include:

- A/C (Account)
- C/- (Care of)
- C/O (Care of)
- CARE (Care of)
- ATTENTION (For the attention of)
- ATTN (For the attention of).

If the name and address set must contain the phrase “FOR THE ATTENTION OF”, place it on the line following the name or designation. If space is at a premium, reconsider the necessity of using this phrase or abbreviate it.

5.2.5 Holder Address Standards

5.2.5.1 Start the address on the line following the name details; do not start it on the same line as the name.

5.2.5.2 If the address includes a floor, flat, unit or apartment, enter it in full if space permits.

If space is restricted, use the following abbreviations:

Term	Alpha Abbreviation	Numeric Abbreviation
Apartment	APT	2/20 CARPENTER ST
Flat	FLT	2/20 CARPENTER ST
Unit	UNIT	2/20 CARPENTER ST
Level	LVL	2/20 CARPENTER ST
Floor	FLR	2/20 CARPENTER ST

The address may continue on the same line as the abbreviation.

Enter the words STREET, ROAD, AVENUE, etc, in full if space permits. However, do not start a new address line just to enter one of these in full. Use standard abbreviations for street (ST), road (RD), avenue (AVE) etc, if necessary.

GPO BOX and PO BOX are acceptable addresses, but must not contain any full stops.

A DX box number is not an acceptable form of address. Australia Post does not recognise DX box numbers as valid addresses.

- 5.2.5.3 The last line of all Australian addresses should contain the suburb, town, or city and the state or territory. The state or territory must not appear on a line by itself unless there is insufficient space to include it on the previous line (e.g. because the town name is very long).

Use Standard abbreviations for a state or territory must be used, but again no full stops are permissible. These abbreviations are as follows:

- QLD
- NSW
- SA
- WA
- NT
- ACT
- VIC
- TAS.

- 5.2.5.4 Australian Postal Codes and country codes (if required) should commence in the 23rd position of the (6th) final line. Always reserve the final 8 characters of the 6th and final line for these items.

An Australian postal code must be valid for the specified suburb, town, or city and state.

Enter the name of any foreign country in full unless there is a standard and well known abbreviation (e.g. UK, USA, etc). Enter this as the last line of the address details.

A country code must be valid for the specified country. For a list of valid country codes (based on from ISO Standard 3166), refer to Appendix C.

As ASXS will not print country codes on any correspondence, enter the full name of the country on the last line of the address.

- 5.2.5.5 Include overseas postcodes in the main part of the name and address set, adjacent to the country or state.

5.2.6 Registration Detail Data Cleansing [DELETED]

~~CHES~~ receives and maintains a large number of registration details. Over the years, registry and Australia Post address standards have evolved. As a result, many of the registration detail records within CHES do not meet all the criteria described in the Section 5.2.

~~To ensure that registration detail records meet the current registry and Australia Post standards, CHES performs an ongoing incremental data cleansing of registration details.~~

~~The precise conditions applied by the data cleansing process vary over time with changes to the registry and Australia Post standards.~~

~~CHES notifies participants and registries of any changes to registration details that occur as a result of registration detail standardisation.~~

PROCEDURE

~~5.2.6.1 CHES performs the registration detail data cleansing process.~~

~~CHES corrects registration detail records that do not meet the conditions specified as part of the data cleansing criteria.~~

~~5.2.6.2 CHES notifies the participant of any changes to registration details that result from the data cleansing.~~

~~5.2.6.3 5.2.6.1 CHES notifies the registry of any changes to registration details that result from the data cleansing.~~

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.2.6.2	220 — Authorised Registration Details	CHES	Participant
5.2.6.3	512 — Holding Registration Details	CHES	Registry

5.3 REGISTRY OBJECTION TO HOLDING REGISTRATION DETAILS

5.3.1 CHESS Holding Details

When a participant creates a new holder on CHESS, the holder registration details are validated by CHESS and rejected if they do not pass the validation. However, it is possible to pass CHESS validation with registration details that do not meet registry standards. This can occur because CHESS validates only a subset of the registry standards.

5.3.1.1 CHESS advises the registry of the registration details when financial products are moved into a CHESS holding for the first time or when the registration details are changed. For details of the messages involved, refer to Section 5.1 & 5.4.3. The registry checks for full compliance with the registry standards as set out in Section 5.2. The registry contacts the controlling participant if the registry standards are not met. The participant is expected to co-operate with the registry to standardise the details in a timely manner.

If an amendment to the registration details is required, the controlling participant sends updated registration details to CHESS.

5.3.1.2 CHESS notifies the registry when the registration details are updated.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.3.1.1	512 Holding Registration Details	CHESS	Registry
5.3.1.2	512 Holding Registration Details	CHESS	Registry

5.3.2 Issuer Sponsored Holdings

Registries may compare name and address details when processing conversions or transfers from CHESS to issuer-sponsored holdings.

If the converting CHESS holder has an existing issuer sponsored holding in the security and the CHESS registration name does not match exactly, a registry is likely to create a new holding irrespective of the security holder reference number (SRN) given. If the converting CHESS holder has no existing issuer sponsored holding in the security, the registry will create a new holding with a new security holder reference number (SRN).

5.4 CHANGING CHESS HOLDER DETAILS

This section is only relevant to a registry where the registry has applied to become a limited ASX Settlement Participant in order to act as an offeror during a takeover.

Participants submit changes to a CHESS holder details electronically. CHESS holder details consist of the holder's registration name and address and their holder type.

Participants must not under any circumstances instruct holders to forward written advices for change in holder details directly to ASXS.

A CHESS holder's registration details must always match those on the current sponsorship agreement.

5.4.1 Authorisation Requirements for Changes to Holder Details

Letters used as documentation to support a change to CHESS holder details must be signed by the holder of the financial products or by a person acting under a power of attorney from the holder.

Letters signed under a power of attorney should state that the signatory has received no notice of revocation of that power of attorney.

For corporations, letters should be authorised by one of the following:

- under company seal;
- signed by an authorised officer of the company; or
- signed by either two directors or a director and the company secretary.

Participants should have adequate procedures in place to confirm that letters requesting change to holder details are properly authorised by the CHESS holder. For example, they may compare the signature on the letter to the signature on the sponsorship agreement.

Participants must retain all supporting documentation for audit purposes.

5.4.2 Supporting Documentation Requirements

Supporting documentation for a change in holder name should include a written request from the holder that incorporates the holder's true signature. Other supporting documentation may originate from a third party such as a

marriage certificate, death certificate, the relevant prescribed Corporations Act form evidencing a change of company name or a deed poll evidencing an individual's change of name.

Where a change of name arose out of a clerical error at the opening of an account, the supporting documentation may include the written request from the holder and may include a copy of the CHESSE sponsorship agreement. Some third party documents showing continuity of name over the sponsorship period may also be required.

Where photocopied documents are relied upon as records, they should be appropriately certified by a person legally entitled to certify a document as a true and correct copy of what it purports to be and must clearly identify the name and capacity of the certifier.

5.4.3 Changing a Holder's Registration Name but NOT Legal Title

Changes to a holder's registration name are made via CHESSE messaging. Up to two reasons for registration name changes can be nominated on each message. Changes to a holder's registration name, including the correction of errors, must be authorised by Post Trade Operations with the exception of:

- Account Designation Change requests
- A Holder Lock - Deceased application that places 'EST' i.e. 'EST' followed by a space' in the first 4 characters of registration name, where a death related holder record lock is applied e.g. "EST MR JOHN HOLDER, 15 SAMPLE STREET SAMPLEVILLE NSW 2000.

Note: Where more than one change is requested, and if either change requires authorisation, all changes will need to be authorised.

In processing the change, Post Trade Operations will:

- authorise the change;
- reject the change; or
- request the provision of supporting documentation.

Rejections are usually due to participants citing an incorrect reason for the requested change. 'Error' should be used as reason code for registration name change only if no other code is available (e.g. if a spelling mistake was made on the holder's registration name).

Supporting documentation is requested when Post Trade Operations considers further review is required.

If the change of holder name constitutes a change in legal title, refer to section 5.4.5.

PROCEDURE

- 5.4.3.1 The holder writes to the participant requesting a change to their holder name. They should include supporting documentation.
- 5.4.3.2 The participant verifies that the requested name change is not a change to legal title and that their client has provided sufficient supporting documentation.
- 5.4.3.3 The participant sends a message with the revised details to CHESSE. The message can include up to 2 of the following business reasons:
- Account Designation Changes
 - Change of Company Name
 - Error
 - First Name Shortened/Extended
 - Legal Change of Name
 - Marriage
 - Revert to Maiden Name
 - Salutation/Title Change
- 5.4.3.4 CHESSE validates the request and notifies the participant of either a valid or rejected request.
- 5.4.3.5 If authorisation by Post Trade Operations is required, CHESSE holds the request until Post Trade Operations:
- authorises the change, which CHESSE then effects;
 - rejects the change; or
 - requests the provision of supporting documentation (Refer to 5.4.4 Providing Supporting Documentation for Change of Registration Name in this chapter).

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- 5.4.3.6 CHESSE notifies the participant of the result of the request (i.e. if it was effected or rejected)
- 5.4.3.7 If the change is effected, CHESSE notifies the relevant registries of the changed details.
- 5.4.3.8 If the change is effected, ASXS notifies the holder of the change (refer to Sample B1).
- 5.4.3.9 The participant retains the supporting documentation for audit purposes.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.4.3.3	203 Registration Details Update Request	Participant	CHESS
5.4.3.4	218 Accepted Registration Details Update	CHESS	Participant
5.4.3.4	518 Rejected Transaction	CHESS	Participant
5.4.3.6	220 Authorised Registration Details	CHESS	Participant
5.4.3.6	080 Rejected Registration Details Update	CHESS	Participant
5.4.3.7	512 Holding Registration Details	CHESS	Registry

5.4.4 Providing Supporting Documentation for Change of Registration Name

In processing a change of holder registration name where Post Trade Operations authorisation is required (refer Section 5.4.3), Post Trade Operations may request the provision of supporting documentation in order to authorise a change of registration name.

If Post Trade Operations requests supporting documentation, the participant should send certified copies of the documents supporting the change along with a completed Bulk Change of Registration Name form (Appendix F2).

For details of the supporting documentation requirements, refer to Section 5.4.2. Participants are advised that Post Trade Operations will not return any documentation submitted.

PROCEDURE

- 5.4.4.1 Post Trade Operations contacts the participant requesting supporting documentation.
- 5.4.4.2 The participant sends certified copies of the appropriate supporting documentation to Post Trade Operations (refer to Section 5.4.2).
- 5.4.4.3 Post Trade Operations review the documentation and authorises or rejects the name change.
- 5.4.4.4 If Post Trade Operations does not receive the requested supporting documentation within 5 business days, ASXS will reject the name change request.
- 5.4.4.5 CHESS notifies the participant that the change has been effected or that the request was rejected.
- 5.4.4.6 CHESS sends the changed registration details to each of the appropriate registries.
- 5.4.4.7 ASXS notifies the holder of a successful holder name change (refer to Sample B₁).
- 5.4.4.8 The participant retains the supporting documentation for audit purposes.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.4.4.4	220 Authorised Registration Details	CHESS	Participant
5.4.4.4	080 Rejected Registration Details Update	CHESS	Participant
5.4.4.5	512 Holding Registration Details	CHESS	Registry

5.4.5 Changing a Holder's Registration Name AND Legal Title

When a change to the registration name results in a change of legal title, the registration details of the CHESS holder cannot be altered. Instead, a new sponsorship agreement and a new HIN must be established and the financial products transferred from the former HIN to the new HIN.

However, a Registration Details Update Request (203) message may be used to request a transfer in limited circumstances where a trustee needs to transfer a large number of holdings to a new trustee and there is no change in beneficial ownership. Refer to Section 8.1.1 'Single Entry Transfers' for further details.

Participants should ensure that they obtain copies of all relevant supporting

documentation evidencing these changes, including the deed of retirement and appointment (for changes of trustee) or other documents relating to the change for their records. The participant must be able to produce all relevant supporting documentation evidencing the change on request from ASXS.

The following are examples of changes to registration details that are considered by ASXS to be a significant change to legal title:

- Changes of trustee.

Although in such cases there is no change of beneficial ownership, a change of trustee constitutes a change of legal title.
- Replacing accounts in the name of minors to the parent's name.

Please note: These requirements regarding trustee names arise at general law and are not governed by the ASX Settlement Operating Rules, therefore it is not possible for ASXS to waive or vary any of these requirements.

PROCEDURE

- 5.4.5.1 The holder writes to the participant requesting a change to their holder name.

They should include documentation in support of the request.
- 5.4.5.2 The participant determines the requested name change constitutes a change of legal title.
- 5.4.5.3 The participant requests that their client submits an authorisation for the change of legal title, and obtains a new sponsorship agreement signed by the client under the new name.
- 5.4.5.4 The participant establishes a new HIN in the new name of the client (refer to section 5.1)

ASXS notifies the holder of their new HIN (refer to Sample A).
- 5.4.5.5 The participant transfers the relevant holdings from the former HIN to the new HIN.

ASXS issues CHES holding statements for both HINs (refer to Sample D, [D1](#) and [D2](#)).
- 5.4.5.6 The participant retains the supporting documentation for auditing purposes, together with the new client sponsorship agreement.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.4.5.4	201 New Registration Details	Participant	CHESS
5.4.5.4	202 Accepted New Registration Details	CHESS	Participant
5.4.5.4	518 Rejected Transaction	CHESS	Participant
5.4.5.5	001 Demand Single Entry CHESS to CHESS Transfer	Participant	CHESS
5.4.5.5	002 Effected Demand Single Entry CHESS to CHESS Transfer	Participant	CHESS
5.4.5.5	518 Rejected Transaction	CHESS	Participant

5.4.6 Changing a Holder's Registration Address

Registration address changes do not require authorisation by Post Trade Operations. Never send documentation for an address change to Post Trade Operations.

The participant must have sufficient authority to effect the change to the holder's registration address.

The participant must retain all documentation relating to the address for audit purposes. Appropriate documentation includes:

- signed letter from the sponsored holder;
- sample letterhead with the organisation's new address;
- letter from the company secretary; or
- records from a secure, password-protected website.

PROCEDURE

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- 5.4.6.1 ~~The~~ holder writes to the participant requesting a change to their address.
They should include documentation in support of the request.
- 5.4.6.2 The participant verifies that their client has supplied sufficient supporting documentation.
- 5.4.6.3 The participant sends the revised address details to CHESS.
- 5.4.6.4 CHESS validates the request and notifies the participant that the update request has been either processed or rejected.
- 5.4.6.5 CHESS sends the changed registration details to the appropriate registries.

~~5.4.6.6~~ ASXS notifies the holder of the changes to [their preferred communication preference i.e. email or their](#) registered address.

~~Where communication preference is registered address ASXS sends issues a notification to both the old address (refer to Sample B2) and the new address (refer to Sample B1).-Notifications to the old address are mailed in green-bordered envelopes that cannot be re-directed: this ensures the holder is alerted to any unauthorised changes in their registered address.~~

~~Where the communication preference is email the participant will have access to download undeliverable email reports via ASX Online Participants.~~

~~Notifications going to the old address are mailed in green-bordered envelopes that cannot be re-directed: this ensures the holder is alerted to any unauthorised changes in their registered address.~~

~~5.4.6.6~~ 5.4.6.7 The participant retains the supporting documentation for audit purposes.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.4.6.3	203 Registration Details Update Request	Participant	CHESS
5.4.6.4	218 Accepted Registration Details Update	CHESS	Participant
5.4.6.4	518 Rejected Transaction	CHESS	Participant
5.4.6.4	220 Authorised Registration Details	CHESS	Participant
5.4.6.5	512 Holding Registration Details	CHESS	Registry

5.4.7 Changing a Holder's Type

Holder type defines the legal relationship between the participant and the holder. Holder type is either direct or sponsored.

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To change a holder's type, perhaps to correct an error, the controlling participant should send a written request to Post Trade Operations.

PROCEDURE

- 5.4.7.1 Participants requiring changes to the holder type should send their written requests to Post Trade Operations.

Requests should be on letterhead signed by an authorised officer stating the incorrect and correct holder types, the relevant HIN, and the client name.

When the change has been applied, Post Trade Operations notifies the participant.

CHESS automatically sends registration details to the relevant registries to ensure that their records reflect the changed holder type.

- 5.4.7.2 If the holder type changes, ASXS notifies the holder ~~from sponsored to direct, ASXS notifies the holder (refer to Sample G)~~ after Post Trade Operations have effected the change. ~~For change of holder type from sponsored to direct notification please, refer to sample G or direct to sponsored notification refer to sample H. When a change of holder type changes from direct to sponsored ASXS issues a CHESS holding statement (refer to sample D, D1 and D2) advising the holding balance at the time the change occurred.~~ The notification and CHESS holding statement are issued within 5 business days of Post Trade Operations effecting the change.

~~In addition, ASXS sends a CHESS holding statement (refer to Sample D) at the end of the month for each holding in which a Where transactions have occurred since the first day of the month and the time in which the holder type changed occurred, and, if necessary, final holding statements. (Refer to Appendix Y.) The ASXS issues a notification and CHESS holding statement (refer to sample D, D1 and D2). statements are issued within 5 business days of Post Trade Operations effecting the change.~~

Apart from this, ASXS does not issue any CHESS holding statements for direct holdings.

For restrictions that apply to direct holdings, refer to the ASXS Settlement Operating Rules.

- 5.4.7.3 If the holder type changes from direct to sponsored, ASXS notifies the holder (refer to Sample H).

In addition, ASXS ~~sends-issues~~ a CHESS holding statements (refer to Sample D, D1

[and D2](#)) for each non-zero holding, within 5 days of Post Trade Operations effecting the change.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.4.7.1	512 Holding Registration Details	CHESS	Registry

5.4.8 Changing a Holder's Residency

A holder's residency is important for trading in financial products subject to CHESS foreign ownership restrictions (refer Section 2.1.9). A holder's residency is one of the following:

- Domestic;
- Foreign; or
- Mixed (i.e. a mixture of foreign and domestic holders).

The participant sends changes in a holder's residency status to CHESS electronically.

PROCEDURE

5.4.8.1 The participant determines a requirement to change the residency of a holder.

For example, a holder may be an Australian resident and becomes an Australian citizen. The change in citizenship may cause their holdings in the financial products subject to foreign ownership restrictions to no longer be considered foreign.

The participant sends the revised details to CHESS.

5.4.8.2 Upon receipt of the message CHESS validates the request, and either accepts or rejects it.

5.4.8.3 CHESS notifies the participant and the registry when the change has been effected.

ASXS notifies the holder of the change in residency by mail (refer to Sample V).

5.4.8.4 The participant retains the supporting documentation for audit purposes.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.4.8.1	203 Registration Details Update Request	Participant	CHESS
5.4.8.1	218 Accepted Registration Details Update	CHESS	Participant
5.4.8.1	518 Rejected Transaction	CHESS	Participant
5.4.8.3	220 Authorised Registration Details	CHESS	Participant
5.4.8.3	512 Holding Registration Details	CHESS	Registry

5.4.9 Requirements for Documentation Retained as a Record of a Holder Detail Update

Where photocopied documents are relied on as records they should be appropriately certified, for example by a Justice of the Peace or solicitor, to indicate the record is a true and correct copy of the original. The certification must clearly identify the name and capacity of the certifier.

5.5 EMAIL DETAIL

Email details form an additional component of the Holders' Registration Details. Email details are optional data fields. [A sponsored holder can choose to receive electronic communications from both the issuer and ASX; ASX only or issuers only](#) that may be populated by the Sponsoring Participant ~~on~~[with prior written advice/authority](#) from the Holder.

Email details are provided to advise [ASX and/or](#) the registry of the holder's preference to receive documents and information electronically. Provision of the holder's preference for electronic communication does not in any way obligate the registry or issuer to provide material electronically to the Holder.

Email details can be supplied at the time of HIN creation, refer to procedure 5.1 above or updated to an existing HIN refer to procedure 5.5.43 below.

[Opt-into electronic communications for existing registration details update, refer to 5.5.5](#)

[Opt-out of electronic communications:](#)

- [For All electronic communications ASX and Issuer refer to 5.5.6.1](#)
- [For ASX and **Retain Issuer** electronic communications refer to 5.5.6.2](#)

5.5.1 Email Address

Email address is specific to a HIN. Only one email address per HIN is captured. CHESS provides limited validation on email addresses lodged by Sponsoring Participants. The email address must include an @ symbol, at least one full stop and contain no spaces.

5.5.2 Email Purpose

Where email details are supplied, an email purpose must be provided. This includes creation, modification and cancellation of email details (for cancellation to be effected the email purpose must match what is already recorded on the CHESS Subregister). The email purpose designates the purpose for which the email address may be used.

5.5.3 Notifications to Sponsored Holders

Once a sponsored holders details are changed via a Registration Details Update (203 message), ASX will confirm by sending a notification.

The notification will be sent through one of the following channels listed below depending on the type of detail changed and the sponsored holders current email purpose.

	<u>Change of email purpose (mail <-> electronic)</u>	<u>Change of address</u>	<u>Change of email address</u>	<u>Other details changes¹</u>
<u>Existing preference to receive mail</u>	<u>Notice sent by post (old preference) and email address (new preference)</u>	<u>Notice sent to old and new postal addresses</u>	<u>Notice sent to postal address only</u>	<u>Notice sent to postal address only</u>
<u>Existing preference to receive electronic</u>	<u>Notice sent by post (new preference) and (old preference) email address</u>	<u>Notice sent to email address only</u>	<u>Notice sent to old and new email addresses</u>	<u>Notice sent to email address only</u>

¹ Other detail changes include a change of name or a change of email purpose that does not result in a change of electronic communication preference i.e. changing from “A” to “B” which retains the opt-in for ASX electronic communications.

5.5.35.5.4 Updates or Cancellation to Email Detail

Email detail updates or cancellations do not require authorisation by Post Trade Operations. It is not required to send documentation for an email detail change or cancellation to Post Trade Operations.

The Sponsoring Participant must have sufficient authority to effect the update or cancellation to the Holder’s email detail.

The Sponsoring Participant must retain all documentation relating to the email detail for audit purposes. Appropriate documentation may include:

- signed letter from the Sponsored Holder;
- sample letterhead with the organisation’s new email address;
- letter from the company secretary; or
- records from a secure, password-protected website.

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PROCEDURE

~~5.5.3.1~~5.5.4.1 The Holder writes to the Sponsoring Participant requesting a change or cancellation to their email details. They should include documentation in support of the request.

~~5.5.3.2~~5.5.4.2 The Sponsoring Participant verifies that their Sponsored Holder client has supplied sufficient supporting documentation.

~~5.5.3.3~~5.5.4.3 The Sponsoring Participant sends the revised email details to CHESS.

~~5.5.3.4~~5.5.4.4 CHESS validates the request and notifies the Sponsoring Participant that the update request has been either processed or rejected.

~~5.5.3.5~~5.5.4.5 CHESS sends the changed email details to the appropriate registries.

~~5.5.3.6~~5.5.4.6 ASXS notifies the holder of the changes [by issuing a notification to the holders email or registered address depending on their confirmed communication preference to their registered address.](#)

~~ASXS sends a notification to the Holders registered address.~~

~~5.5.3.7~~5.5.4.7 The Sponsoring Participant retains the supporting documentation for audit purposes.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.5. 4.3 .3	203 Registration Details Update Request	Participant	CHESS
5.5. 4.3 .4	218 Accepted Registration Details Update	CHESS	Participant
5.5. 4.3 .4	518 Rejected Transaction	CHESS	Participant
5.5. 4.3 .4	220 Authorised Registration Details	CHESS	Participant
5.5. 4.3 .5	512 Holding Registration Details	CHESS	Registry

5.5.5 Existing Email Address Opt-In for Electronic Communications and Preferences

Existing email addresses in CHESSE will not be opted in to e-communications automatically. Where a Sponsoring Participant wishes to opt in for e-communications for a sponsored holder who already has an email in CHESSE, the Sponsoring Participant must send a Registration Details Update Request (203) message with the email address and an email purpose election even if it is the same as the existing email address.

The Sponsoring Participant must be satisfied that its privacy policy authorises them to do so or it must obtain specific consent from the sponsored holder.

To opt into ASX electronic communications, Sponsoring Participants must select an email purpose A or B, as shown in the table below, on behalf of the sponsored holder.

<u>Email Purpose</u>	<u>Description</u>	<u>Op-in to electronic CHESSE holding statements</u>	<u>Email passed to Issuer</u>
<u>A</u>	<u>Preference for electronic communications from ASX and Issuers</u>	<u>Yes</u>	<u>Yes</u>
<u>B</u>	<u>Preference for electronic communications from ASX only</u>	<u>Yes</u>	<u>No</u>
<u>C</u>	<u>Preference for electronic communication from Issuers only</u>	<u>No</u>	<u>Yes</u>

If “C” is selected the sponsored holder customer will receive paper CHESSE Statements from the ASX, however the sponsored holders’ email address will be provided to the relevant issuer where the sponsored holder has holdings, along with the notification of a preference for electronic communications from that issuer. Neither issuers (nor their registries) are obliged to act upon this preference.

Important: if the 203 message structure differs from the procedure outlined in the below table (such as including additional fields like change of address or other details) Sponsoring Participants may be charged a fee and the sponsored holder will not be opted into electronic communications.

CHESSE will not provide a rejection if opt-in has been unsuccessful.

MT203: Registration details update request fields – updating existing registration

<u>Field</u>	<u>Requirement</u>
<u>Date of Event</u>	<u>Blank</u>
<u>HIN</u>	<u>Mandatory</u>
<u>Contact Reference</u>	<u>Blank</u>
<u>Transaction ID</u>	<u>Mandatory</u>
<u>Registration Details</u>	<u>Blank or equal to existing registration details</u>
<u>Registration Details Update Reason 1</u>	<u>Blank</u>
<u>Registration Details Update Reason 2</u>	<u>Blank</u>
<u>Holder Status Change</u>	<u>Blank</u>
<u>Residency Indicator</u>	<u>Blank</u>
<u>Holder Lock Release Reason</u>	<u>Blank</u>
<u>Email Address</u>	<u>Mandatory</u>
<u>Email Purpose</u>	<u>'A' (ASX electronic communications and Issuer), or 'B' (ASX electronic communications only)</u>
<u>Email Cancellation</u>	<u>Blank</u>

PROCEDURE

5.5.5.1 The Holder writes to the Sponsoring Participant requesting to receive electronic communications and their preference for an existing email address notified to CHES. They should include documentation in support of the request.

5.5.5.2 The Sponsoring Participant verifies that their Sponsored Holder client has supplied sufficient supporting documentation.

5.5.5.3 The Sponsoring Participant sends details to CHES;
For details on required fields refer to table above MT203: Registration details update request fields – updating existing registration

Important CHES will not send a rejection if opt-in has been unsuccessful.

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5.5.5.4 CHESSE validates the request and notifies the Sponsoring Participant that the update request has been either processed or rejected.

5.5.5.5 CHESSE sends the email address and email purpose to the appropriate registries.

5.5.5.6 ASXS notifies the holder of the change by issuing a notification to the Holders registered email address.

5.5.5.7 The Sponsoring Participant retains the supporting documentation for audit purposes.

Message Reference Table

<u>Section</u>	<u>Message Number and Description</u>	<u>Sender</u>	<u>Recipient</u>
<u>5.5.5.3</u>	<u>203 Registration Details Update Request</u>	<u>Participant</u>	<u>CHESSE</u>
<u>5.5.5.4</u>	<u>218 Accepted Registration Details Update</u>	<u>CHESSE</u>	<u>Participant</u>
<u>5.5.5.4</u>	<u>518 Rejected Transaction</u>	<u>CHESSE</u>	<u>Participant</u>
<u>5.5.5.4</u>	<u>220 Authorised Registration Details</u>	<u>CHESSE</u>	<u>Participant</u>
<u>5.5.5.5</u>	<u>512 Holding Registration Details</u>	<u>CHESSE</u>	<u>Registry</u>

5.5.6 Opt-Out of Electronic Communications and Preferences

Sponsored holders may elect to do the following:

- Opt-out - of receiving all electronic communications both ASX and issuer. Refer to section 5.5.5.1 below or
- Opt-out - of receiving ASX electronic communications but retain the issuer electronic communications. Refer to 5.5.5.2.

Sponsored holders can elect to opt back into receiving electronic communications. Refer to section 5.5.4 above

5.5.6.1 Opt-Out – Removing Email Details.

Sponsoring Participants may opt-out sponsored holders from all electronic communications (both ASX and the issuer) by sending a Registration Details Update (203 message) and setting the email cancellation field value to “Y”. Once CHESSE has processed the opt-out, sponsored holders will receive printed CHESSE holding statements and notifications. Sponsored holders who have chosen to out-out will retain access to the portal, will continue to have CHESSE holding statements and notifications generated in the portal, but will not be notified by email.

MT203: Registration details update request fields – Opt-Out of all electronic communication statements and Issuer email purpose

<u>Field</u>	<u>Requirement</u>
<u>Date of Event</u>	<u>Blank</u>
<u>HIN</u>	<u>Mandatory</u>
<u>Contact Reference</u>	<u>Blank</u>
<u>Transaction ID</u>	<u>Mandatory</u>
<u>Registration Details</u>	<u>Blank or equal to existing registration details (fees waived) Updating registration details (fees applicable)</u>
<u>Registration Details Update Reason 1</u>	<u>Blank</u>
<u>Registration Details Update Reason 2</u>	<u>Blank</u>
<u>Holder Status Change</u>	<u>Blank</u>
<u>Residency Indicator</u>	<u>Blank</u>
<u>Holder Lock Release Reason</u>	<u>Blank</u>
<u>Email Address</u>	<u>Mandatory (equal to existing registration details)</u>
<u>Email Purpose</u>	<u>Mandatory (equal to existing registration details)</u>
<u>Email Cancellation</u>	<u>'Y'</u>

5.5.6.2 Opt-Out – Retaining Issuer Electronic Communications Only

Sponsoring Participants may opt-out sponsored holders from ASX electronic communications (and retain issuer electronic communications) by sending a Registration Details Update (203 message) and setting the email purpose value to “C”. Once CHES has processed the opt-out, sponsored holders will receive printed CHES holding statements and notifications. Sponsored holders who have chosen to opt-out will retain access to the portal, will continue to have CHES holding statements and notifications generated in the portal, but will not be notified by email.

MT203: Registration details update request fields – retaining Issuer electronic communications only

<u>Field</u>	<u>Requirement</u>
<u>Date of Event</u>	<u>Blank</u>
<u>HIN</u>	<u>Mandatory</u>
<u>Contact Reference</u>	<u>Blank</u>
<u>Transaction ID</u>	<u>Mandatory</u>
<u>Registration Details</u>	<u>Blank or equal to existing registration details (fees waived) Updating registration details (fees applicable)</u>
<u>Registration Details Update Reason 1</u>	<u>Blank</u>
<u>Registration Details Update Reason 2</u>	<u>Blank</u>
<u>Holder Status Change</u>	<u>Blank</u>
<u>Residency Indicator</u>	<u>Blank</u>
<u>Holder Lock Release Reason</u>	<u>Blank</u>
<u>Email Address</u>	<u>Mandatory</u>
<u>Email Purpose</u>	<u>'C'</u>
<u>Email Cancellation</u>	<u>Blank</u>

PROCEDURE

- 5.5.6.3 The Holder writes to the Sponsoring Participant requesting to opt-out of receiving electronic statements and issuer communications or Opt out of receiving electronic communications (Issuers only). They should include documentation in support of the request.
- 5.5.6.4 The Sponsoring Participant verifies that their Sponsored Holder client has supplied sufficient supporting documentation.
- 5.5.6.5 The Sponsoring Participant sends the details to CHES to either;
Request to opt-out of ALL electronic statements and issuer communication details, refer to table above MT203: Registration details update request fields – Opting Out of all electronic communication statements and Issuer email purpose
or
Request to retain issuer electronic communications only. Refer to table above

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MT203: Registration details update request fields – retaining Issuer electronic communications only

5.5.6.6 CHESSE validates the request and notifies the Sponsoring Participant that the update request has been either processed or rejected.

5.5.6.7 CHESSE sends the changes to the appropriate registries.

5.5.6.8 ASXS notifies the holder of the change by issuing a printed notification to the Holders registered address.

5.5.6.9 The Sponsoring Participant retains the supporting documentation for audit purposes.

Message Reference Table

<u>Section</u>	<u>Message Number and Description</u>	<u>Sender</u>	<u>Recipient</u>
<u>5.5.6.5</u>	<u>203 Registration Details Update Request</u>	<u>Participant</u>	<u>CHESSE</u>
<u>5.5.6.6</u>	<u>218 Accepted Registration Details Update</u>	<u>CHESSE</u>	<u>Participant</u>
<u>5.5.6.6</u>	<u>518 Rejected Transaction</u>	<u>CHESSE</u>	<u>Participant</u>
<u>5.5.6.6</u>	<u>220 Authorised Registration Details</u>	<u>CHESSE</u>	<u>Participant</u>
<u>5.5.6.7</u>	<u>512 Holding Registration Details</u>	<u>CHESSE</u>	<u>Registry</u>

5.6 LODGING TAX FILE NUMBERS AND AUSTRALIAN BUSINESS NUMBERS

CHES provides a message that allows participants to lodge Tax File Numbers (TFNs), Australian Business Numbers (ABNs) and taxation exemption codes to a nominated issuer for a holding that the participant controls.

In the case of a joint holding, the CHES message allows for up to three TFNs, ABNs, or taxation exemption codes. The order of the numbers must match the order of the holders as specified in the CHES registration name.

CHES does not validate the TFNs, ABNs, or taxation exemption codes lodged by participants. ASXS shall not be liable for any losses or expenses arising from these details not being recorded by an issuer.

Participants should list the investor entity type in the twelfth (last) character of the TFN/ABN data fields. The possible codes for the mandatory twelfth investor (entity) type character are:

Investor Type	Description
I	Individual
C	Corporation
T	Trust
P	Partnership
S	Superannuation fund
D	Deceased individual
G	Government organisation
O	Other non-individual

For taxation exemption codes, suffix the exemption code (which has the same number of digits as an ABN) with the appropriate investor type in the twelfth character of the field.

For a list of taxation exemption codes, refer to appendix B.

For more information on investor entity types, refer to the Annual Investment Income Report specification posted on the ATO's Registered Software Facility website (<http://www.ato.gov.au/rsf>).

Separate facilities for TFN and ABN notifications are available for holdings on the CHES subregister and on those transactions moving financial products to an issuer sponsored subregister. TFNs and ABNs are not held on the CHES subregister and CHES holding statements for sponsored holders do not carry a notation stating whether or not a TFN or ABN has been quoted.

5.6.1 Lodging TFNs and ABNs for CHESSE Holdings

Participants can lodge TFNs, ABNs and tax exemption codes for holdings they control on the CHESSE subregister by sending a 533 Tax File Number / Australian Business Number Advice CHESSE message. Registries should record details from this CHESSE message accurately and in a timely fashion. However, participants should be mindful of approaching record dates and lodge these messages as early as possible.

TFN and ABN advice messages are not recorded on the CHESSE subregister. These details are passed through CHESSE from participant to registry as quickly as possible.

PROCEDURE

- 5.6.1.1 Participants receive TFNs or ABNs from clients and enter the details into a message for forwarding to the issuer by CHESSE.

Note: separate transmissions are required for each CHESSE holding. CHESSE does not automatically broadcast these details to the registries of each holding held by the holder.

Provision is made within the CHESSE message for three sets of Tax File / Australian Business Number details to be inserted. It is the Participant's responsibility to ensure that the order of entry of the details agrees to the order of the corresponding names within the CHESSE registered name of the client.

- 5.6.1.2 CHESSE receives the message and makes it immediately available for receipt by the nominated issuer. If the nominated holding has both a zero balance and a zero cum entitlement balance, CHESSE rejects the TFN/ABN advice.

- 5.6.1.3 The registry receives the message containing taxation information when it next initiates communications with CHESSE.

The issuer should use the details provided to update its internal records according to its internal procedures.

CHESSE notifies the participant that the advice has been relayed to the issuer.

If the TFNs and ABNs are unacceptable, the registry contacts the holder directly.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.6.1.1	533 Tax File Number / Australian Business Number	Participant	CHESS
5.6.1.2	518 Rejected Transaction	CHESS	Participant
5.6.1.3	536 Accepted Tax File Number / Australian Business	CHESS	Participant
5.6.1.3	534 Notified Tax File Number / Australian Business	CHESS	Registry

5.6.2 Lodging TFNs and ABNs for Issuer Controlled Holdings

Participants are able to lodge TFNs, ABNs or exemption codes on behalf of issuer sponsored holders. The transfer messages that move financial products from the CHESS subregister to an issuer sponsored subregister have fields for this information.

ASX Settlement Operating Rules require registries to record these details in conjunction with the recording of the transfer details.

PROCEDURE

5.6.2.1 Participants enter the necessary details for inclusion in the appropriate CHESS transfer messages.

5.6.2.2 CHESS processing proceeds according to the respective procedures set out for transfers between subregisters (refer to Section 8.3)

5.6.2.3 CHESS relays details of the transfer (including any TFN and ABN details) to the registry.

CHESS notifies the participant it has either processed the message or rejected it. CHESS transmits the transfer details to the registry for the completion of processing.

If Tax File Number or Australian Business Number details are included, the receiving registry updates the appropriate transferee holding with these details. If the TFN/ABN details are unacceptable to the Registry and the details relate to a CHESS holding the registry must contact Post Trade Operations who will advise the relevant participant. If the TFN/ABN relates to an issuer sponsored holding, the Registry can advise the financial product holder directly.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.6.2.1	007 Demand CHESS to Issuer Sponsored Transfer	Participant	CHESS
5.6.2.3	008 Effected CHESS to Registry Movement	CHESS	Participant
5.6.2.3	518 Rejected Transaction	CHESS	Participant
5.6.2.3	414 CHESS to Certificated Transfer	CHESS	Registry
5.6.2.3	418 CHESS to Issuer Sponsored Transfer	CHESS	Participant

5.7 LODGING BANK ACCOUNT DETAILS

CHES provides a message that allows participants to lodge domestic bank account details to a nominated issuer for a holding that the participant controls on the CHES subregister.

The Scheduled Times in the ASX Settlement Operating Rules indicate that the issuer's registry will have at least 1 full business day to either accept or reject the Holding Details Advice from when CHES queues the message for collection.

Bank account details are provided for the purpose of electronic direct credit payments. Participants should be aware that, in providing a holder's bank account details to the registry for the purpose of electronic direct credit of a dividend payment for a security, the registry may not automatically disregard a client's prior instruction concerning a share reinvestment plan, where such a plan applies to the security.

Whether the registry will accept the bank account details is dependant on issuer participation, and the registry's own validations.

CHES provides limited validation on both bank account details lodged by participants.

5.7.1 Lodging Bank Account Details for CHES Holdings

Participants can lodge domestic bank account details and email addresses for holdings they control on the CHES subregister by sending a Holding Advice CHES message. Registries should record details from this CHES message accurately and in a timely fashion. However, participants should be mindful of approaching record dates (where entitlements may need to be paid electronically into a bank account) and lodge these messages as early as possible.

Holding Detail Advice messages are not recorded on the CHES subregister.

ASX SETTLEMENT PROCEDURE GUIDELINES

PROCEDURE

5.7.1.1 Participants receive holding details from clients and enter the bank account into a Holding Advice message for forwarding to the issuer by CHES.

Note: The Holding Advice applies at holding level. Participants are advised that a Holding Advice must be sent per holding where the Participant wishes to supply details for all holdings in a HIN.

5.7.1.2 CHES receives the message and validates the BSB value in the bank account details.

The participant will receive either an acceptance or a rejection.

5.7.1.3 CHES forwards a notification to the registry for authorisation. The registry receives the message containing Holding Advice details when it next initiates communications with CHES.

5.7.1.4 The registry can accept the Holding Advice details and use the details to update its internal records according to its internal procedures or the registry can reject for any valid reason.

The registry passes a response back to CHES within the Scheduled Time under the ASX Settlement Operating Rules.

5.7.1.5 CHES forwards the registry response to the participant and acknowledges the response back to the registry.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.7.1.1	757 Holding Advice	Participant	CHES
5.7.1.2	518 Rejected Transaction	CHES	Participant
5.7.1.2	758 Holding Advice Acknowledgement	CHES	Participant
5.7.1.3	760 Holding Advice Notification	CHES	Registry
5.7.1.4	759 Holding Advice Acceptance	Registry	CHES
5.7.1.4	761 Holding Advice Rejection	Registry	CHES
5.7.1.5	764 Accepted Holding Advice	CHES	Participant
5.7.1.5	766 Rejected Holding Advice	CHES	Participant
5.7.1.5	762 Effected Registry Transaction	CHES	Registry

5.8 CHANGE OF CONTROLLING PARTICIPANT FOR A CHESS HOLDER

A CHESS holder (identified by a specific HIN) is controlled by only one participant at any one time. As circumstances change, it may be necessary to change the participant that controls a CHESS holder. Such circumstances include:

- a sponsored holder requesting a change of controlling participant for all of their holdings;
- a sponsored holder requesting a change of controlling participant for a portion of their holdings;
- a merger of two or more participants into a new entity; or
- the cessation of an existing participant (e.g. takeover, buyout, or liquidation).

CHESS provides three methods for effecting a change of the controlling participant for a holder or holding:

- Changing the controlling participant for one holder;
- Changing the controlling participant for several holders; and
- Transferring a holding.

ASXS notifies the holder when the controlling participant changes (refer to Sample C).

CHESS notifies all relevant registries when a CHESS holder changes controlling participant.

5.8.1 Changing the Controlling Participant for One Holder

This facility changes the controlling participant for an existing CHESS holder from one participant to another. This is used when a holder decides to change their controlling participant (e.g. Broker) for all holdings held under a particular HIN.

The new controlling participant must have a signed sponsorship agreement in place before the change of controlling participant request is submitted to CHESS.

Participants that are not accredited to use the CHESS 245 message may need to revert to a paper-based process for this type of movement. If so, they complete a Change of Controlling Participant form (refer to Appendix H) and send it to Post Trade Operations, who perform the movement on behalf of the participant.

Participants that are not accredited to process messaging related to the mFund service will not be able to receive a HIN that holds mFund financial products until either:

- The relinquishing participant transfers the mFund holding from the CHES HIN to the registry, or;
- The requesting participant is technically accredited to process mFund messaging.

Refer to Section 28 for information regarding ASX Managed Funds Service.

PROCEDURE

5.8.1.1 A holder makes arrangements to change their controlling participant.

The new controlling participant ensures they have a sponsorship agreement in place for their new client.

5.8.1.2 The new controlling participant sends a request to CHES to change the controlling participant for the CHES holder.

5.8.1.3 CHES validates the request and rejects it if necessary.

If the request is valid, CHES notifies:

- the new (requesting) participant that the request has been accepted; and
- the current controlling participant that another participant has requested control of the holder.

5.8.1.4 The requesting participant may cancel the request prior to the current controlling participant authorising the request. Both participants are notified of the cancellation of the request. For example, the requesting participant may specify the incorrect HIN in the message.

5.8.1.5 The current controlling participant must respond to CHES within 2 business days of the request being sent to them. The current controlling participant must:

- verify the holder's instructions;
- transfer any units in respect of outstanding sell transactions to its accumulation holding, pending settlement;
- transfer any units that the participant has a lien over to its nominee holding; and
- ensure all outstanding obligations already initiated within CHES by the relinquishing participant are completed.

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- 5.8.1.6 If the controlling participant is not satisfied that control of the holder should be transferred as requested, the controlling participant rejects the request. Valid reasons for rejecting the change include:
- the holder has not instructed the current controlling participant that they wish to change controller;
 - there are outstanding CHES transactions for the holder that cannot be completed within the 48 hour period; or
 - the holder has requested that the change should not be effected.
- 5.8.1.7 If the request is rejected by the current controlling participant, CHES notifies the requesting participant of the rejection and the reason for the rejection. CHES also notifies the current participant also receives notification that the rejection has been applied.
- The new controlling participant can make another change request once the reason for rejection has been resolved.
- 5.8.1.8 If the current controlling participant is satisfied that control of the holder should be transferred to the requesting participant, the current controlling participant authorises the request.
- 5.8.1.9 If the request is authorised, CHES processes the controlling participant's authorisation as part of end-of-day processing. When effected, CHES notifies both participants that control of the holder has been transferred between the participants.
- 5.8.1.10 The former controlling participant must update its records accordingly. CHES notifies the issuer registry.
- The new controlling participant receives full details of the holder (including registration details and balances of holdings, cum entitlements and subpositions). ASX ~~sends issues~~ a notification directly to the holder advising them of the change of controlling participant (refer to Sample C).
- 5.8.1.11 The new controlling participant should verify its details for the holder client against the registration details provided by CHES.
- The new controlling participant must use the existing CHES registration details for the holder. Any changes to address details [or email and communication](#)

[preferences](#) can be made using the Change of CHESS Holder Details procedure (refer to Section 5.4).

- 5.8.1.12 All standing instructions for the CHESS holdings held under the HIN remain in place; there is no requirement for CHESS to resubmit them to the registry.
- 5.8.1.13 Current history for the holder is available only to the new controlling participant; previously archived history for the holder is available only to the former participant.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.8.1.2	245 Change Controlling Participant Request	Participant	CHESS
5.8.1.3	518 Rejected Transaction	CHESS	Participant
5.8.1.3	246 Accepted Change Controlling Participant	CHESS	Participant
5.8.1.3	248 Change Controlling Participation Authorisation	CHESS	Participant
5.8.1.4	247 Change Controlling Participant Cancellation	Participant	CHESS
5.8.1.4	250 Cancelled Change Controlling Participant Request	CHESS	Participant
5.8.1.6	253 Change Controlling Participant Rejection	Participant	CHESS
5.8.1.7	254 Rejected Change Controlling Participant	CHESS	Participant
5.8.1.7	256 Applied Change Controlling Participant	CHESS	Participant
5.8.1.7	518 Rejected Transaction	CHESS	Participant
5.8.1.8	251 Change Controlling Participant	Participant	CHESS
5.8.1.9	252 Effected Controlling Participant Change	CHESS	Participant
5.8.1.9	512 Holding Registration Details	CHESS	Registry
5.8.1.9	222 Holder Detail	CHESS	Participant
5.8.1.9	502 Holding Subposition Detail	CHESS	Participant
5.8.1.9	520 Cum Entitlement Balance	CHESS	Participant
5.8.1.9	522 Holding Balance	CHESS	Participant

5.8.2 Changing the Controlling Participant for Several Holders (Bulk Movement)

This facility changes the controlling participant for a number of CHESS holders from one participant to another. It may involve all holders for a participant (e.g. two brokers merging) or only a few participants (e.g. an adviser moving their clients to a different broker)

ASXS requests that participants hold preliminary discussions with them before requesting bulk movements.

Participants that are not accredited to process messaging related to the ASX Managed Funds Service (AMFS) will not be able to receive a HIN that holds AMFS financial products until either:

- The relinquishing participant transfers the AMFS holding from the CHESS HIN to the registry, or;

- The requesting participant is technically accredited to process AMFS messaging.

Refer to Section 28 for information regarding ASX Managed Funds Service.

PROCEDURE

5.8.2.1 The new controlling participant determines the list of holdings to be moved.

These details may be obtained from the relinquishing participant or from each affected holder.

5.8.2.2 The new controlling participant establishes sponsorship agreements for each holder.

5.8.2.3 The new controlling participant completes a Change of Controlling Participant form (Appendix H), which identifies the holdings to be moved in the Existing HIN and Full Holder Name columns.

The new controlling participant attaches to the Appendix H a positive undertaking signed by an authorised officer that confirms they have a sponsorship agreement for each holder nominated on the form.

The new controlling participant sends the completed form and attachment to the relinquishing Participant for authorisation.

If the bulk movement involves some but not all of the HINs controlled by the relinquishing participant, the participant should include an Excel spreadsheet listing the HINs that are to be transferred.

The new controlling participant retains a copy of the form for their records.

5.8.2.4 On the date specified on a Change of Sponsor request from the holder, the relinquishing participant must:

- validate the Existing HIN and Full Holder Name details supplied by the new controlling participant on the Change of Controlling Participant form (Appendix H);
- authorise the change by signing, dating and stamping the form; and
- lodge the completed form with Post Trade Operations for processing.

If the bulk movement involves some but not all of the HINs controlled by the relinquishing participant, the participant should send Post Trade Operations a spreadsheet of the HINs to be moved. The spreadsheet should meet the

following data requirements:

- HIN (no registration details)
- HIN must be 10 characters long, prefixing zeros to the front of the HIN if necessary
- All HINs must be in one column.

Prior to lodging the Appendix H, the relinquishing participant should transfer any units in respect of outstanding sell transactions to a nominated HIN pending settlement.

- 5.8.2.5 Post Trade Operations executes the transfer.
- 5.8.2.6 CHESSE notifies the new controlling participant of the full details of the CHESSE holder (including registration details and current balances of all holdings, cum entitlements and subpositions). CHESSE also notifies the issuer registry of the updated controlling participant.
- 5.8.2.7 ASXS notifies the holder that their controlling participant has been changed (refer to Sample C).
- 5.8.2.8 Following the change of controlling participant, if the relinquishing participant has an outstanding purchase transaction the relinquishing Participant should contact the new controlling participant to agree a method of delivery of the “bought” Financial products to the client’s holding, e.g. by using 101 or 005 messages.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.8.2.6	222 Holder Detail	CHESSE	Participant
5.8.2.6	512 Holding Registration Details	CHESSE	Registry
5.8.2.6	502 Holding Subposition Detail	CHESSE	Participant
5.8.2.6	520 Cum Entitlement Balance	CHESSE	Participant
5.8.2.6	522 Holding Balance	CHESSE	Participant

5.8.3 Transferring a Holding across Participants

This facility transfers a number of units from one holding under the control of one participant to another holding under the control of a different participant.

This procedure should be used only if a portion of all holdings under a HIN is to be transferred to the new participant. If all holdings are to be transferred under a HIN are to be transferred, use the procedures in section 5.7.1 or 5.7.2.

If the holder is not a client of the new controlling participant, the participant signs a sponsorship agreement with them and establishes a HIN before establishing a new CHESS holder and arranging the transfer of the holdings.

The new controlling participant arranges the transfer of units with the current controlling participant. The transfer is effected through the use of the dual-entry transfer facility (refer to Section 8.2).

The new controlling participant should advise the holder that all standing instructions previously advised to the registry in respect of the transferred holdings have been cancelled and they should lodge new standing instructions.

5.9 STANDING INSTRUCTIONS

Standing instructions may comprise:

- TFN and ABN notifications;
- direct credits of dividend or interest payments;
- annual report elections; and
- elections in respect of dividend plans.

5.9.1 New Holders

Whenever a participant creates a new holder in CHESS and allocates a HIN, the participant should ensure the holder's preferences for standing instructions for each new holding established are communicated to the issuer by the holder.

5.9.2 Conversions and Carrying Forward of Standing Instructions

Issuers will continue to carry forward standing instructions in relation to a holding that has been converted except in the following circumstances:

- if the conversion results in the financial products going to an existing holding where standing instructions are already recorded; or
- if an election for any part of that holding has been made in respect of a dividend plan (note that the instructions are carried forward if the holder fully participates in one plan. The instructions are not carried forward where the holder only partially participates in a plan or is in more than one plan); or
- the issuer offers more than one dividend plan and an election for any part of that holding has been made in respect of one or more of those plans.

These are ASXS's minimum requirements for the carrying forward of standing orders. Issuers may introduce further requirements, especially in the case of holdings that are covered by multiple dividend plans.

This information also appears in Section 6.1.2.

5.9.3 Transfers

Even in the case where the delivering holder and the receiving holder share identical registration details, standing instructions are not carried forward for any transfer transaction. Participants should ensure standing instructions are known for all receiving holdings.

5.10 PROCESSING FINANCIAL PRODUCTS WITH RESTRICTIONS (STATUTORY DECLARATIONS)

Some issuers have restrictions in governing legislation or their articles of association on the number or percentage of issued units that can be held by particular individuals or classes of holders. Such restrictions include:

- individual holding restrictions, where any holder may not hold or control more than a specified percentage of the total issued capital; or
- aggregate holding restrictions, where a particular class of persons, such as foreign individuals or corporations, may not together hold more than a specified percentage of the total issued capital. This includes aggregate foreign ownership restrictions (refer to Section 2.1.9).

Restrictions of these kinds are supported by provisions that suspend the voting rights for holdings that exceed the restriction ("disenfranchisement"), and/or provide for the compulsory sale of the non-compliant holdings ("divestment"). Issuers may require the disclosure of information by holders to enable the issuer to monitor compliance. This disclosure relates to the beneficial ownership or direct or indirect control of the holding by persons other than the registered holder and historically has taken the form of a statutory declaration, or equivalent, being lodged with the issuer; it is often attached to the specific transfer.

The provisions of the Corporation Act and the ASX Settlement Operating Rules prevent issuers from interfering with the financial products registration process for approved securities (even where the issuer's articles of association impose holder restrictions that would be breached by the registration), as this would jeopardise a main CHES objective, namely the irrevocable exchange of financial products and funds (DvP). Consequently, issuers must rely on processes such as disenfranchisement and divestment to deal with non-

compliant holdings.

Issuer's articles of association can still provide for a statutory declaration or similar disclosure, but instead of requiring the declaration before registration, issuers impose a requirement to lodge a declaration within a specified period after registration, or even on a periodic reporting basis. Non-compliant holdings that are disclosed by declaration can be dealt with by issuers using the processes of disenfranchisement and divestment.

However, issuers with individual ownership limits may not require a statutory declaration procedure. The issuers can rely on Corporation Act provisions, which permit the giving of notices to holders requiring disclosure of beneficial ownership. The following procedures assume that only those issuers that fall into category "B" above (i.e. those with aggregate restrictions) will continue to require holders to lodge declarations in respect of each new registration.

The procedures in this section are examples of how issuers may choose to give effect to disenfranchisement and divestment processes within their own articles.

5.10.1 Disenfranchisement under Individual Ownership Restrictions

Disenfranchisement may apply to the removal of a holder's rights to vote or to participate in any financial distribution made by the issuer.

Issuers monitor individual ownership limits by seeking a disclosure of beneficial ownership from the holder. The units held in excess of the individual limit may be disenfranchised if, following registration of a transfer:

- a holding exceeds the individual ownership limits; or
- a breach is revealed following despatch of a request seeking disclosure of beneficial ownership.

PROCEDURE

5.10.1.1 Issuers may demand individual holders furnish a written statement setting out full particulars of every person having an interest in the nominated holding.

5.10.1.2 In general, holders will be required to lodge the requisite advice within 14 calendar days of the request for disclosure made by the issuer above. Where a holding is registered within 14 calendar days of a meeting of holders, the issuer may require holders to supply the requisite advice before that meeting. Where a holder fails to comply with either form of request, the issuer may choose to disenfranchise that part of the holding in excess of the specified limit.

5.10.2 Disenfranchisement under Aggregate Ownership Restrictions

In the case of issuers monitoring aggregate ownership limits, the holding (or that part of the holding for which a declaration is pending) is disenfranchised immediately upon registration pending the receipt of the requisite declaration.

The issuer's articles or association require all holders to lodge a written declaration upon the registration of a holding or when holding levels are increased. All Holders must lodge the requisite advice within 14 calendar days of the registration taking effect.

Holder rights are restored when the declaration has been received and the issuer is satisfied that the holding is compliant with relevant governing law and the issuer's own articles of association.

Where the issuer determines that the relevant holding is not compliant, the

issuer may instigate divestment procedures in accordance with the relevant article.

5.10.3 Divestment

Divestment may occur:

- if, upon registration of a transfer, a holding exceeds individual ownership limits; or
- where a holder fails to comply with an issuer's request for disclosure of information within the specified timeframe; or
- if, upon registration of a transfer, a breach of aggregate ownership limits results; or
- where aggregate limits are involved, a holder fails to lodge the requisite declaration within 14 calendar days.

In any event, holders subject to divestment procedures should be notified in writing that the issuer intends to force a sale of the affected units at the end of a specified period of notice unless the breach is rectified in the meantime.

PROCEDURE

5.10.3.1 The issuer notifies the holder in writing of the non-compliance. This notice includes:

- advice to the effect that the issuer intends to force a sale of that part of the holding which exceeds the specified limit;
- the date the sale will take effect; and
- the total units involved to rectify the breach.

The ASX Settlement Operating Rules require the issuer to send a copy of the notice to the participant who controls the holding on the CHESSE subregister.

Where the breach involves a holding on the issuer sponsored subregister, the issuer shall send a copy of the notice to the participant who lodged the transfer on behalf of the transferee.

5.10.3.2 If, after one calendar month, the breach remains outstanding, the issuer can proceed to dispose of the units in the non-compliant holding.

Before effecting the sale of units in a CHESSE holding, the issuer must remove those units (either the total holding or a portion thereof) from the CHESSE subregister by way of a holding adjustment containing the appropriate reason code.

Where divestment occurs for a breach of foreign ownership restrictions, it is

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essential that the units causing the breach must be immediately removed from the relevant holding to a special issuer sponsored holding, pending divestment. The special issuer sponsored holding must be flagged separately (i.e. not as “F” foreign units) to ensure that foreign-to-foreign allocations cannot be processed against these source holdings. Units are treated as confirmed foreign units unless they are removed from the relevant foreign holding before the start of day on business day following registration (refer to Section 2.1.9).

CHESS processes this transaction and proportionately adjusts any subpositions related to the units.

CHESS notifies participants, ASXS, and the bidder (if applicable). ASXS notifies the holder of the adjustment (refer to Sample Q.)

Once this is complete the issuer has full control over transactions affecting the selected units and can proceed with the divestment process using established procedures. If there is a change to the holder’s balance, ASXS ~~sends issues~~ the holder a CHESS holding statement.

- 5.10.3.3 Net proceeds of the sale are payable by the issuer to the former holder within 14 calendar days of the divestment.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.10.3.2	022 Effected Holding Adjustment (DVM)	CHESS	Participant
5.10.3.2	022 Effected Holding Adjustment (AFO)	CHESS	Participant
5.10.3.2	082 Adjusted Subposition (DVM)	CHESS	Participant
5.10.3.2	082 Adjusted Subposition (AFO)	CHESS	Participant

5.11 DEATH OF A HOLDER

5.11.1 Holder Death Concepts

The main stages in processing the holdings of a deceased estate are:

- The participant receives notice of the death of a holder (the issuer registry of the holder's financial products should also receive notice of the death of a holder);
- The participant moves any units required to settle outstanding legitimate trades into their settlement or accumulation holdings;
- The participant EITHER marks the relevant CHES HINs "EST " (i.e. EST followed by a single space) and requests record locks (to prevent movements) for them OR converts the holdings to issuer sponsored;
- The participant receives the necessary supporting documentation (e.g. probate, a transfer indemnity bond etc) to complete a Request to Release a (Death) Holder
- Record Lock form (Appendix D3);
- If the participant does not need to move any units required to settle outstanding legitimate obligations, or does not immediately convert the holdings to issuer sponsored, a holder record lock must be placed on the HIN within 1 business day of notification of death.
- The participant requests release of the record lock;
- CHES unlocks the relevant HIN(s);
- The legal representative acts on behalf of the estate for a period (normally three months, but which may be up to 12 months by agreement between the participant and the legal representative) during which holdings are disposed through trades and transfers;
- The participant cancels the now empty HIN;
- ASXS audit will check the HINs have been cancelled within the applicable timeframe.

Following a death, someone becomes the legal representative of the deceased. The legal representative acts on behalf of the deceased's estate. The powers of a legal representative are limited until such time as the courts grant probate. Probate is a certificate that validates the will of a deceased person. Probate grants power to the legal representative to act as executor of the will. If the deceased did not leave a will, the court grants "letters of administration",

which grants power to the legal representative to act as administrator of the deceased's estate.

Transfer indemnity bonds (TIBs) are a type of surety bond. The legal representative of an estate purchases them in order to protect issuers against claims arising from the wrongful transfer of the estate when probate or letters of administration are not obtained and considered not to be warranted. A surety bond is irrevocable and cannot be cancelled by the surety (usually an insurance company).

A CHESSE holder record lock is used to protect the holdings of a deceased estate until probate is granted. The lock:

- prevents transfers or conversions from the deceased's CHESSE holdings;
- prevents acceptance of a buyback or an off-market takeover bid;
- prevents withdrawal of acceptance of a buyback or an off-market takeover bid; and
- ~~prevents a change of controlling participant.~~

A CHESSE holder record lock does not prevent:

- participant transfers and conversions into holdings;
- registry or bidder initiated movements;
- name and address changes;
- the lodgement of Tax File Number (TFN) notifications; and
- ~~the lodgement (or cancellation) of bank account information~~
- [A Change of Controlling Participant](#)

Before acting on the instructions from a legal representative to do any of the things mentioned above that are permitted while a CHESSE holder record lock is in place, the participant must be satisfied with the bona fides of the legal representative and the instructions, especially where the instructions are received before the legal representative has been granted probate or letters of administration.

Holder record locks are removed to enable the legal representative to dispose of the estate after the legal representative has been granted probate or letters of administration.

The rules deem the sponsorship agreement between a holder and a participant

to remain in operation after the death of the holder, for a period of up to three months after the removal of the holder record lock. The purpose is to allow time for the legal representative to dispose of the estate. This period may be extended by agreement between the participant and the legal representative up to 12 months after the removal of the holder record lock.

Again, before acting on the instructions of the legal representative to transfer or convert any financial products from holdings of the deceased person after a CHESSE holder record lock has been removed, the participant must be satisfied with the legal representative's bona fides.

When all holdings associated with a deceased holder are reduced to zero, the participant should cancel the deceased's HIN.

5.11.2 Death of a Single Holder

This procedure applies in the event of the death of a single CHESSE holder (i.e. one not involved in joint holdings) whose holdings are controlled by a participant. For the death of a joint holder, refer to section 5.11.6.

The participant should seek instructions from the legal representative to determine whether all holdings should be converted to issuer sponsored subregister or maintained as CHESSE holdings. If the instruction is to convert, follow the procedure described in Section 5.11.5.

PROCEDURE

5.11.2.1 The participant receives notice of death of a holder.

The notice of death may be received from the deceased's legal representative or a family member; it may be in any of the following forms:

- a letter;
- a telephone call;
- an email;
- a facsimile;
- a death certificate or a copy thereof;
- a death notice in the newspaper (dated) or a copy thereof; or
- a copy of probate or letters of administration.

Where informal notice is received, the participant should seek confirmation in writing for its records. The participant must be satisfied that the notification of death is in order.

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- 5.11.2.2 For any outstanding sell transactions authorised by the deceased, the participant transfers units from the deceased's holding to the participant's accumulation or settlement holding in preparation for the pending settlement.
- 5.11.2.3 For any outstanding buy transactions authorised by the deceased, the participant transfers the units to the deceased's holding when the transactions are settled. The deceased's estate is required to settle any outstanding funds for the transactions.
- 5.11.2.4 The participant sends a CHES message to apply a (death) holder record lock; "deceased holder" is the reason for the lock and this must be applied within 1 business day of notification of death.

The same message can be used to insert "EST" (i.e. EST followed by a single space) before the registered name of the deceased. Note that EST must be added before the salutation (e.g. "EST DR..."). This change to registration name does not require authorisation by Post Trade Operations as long as no other changes are made to the registered name in the same message (refer to Section 5.4).

Additionally, the participant can use the same message to change the address of the deceased to "C\ - the legal representative".

Participants are primarily liable for a wrongful application of a (death) holder record lock. Accordingly, the participant should be entirely satisfied that the notice of death is in order before seeking the application of the holder record lock. Removal of a lock placed in error requires a signed statutory declaration.

Also, while participants have the ability to amend holder records whilst a (death) holder record lock is in effect, it is the participant's obligation to exercise caution when receiving and processing any such amendment. This is especially the case when the instruction to process the amendment is received before the legal representative has been granted probate or letters of administration.

- 5.11.2.5 CHES validates the request and applies a (death) holder record lock. If applicable, CHES also validates and applies the changes to the registration name and address.

CHES notifies the participant and relevant registries that it has applied a holder record lock and has updated the registration name and address details.

ASXS [sends issues](#) a notification of the lock to the deceased holder's address (refer to Sample U).

If the holder record lock request (or a change of registration name or address on the same request) is invalid, CHES sends the participant with a rejection

message.

- 5.11.2.6 The participant notifies the deceased's legal representative that a holder record lock has been applied to the deceased's holdings.

The participant may use the [SRA's registries](#) Standard Letter Deceased Holder form ~~(Form 8)~~, available [on the SRA website](#) (<http://www.sraa.com.au>), [by contacting the relevant registry](#) or similar, to inform the legal representative of the deceased's holdings.

- 5.11.2.7 The participant notifies the legal representative of any current events, including corporate actions which impact the holdings of the estate (e.g. renounceable rights issues).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.11.2.4	203 Registration Details Update Request (apply Holder Lock)	Participant	CHESS
5.11.2.5	218 Accepted Registration Details Update	CHESS	Participant
5.11.2.5	220 Authorised Registration Details	CHESS	Participant
5.11.2.5	512 Holder Registration Details	CHESS	Registry
5.11.2.5	518 Rejected Transaction	CHESS	Participant
5.11.2.7	203 Registration Details Update Request	Participant	CHESS

5.11.3 Release of a (Death) Holder Record Lock

The request for a release of a (death) holder record lock is made via CHESS messaging. Releases are not authorised by Post Trade Operations.

When a participant is satisfied that the deceased's legal representative may dispose of the estate, the holder record lock may be released. Ordinarily, this will be when probate or letters of administration have been granted and the executor or administrator presents satisfactory evidence of this to the participant.

It is up to participants to determine what specific supporting documentation they accept as sufficient evidence of this. Participants need to evaluate the level of risk they are willing to accept and what coverage they require against any liable action they may face for the wrongful release of a holding.

A participant may consider the provision of a Transfer Indemnity Bond (TIB) by the legal representative to be sufficient supporting documentation along with offering sufficient risk controls for the issuers and themselves. TIBs accepted by a participant must indemnify each issuer associated with the

estate. The participant may wish to also be indemnified. It is a matter for the participant to discuss their specific requirements of a TIB with the legal representative or the issuer of the TIB.

It is up to participants to obtain their own legal advice on the suitability of TIBs for their business. Participants should consider discussing with their legal advisor the matter of including a margin in the bond as this may protect against market movement.

Participants will only need to provide ASXS with documentation supporting a request to release a (death) holder record lock when ASXS specifically makes a request to sight such documentation. Refer to section 5.11. ASXS monitors whether or not participants are meeting these obligations by conducting random audits.

The rules deem the sponsorship agreement between a holder and a participant to remain in operation after the death of the holder, for a period of up to three months after the removal of the holder record lock. The purpose is to allow time for the legal representative to dispose of the estate. This period may be extended by agreement between the participant and the legal representative up to 12 months after the removal of the holder record lock.

When the deceased's HIN has nil holdings, the participant may consider cancelling the HIN. No new holdings can be placed on this HIN nor can the HIN be utilised in any way once the deceased holdings have been removed.

ASX SETTLEMENT PROCEDURE GUIDELINES

PROCEDURE

- 5.11.3.1 The participant ensures they have supporting documentation authorising the deceased's legal representative to act for the estate, as per their internal policy and procedures.
- 5.11.3.2 The participant sends a CHES message to release a (death) holder record lock. This must include the date of death (Date of Event).
- 5.11.3.3 CHES validates the request and notifies the participant of either a valid or rejected request.
- 5.11.3.4 If the request was valid, CHES unlocks the HIN and notifies the participant and the relevant registries of the changed details.
- The participant notifies the deceased's legal representative in writing.
- 5.11.3.5 If the request was valid, ASXS ~~sends issues~~ a notification of the release to the deceased holder's address (refer to Sample U).
- 5.11.3.6 The participant retains the supporting documentation for audit purposes.
- 5.11.3.7 Where the lock is released and the participant has a Transmission Application form, available [from the relevant registry on the SRA website \(http://www.sraa.com.au\)](http://www.sraa.com.au), duly completed, the participant transfers the deceased's holdings into the legal representative's holdings.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.11.3.2	203 Registration Details Update Request	Participant	CHES
5.11.3.3	518 Rejected Transaction	CHES	Participant
5.11.3.3	218 Accepted Registration Details Update	CHES	Participant
5.11.3.4	220 Authorised Registration Details	CHES	Participant
5.11.3.4	512 Holder Registration Details	CHES	Registry
5.11.3.4	080 Rejected Registration Update	CHES	Participant

5.11.4 Providing Supporting Documentation for Release of (Death) Holder Record Lock

Participants are required to retain all supporting documentation. ASXS may request to view this documentation where necessary.

The supporting documentation may include:

- probate or letters of administration;

- small estate indemnity form and a death certificate; or
- a transfer indemnity bond (TIB).

5.11.5 Conversion from the CHESSE Subregister - Deceased Holder

The deceased's legal representative may elect to remove the deceased's holdings from the CHESSE subregister to the Issuer sponsored subregister.

The election by the legal representative to remove all holdings from the CHESSE subregister terminates the sponsorship agreement between the participant and the legal representative. After conversion to an issuer sponsored holding, the legal representative deals directly with the registry to dispose of the holdings or to transmit them to the beneficiaries.

PROCEDURE

- 5.11.5.1 The participant process the death notification and applies a (death) holder record lock as per Section 5.11.1.
- 5.11.5.2 The legal representative instructs the participant in writing to remove the holdings of the deceased from the CHESSE subregister.
- The participant may elect to notify the relevant issuer registry in writing.
- 5.11.5.3 The participant releases the (death) holder record lock, as per Section 5.11.3.
- 5.11.5.4 Once the lock has been released, the participant converts holdings to the issuer sponsored subregister using a movement reason of "deceased estate" (refer to Section 5).
- 5.11.5.5 CHESSE processes the conversion from the CHESSE holding and confirms the conversion to the participant and the registry.
- 5.11.5.6 The participant must cancel the deceased's HIN (refer to Section 5.14). The registry processes the conversion as a deceased estate holding.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.11.5.1	011 CHESSE to issuer sponsored conversion	Participant	CHESSE
5.11.5.5	008 Effected CHESSE to Registry Movement	CHESSE	Participant
5.11.5.5	416 CHESSE to Issuer Sponsored Conversion	CHESSE	Registry

5.11.6 Death of a Joint Holder

When a joint holder dies, the surviving joint holders are automatically entitled to the deceased's portion of all joint holdings, as specified in the ASX Settlement Operating Rules.

The sponsorship agreement between joint holders and a participant is not terminated on the death of one of the joint holders. The sponsorship agreement remains in operation in respect of the surviving joint holders. It should be updated to include the new HIN established for the surviving holders, and to note the death of the deceased holder.

PROCEDURE

5.11.6.1 The participant receives notice of death of a holder.

The notice of death may be received from the deceased's legal representative or a family member; it may be in any of the following forms:

- a letter;
- a telephone call;
- an email;
- a facsimile;
- a death certificate or a copy thereof;
- a death notice in the newspaper (dated) or a copy thereof; or
- a copy of probate or letters of administration.

Where informal notice is received, the participant should seek confirmation in writing for its records. The participant must be satisfied that the notification of death is in order.

ASX SETTLEMENT PROCEDURE GUIDELINES

5.11.6.2 For any outstanding sell transactions authorised by the deceased, the participant transfers units from the deceased's holding to the participant's accumulation or settlement holding in preparation for the pending settlement.

5.11.6.3 Once the participant is satisfied that the notice of death is in order, and upon consultation with the surviving joint holders, the participant establishes a new holder within 1 business day of the notification of death, with the names and address of the surviving joint holders (refer to Section 5.1).

The participant then transfers the relevant joint holdings to the new holder. These transfers are treated as off-market.

The participant must inform the surviving joint holders of the requirement to establish standing instructions. Standing instructions from original holdings do not apply to the new surviving joint holders' holdings.

5.11.6.4 CHES processes the transfers and confirms the transfer to the participant.

5.11.6.5 The participant cancels the deceased joint holder's HIN (refer to Section 5.14).

5.11.6.6 For any outstanding buy transactions settled after the death of the joint holder, the participant transfers the units to the new surviving joint holder's holding when the transactions are settled.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.11.6.3	005 Demand Dual Entry CHES to CHES	Participant	CHES
5.11.6.4	006 Effected Demand Dual Entry CHES to CHES Transfer	CHES	Participant

5.12 BANKRUPTCY OF A HOLDER

5.12.1 Holder Bankruptcy Concepts

When a person is declared bankrupt, all of their property comes under the control of a trustee. It is important that the bankrupt cannot liquidate holdings.

After the declaration that a holder is bankrupt, the sponsorship agreement between a holder and a participant remains in operation in favour of the trustee.

A CHES (bankruptcy) holder record lock is used to protect the holdings of a bankrupt. The lock:

- prevents transfers or conversions from the bankrupt's CHES holdings;
- prevents acceptance of a buyback or an off-market takeover bid;
- prevents withdrawal of acceptance of a buyback or an off-market takeover bid;
- prevents a change of controlling participant;
- allows participant transfers and conversions into holdings; and
- allows registry or bidder initiated movements.

There are two situations where a holder record lock may be applied before a sequestration order is made:

- the court issues an order providing for the seizure of property of the debtor where a bankrupt has absconded or is about to abscond, with a view to avoiding the payment of their debts; or
- the court issues an order providing for the interim control of a debtor's estate before sequestration.

5.12.2 Sponsorship Agreements - Bankruptcy

If the trustee in bankruptcy instructs a participant to remove the bankrupt's holdings from the CHES subregister, the participant, upon completing the conversions, must terminate the sponsorship agreement and must cancel the bankrupt's HIN.

Where a joint holder is declared bankrupt, and the trustee instructs the participant to retain holdings on the CHES subregister, the trustee enters into a new sponsorship agreement with the participant on behalf of the bankrupt. The original joint holder's sponsorship agreement remains in operation in favour of the remaining joint holders after the declaration that a joint holder is bankrupt. The remaining joint holders may renegotiate the sponsorship agreement and change standing instructions.

Where a single holder is declared bankrupt, and the trustee instructs the participant to retain holdings on the CHESS subregister, the sponsorship agreement with the bankrupt continues. The trustee in bankruptcy assumes control of the sponsorship agreement until the bankruptcy is annulled or the assets are disposed. If all assets are disposed, the participant must terminate the sponsorship agreement and must cancel the bankrupt's HIN.

5.12.3 Processing the Bankruptcy of a Holder

This procedure applies in the event of bankruptcy of a holder of financial products on the CHESS subregister.

The participant should seek instructions from the trustee to determine whether all holdings should be converted to issuer sponsored subregisters or maintained on the CHESS subregister. Where the instruction is to convert, the participant should follow the procedure described in Section 5.11.4.

Requests for a (bankruptcy) holder record lock are not authorised by Post Trade Operations.

Where financial products are held jointly, the effect of bankruptcy is to sever the joint holding. Each holder has a right to equal portions of the holding.

PROCEDURE

5.12.3.1 The participant receives notification of bankruptcy of a holder. The notification may originate from:

- the official trustee; or
- a private trustee (where it is appointed and has consented).

The request may be in any form acceptable to the Participant, however the Participant should request the trustee to provide a letter on the trustee's letterhead.

In addition, for a private trustee, the Participant should request a copy of the "certificate of appointment" as trustee.

5.12.3.2 For an outstanding sell transaction authorised by the bankrupt, the participant should liaise with the trustee in bankruptcy. Typically, the participant transfers the units subject of the sell transaction from the bankrupt's holding into the

participant's accumulation or settlement holding in preparation for CHES Settlement.

- 5.12.3.3 For a bankrupt joint holders only:
- The participant establishes a new sponsorship agreement with the trustee in bankruptcy and creates a new HIN (refer to Section 5.1).
 - The participant establishes a new sponsorship agreement with the remaining holders and creates a new HIN (refer to Section 5.1).
 - The participant divides equally all available financial products between the bankrupts and the remaining joint holders.
 - The participant moves the bankrupt joint holder's available portion of holdings into the bankrupt's holding.
 - The participant moves the remaining joint holders available portion of holdings into their new holding.
 - The participant cancels the joint HIN.

Note that holding subpositions created by the acceptance through CHES of an off-market takeover bid or a buyback offer are not available for division between the bankrupt joint holder and the remaining joint holders.

- 5.12.3.4 The participant requests CHES to create a (bankruptcy) holder record lock. The date of bankruptcy (Date of Event) must be included at this point. CHES validates the request and notifies the participant of either the valid or the rejected request.

- 5.12.3.5 If the request is valid, CHES locks the HIN and notifies the participant and the relevant registries of the changed details.

The participant notifies the bankrupt in writing.

- 5.12.3.6 For any outstanding buy transactions settled after the application of the record lock, the participant should liaise with the trustee in bankruptcy. The participant transfers the units into the bankrupt's holding only after payment is received.

For a bankrupt joint holder, the portion of financial products received for the remaining joint holders may be processed according to normal procedures.

- 5.12.3.7 The participant notifies the trustee of any current events, including corporate actions which impact the holdings of the bankrupt (e.g. renounceable rights issues).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.12.3.3	203 Registration Details Update Request	Participant	CHESS
5.12.3.3	201 New Registration Details	Participant	CHESS
5.12.3.4	203 Registration Details Update Request	Participant	CHESS
5.12.3.4	218 Accepted Registration Details Update	CHESS	Participant
5.12.3.4	518 Rejected Transaction	CHESS	Participant
5.12.3.5	220 Authorised Registration Details	CHESS	Participant
5.12.3.5	512 Holding Registration Details	CHESS	Registry
5.12.3.6	080 Rejected Registration Update	CHESS	Participant

5.12.4 Release of a (Bankruptcy) Holder Record Lock

Releases are not authorised by Post Trade Operations.

A (bankruptcy) holder record lock can be released when:

- the bankruptcy is annulled; or.
- the trustee in bankruptcy is in a position to sell the bankrupt's assets and distribute the proceeds to the creditors.

PROCEDURE

- 5.12.4.1 The trustee, or in the case of annulment, the former bankrupt, notifies the participant that they require the removal of the holder record lock (Refer also to 5.11.6).
- 5.12.4.2 The participant sends a request to CHESS to release the holder record lock. CHESS validates the request and notifies the participant of either a valid or rejected request.
- 5.12.4.3 If the request is valid, CHESS unlocks the HIN and notifies the participant and the relevant registries of the changed details.

The participant notifies the bankrupt and the trustee.

- 5.12.4.4 If the request is valid, ASXS ~~sends issues~~ a notification of the release to the bankrupt holder's address (refer to Sample U).
- 5.12.4.5 The participant retains the supporting documentation for audit purposes.
- 5.12.4.6 When the trustee has finished disposing of the assets of the bankrupt or has elected to remove the bankrupt's financial products from the CHES subregister, the participant cancels the bankrupt's HIN (refer to Section 5.12).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.12.4.2	203 Registration Details Update Request	Participant	CHES
5.12.4.3	518 Rejected Transaction	CHES	Participant
5.12.4.2	218 Accepted Registration Details Update	CHES	Participant
5.12.4.3	220 Authorised Registration Details	CHES	Participant
5.12.4.3	512 Holding Registration Details	CHES	Registry
5.12.4.4	080 Rejected Registration Update	CHES	Participant

5.12.5 Providing Supporting Documentation for Release of (Bankruptcy) Holder Record Lock

Participants are required to retain all supporting documentation. ASXS may request to view this documentation where necessary.

The request may be in any form acceptable to the participant, however the participant should request the trustee to provide a letter on the trustee's letterhead.

5.12.6 Conversion from the CHES Subregister - Bankruptcy

The trustee may elect to remove the bankrupt's holdings from the CHES subregister. The participant initiates conversion of the financial products to an issuer sponsored holding.

The election by the trustee to remove all holdings from the CHES subregister terminates the sponsorship agreement between the participant and the trustee. After conversion to an issuer sponsored holding, the trustee deals directly with the registry to dispose holdings of the bankrupt.

PROCEDURE

- 5.12.6.1 The participant process the bankruptcy notification and applies a (bankruptcy) holder record lock as per Section 5.11.2.
- 5.12.6.2 The trustee instructs the participant in writing to remove the holdings of the bankrupt from the CHESSE subregister.
- The participant may elect to notify the relevant issuers in writing.
- 5.12.6.3 The participant releases the (bankruptcy) holder record lock, as per Section 5.11.3.
- 5.12.6.4 Once the lock has been released, the participant converts holdings to the issuer sponsored subregister using a movement reason of “holder bankrupt” (refer to Section 5).
- 5.12.6.5 CHESSE processes the conversion from the CHESSE holding and confirms the conversion to the participant and to the issuer registry.
- 5.12.6.6 The participant cancels the bankrupt’s HIN (refer to Section 5.12).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.12.6.3	011 CHESSE to issuer sponsored conversion	Participant	CHESSE
5.12.6.5	008 Effected CHESSE to Registry Movement	CHESSE	Participant
5.12.6.5	416 CHESSE to Issuer Sponsored Conversion	CHESSE	Registry

5.13 OTHER RESTRICTIONS ON HOLDERS AND HOLDINGS

Participants may be restricted from applying transactions to holder’s holdings in cases other than for death or bankruptcy.

5.13.1 CHESSE Holder Record Locks

As a result of a court order in relation to a person, or for other reasons, Post Trade Operations may restrict participant transactions from being applied to the nominated person’s holdings that reside on the CHESSE subregister.

The holder record lock concept allows for CHESSE to restrict access to a CHESSE holder’s holdings in response to an appropriately supported request. This lock:

- prevents participant transfers or conversions from the holdings;
- prevents acceptance of a buyback or an off-market takeover bid;
- prevents withdrawal of acceptance of a buyback or an off-market takeover bid;
- prevents change of controlling participant;
- allows participant transfers and conversions into holdings; and
- allows all registry or bidder initiated movements.

PROCEDURE

5.13.1.1 Post Trade Operations verifies the appropriate documentation and applies a holder record lock.

5.13.1.2 CHESSE notifies the controlling participant and relevant registries that a holder record lock is applied to Holder.

ASXS notifies the holder of application of the holder record lock (refer to Sample U).

5.13.1.3 Further operations on locked holdings are coordinated by Post Trade Operations after consultation with the controlling participant and any third party involved.

5.13.1.4 Post Trade Operations removes the holder record lock upon receipt of appropriate supporting documentation.

CHESSE notifies the controlling participant and relevant registries of the successful removal of the lock.

ASXS notifies the holder that the holder record lock is removed, in writing (refer to Sample U).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.13.1.2	220 Authorised Registration Details	CHESSE	Participant
5.13.1.2	512 Holding Registration Details	CHESSE	Registry
5.13.1.4	220 Authorised Registration Details	CHESSE	Participant
5.13.1.4	512 Holding Registration Details	CHESSE	Registry

5.13.2 Locking Individual CHESSE Holdings

The issuer may prevent participant transactions from being applied to nominated holdings that reside on the CHESSE subregister. The CHESSE holding lock concept allows for CHESSE to lock a single holding in response to an appropriately supported request from an issuer.

Such requests may result from a notification that a court order exists in relation to a holder, e.g. family court proceedings or where assets are frozen due to the holder being sued or investigated.

Once a holding is locked, further operations on the holding are co-ordinated by Post Trade Operations after consultation between the participant controller, the issuer, and any third party involved.

PROCEDURE

5.13.2.1 Issuers send a written request, together with supporting documents, to Post Trade Operations specifying that a holding lock is required.

Alternatively, as a result of a court order, Post Trade Operations may apply a holding lock directly without instruction from the issuer.

5.13.2.2 Upon verifying the request, Post Trade Operations locks the nominated holding on the CHESSE subregister. CHESSE notifies the controlling participant and the issuer's registry of the successful lock.

ASXS notifies the holder (refer to Sample S).

5.13.2.3 If only part of the holding is required to be locked then the controlling participant must establish a new CHESSE holder (with the same registration details) into which the locked holdings are moved.

The participant requests Post Trade Operations move those units subject to locking from the locked holding to the new CHESSE holding (refer to Appendix O).

The new holding is subsequently locked and the original holding unlocked. All unaffected holdings remain under the original holder.

Participants should examine the implications of a partial lock on their systems.

Where a new holding is established under these circumstances, participants must establish standing instructions for the new holding.

CHESSE notifies participants of the successful movement.

- 5.13.2.4 CHESSE will reject certain transactions initiated by participants involving the locked holding.
- 5.13.2.5 Settlement instructions targeting a locked holding as the source or the destination of a movement will fail. Resolution of a failed instruction requires discussion between counterparty participants, and possibly Post Trade Operations.
- 5.13.2.6 Post Trade Operations removes holding locks upon written request from the issuer. CHESSE notifies the controlling participant of the successful unlock.

ASXS notifies the holder (refer to Sample T) and the registry in writing of the unlock.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.13.2.2	204 Locked CHESSE Holding	CHESSE	Participant
5.13.2.2	022 Effected Holding Adjustment (ADJ)	CHESSE	Participant
5.13.2.3	201 New Registration Details	Participant	CHESSE
5.13.2.4	518 Rejected Transaction	CHESSE	Participant
5.13.2.5	124 Rescheduled Settlement Instruction	CHESSE	Participant
5.13.2.6	206 Unlocked CHESSE Holding	CHESSE	Participant

5.14 CANCELLATION OF HINS

Participants may cancel HINs that are no longer required. This facility may be used if a sponsorship agreement has ceased or if a HIN has been established incorrectly.

CHESSE will not allow cancellation of a HIN targeted by a settlement instruction, or a HIN with one or more holdings. Once all financial products are removed, a one-day lapse must occur before the HIN can be cancelled.

Participants should note that once a HIN has been cancelled from CHESSE it cannot be re-used. The cancellation cannot be reversed.

ASXS recommends participants perform periodic reviews and housekeeping of unused HINs. It is the responsibility of participants to ensure that unused HINs are not maintained on the system.

If for some reason a participant can no longer access CHESSE and HINs need to

be cancelled, Post Trade Operations can remove the HINs. The participant should contact the Post Trade Operations. Participants will be charged for the service.

PROCEDURE

- 5.14.1.1 The participant send a request to CHESSE to cancel a HIN.
- 5.14.1.2 CHESSE validates the request and notifies the participant of either a valid or rejected request.
- 5.14.1.3 CHESSE cancels the HIN after end of day, and notifies the participant and the issuer registry that the HIN is cancelled.

ASXS notifies the holder of the cancellation (refer to Sample W).

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.14.1.1	203 Registration Details Update Request	Participant	CHESSE
5.14.1.2	218 Accepted Registration Details Update	CHESSE	Participant
5.14.1.2	518 Rejected Transaction	CHESSE	Participant
5.14.1.3	220 Authorised Registration Details	CHESSE	Participant

5.15 SECURITYHOLDER REFERENCE NUMBER (SRN)

Some issuers mandate the inclusion of the Securityholder Reference Number field (SRN) on certain CHESSE messages.

SRNs are an important security measure for holders on the issuer sponsored subregister. Participants must exercise extreme care when using this confidential reference number.

A participant can obtain a SRN on behalf of a holder from the registry using either the electronic CHESSE issuer sponsored enquiry (ISE) facility or by completing a Request for Securityholder Reference Number form.

For a detailed description of the optional CHESSE electronic issuer sponsored enquiry facility (ISE), refer to the additional procedure section.

The following procedure describes the manual process of requesting the registry to provide SRN details.

PROCEDURE

- 5.15.1.1 The participant completes a Request for Securityholder Reference Number form, available [from the relevant registry via the SRA website \(http://www.sraa.com.au\)](http://www.sraa.com.au), then forwards it to the relevant registry.

This form is designed to simplify the need for evidence (statutory declarations, indemnities, etc)

5.16 ENQUIRING ON CONTROLLING PID AND HOLDER STATUS

The controlling PID and holder status function request allows:

- A participant to obtain the controlling PID, controlling PID status and the holder status for a holder's HIN via a CHES request; and
- A warrant issuer's agent (refer Section 24) to obtain the controlling PID, controlling PID status and holder status for a holder's HIN via a CHES request.

PROCEDURE

- 5.16.1.1 The participant sends a controlling PID and holder status request to CHES.

- 5.16.1.2 CHES validates the request.

If the request is invalid, CHES notifies the participant.

If the request is valid, CHES processes the request and returns a Controlling PID and Holder Status Response.

Message Reference Table

Section	Message Number and Description	Sender	Recipient
5.16.1.1	691 Controlling PID and Holder Status	Participant	CHES
5.16.1.2	518 Rejected Transaction	CHES	Participant
5.16.1.2	692 Controlling PID and Holder Status	CHES	Participant

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