



14 April 2022

Karen Webb  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

By email: [issuers@asx.com.au](mailto:issuers@asx.com.au)

Dear Ms Webb

**Re: ASX consultation on Issuer Services: New Pricing**

AFMA members are interested in efficient issuer services both on behalf of their clients and directly for locally listed entities.

AFMA supports ASX's review of listing pricing as appropriate given the significant changes that will accompany the CHES replacement.

AFMA does not involve itself in commercial matters except to highlight matters of common market interest, as such our comments are necessarily high level and do not seek to favour outcomes for any particular party.

We welcome the recent work to provide the option of electronic CHES holding statements and the waiving of certain fees to encourage the take-up of this efficient service.

One of the unique strengths of the Australian settlement model has been the 'name on register'<sup>1</sup> feature of CHES. The benefit of this system option is that unlike most foreign jurisdictions, end-investors on the secondary market have the option of having their details recorded directly against the shares they own by the settlement operator. This contrasts with omnibus structures that are more prevalent in foreign markets, whereby a custodian will have their single name on the share register with end-investor ownership recorded elsewhere.

This feature is implemented via the Holder Identification Number or HIN.

We understand the proposed changes are based on the number of HINs better reflecting the administrative and maintenance aspects of maintaining holder accounts and

---

<sup>1</sup> Technically the HIN on the CHES sub-register.

information in the CHESS sub-register. The logic of this reasoning is sound, however, we are interested in how it might impact investors over the longer term.

Charging on a per HIN basis as proposed may increase the costs of keeping individual investor names on the register for issuers and encourage a move towards a custodian-based approach. This may be an appropriate outcome if it is more efficient.

AFMA seeks to understand what effect ASX modelling suggests this will have on HINs for individual investors and costs for those investors.

Thank you for considering our comments in relation to the proposed pricing changes.

Yours sincerely

A handwritten signature in black ink that reads "Damian Jeffree". The signature is written in a cursive style with a large initial 'D' and a long, sweeping underline.

Damian Jeffree

**Senior Director of Policy**