

Notes from Austraclear User Group Meeting
06 November 2009

Members were updated on progress and changes over the last 6 months since the May 2009 meeting.

Once again it has been a busy 6 months, and system stability has improved following completion of the major work programme in the period up to June. Since then, we have concentrated on the delivery of the new TRANSACT function to production, which was no mean feat as 40 plus functions have been combined into one deliverable. All members were thanked for their participation in the roadshows and Industry Familiarisation Testing.

We advised there would be a prize for the member/s that did the most testing – two members won First New Zealand and HSBC. We also acknowledged Tim from National Nominees for the assistance he gave to another member who was unable to participate in the roadshows. And thanks to National Nominees in Auckland and Citibank in Melbourne for the use of their premises for the roadshow presentations.

Adrienne Barlow thanked Datacom, Ben Waterreus Kevin Jamieson and Belinda Hague for getting delivering TRANSACT to the industry in the expected timeframe.

Once TRANSACT was delivered to UAT (User Acceptance Testing) Datacom immediately set to work on developing the NZX Interface and delivered this in time. This was quickly done given it had to be ready for the scheduled go live of the new NZX system on 20 November 2009.

Ben Waterreus updated the attendees on the development work programme. He advised TRANSACT was going into production on Monday 9th November and mentioned the differences with current screens, suggesting users make themselves familiar with the differences document and use the new on-line HELP facility.

Ben gave an update on the NZX Interface advising that the lodge/uplift will be added to the TRANSACT screen, once again reducing the number of functions. The Registry Interface is expected to be developed and delivered to production in the 1st quarter 2010, once we get the green light from the Securities Commission.

Preliminary work and discussions is underway for SBI (Settlement Before Interchange). This affects ESAS account holders but not Austraclear members. It is a huge piece of development work for the banks and not expected to be productionised until 2011. SBI development will draw on the same RBNZ and Datacom resources that support Austraclear.

Doug Widdowson from the Reserve Bank Prudential Supervision Department gave an informative presentation on “Regulation of the Financial Services Sector”.

Mike Wolyncewicz told the group that we plan to change the name of Austraclear early in 2010. A slide was put up on the screen with the new name and logo for “NZClear”.

Mike also gave an indication of RBNZ's initial thinking on the proposed development to allow settlement tolerance. Under this proposal the system will allow trades to be considered matched if the cash consideration entered by the two parties to a trade is within a specified level of tolerance. The proposal is being advanced in response to demand from participants and is designed to reduce the level of message repairs and to increase STP rates, especially where there are small differences due to rounding. RBNZ will prepare a document outlining its proposals and seeking member feedback before development commences.

Once legislation is passed we will place an application to the regulators to have Austraclear designated.

Adrienne Barlow advised that once again transactions levels were lower than prior to the global crisis last year. The graphs are in the slides for members to review.

A reminder to the group was given in regards to -
9th November 2009 - The new Austraclear Rules take effect
The rollout of TRANSACT.

1st December – as advised in the Bulletin
a \$30 fee will be introduced if our helpdesk has a request to reset user passwords. This is the role of members' password administrators.
Transfer forms must be completed correctly, otherwise they will be rejected and returned.

1st Quarter 2010 –
Name change
Lodge/Uplift tab added to TRANSACT
Proposed delivery of the Registry Interface
Proposed application for designation