

# Media Release

23 January 2025

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## ASX releases CHES Settlement incident review

ASX has today released an incident review to assist customers and stakeholders with a more detailed understanding of the CHES Batch Settlement incident that occurred on Friday 20 December 2024. This includes an overview of how the incident unfolded, root cause analysis, steps taken to prevent reoccurrence, and a preliminary action plan that ensures the ongoing stability of CHES and identifying opportunities for improvement in our incident management protocols.

The incident resulted in Batch Settlement for Friday 20 December 2024 having to be rescheduled to the following business day, Monday 23 December 2024.

The root cause of the incident arose from a combination of events but is isolated to an area of CHES that calculates memory allocation for the settlement processes. Trading and Clearing services were unaffected on Friday and the market opened without issue on the following Monday.

There were specific circumstances in December 2024 that triggered the incident but the root cause can be traced back to an error that was introduced in 2014 to the memory allocation logic which resulted in the Batch Settlement process not being able to complete. The nature of this issue and how it arose was highly irregular and there is no record of previous incidents caused by this part of the system, or of CHES not completing Batch Settlement on a designated settlement day.

ASX Managing Director and CEO Helen Lofthouse sent a personal letter to customers today apologising once again for the incident and committed a \$1 million credit to settlement participants in acknowledgement of the disruption. Details of this customer rebate can be found in the final section of the Incident Review.

The [Incident Review](#) and the [CEO letter to customers](#) can be accessed on ASX's website.

Echoing the sentiment in her letter to customers, Ms Lofthouse said: "Not being able to complete Batch Settlement is unprecedented and we fully appreciate the seriousness of this matter. While the incident was successfully resolved such that the market could open normally on the next business day, this does not meet the high operating standards expected of ASX and which we expect of ourselves.

"I wanted to write to customers directly to once again apologise for the incident and to assure them that we've taken steps to fix the issue and prevent reoccurrence. We've also outlined the current action plan that considers any further technical reviews and potential incident management protocols including how we engage stakeholders."

The release of today's Incident Review underscores ASX's continued commitment to transparency. We continue to update our regulatory agencies on this matter and further engagement with participants is planned as part of our post incident review actions.



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### CHESS BATCH SETTLEMENT INCIDENT – ASIC INVESTIGATION

ASIC has notified ASX that it has commenced an investigation into the CHESS Batch Settlement incident that occurred on 20 December 2024.

ASIC's investigation is into ASX Settlement Pty Limited's compliance with section 821A(1) of the *Corporations Act 2001*.

ASX takes its regulatory obligations seriously and will cooperate fully with ASIC.

Release of market announcement authorised by:  
**The Board of ASX Limited**

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