

31 March 2026

Mr Joseph Longo
Chair
Australian Securities and Investments Commission
Level 5, 100 Market Street
Sydney, NSW 2000

Dear Chair,

We are pleased to provide you with the Final Report for the Inquiry into the ASX Group (ASX) announced on 16 June 2025 by the Australian Securities and Investments Commission (ASIC). This Report builds upon the findings presented in the Interim Report delivered by the Panel on 14 December 2025.

As an operator of critical market infrastructure ASX holds a unique position in Australia's financial system, and this comes with significant responsibility. The Panel found that ASX has become disconnected from this important stewardship role. The cumulative effect of decisions made, and actions taken over many years has led to long-standing and deeply embedded shortcomings. The Panel determined in December that only a decisive circuit breaker could deliver the scale of transformation required.

Pleasingly, ASX is now taking positive steps towards addressing the commitments it has made to deliver the strategic package of actions outlined in the Interim Report and agreed with ASIC in December 2025. Some of this progress is outlined in the Report. However, organisational transformation of this scale will demand sustained focus, disciplined execution, significant investment and an unwavering commitment from ASX's boards and leadership.

With the Inquiry complete, there is now a clearer pathway forward. The Panel encourages ASX leadership and its regulators to use this Final Report as a roadmap to deliver lasting and meaningful change.

Yours sincerely,



Rob Whitfield AM



Christine Holman



Guy Debelle

Final Report

March 2026

Inquiry into ASX GROUP

Reporting suite

The Panel has prepared the following suite of documents for the Inquiry into ASX.



Visit [Inquiry into ASX | ASIC](#) for more information.



Interim Report



Final Report

Disclaimer: This Report has been prepared for the purposes of ASIC's assessment under ss 794C and 823C of the Corporations Act of how well the ASX Licensees are complying with their obligations under Chapter 7 of the Corporations Act and reflects the Panel's analysis and opinions. Reasonable efforts have been made to ensure the accuracy of the information contained in this Report. No reliance can be placed on this Report other than for the purposes for which it was produced. This Report includes quotations and references from third-party sources believed to be reliable and consent has been sought where appropriate.

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Executive summary

ASX operates critical market infrastructure supporting trade execution and post-trade clearing and settlement services in Australia. The provision of infrastructure that is stable, secure, resilient and that meets the evolving needs of the market is critical to the success of Australia's financial system and comes with significant stewardship responsibility.

ASIC's decision to initiate an Inquiry in June 2025 followed repeated and serious failings at ASX, which have raised questions about its capacity to undertake this important role.

ASX's issues are not new. They are systemic, long-standing and deeply embedded in how strategic priorities have been set.

The shortcomings observed in this Inquiry represent the cumulative effect of decisions made and actions taken by ASX's boards over an extended period.

While remediation activity was underway at the time the Inquiry had commenced, in the Panel's view, ASX's boards and executives underestimated the full extent of the change required.

Too often ASX has adopted tactical solutions to solving problems rather than addressing the root cause of its issues, and focused on remedying obvious shortcomings, rather than striving for best practices. This incremental approach, combined with an insular and defensive culture, led to a focus on meeting minimum standards rather than striving to fulfill its role in a way that best serves Australia's interests.

A significant factor contributing to this approach is the ongoing cycle of external reviews following repeated issues and incidents. The scale is significant. Since January 2020, ASX has been subject to over 120 reports examining aspects of its governance, capability, culture and risk management. As a result, ASX has become overwhelmed.

At the heart of the problem is that ASX has become disconnected from its important stewardship role. Over many years, ASX has allowed short-term financial objectives to take precedence over investment in systems, technology, people and operational resilience. This has compromised the success of Australia's financial markets. ASX's unsuccessful attempt to replace CHES using distributed ledger technology between 2017 and 2022 put it further behind and constrained its ambitions for the future.

While the Panel observed that ASX has stated objectives highlighting its stewardship role, there is a shortfall in the true understanding and execution of these. Senior leaders have not consistently translated words into meaningful action or delivered sustainable outcomes.

A circuit breaker

An expert panel commenced on 1 July 2025 to undertake the Inquiry. In December 2025, the Panel determined that urgent intervention was required to change the trajectory of ASX's remediation program to enable a more comprehensive reset. In the Panel's

view, only a decisive circuit breaker could deliver the scale of transformation required, one that places ASX's stewardship responsibilities at the centre.

In its Interim Report delivered on 14 December 2025, the Panel outlined the key underlying drivers of concern with ASX's business model, including its governance, capability and risk management practices. These concerns related to:

1. resilience of critical market infrastructure being compromised to deliver high shareholder returns;
2. governance arrangements failing to provide the necessary focus on critical market infrastructure;
3. ASX lacking the aspiration to be a steward of critical market infrastructure;
4. capability and cultural barriers hindering transformational change; and
5. regulatory supervision practices not delivering the desired outcome.

This Final Report provides further detail on the underlying drivers of concern and associated observations. The Panel has deliberately chosen not to define a specific set of discrete recommendations in addition to those outlined in the Interim Report. A 'laundry list' approach of detailed recommendations for improvement has not previously served ASX or the market ecosystem well. In the Panel's view, a more coordinated and strategic approach by all parties is required to achieve lasting success.

A strategic package of actions

In its Interim Report, the Panel recommended a strategic package of actions that, if properly implemented, will deliver momentum for ASX to make the required change:

1 A strategic reset of ASX's Accelerate program

A reset of Accelerate, ASX's remediation program, is required to ensure it can deliver the transformational change needed and set ASX up to meet the needs of the Australian market. This reset should place the provision of critical market infrastructure at the centre of ASX's decision-making.

2 Strengthening the governance and enhancing the independence of the Clearing and Settlement (CS) facilities

This includes increasing the independence of the boards of the CS facilities (CS Facility Boards), taking steps to achieve greater functional separation of the CS facilities from the broader Group, and improving financial transparency and accountability. This action should enhance focus, independence and support for the CS Facility Boards to prioritise and safeguard Australia's systemically important financial market infrastructure.

3 A revised regulatory approach to ASX by ASIC and the RBA

The Panel recommended a dedicated joint supervisory team be established by ASIC and the RBA for more effective coordination and engagement. The Panel proposed this team together with the ASX would collectively set an agreed target end-state, milestones and delivery timelines for its revised Accelerate and critical technology programs. This action should provide a greater focus on outcomes and restore trust.

4 A capital charge to apply to ASX while remediation efforts are underway

This is to respond to ASX's elevated risk profile. This action should incentivise ASX to successfully deliver on its reset Accelerate program and promote the appropriate allocation of resources.

Taken together, these actions aim to reinforce accountability, strengthen governance, enhance regulatory oversight and ensure ASX can meet the high standards expected of an operator of critical market infrastructure.

At the time of the release of the Interim Report, ASX agreed to a number of commitments which were outlined in a Commitments Letter signed between ASX and ASIC on 14 December 2025. These commitments aimed to address the strategic actions, including a \$150 million regulatory capital charge.

Progress since the Interim Report

ASX is taking positive steps toward addressing the Panel's strategic package of actions. The Panel acknowledges the early progress as well as several tangible actions that have recently been taken.

ASX's boards and executives have agreed with the findings of the Panel's Interim Report and have acknowledged that it has not always met the high standards expected of a steward of critical market infrastructure. On 27 February 2026, ASX submitted a Commitments Plan to ASIC. The plan outlined how it will deliver the strategic package of actions agreed with ASIC in the Commitments Letter, including details on the workstreams to deliver the plan. It also provided a summary of how the Commitments Plan will be enabled and governed, including resourcing, risks and reporting.

Since the Interim Report, there has been proactive engagement between ASX and the regulators (ASIC and the RBA) to discuss the target state for its licensees as operators of critical market infrastructure. Discussions are also progressing on the reset of its Accelerate program to ensure that it is set up to achieve the transformation required. ASX has equally recognised the imperative for a robust enterprise technology strategy that will underpin ASX's business strategy to support it to fulfil its responsibilities.

ASX has announced changes to the governance of its CS facilities. The CS Facility Boards are now wholly comprised of directors who are independent of the ASX Limited Board, and further expertise is being sought through the planned appointment of additional CS directors.

A number of initiatives are underway to strengthen engagement between ASX, ASIC and the RBA. ASX has recently approved a new regulatory engagement strategy with plans underway to strengthen regulatory engagement processes as part of Accelerate. ASIC and the RBA are also refreshing their supervisory model. This should help to further increase coordination between the parties in the short-term and re-establish trust. This will be critical if confidence in ASX across the market is to be restored.

Finally, leadership including the role of Chief Executive Officer (CEO) at ASX has now entered a transition phase, which marks an important opportunity for the organisation and its future.

ASX is at an important inflection point. It must use this moment to re-align itself with its purpose and the important role it plays.

The pathway forward

The Panel has identified the essential foundations for the change required. It is now incumbent upon ASX's boards and executives to agree with the regulators the target state and the outcomes that its strategic transformation program needs to deliver for the benefit of all stakeholders.

ASX is at an important inflection point. It must use this moment to re-align itself with its purpose and the important role it plays. This involves recognition of a responsibility to a broad set of stakeholders and the need to make decisions focused on the long-term interests of the market ecosystem. In the Panel's view, doing this is consistent with the best interests of shareholders over the long-term.

Execution of a program of work of the breadth and scale that is necessary to successfully implement this transformation will take time and an unwavering commitment from the boards and executives. To deliver meaningful and sustainable impact, ASX needs to articulate a compelling case for change, foster visible unity at the leadership level and consistently demonstrate measurable progress.

The Panel encourages ASX leadership and its regulators to use this Report as a roadmap for the pathway forward. Ultimately, trust in ASX will only be restored through demonstrated change and consistent outcomes over time.

01

Inquiry overview

Inquiry overview

On 16 June 2025, ASIC announced a landmark Inquiry into ASX Group (ASX).¹ The Inquiry was initiated following repeated and serious failures at ASX, and ongoing concerns held by the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA) over ASX's ability to maintain stable, secure and resilient critical market infrastructure.²

ASIC appointed an expert panel to conduct the Inquiry, comprising Rob Whitfield AM, Christine Holman and Guy Debelle (the Panel). Background on each Panel member is set out in Appendix A.

On 14 December 2025, the Panel delivered to ASIC an Interim Report setting out what it considered were the key underlying drivers of concern in relation to ASX's business model.

At the time the Interim Report was finalised, ASX agreed with ASIC in a **Commitments Letter** to commit to a strategic package of actions that aims to address the concerns identified by the Panel.

Purpose of this Report

This Final Report (Report) provides detailed observations supporting the Panel's findings identified in the Interim Report. It includes commentary on the progress made by ASX to address the concerns identified, as well as steps taken by ASIC and the RBA on their approach to the supervision of ASX. The Report also provides commentary on the pathway forward for ASX as provider of critical market infrastructure.

The Inquiry's Terms of Reference

The Inquiry's Terms of Reference (ToR) are focused on ASX's market and CS facility licensees. Under the ToR, the Panel was asked to examine the frameworks and practices in relation to governance, capability and risk management within the ASX Group.

By way of summary, this included:

1. identifying any core organisational and cultural drivers contributing to recent incidents, as well as organisational capability gaps of ASX Licensees to provide stable, secure and resilient market infrastructure that meets the evolving needs of the Australian market;
2. assessing any impediments to sound risk management and/or compliance outcomes in relation to ASX Licensees;
3. considering whether initiatives ASX Licensees have underway are sufficient to respond to any shortcomings identified and making recommendations if other initiatives or remedial actions are needed; and
4. recommending how issues should be rectified if identified shortcomings and deficiencies are not already being addressed by ASX.

The Panel was asked to provide a report to ASIC by 31 March 2026. The Inquiry's full Terms of Reference are set out in Appendix B.

Reporting suite

The Panel has prepared the following suite of documents for the Inquiry into ASX.



Visit [Inquiry into ASX | ASIC](#) for more information.



Interim Report



Final Report

¹ Refer to Appendix C for a glossary of defined terms used in this Report.

² In this Report, market infrastructure refers to infrastructure that supports trade execution and post-trade clearing and settlement. This is broader than the definition of "financial market infrastructure" used in international regulatory standards, which focuses on clearing and settlement and excludes trade execution infrastructure.

The Inquiry's approach

The Panel commenced its work on 1 July 2025 and has been supported by a dedicated Secretariat comprising team members from ASIC, the RBA, the Australian Competition and Consumer Commission (ACCC), and the Australian Prudential Regulation Authority (APRA).

The Panel with the support of the Secretariat has conducted a comprehensive process to understand the frameworks and practices that are relevant to the Inquiry's ToR. Much of this was concluded prior to the issue of the Interim Report and includes:

- **conducting over 140 interviews** with stakeholders, including past and current ASX directors and employees, market participants, clearing participants, settlement participants, overseas exchanges and CS facilities, and regulatory agencies (domestic and overseas);
- **considering over 10,000 documents** including frameworks, policies, procedures, board and committee papers and minutes, culture assessments, employee engagement surveys and the Commitments Plan produced by ASX;
- **reviewing reports produced by external parties** including those from regulators, auditors, and experts (some of which had been required by regulators);
- **engaging with ASX's boards and leadership** to understand existing initiatives underway, including ASX's Accelerate program;

- **engaging and obtaining input from seven experts** advising on culture, technology, risk management, and international benchmarking;
- **conducting employee focus group sessions** facilitated by a culture expert to gain qualitative insights into the perspectives and experiences of those at ASX directly involved with its operations; and
- **considering written submissions** from 12 stakeholders.

Following the release of the Interim Report, the Panel and Secretariat have held information sessions with ASX to understand its progress and help inform its planning. There has also been engagement with ASIC and the RBA to share insights from the work undertaken by the Panel.

The views of the Panel and detailed observations in this Report are generally based on ASX practices and developments up to 31 December 2025, predominantly focusing on the past five years. Comments on the progress made to address recommendations made by the Panel in its Interim Report have been based on information provided to the Panel up to 27 February 2026.

The Panel acknowledges the full cooperation of ASX throughout the Inquiry and extends its gratitude to all parties that assisted with the Panel's work. A complete set of acknowledgements is provided in Appendix D.

Report case studies

The Report incorporates four case studies to illustrate and contextualise the key findings. When considering these case studies, the Panel analysed publicly available information, external reports, documentation provided by ASX including incident reports, relevant board papers and management reports, as well as responses from interviews. These case studies are presented as standalone practical examples to bring to life how themes identified in the Report manifested in ASX's practices and decision-making. They are:

Case Study 1

Management of the Austraclear platform

Case Study 2

Project Align

Case Study 3

ASX TPG announcement error

Case Study 4

CHESS batch settlement incident

The Panel with the support of the Secretariat has conducted a comprehensive process to understand the frameworks and practices that are relevant to the Inquiry's ToR.

Navigating this Report

This Report should be read as a continuation of, and in alignment with, the Interim Report. It provides detailed observations that support the Panel's Interim Report findings, with a particular focus on shortcomings across governance, capability and risk management practices.

The 'key findings' of this Report are covered in five sections (3-8). Each section provides greater depth and detail on the observations supporting each underlying driver of concern, as well as associated matters that underpin the challenges ASX is facing. Each section also includes a 'pathway forward' which contains matters the Panel considers relevant as work continues to address the concerns identified. The final section of the Report draws these together to provide a summary of concluding observations important for the future of ASX as a provider of critical market infrastructure.

In completing its work, the Panel deliberately adopted a strategic approach to setting out the actions it views as necessary to place ASX on a more sustainable footing. Rather than presenting an extensive list of new, discrete recommendations, the Report deliberately adopts a more strategic lens, recognising that a fragmented 'laundry list' approach has not previously delivered lasting outcomes for ASX or the broader market ecosystem. Instead, the Panel has focused on outlining the outcomes and markers of success against which progress should be assessed.



02

ASX
and its role

ASX and its role

The central role ASX plays in Australia's market ecosystem

ASX plays a central role in Australia's financial system. It enables companies to access diverse investor pools and supports capital raising, economic growth and risk management.

Its markets seek to promote investor confidence through transparency, fair pricing and strong governance, attracting a wide range of investors. Its clearing and settlement services help reduce counterparty and systemic risks, and provide transaction efficiency and certainty for end investors.

ASX serves a diverse and interconnected set of stakeholders that together make up Australia's market ecosystem. Its direct customers include listed entities, other market operators, market participants, clearing participants and settlement participants³, as well as others that rely on ASX data, platforms and services. Its broader stakeholder base includes shareholders, superannuation funds, asset managers, retail investors, other domestic and international investors, regulators and governments.

Directly or indirectly, ASX touches the lives of nearly every Australian. Millions depend on ASX for equity investments to help secure their retirement. The clearing services provided by ASX help Australia's financial stability by reducing the risk of losses by one market participant cascading through the financial system. ASX's settlement services facilitate certainty of ownership in relation to billions of dollars of financial instruments held by everyone from retail investors to Australia's biggest financial institutions.



Important venue for equity capital raising

Total market capitalisation of listings over **\$3 trillion** at June 2025⁴



The predominant equity trading market in Australia

ASX accounted for **81.5%** of the turnover in equity market products for the quarter ending 31 December 2025⁵



Provider of Australian exchange-traded derivative markets

195 million futures contracts traded on the ASX 24 market in FY25⁶



CCP for many financial institutions

Over **\$11 billion** of participant margin held by ASX's CCPs to centrally manage counterparty risk in the Australian financial system⁷



Important for the facilitation of the Australian wholesale debt market

Over **1,000** participants use Austraclear, which settles more than **\$80 billion** worth of transactions per day on average⁸

³ The term "participants" is used in this Report to refer to market, clearing or settlement participants. Such participants include brokers, banks and trading firms.

⁴ ASX Annual Report 2025, p150.

⁵ Equity market data for quarter ending December 2025 | ASIC.

⁶ ASX Annual Report 2025, p16 and p151. Includes options on futures contracts.

⁷ As at December 2025. ASX Group Monthly Activity Report - December 2025.

⁸ ASX website. March 2026. www.asx.com.au/markets/clearing-and-settlement-services/austraclear.

About ASX

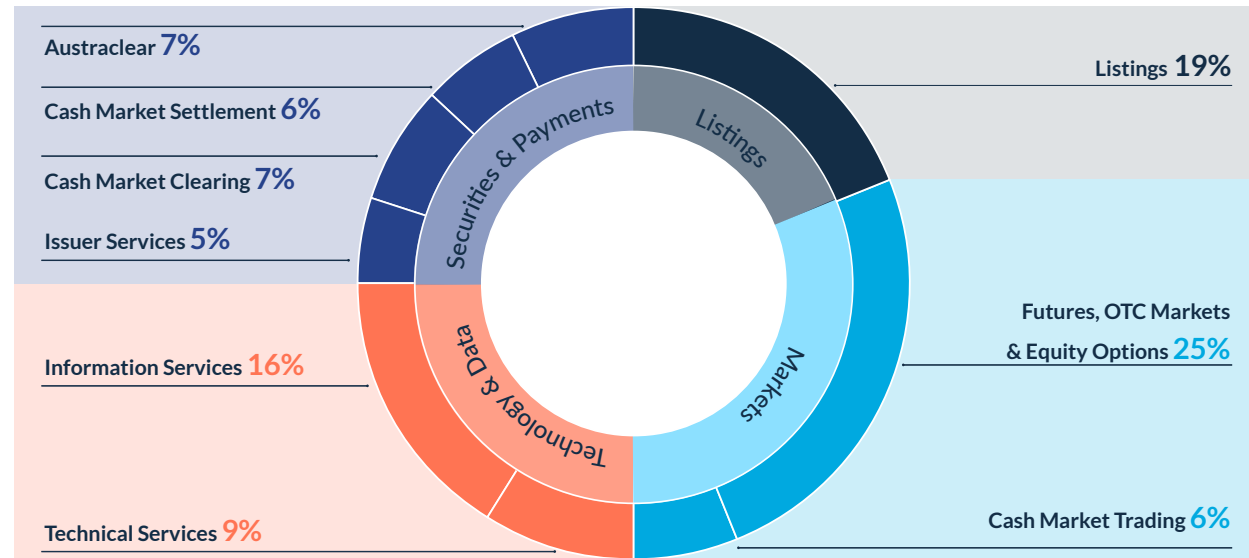
ASX Limited formed as a national stock exchange in 1987, following the merger of the six state-based exchanges. In 1998, ASX Limited became the first exchange globally to demutualise and list on its own market. In 2006, ASX merged with the Sydney Futures Exchange.

Today, ASX is a vertically integrated exchange group offering listings, trading, clearing, settlement and data provision services across multiple markets. ASX has grown significantly in size with its headcount more than doubling over the past decade to 1,331 in June 2025.

Technology is fundamental to ASX’s core business operations and the delivery of essential services to its stakeholders. These operations are heavily reliant on the stability, security and resilience of complex technology systems, making effective maintenance and ongoing investment in technology critically important.

Figure 1 illustrates the recent split of revenue generated by each of these business lines.

Figure 1: ASX revenues – financial year ending 30 June 2025



Source: ASX Annual Report FY25

Core businesses⁹

Listings	Provides services for companies to raise capital and quote securities, with over 2,000 listed entities from more than 70 industries and 40 countries.
Markets	Facilitates trading across multiple asset classes including equities, fixed income and commodities. Also offers clearing of exchange-traded and over-the-counter (OTC) derivatives.
Technology & Data	Provides market data products (e.g. price and trading data) and facilitates market connectivity.
Securities & Payments	Provides post-trade CS services for equities and debt securities.

⁹ As at 31 December 2025.

ASX has consistently demonstrated strong financial performance with high profit margins and dividend payout ratios relative to international exchange peers. Its share price has declined in recent years after reaching record highs in late 2021. Section 3 provides further details of ASX's financial performance.

Over the past decade, ASX has experienced a number of incidents that have undermined stakeholder confidence and contributed to the decision to initiate the Inquiry. Particular incidents referred to in the ToR are:

1. the 2016 hardware failure in ASX's equity trading system, which delayed the opening of the ASX market and caused it to close early;
2. the capacity issue with the CHES¹⁰ settlement system at the onset of the COVID-19 pandemic in March 2020 that required ASIC to direct market participants to reduce trading volumes;
3. the November 2020 full day outage of the ASX equity market due to a failed software upgrade;
4. the decision in 2022 to pause and then cancel the upgrade of CHES, which is now the subject of legal proceedings; and
5. the failure of the ASX CHES batch settlement to complete as scheduled on 20 December 2024.

¹⁰ Clearing House Electronic Subregister System.

¹¹ ASX Annual Report 2025.

¹² ASX Annual Report 2025 p3.

ASX's vision, purpose and strategy

ASX expresses its mission in the following terms:¹¹

ASX Purpose

To power a stronger economic future by enabling a fair and dynamic marketplace for all.

ASX Vision

ASX is in a new era. We are the market's choice, inspiring confidence and trust.

ASX Values

- We put the market first
- We stand up for what's right
- We achieve more together
- We drive positive change

In 2023, ASX developed a five-year strategy that seeks to deliver a more modern, resilient and customer-focused organisation. The strategy is centred around four pillars. In summary, these are:¹²

- 1. One ASX:** focusing on culture, leadership and teams;
- 2. Great fundamentals:** focusing on technology, reliable delivery for the market, risk and compliance frameworks and sustainable shareholder value;
- 3. Customer driven:** focusing on working effectively with customers and improved market quality; and
- 4. Digital by design:** focusing on easy customer experiences and high-quality data and analytics.

Accelerate

In 2025, ASX launched its Accelerate program publicly stating that, whilst progress had been made on the technology part of the 'Great fundamentals' pillar, it had not made enough progress across other areas in the 'One ASX' and 'Great fundamentals' pillars, particularly on risk management and business resilience.

The program initially attempted to collate key initiatives underway and planned under one integrated program of work. It included six workstreams:

1. Risk transformation;
2. Technology resilience;
3. Cyber risk;
4. Business resilience;
5. Data management; and
6. Culture, capability and capacity.

Each workstream contained a series of initiatives underpinned by detailed activities designed to achieve a defined target state.

The initiatives underway through Accelerate are relevant to the ToR and therefore the Panel sought to understand this program and its likely effectiveness as part of the Inquiry. The Panel provided ASX with feedback about shortcomings with the program between September and October 2025. In December 2025, ASX provided the Panel with a revised version of the Accelerate program that incorporated analysis of the root causes behind the challenges it faced, articulation of the guiding

principles for the program, definitions of problem statements and revisions to defined program target states. ASX also re-examined program interdependencies and changed the planned sequencing for the delivery of some initiatives.

While this was a positive step forward, as outlined in the Interim Report, much more needed to be done. In the Panel’s view, ASX needed to undertake a reset of the Accelerate program to ensure that it could deliver the transformational change required.

Details of the progress made by ASX on the resetting of this program are provided in Section 5.

ASX’s licensees and group structure

The Inquiry’s ToR identifies six ASX licensees fitting into two categories: markets and CS facilities.

ASX holds two market licences:

- **ASX Limited**, the parent company of the ASX Group, operates a market (ASX market) primarily for listed shares, but also for equity options and other securities such as exchange-traded funds and managed investments; and
- **Australian Securities Exchange Limited** operates a market in derivatives (ASX 24 market). On this market, participants can trade Australian and New Zealand interest rate, equity and commodity futures and options.

A CS facility provides the mechanism by which parties to a transaction meet their obligations to each other. ASX operates two types of CS facilities:

- **central counterparties (CCPs)**, which act as an intermediary between buyers and sellers in financial markets, thereby reducing counterparty risk and supporting financial stability; and
- **securities settlement facilities (SSFs)**, which facilitate the safe, efficient and timely completion of transactions by enabling the final transfer of title to, or other interests in, securities, usually in exchange for payment.

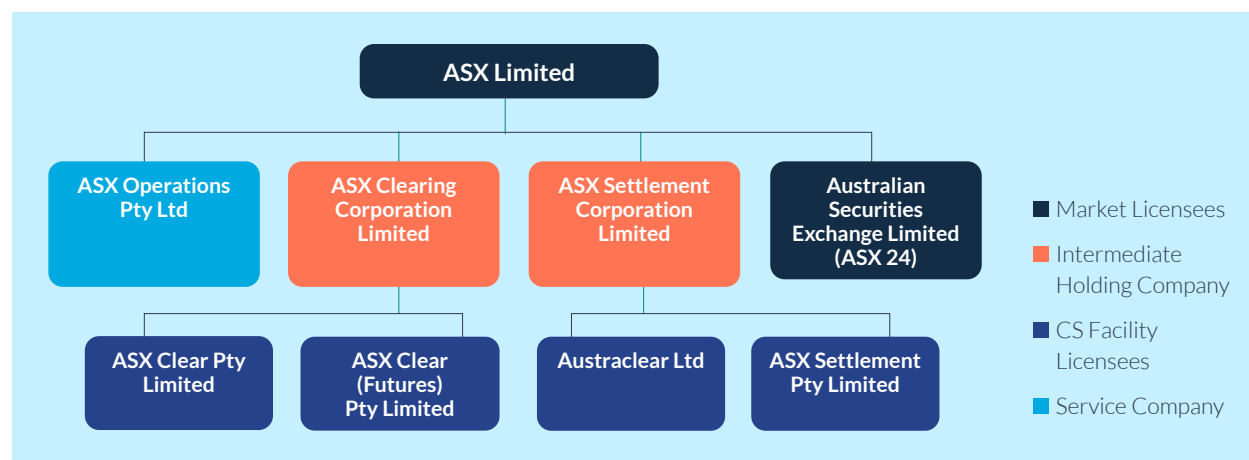
ASX holds four CS facility licences:

- **ASX Clear Pty Limited (ASX Clear)** acts as a CCP for trades conducted on the ASX market, as well as trades made through other market operators such as Cboe Australia Pty Limited (Cboe);

- **ASX Settlement Pty Limited (ASX Settlement)** settles transactions made on the ASX market and other equity markets, facilitating the maintenance of share ownership registers;
- **ASX Clear (Futures) Pty Limited (ASX Clear (Futures))** acts as a CCP for trades conducted on the ASX 24 market and some over-the-counter (OTC) derivatives; and
- **Austraclear Ltd (Austraclear)** operates Australia’s leading settlement system and central securities depository for the wholesale debt market.

Figure 2 illustrates where in the ASX Group the six licences are held. Note, there are other companies in the ASX Group holding other licences¹³ that are not directly referenced within the ToR for this Inquiry.

Figure 2: ASX market and CS facility licensees



13 Including an Australian Benchmark Administrator Licence and Australian Financial Services Licences.

The current competitive landscape in Australia

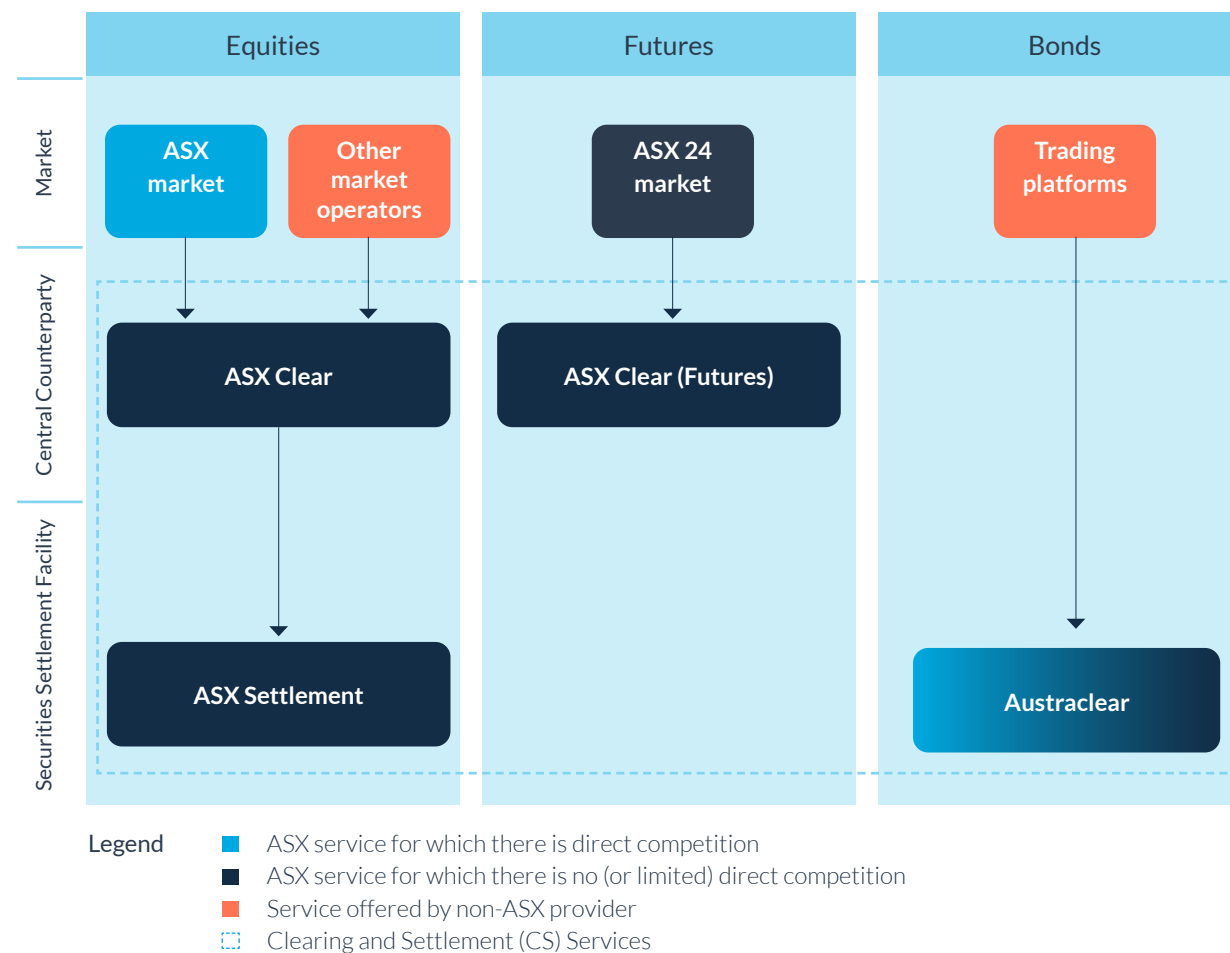
ASX has a dominant market position in Australia with limited competition across many of its services. Figure 3 provides a simplified illustration of ASX's competitive landscape and its mix of monopoly and competitive services.¹⁴

Equities

There is direct competition between ASX and other market operators in the trading of equity products. The largest competitor to the ASX market in this segment is Cboe,¹⁵ which had 18.5% market share in equity trading over the quarter ending December 2025.¹⁶

It is important to note that competitors to ASX in the equities market are generally customers of ASX's CS facilities, in that they rely on ASX Clear and ASX Settlement to clear and settle market transactions. ASX's CS facilities are obliged to provide fair and open access for all market operators. This mix of competitive and monopoly services within ASX's vertically integrated structure creates potential conflicts, requiring governance arrangements that facilitate clear and dedicated focus for the obligations of each licensee as outlined further in Section 4.

Figure 3: Simplified illustration of ASX's competitive landscape



This mix of competitive and monopoly services within ASX's vertically integrated structure creates potential conflicts, requiring governance arrangements that facilitate clear and dedicated focus for the obligations of each licensee.

¹⁴ This diagram is a simplification of the current landscape ASX operates in. For example, some derivatives (equity options) are traded on the ASX market, which are cleared and settled by ASX Clear and ASX Settlement respectively.

¹⁵ Cboe announced its decision to sell its Australian markets business in October 2025.

¹⁶ Equity market data for quarter ending December 2025 | ASIC. Other competitors in this space include National Stock Exchange of Australia and Sydney Stock Exchange.

Following recent reforms, ASIC introduced CS Services Rules¹⁷ that for ASX's monopoly cash equity CS services require ASX to take all reasonable steps to ensure that pricing of its covered services is transparent, fair and reasonable. ASX's cash market CS services represented approximately 18% of ASX's revenue in FY25.

While ASX has a dominant position in equity listings in Australia, there are other alternatives to a domestic listing for companies seeking capital. Companies can also list internationally or raise money privately.

Futures and other derivatives

A range of derivative products, such as equity, fixed income and commodity futures, are traded on the ASX 24 market.¹⁸ ASX has limited direct competition for its exchange-traded Australian derivative products. Participants may, however, enter into comparable derivatives contracts bilaterally through OTC markets or exchanges overseas.

ASX Clear (Futures) acts as a CCP for futures traded on the ASX 24 market as well as some OTC contracts. ASX has no direct competition for the clearing of Australian derivatives traded on the ASX 24 market. However, it faces competition from international CCPs for the clearing of OTC derivatives.

Bonds and wholesale debt

Unlike equities, debt transactions are typically agreed bilaterally between two counterparties (potentially through a trading platform). Austraclear acts as an SSF for these transactions.¹⁹

There is no domestic platform that fully replicates Austraclear's functionality. However, some international centralised securities depositaries, such as Clearstream and Euroclear, provide competition for some custody and settlement services through links to Austraclear.

International comparisons and general observations on the competitive landscape

International jurisdictions examined as part of the Inquiry have different characteristics as to how market and CS facility operators balance their commercial and public interests. While exchange groups around the world provide similar services, their markets are shaped by heterogeneous policy frameworks and economics that moderate their business models and objectives in different ways.

Some jurisdictions benefit from significant economies of scale and have greater competition, typically in North America and Europe. This tends to lead to more competitive service quality and pricing. In other jurisdictions, typically in Asia, exchange groups face less competition. For those formally recognised as monopolies with government ownership or influence, public interest is often prominent in how they operate.

Australia is different. ASX faces little competition and there is no major government ownership stake or board representation. It has, therefore, evolved with fewer constraining influences on the way its market infrastructure is operated compared with other jurisdictions examined by the Panel.

These jurisdictional factors have shaped how ASX's decisions have been made, risks have been managed, and outcomes have been delivered. They provide essential context for interpreting and benchmarking ASX's performance.

Competition in Australian markets may change in the future. The cross-border context is advancing rapidly, new technologies such as tokenised assets²⁰ are being introduced, and public markets are undergoing structural changes due, in part to the growth of private markets.

This Report is anchored in the current competitive landscape. Consideration of whether and how greater competition could be introduced in Australia was not specifically part of the Inquiry's ToR despite it being an issue of considerable interest to many stakeholders. In the Panel's view, the emergence of greater competition to help address the challenges discussed in this Report is unlikely to occur in the foreseeable future.

¹⁷ The CS Services Rules made under section 828A of the *Corporations Act 2001* (the Act) impose requirements dealing with the activities, conduct and governance arrangements of providers of cash equity CS services. The CS Services Rules are intended to establish formalised and clear obligations to promote competitive outcomes in the provision of cash equity CS services, where the ASX Group is the monopoly provider of cash equity CS services.

¹⁸ Some equity options (not captured in Figure 3 on page 15) are traded on the ASX market, cleared by ASX Clear and any security settlement obligations are managed by ASX Settlement.

¹⁹ There is no CCP to guarantee the obligations of these transactions; each party faces counterparty risk if the counterparty fails to fulfill its obligations resulting from the transaction.

²⁰ Tokenised assets are digital representations of real-world financial assets that are issued and managed on a blockchain or other form of distributed ledger.

The regulatory environment for ASX operations

Given ASX's critical role and the fewer constraining influences in Australia, the regulation and oversight of ASX plays an important role in ensuring it operates in a manner that serves the market's interests. ASX is currently regulated and supervised by ASIC and the RBA.

ASX's market licensees are regulated by ASIC. ASIC oversees ASX's compliance with its licence obligations and relevant legislative requirements, including obligations to ensure markets are fair, orderly and transparent. ASIC also makes market integrity rules, assesses changes to licensee operating rules and makes decisions about market licences.

ASX's CS facility licensees are co-regulated by ASIC and the RBA. ASIC supervises licensees' compliance with a range of obligations, including obligations to provide services in a fair and effective way. ASIC is also responsible for making decisions about CS facility licences and changes to operating rules.

The RBA is responsible for the supervision of ASX's licensed CS facilities with a focus on financial stability. ASX's CS facilities must comply with the RBA's Financial Stability Standards (FSS) and, to the extent that it is reasonably practicable, do all other things necessary to reduce systemic risk.

The regulatory standards for ASX's licensees are generally aligned with international standards developed by the Bank for International Settlements' Committee on Payments and Market Infrastructure, and the International Organization of Securities Commissions (IOSCO).

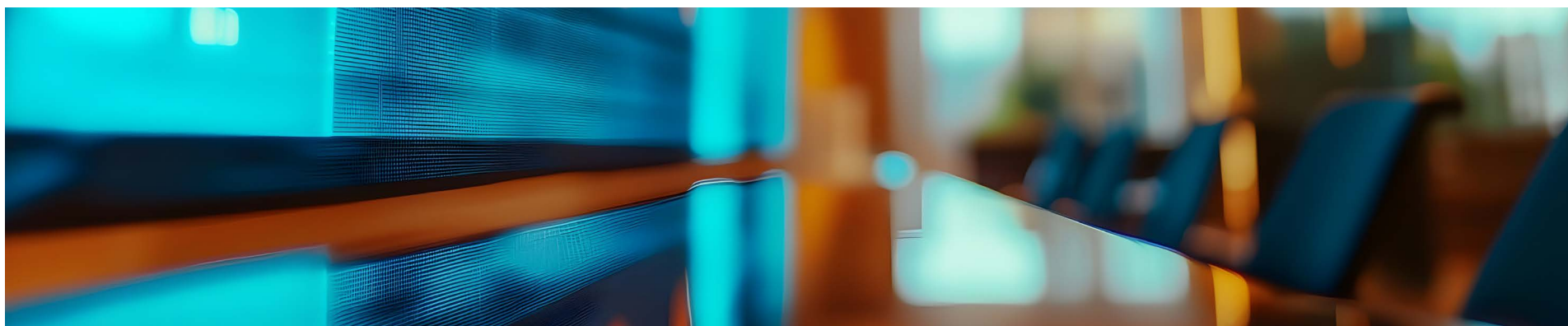
A key obligation for each of ASX's market and CS facility licensees is maintaining sufficient financial, technological and human resources to operate properly.

More broadly, the ASX Licensees are subject to the *Security of Critical Infrastructure Act 2018* (Cth) (SOCI Act). The SOCI Act imposes registration, risk management and reporting obligations relating to critical infrastructure security, including cyber and information security, and is primarily administered by the Critical Infrastructure Security Centre.

The ACCC also has some responsibilities related to ASX, including to arbitrate third-party access disputes about ASX's cash equity CS services. Treasury is a key policy agency for legislation relevant to ASX's activities.

Some of ASX's licensees are regulated by international regulators. For example, ASX Clear (Futures) has been designated as systemically important in New Zealand and is regulated by the Reserve Bank of New Zealand and New Zealand's Financial Markets Authority.

Given ASX's critical role and the fewer constraining influences in Australia, the regulation and oversight of ASX plays an important role in ensuring ASX operates in a manner that serves the market's interests.



03

KEY FINDINGS

Shareholder
returns and
resilience

Shareholder returns and resilience

KEY FINDING

Resilience of critical market infrastructure has been compromised to deliver high shareholder returns

Overview

ASX's operations are heavily reliant on technology yet, over an extended period, persistent under-investment in its core technology platforms and capabilities has undermined the operational resilience of its critical market infrastructure.²¹

In the Panel's view, ASX's sustained focus on short-term financial objectives has been a central driver contributing to the challenges it now faces. Over many years, successive boards and executives have prioritised short-term financial outcomes over the long-term investment necessary to maintain resilient, future-ready infrastructure supported by robust capability.

As a result, ASX has ageing technology systems with declining levels of vendor technical support, an over-reliance on small support teams and a diminishing number of technical experts. This persistent under-investment has also constrained ASX's capacity to adapt to an evolving operating environment. The Panel considers that ASX's insufficient investment in its systems expertise and broader capability contributed to the series of operational incidents experienced over the past decade.

ASX now finds itself in a position of having to catch up, requiring higher expenditure to address the historical under-investment. Without a fundamental shift in approach in its investment philosophy, ASX risks falling further behind as technology advances and customer expectations continue to evolve.

In addition to technology, the Panel observed that the focus on short-term shareholder returns has compromised broader workforce capabilities and ASX's ability to meet the evolving needs of customers. It has also contributed to shortcomings in risk management and compliance.

In the Interim Report, the Panel identified ASX's risks were elevated as a result of a number of issues, including long-term under-investment in systems and technology, and workforce capability and planning. Following the Interim Report, ASX committed to ASIC to accumulate an additional \$150 million in net tangible assets by 30 June 2027 to reflect its elevated risk profile. This regulatory capital charge will also incentivise the successful delivery of remediation efforts and promote appropriate resource allocation.

The Panel considers it essential that ASX reset its decision-making framework by placing its stewardship responsibilities at the centre. This requires a longer-term view of the expenditure required to support resilient infrastructure and an operating model which is fit for the future. If executed well, this should be consistent with the interests of shareholders.

Over many years, successive boards and executives have prioritised short-term financial outcomes over the long-term investment necessary to maintain resilient, future-ready infrastructure supported by robust capability.

²¹ In this context, resilience means having systems that are available and secure, supported by the capability to withstand and recover from disruptions.

Detailed findings

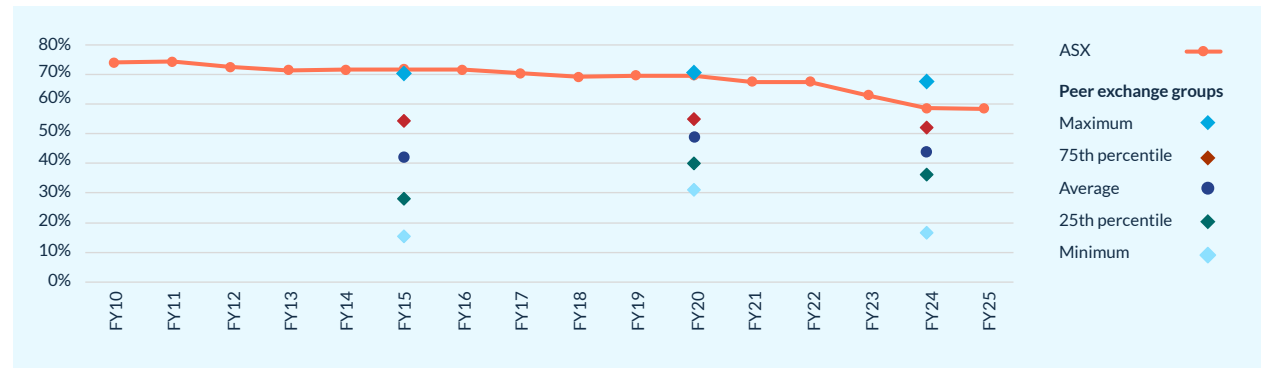
Financial objectives and shareholder returns

As a commercial enterprise, ASX has set a range of financial objectives it seeks to achieve to deliver strong returns to its shareholders. These financial objectives include short-term targets related to underlying net profit after tax (NPAT), operational expenditure, capital expenditure and cost optimisation. They also include targets related to underlying return on equity and earnings before interest, tax, depreciation and amortisation margin.

Many of these financial objectives are reflected in ASX’s remuneration framework, where executives and senior management are incentivised to deliver both strategic and financial objectives. In the Panel’s view, the weighting towards financial objectives in ASX’s remuneration framework, relative to other objectives, has been a factor in ASX’s failure to sufficiently spend on its systems, people and broader capabilities to operate resilient critical market infrastructure.

As a commercial enterprise, ASX has set a range of financial objectives it seeks to achieve to deliver strong returns to its shareholders.

Figure 4: ASX EBIT margins relative to peer exchange groups



Sources: ASX and peer exchange group annual reports²²

ASX has consistently demonstrated strong financial performance with high profit margins and dividend distributions. Relative to other exchange groups overseas²³ (“peer exchange groups”), ASX has been able to consistently deliver earnings before interest and tax (EBIT) margins close to or above 60%, as can be seen in Figure 4. This has been above the 75th percentile of margins experienced by peer exchange groups overseas.²⁴

Over the past five years, ASX has paid 95% of its statutory profits (88% on an underlying basis) as dividends to shareholders.²⁵ ASX’s high dividend payout ratios,²⁶ combined with its high profit margins, have delivered strong dividend payments to its shareholders.

²² EBIT margin is calculated as the percentage of EBIT over revenue, where revenue is measured based on the methodology adopted by the relevant exchange group in annual reports (e.g. total revenue or operating revenue).

²³ Noting the heterogeneity of exchange groups overseas, a sample was chosen for financial benchmarking purposes. The sample was JPX Group (Japan), HKEX Group (Hong Kong), SGX Group (Singapore), TMX Group (Canada), London Stock Exchange Group (UK), Euronext N.V. (Netherlands) and the Korea Exchange (South Korea). Capital Expenditure data was not available for Korea Exchange.

²⁴ As noted in Section 2, ASX is subject to fewer constraining influences on pricing and service quality than many of its international peers, which may be a contributing factor.

²⁵ Based on five-year aggregate dividend and earnings figures during the period. Data sourced from ASX financial statements between FY21 and FY25.

²⁶ Until 2023, ASX had a dividend payout ratio policy of 90%. In 2023, the dividend payout ratio policy was in the range of 80-90%, then in 2025, it reduced to 75-85%.

Given much of ASX's revenue is driven by market activity (e.g. overall trading volumes), ASX has historically relied on constraining expenditure as a key lever to achieve its financial objectives.

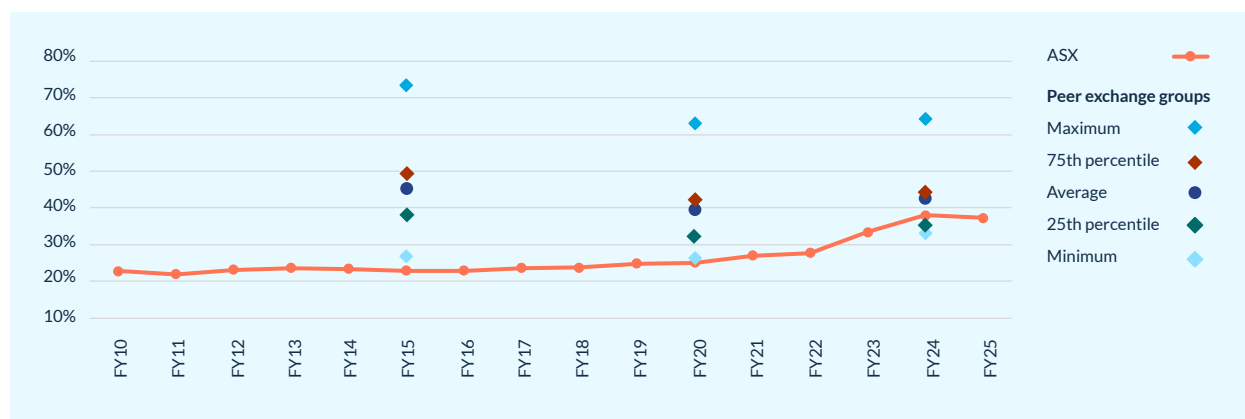
International benchmarking undertaken as part of the Inquiry has found that ASX's operating expenditure has been consistently lower relative to peer exchange groups. As can be seen in Figure 5,

ASX's operational expenditure as a share of operating revenue was 23-38%. This compares to an average of 40-46% for peer exchange groups. This difference, in the Panel's view, cannot be attributed to relative efficiency. When broken down further, employee and technology expenditure, as a share of operating revenue, demonstrate the same pattern.

While comparisons with international peer exchange groups are not conclusive in isolation due to differences in size and service offerings, the findings from the peer benchmarking exercise are consistent with other observations and stakeholder feedback the Panel received.

A strong and recurring theme from a number of employee and stakeholder interviews was ASX's long-term under-investment in favour of shareholder returns. Multiple stakeholders reflected the view that financial objectives have been prioritised over investing in critical infrastructure, innovation and workforce capability.

Figure 5: ASX operating expenditure as a share of operating revenue relative to peer exchange groups



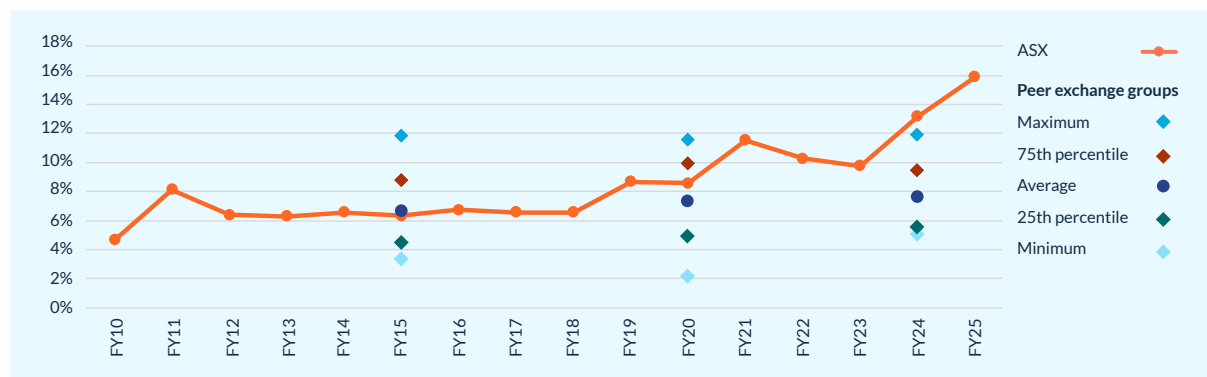
Source: ASX and peer exchange group annual reports

“The organisation's focus has often tilted toward short-term profitability and risk containment, rather than long-term development and competitiveness.”

ASX stakeholder

Recently, ASX has significantly increased capital expenditure to support its technology modernisation initiatives. As can be seen in Figure 6, ASX's capital expenditure exceeded peer exchange groups in FY24 and remains elevated. This demonstrates recent efforts to invest in ageing systems and address historical under-investment, including ASX's first CHES replacement attempt.

Figure 6: ASX capital expenditure as a share of operating revenue relative to peer exchange groups



Source: ASX and peer exchange group annual reports

Ageing technology and resilience

ASX’s focus on cost containment and short-term financial objectives has, in the Panel’s view, heavily influenced its decision-making around investments in core technology infrastructure. ASX’s operational expenditure, including technology expenditure, has historically been low relative to peer exchange groups as a share of operational revenue as seen in Figure 5.

While there has been a recent increase in expenditure, ASX has taken a short-term view to managing most of its critical platforms over many years, with a focus on system maintenance. For example, ASX’s futures clearing system, known as Genium, was reported as an aged asset to a board committee in May 2020. Despite it being an aged asset, the system is not planned to be replaced until FY27. CHES is another well-publicised example of ageing technology. After its initial attempt to replace CHES using distributed ledger technology (DLT) between 2017 and 2022, ASX is now planning to upgrade this critical system over two releases in April 2026 and 2029. Other key systems, such as the Austraclear platform, are also ageing and are now the subject of closer review (see Case Study 1).

These are not isolated examples. In November 2022, a six-monthly internal risk assessment covering 46 critical systems and infrastructure reported that the “number of systems rated as being outside of appetite has increased in the last 12 months, indicating that funding and delivery of mitigating actions is not keeping pace with the age and overall risk profile of the system environment”. The report noted that almost 40% of these systems were rated ‘red’ or ‘amber’, which was outside of the Board’s risk appetite. In 2023, ASX commenced an initiative, referred to as the Technology Issues Remediation Roadmap (TIRR), that focused on remediating all high priority technology issues. ASX has since developed a Delivery Roadmap for major technology projects, which includes remediation of the core systems previously in the TIRR.²⁷

An internal audit report in 2024 found that ASX’s efforts to address technology obsolescence risks had been reactive, with an overall theme of poor technology asset lifecycle management. This audit found that a lack of funding and prioritisation for managing technology through the lifecycle was a primary root cause.

²⁷ Smaller items from the TIRR are now being managed through the Technology Resilience workstream of the existing Accelerate program.

In the Panel's view, the historical under-investment in technology has been a major contributing factor to the technology-related outages and incidents ASX has experienced over the past decade. As technology assets age and come to the end of their effective lives, support from third-party vendors reduces, and the expertise available to maintain the platforms becomes more limited. This, in turn, increases risks and compromises resilience.

The Panel acknowledges that ASX is not unique in experiencing operational risk incidents and

related technology outages. While outage data globally is limited, benchmarking against overseas peer exchange groups indicates that ASX is not necessarily an outlier in the number of outages it has experienced over the past decade. However, unlike some of the other jurisdictions the Panel considered, there are limited alternatives for much of the critical market infrastructure ASX operates. ASX has not effectively responded to these incidents to identify and address the root causes in a way that mitigates the risk of incidents in the future. As can

be seen in Figure 7, public reviews have identified recurring themes that point to weaknesses in ASX's technology governance, capability, risk management and incident management.²⁸

Although outages can and do occur in market infrastructure, their likelihood and impact can be reduced through sustained investment in resilience that balances the needs of all stakeholders.

Figure 7: Reviews of ASX incidents – recurring themes²⁹

	Support arrangements	Testing & delivery quality	Age of asset	Incident or crisis management	Technology governance & risk management
2012 ASIC Report 289 (2011 ASX Trade outage) ³⁰	X	X	X	X	
2016 ASIC Report 509 (2016 ASX Trade Outage) ³¹				X	X
2018 ASIC Report 592 (Following the review of the 2016 ASX Trade Outage) ³²	X			X	X
2020 RBA assessment (2020 CHES capacity issue) ³³			X		X
2021 IBM Report (2020 ASX Trade Outage) ³⁴		X			X
2025 ASX Review (2024 CHES Batch Settlement Incident) ³⁵	X		X	X	X

X = improvements required

²⁸ See also Accenture, *ASX CHES Replacement Application Delivery Review*, November 2022.

²⁹ This table is based on reviews arising from ASX incidents referenced in the ToR as well as a 2011 outage to inform an understanding of historical issues and themes. It is not a comprehensive list of all public reports on ASX; for instance, it does not include all the RBA's annual assessments of the ASX CS facility licensees.

³⁰ ASIC Report 289, *Market assessment report: ASX Group*, July 2012.

³¹ ASIC Report 509, *Review of the ASX equity market outage on 19 September 2016*, December 2016.

³² ASIC Report 592, *Review of ASX Group's technology governance and operational risk management standards*, September 2018.

³³ RBA *Assessment of ASX Clearing and Settlement Facilities*, October 2020.

³⁴ IBM Australia Limited *ASX Trade Refresh Project - IBM Independent Review*, June 2021.

³⁵ ASX, *CHES Batch Settlement Incident Review*, January 2025 and a non-public review by IBM. The Panel's observations are presented in Case Study 4.

As a consequence of ASX's under-investment and deferral of upgrades, core platforms are now needing to be replaced in parallel to reduce the significant 'technology debt' that has been allowed to accumulate. There is now a higher risk that these parallel technology upgrades create a convergence of hidden dependencies with limited margin for error. Moreover, this will also affect participants who will now need to make parallel changes to their own systems given the interconnectivity of financial markets.

ASX is making inroads in remediating its ageing technology infrastructure, with the five-year strategy launched in FY23 accompanied by significant investment up to FY28 to modernise its technology infrastructure and capabilities. Key initiatives to address ASX's ageing technology infrastructure include the replacement and upgrade of CHES, derivatives clearing and trading platforms, and the trading network. These initiatives are significant and will take years to deliver.

However, the approach to date has centred on a remediation roadmap and not provided an integrated view of how technology, risk, capital and operations will be configured to deliver resilient markets into the future. ASX has recently recognised deficiencies in its enterprise technology strategy and is now taking steps to address this, including aligning it to its business strategy.



Management of the Austraclear platform

Overview

The Austraclear platform is an electronic depository and settlement system for Australia's wholesale debt market. The platform provides real-time delivery versus payment settlement for fixed income securities such as government and corporate bonds. It is a systemically important component of Australia's financial market infrastructure.

The platform currently services more than 1,000 participants, records ownership of over \$3 trillion worth of securities, and settles on average more than \$80 billion worth of transactions per day. Its integration with the RBA's real-time gross settlement system ensures the accurate and timely transfer of cash and securities, reducing systemic settlement risks across the market.

In FY25, Austraclear generated \$79.5 million in revenue for ASX.

The platform has been reliable, consistently achieving high rates of availability. The platform, however, is ageing and dates back to 2006. Any interruption would impair the ability of financial institutions to settle trades, manage liquidity and meet obligations, potentially impacting financial system stability.

Timeline

1981

Austraclear Ltd is founded to provide a centralised system for the lodgement, holding and settlement of debt securities, reducing the need for physical, paper-based transactions.

2001-02

Settlement of Commonwealth Government Securities is transferred to the Austraclear platform (the RBA previously operated its own electronic settlement system for these securities).

2006

Austraclear becomes a wholly owned subsidiary of the ASX Group. Austraclear's legacy FINTRACS system (at the time, 20 years old) is replaced with a new technology platform called EXIGO, supported by NASDAQ OMX.

Timeline continued

2008–15

Technical operational support is increasingly brought in-house, following operational challenges (including outages) suffered during the initial implementation of EXIGO. Austraclear assumes responsibility for frontline support in mid-2008 and in 2015, Austraclear assumes responsibility from NASDAQ OMX for expert operational and software support.

2025

The platform is regularly updated through service releases and patches, with the most recent service release (SR20) implemented in November 2025. Maintenance of the platform is now managed by the expertise and dedication of a small group of developers who maintain the system's codebase.



Panel observations

In its analysis of the Austraclear platform, the Panel observed the following concerns:

1 Lack of dedicated, long-term thinking in board governance

Despite the criticality of the Austraclear platform to the functioning of the Australian financial system, the Panel observed the Austraclear Board³⁶ has tended to focus on short-term strategy and financial performance issues rather than the resilience and resource sufficiency needed for the long-term health of the platform.

2 Resourcing and key person risk

Austraclear's current resourcing model creates significant concentration and key person risk, with the software code now managed by a small, dedicated group of developers. The limited resourcing constrains ASX's ability to significantly upgrade the platform.

3 A conservative investment approach

Spending on the platform has been focused on maintaining existing functionality rather than investing for long-term resilience and to modernise the system and promote innovation that supports the market. Given the systemically important nature of Austraclear, its operation and investment must be planned, sustained and forward-looking.

ASX is planning to conduct a strategic review of the Austraclear platform in the second half of FY26. This review provides an opportunity to consider the concerns raised above.

³⁶ As discussed in Section 4, the Austraclear Board meets concurrently with other ASX CS facility boards.

Other impacts

ASX's focus on short-term financial objectives over the years has compromised other aspects of its operations and core capabilities. A lack of investment in ASX's own people has contributed to shortcomings in workforce capability, including technology capability.

Under-investment in workforce capability

As a systemically important organisation, ASX's workforce planning should strategically align capabilities with long-term objectives, anticipate critical risks and ensure resilience through structured recruitment, development, retention and succession strategies. ASX is an organisation heavily reliant on technology and is therefore dependent on advanced exchange-specific technology and specialised domain expertise to run core infrastructure. Outlined further in Section 4, ASX also has specific responsibilities in relation to supervision and monitoring of participants and listed entities that require it to have specialist expertise.

ASX's historical employee expenditure as a proportion of revenue has, however, been significantly lower than that of peer exchange groups. While ASX has increased its headcount in recent years, the Panel has found that historical under-investment in people with relevant expertise and experience has created gaps in capability. This is contributing to pockets of the organisation feeling overworked and under strain. These shortcomings are discussed in Section 6.

Gaps in meeting the evolving needs of customers

ASX's under-investment in technology and people has also limited its ability to improve the functioning of infrastructure and drive innovation that could bring greater efficiencies to markets.

Customer and stakeholder submissions cited concerns that ASX is failing to keep up with their evolving needs and international peers. For example, ASX has longstanding inefficiencies such as the lack of margin offsets between equity options and futures across its two CCPs despite repeated industry engagement.

Weaknesses in risk management and compliance

ASX's short-term focus has manifested in a reactive and tactical approach to risk management and compliance, as discussed further in Section 7. The Panel observed a lack of maturity in systems and related infrastructure to support effective and sustainable risk management and compliance practices, with multiple systems in place that create a fragmented view of its risk and compliance profile. As discussed in Case Study 3 on the ASX TPG announcement error, ASX also continues to use highly manual processes and controls for many functions despite its heavy reliance on technology as an organisation as a whole.

Progress made to date

Uplifting resilience and capability

ASX is undertaking a coordinated uplift of business and technology resilience to meet the changing risk landscape and rising regulatory expectations, including a workstream in Accelerate targeted at improving its ability to maintain critical operations through disruptions. This includes moving beyond traditional business continuity and disaster recovery towards a service-based resilience model, informed by ASIC and RBA standards, and benchmarked against APRA's Prudential Standard CPS 230 *Operational Risk Management* (CPS 230).

In addition to developing an enterprise technology strategy, ASX is implementing the following to improve technology capability:

- more 'persistent teams'³⁷ and a continuous delivery model to support and evolve certain platforms, intended to enable the building of deep system and domain knowledge within the team as well as mitigate delivery risks; and
- board-endorsed technology asset lifecycle management policies that aim to avoid the use of out-of-date or unsupported technology.

Regulatory capital charge to address elevated risks

In December 2025, ASX committed to undertake capital management initiatives to accumulate an additional amount (relative to 31 December 2025) of \$150 million in net tangible assets by 30 June 2027

³⁷ Persistent teams are cross-functional, product/platform-aligned teams that remain together beyond individual projects.

to meet the regulatory capital charge agreed with ASIC. The capital charge was applied in response to ASX's elevated risk profile arising from the issues identified in the Interim Report. As a first step to meet this requirement, ASX reduced its dividend payout ratio policy range to 75-85% of underlying NPAT (from a previous range of 80%-90%) and has operated a discounted dividend reinvestment plan.

Refreshed business strategy, technology strategy and aligned financial decision-making

ASX plans to refresh its business strategy and develop an aligned technology strategy. In undertaking a considered refresh of its strategy, ASX has articulated that it will be driven by the important role ASX plays in the Australian economy.

ASX has acknowledged that the current model for making long-term funding and investment decisions under its capital management framework requires adjustment given the level of capability and technology uplift needed.

ASX intends to align its approach to capital management and investment allocation with its business and technology strategies, ensuring that it considers the interests of all stakeholders and the primacy of its stewardship role when making investment decisions. It will review and update financial decision-making and prioritisation frameworks to ensure sufficient weight and consideration are given to investing in capabilities required for critical market infrastructure stewardship, licence obligations (especially resource sufficiency), risk management and resilience.

ASX's intention is to place its role in providing critical market infrastructure at the centre of its decision-making.

Updated financial guidance

ASX provided revised guidance to the market noting that FY26 operational expenditure had increased over initial plans. ASX has indicated details of forecasts for FY27 expenditure will be provided at a later date.

ASX has flagged ongoing investment to support emerging needs of the industry. It has signalled that future investment by ASX will reflect aspirations for innovation and findings from the Inquiry. ASX has indicated it will provide more visibility of its plans to the market following the planned strategy refresh.

The pathway forward

Over recent years, ASX has embarked on a significant modernisation program to remediate the effects of years of under-investment in technology and capability. This includes several large projects including the CHES Replacement and ClearStar programs. Further investment in other critical technology platforms will be required to complete the modernisation of ASX's technology architecture. Until this work is successfully completed, risks will remain elevated.

The Panel welcomes ASX's acknowledgement that the capital management framework it adopts to make long-term funding and investment decisions requires adjustment given the level of capability and technology uplift needed. ASX's capital management framework should align to and support its business and technology strategies. It should be driven by long-term business needs rather than be

overly influenced by a desire to meet short-term financial objectives.

In reviewing its framework, ASX should consider how its budgeting and investment prioritisation processes can support persistent funding for the business to build and develop the internal capabilities necessary over the medium to longer-term. This will require a framework that promotes a longer-term view on investment planning, which is appropriate for a provider of critical market infrastructure.

Given the magnitude of change required to support ASX's significant transformation agenda, it is the Panel's view that ASX is likely to require higher expenditure (both capital and operational) relative to historical levels. More long-term planning with consistent and persistent expenditure will allow ASX to build appropriate internal capability and sequence investments in a more efficient pipeline.

Determining the right level and mix of operating and capital expenditure ASX will need over the longer-term requires ASX to understand, engage with, and appropriately balance the needs and ambitions of its diverse stakeholder base. Once determined, ASX will need to deploy its capital effectively to deliver the initiatives required to achieve the desired outcomes. If done effectively, this will serve the interests of all parties, including ASX's shareholders.

ASX's capital management framework should align to and support its business and technology strategies. It should be driven by long-term business needs rather than be overly influenced by a desire to meet short-term financial objectives.

04

KEY FINDINGS

Governance

Governance

KEY FINDING

Governance arrangements fail to provide the necessary focus on critical market infrastructure

Overview

Strong governance builds long-term value, reduces the likelihood of failings and underpins confidence for all stakeholders. It provides clear accountability, robust oversight, and disciplined decision making to help manage complex operational, technological and regulatory risks.

In the Panel's view, as an operator of critical market infrastructure, ASX must have strong and effective governance arrangements that place its role as a steward at the centre of decision-making. This requires that relevant decision makers are provided with timely, high-quality information, with effective structures and processes in place to drive constructive challenge and oversight. It also requires ASX's boards and executives to have clarity on the obligations of each licensee, and a clear focus on how each licensee will operate to comply with its obligations.

ASX's governance arrangements, however, have had the effect of ASX operating too much as one vertically integrated entity with insufficient dedicated focus and support for individual ASX Licensees. The Panel found shortcomings with ASX's board practices, management arrangements, remuneration incentives, resourcing and other governance arrangements. This has resulted in outcomes that have been less than satisfactory.

The directors of each of the ASX Licensees have a duty to act in the best interests of the company on whose board they serve. Relevantly, the directors of the CS Facility Boards are making decisions for companies whose futures depend on their ability to deliver stable, secure and resilient critical market infrastructure. To perform their roles effectively, directors need to provide independent oversight, challenge management and help ensure their companies consider the interests of various stakeholders.

ASX has acted swiftly to implement changes to the board composition and operating structure of its CS facilities to address the recommended actions outlined in the Panel's Interim Report. These are welcome developments. The appointment of additional directors to the CS Facility Boards with the appropriate skills, experience and vision will be critical to delivering the desired outcomes. More broadly, there is scope for ASX to continue to review and strengthen its governance arrangements to ensure all its licensees are clearly focused on their individual roles as providers of critical market infrastructure. This requires a revised mindset to be applied to the way governance arrangements are designed and implemented across ASX.

ASX has acted swiftly to implement changes to the board composition and operating structure of its CS facilities to address the recommended actions outlined in the Panel's Interim Report. These are welcome developments.

Detailed findings

Board practices

Board responsibilities and composition

In its Interim Report, the Panel highlighted the importance of ASX's board structures to facilitate focus on the obligations of each licensee. The Panel recommended specific actions in relation to governance and independence of the CS facilities.

The ASX Limited Board comprises nine directors, eight of whom are independent, non-executive directors, including the Chair. Australian Securities Exchange Limited (the licence holder for ASX 24) also has a separate board comprised of four executive directors. Oversight of ASX 24 at board level is primarily exercised by the ASX Limited Board.

Oversight for ASX's CS facilities is the responsibility of the CS Facility Boards. Each CS facility has its own board, which comprised the same seven directors as at December 2025.³⁸ Three of these directors served on both the ASX Limited and CS Facility Boards, while the remaining four (including the Chair) were independent of other ASX Group companies.

Figure 8 shows the composition of the ASX Limited and CS Facility Boards, as well as the two intermediate holding companies that sit between the parent company and the CS facilities (CS Holding Companies).³⁹ It also shows the tenure of each board director. Significant renewal has been undertaken in recent years.

Figure 8: Board directors as at 31 December 2025

Director	Appointed	ASX Limited Board	CS Facility Boards	CS Holding Companies Boards
David Clarke	September 2024	● (Chair)		● (Chair)
Wayne Byres	May 2024	●		
Vicki Carter	February 2023	●		
David Curran	March 2022	●		
Anne Loveridge AM	July 2025	●		
Dee McGrath	December 2025	●		
Luke Randell	April 2023	●	●	●
Dr Heather Smith PSM	June 2022	●	●	●
Stephen Knight	June 2019		● (Chair)	●
Carolyn Colley	January 2020		●	●
John Buckley	August 2023		●	●
John Cincotta	October 2025		●	●
Helen Lofthouse	August 2022	●	●	●

Non-executive director

Executive director

³⁸ In February 2026, the CS facilities changed their board composition in response to recommendations made in the Panel's Interim Report and commitments made to ASIC.

³⁹ See Figure 2 in Section 2 of this Report. The CS Holdings Companies are ASX Clearing Corporation Limited and ASX Settlement Corporation Limited.

The mix of competitive and monopoly services within ASX's vertically integrated structure creates potential conflicts. For example, market venues that compete with ASX's market licensees (e.g. Cboe) are also customers of ASX's CS services.

Against this backdrop, the Panel considers the most pressing governance issues at ASX relate to the CS facilities. The Panel believes it is critical for the directors of the CS facilities to be able to focus their minds on the obligations and priorities of the CS facilities. For example, the CS facilities are obliged to provide fair and open access to all market operators. Directors must be able to exercise clear, independent judgement that recognises the responsibilities of the CS facilities as important service providers for the financial system.

In its Interim Report, the Panel recommended that ASX strengthen its governance and enhance the independence of the CS facilities by:

- ensuring the CS Facility Boards are composed only of directors who are not directors of an ASX Group company (other than the CS facility licensees); and
- taking steps to achieve greater functional separation of the CS facilities from other ASX businesses.

By enhancing independence and increasing functional separation, the interests of the CS facilities should be brought into sharper and more transparent focus. Where those interests diverge from broader ASX Group interests, the resulting tensions can surface to facilitate deliberate consideration and resolution through transparent governance processes.

While the Panel considers the immediate focus should be on the governance of the CS facilities, it is important that ASX looks more broadly at the board structures and governance arrangements across all its licensees. For example, responsibility for one or both of ASX's market licences, which currently rests with the ASX Limited Board, may benefit from more dedicated focus, similar to what the Panel has recommended for the CS facilities. Such an approach would be more comparable to the governance structures observed in other jurisdictions, where international benchmarking indicates that ASX generally has less governance separation between its group holding company and its licensees (including CS facilities).

By enhancing independence and increasing functional separation, the interests of the CS facilities should be brought into sharper and more transparent focus.

Board committees

Board committees play an important role in enhancing governance by allowing for more dedicated time and focus on specific matters relevant to an organisation.

As at 31 December 2025, ASX had five standing board committees to assist the ASX and CS Facility Boards discharge their duties:

1. Audit and Supervision Committee;
2. Nomination Committee;
3. Risk Committee;
4. People and Culture Committee; and
5. Technology Committee.

The Technology Committee was formed in May 2022 to strengthen board oversight of technology and data-related strategies, operations, investments and projects, as well as technology-related risks (including cybersecurity). Its members include directors of both ASX Limited and the CS facilities.

More recently, charters for the Risk Committee and the Audit and Supervision Committee were approved on 3 June 2025 following a restructure of ASX's board committees. Prior to this restructure, ASX operated a combined Audit and Risk Committee. Under the revised structure, the Risk Committee's responsibilities include overseeing ASX's risk transformation program and broader business resilience efforts. The Audit and Supervision Committee is responsible for financial reporting integrity, audit oversight and oversight of market and CS facility supervision functions.

There are no dedicated board committees for the CS Facility Boards. This can limit the ability of the CS Facility Boards to have more in-depth discussions and information on specific matters relevant to their duties. While non-ASX CS directors are invited to attend ASX Limited Board committee meetings, the lack of membership in these committees limits their voice in decision-making. Except for the Technology Committee, all board committee charters state that directors of the CS Facility Boards (who are not also ASX Limited directors) cannot be members of ASX Limited Board committees.⁴⁰

Board meeting practices

The boards of ASX Group companies hold a series of concurrent meetings, involving two or more boards of different ASX Group companies, through the year. Concurrent meetings are held between the boards of:

- ASX Limited, the two CS Holding Companies, and the four CS facilities (referred to as “ASX & CS Concurrent Proceedings”); and
- the two CS Holding Companies and the four CS facilities (referred to as “CS Concurrent Proceedings”).

Separate meetings are also held for:

- ASX Limited Board directors only (“ASX Limited Board meetings”); and
- the directors of the CS Facility Boards not on the ASX Limited Board (“Non-ASX director meetings”).

Stand-alone meetings of individual CS Facility Boards (e.g. the ASX Clear Board or ASX Settlement Board) are not held as a matter of course.

The sequence of the different types of board meetings varies but, since 2023, the ASX Limited Board would typically meet first, followed by the ASX & CS Concurrent Proceedings. CS Concurrent Proceedings would typically occur after these meetings.

ASX & CS Concurrent Proceedings generally contain the broadest range of matters requiring oversight and decision-making. These concurrent meetings generally cover more matters than those discussed at CS Concurrent Proceedings and Non-ASX director meetings.

By using the ASX & CS Concurrent Proceedings extensively as a key governance forum, matters specific to CS facilities may not receive the prominence they deserve due to other Group considerations. In addition:

- the sequencing of board meetings, where ASX Limited Board meetings and ASX & CS Concurrent Proceedings typically occur before CS Concurrent Proceedings, could constrain the CS Facility Boards from exercising stand-alone, independent judgement on the needs of the CS facilities in instances where decisions have already been made by ASX Limited directors; and
- the larger number of ASX Limited directors in ASX & CS Concurrent Proceedings (relative to non-ASX CS directors) creates the risk of the ASX Limited Board having a disproportionate influence over decisions affecting the CS facilities.

The Panel’s concerns relating to ASX’s board governance structures and practices, including how the CS Facility Boards are involved, are highlighted in Case Study 2.

Stakeholder input

Given its central role in Australia’s market ecosystem, it is important that ASX has governance arrangements that factor in the perspectives of its broad stakeholder base to inform how it should operate for the benefit of the overall market. ASX has established several stakeholder forums as an important channel to gain these perspectives. However, the Panel observed that stakeholder views on the effectiveness of these forums was mixed. This is discussed further in Section 5.

Given its central role in Australia’s market ecosystem, it is important that ASX has governance arrangements that factor in the perspectives of its broad stakeholder base to inform how it should operate for the benefit of the overall market.

⁴⁰ The committee charters state that a representative of the non-ASX CS directors will have a standing invitation to attend committee meetings.

Project Align

Overview

Project Align (the Project) was a significant cost optimisation program initiated in late 2024, with the aim to find savings and offset the financial impact of increasing costs across the business and to create capacity for investments in new uplifted capabilities. ASX Limited's Board oversaw the Project's scope and status.

The Project involved reducing headcount, outsourcing roles to selected vendors and implementing process efficiencies. Implementation of the plan commenced in May 2025, impacting staff across various ASX divisions. Implementation involved people and processes engaged with supporting the operation of CS facilities.



Timeline

Late
2024

ASX management initiates Project Align.

2025

December 2024 – April 2025

Management provides regular updates on the Project's scope and status to the ASX Limited Board. During this time, the CS Facility Boards only receive one procedural update on the Project in February.

Monday, 28 April 2025

Management provides a verbal briefing to the ASX Limited Board on implementation, including roles affected, financial impacts, and how changes were assessed as satisfying compliance with licence obligations of ASX companies with market and CS facility licences.

Wednesday, 7 May 2025

Directors of the CS Facility Boards are provided with a detailed paper outlining the Group-wide impact of the Project, including proposed staff reductions. A non-ASX CS director emails concerns to management about the paper's risk analysis.

Timeline continued

2025

Thursday, 8 May 2025

At the ASX & CS Concurrent Proceedings, the non-ASX directors of the CS Facility Boards discuss the detailed paper on Project Align. The ASX Limited and CS Facility Boards are asked to consider and note the organisational changes proposed by management. During the meeting, directors of the CS Facility Boards challenge management on the process undertaken and request that further artefacts be developed by management to confirm and verify conclusions set out in the board papers.

Friday, 9 May 2025

Additional artefacts are prepared for the ASX Limited and CS Facility Boards, including signed attestations from management confirming the Project would not compromise resource sufficiency for operating markets and CS facilities.

Sunday, 11 May 2025

A meeting is held with the ASX Limited Board Chair, the CS Facility Boards' Chair and management on the eve of redundancy consultations. Minutes note that the additional artefacts produced by management addressed the feedback provided by the CS Facility Boards on Thursday, 8 May 2025.

Monday, 12 May 2025

Consultation with impacted staff begins.

Panel observations

The Panel observed the following concerns in relation to this case study:

1 Insufficient engagement with the CS Facility Boards on decisions impacting the CS facilities

Consultation on the proposed staff changes occurred just days before the Project's rollout, affording non-ASX CS directors limited opportunity to understand, influence and challenge the Project's outcomes. Given these outcomes had direct implications for the CS facilities and their compliance with licence obligations, earlier and more substantive engagement with the CS Facility Boards should have occurred.

2 A lack of focus and rigour on assessing risk and compliance impacts

While the Project assessed the potential impact of proposed staff changes on the CS facilities' risk management and compliance obligations, these assessments were not developed to the level required by directors at the 8 May meeting. Earlier and more substantive engagement could have supported more robust assessment through the Project. The fact the boards were only required to "consider and note" the proposals further indicates the limited extent to which the boards were expected to deeply engage in important matters such as the Project's outcomes.

Management arrangements and remuneration incentives

ASX has a delegation framework in place for the ASX Licensees. Under this framework, the boards of the ASX Licensees delegate to the ASX CEO powers relating to the operation and conduct of the markets and CS facilities.

The ASX CEO, in consultation with the CS Facility Boards, appoints CS Lead Executives to manage the operation of the CS facilities. These CS Lead Executives are also responsible for managing some of ASX's business divisions – namely, the Markets division and Securities & Payments division.⁴¹

Both CS Lead Executives report to the ASX CEO. Under the current CS board charter,⁴² responsibilities that have been delegated to the CS Lead Executives include developing and delivering on the objectives, strategies and goals of the CS facilities in a manner that aligns with ASX's risk appetite, subject to the review and approval of the CS Facility Boards.

In a corporate group structure, such delegation frameworks are not uncommon. However, the combination of the delegations provided by the CS Facility Boards to the ASX CEO, and the reporting line of the CS Lead Executives to the ASX CEO means that, in practice, the ASX CEO holds significant power and responsibility with respect to the operation of the CS facilities. As a comparison, in international peers examined, group CEOs typically played a smaller role in the running of the licensees; subsidiary CEOs for licensees were more common.

In practice, the outcomes that have resulted from ASX's arrangements have proven to be less than satisfactory.

The vertically integrated nature of ASX's business, and the mix of monopoly and competitive services offered by ASX, also introduces conflicts that need to be avoided or handled carefully. For example, the CS Lead Executive for one CCP, ASX Clear (Futures), has responsibilities in relation to the relevant derivatives market, ASX 24, which could introduce conflicts related to potential competitors.

The Group-wide responsibilities of the ASX CEO, together with the conflicts that may arise from the responsibilities of the CS Lead Executives, can limit the extent to which these executives function as effective support and advocates for the CS facilities. These executives hold broad responsibilities, spanning beyond the obligations of the CS facilities, that can impact the amount of time and focus they dedicate to the CS facilities.

The ASX CEO and CS Lead Executives have remuneration structures that include financial objectives relevant to the creation of value for ASX shareholders. Their performance scorecards, for example, contain short-term variable reward incentives focused on ASX's financial performance. These scorecards create risks that decisions are, consciously or unconsciously, unduly influenced by ASX's financial objectives given their broader responsibilities within the Group.

More generally, measures of performance and incentive structures for ASX executives should take a holistic view, giving proper weight to non-financial outcomes such as improvements to risk management, resilience and regulatory outcomes. At times, however, ASX has relied on exercising board discretion to adjust executive incentive payments when such outcomes have not been met. The remuneration framework would be stronger if desired outcomes were embedded directly in the design of performance scorecards and incentive structures.

Intra-group support and resourcing arrangements

The CS facilities rely on the ASX Group for resources and financial support to operate and meet their licence obligations. In practice, this is established through a Group Support Arrangement (GSA), which sets out the contractual arrangements related to the provision of resources and support between ASX Group entities.

The GSA contains general terms regarding the resources and support services ASX Group – through its service company, ASX Operations Pty Ltd (ASX Operations) – will provide to Group entities, including ASX Licensees. For example, the GSA requires ASX Operations to provide adequate personnel, premises, facilities and software to enable the licensees to perform their functions.

⁴¹ The ASX Executive responsible for the Securities and Payments division is the appointed CS Lead Executive for ASX Clear, ASX Settlement and Austraclear. The ASX Executive responsible for the Markets division is the appointed CS Lead Executive for ASX Clear (Futures).

⁴² The CS Facility Boards, together with the boards of the CS Holding Companies, operate under a single common charter.

Contractual arrangements like the GSA can be effective in helping corporate groups run operations efficiently. The Panel, however, found shortcomings with the current provisions in the GSA and the way in which these have been operationalised at ASX.

While the GSA contains “service standards” requiring ASX Operations to provide services “*in a manner and to a level which is sufficient to enable each Recipient to meet its Recipient Obligations*”⁴³ as they may evolve and change from time to time”, it is not supported by detailed service level agreements (SLAs) found in well-designed outsourcing arrangements. This includes for example, details of the types of measures that will be used to monitor performance against service standards, or the specific performance levels required.

The lack of detailed SLAs makes it challenging for the CS facilities to hold ASX accountable for any shortcomings or failures in service delivery. This can result in a licensee being unable to demonstrate how it is effectively managing its risks and complying with its obligations.

Financial accounts

The GSA contains provisions that require all revenues (subject to limited exceptions) earned by the CS facilities to be attributed to ASX Operations, with those revenues used to cover the costs associated with the CS facilities (i.e. CS facilities revenues are passed through to ASX Operations to cover resourcing and support provided by ASX Operations).

Each of the CS facilities produces audited, statutory financial statements that align to the provisions in the GSA. That is, the statutory financial statements show the pass-through of CS facility revenues to ASX Operations, with income statements showing expense lines that match and offset the revenue earned by the relevant CS facility.

While these financial statements align with the provisions in the GSA, they do not provide a meaningful view of the underlying profitability of each licensee. This is because the true underlying costs of operating the CS facility services are not reflected in the income statement, with costs instead determined based on the revenues generated by the CS facilities.

Following the recent introduction of CS Services Rules, ASX is required to produce management accounts for CS services relating to cash equities. However, there are opportunities to further improve transparency around the true underlying costs associated with all services provided by the licensees, including services that are outside the scope of regulations under the CS Services Rules.

Without meaningful financial reporting, the relevant boards are limited in their ability to make informed decisions about the appropriate pricing of services to support sustainable, long-term investment. This is especially important in the context of ASX’s mix of competitive and monopoly services.

Supervision and compliance responsibilities

As the operator of multiple markets and holder of several CS facility licences, ASX has a range of additional supervision and compliance responsibilities it must perform to support the orderly and effective functioning of markets. In addition to ASX complying with its own obligations (referred to as “Enterprise Compliance”, discussed in Section 7), ASX Licensees must also monitor, supervise and enforce:

- listed entities’ compliance with ASX’s Listing Rules; and
- participants’ compliance with relevant ASX Operating Rules.

Under ASX’s governance arrangements, different functions across ASX fulfill these responsibilities. A Listings Compliance team, reporting to the Chief Compliance Officer, is responsible for supervising listed entities’ compliance with ASX’s Listing Rules. A separate Participants Compliance team, until recently reporting to the Chief Risk Officer (CRO) but now reporting to the Chief Compliance Officer, is responsible for supervising participants’ compliance with relevant ASX Operating Rules for markets and CS facilities. Both Listings Compliance and Participants Compliance matters are subject to oversight from the board Audit and Supervision Committee.⁴⁴

⁴³ The term “Recipient” is defined to include ASX’s market and CS facility licensees. The term “Recipient Obligations” is defined to include each market licensee’s obligations as the operator of a licensed market and, for each CS facility licensee, its obligations as the operator of a licensed CS facility.

⁴⁴ Prior to the board committee restructure in 2025, oversight of these matters was undertaken by the Audit and Risk Committee.

Concerns were raised by several interviewees about ASX's execution of these important supervision and compliance responsibilities. These include concerns about:

- the level of resourcing in the supervision and compliance teams, as well as people capabilities, given the expertise required to monitor compliance with Listing and Operating Rules;
- the adequacy of investment in systems to support compliance monitoring; and
- the depth of challenge and focus that the relevant board committees can bring to Listings and Participants Compliance matters, given the broader responsibilities of the committees on other matters.

ASX has made several recent changes to board practices and composition, and defined key milestones that will support greater functional separation between the CS facilities and other ASX businesses.

Progress made to date

Since the Interim Report, ASX has moved swiftly to improve the governance and independence of the CS Facility Boards. It has made several changes to board practices and composition, and defined key milestones that will support greater functional separation between the CS facilities and other ASX businesses.

Board structures and practices that have been updated since December 2025 include:

- **A move to independent CS Facility Boards**

In February 2026, the ASX CEO and two other ASX Limited directors resigned from the CS Facility Boards, resulting in the CS Facility Boards now comprising only independent, non-ASX Limited directors. Recruitment is underway for two new independent, non-ASX Limited directors to join the CS Facility Boards. The CS Facility Boards are targeting a total of seven directors once appointments are made (six independent, non-executive directors and one CS Managing Director).

- **Changes to the sequence and structure of board meetings**

The first meeting of the independent CS Facility Boards took place in March 2026. Meetings of the CS Facility Boards will also occur prior to ASX Limited and CS Concurrent Proceedings going forward. Over time, the role of concurrent board meetings will be minimised with a more limited and targeted agenda.

- **Introduction of a new Risk Committee and a separate Audit Committee for the CS Facility Boards**

A new CS Risk Committee will oversee risk matters relevant to the CS facilities. The CS Risk Committee may meet concurrently with the ASX Risk Committee in relation to risk matters impacting both the CS facilities and other ASX entities. The CS Audit Committee will oversee financial reporting and receive reporting from internal audit in relation to the CS facilities.

- **CS Facility Boards composition**

As part of the process to identify new directors for the CS Facility Boards, a benchmarking exercise has been completed to identify and understand the skills of directors on the boards of overseas CS facilities. This benchmarking, together with a refresh of the CS Facility Boards skills matrix, will be used to guide the identification, assessment and appointment of new directors.

In February 2026, the CS Facility Boards also considered proposals for a new management structure (covering business scope, roles and reporting lines) to further enhance the independence of the CS facilities. Changes considered by this proposal include:

- **Appointment of a CS Managing Director (CS MD)**

A search process has commenced to appoint a CS MD. This role will replace the role of existing CS Lead Executives. The CS MD will hold executive licence accountability for all CS facilities and will be a member of the CS Facility Boards.

- **Dedicated resources to the CS facilities, including:**

- Transferring existing resources in the Securities & Payments division, as well as resources in the futures clearing business of the Markets & Listings division, to an expanded Clearing and Settlement division. The Clearing and Settlement division will report to the CS MD and provide dedicated resources to the CS facilities.
- The creation of a CS CRO role reporting to the Group CRO, as well as a Line 1 General Manager role for CS risk management and compliance reporting to the CS MD. These roles will provide the CS facilities with more dedicated support for CS risk and compliance matters.
- The appointment of CS business partners for other functions. These business partners are intended to provide more dedicated support to the CS MD on matters such as finance, people and technology. The CS MD will receive independent technology advice as required via a dedicated advisor or external advice.

ASX has also established work plans to review the existing GSA, including plans to develop detailed service schedules that enable more regular service performance reporting to the CS Facility Boards. It has committed to making changes to CS financial reporting and costing arrangements to support budgeting by sub-line of business and legal entity, with the CS Facility Boards to approve the budgets of the CS facilities going forward.

The pathway forward

The shortcomings observed by the Panel through this Inquiry represent the cumulative effect of decisions and actions made by ASX boards over an extended period. This Report provides an opportunity for ASX to step back and make the fundamental changes to its governance that are necessary to enable its licensees to deliver on their important roles.

While the Panel identified pressing governance concerns related to the CS facilities, this does not mean that there is not scope for improvement in governance arrangements more broadly across all ASX licensees. Ensuring each licensee has the right capability, resources and independence should help manage the competing tensions that exist between each individual licensee focusing sufficiently on their important role and ASX's operation as an integrated commercial group. Effectively supervising and monitoring compliance with Listing and Operating Rules is also an important function that ASX is responsible for, reflecting its central role in the market ecosystem. Appropriate oversight and sufficient resourcing are integral to the performance of these functions.

In the Interim Report, the Panel called out the need to strengthen ASX's governance and enhance the independence of the CS facilities. This was to ensure the CS Facility Boards were appropriately empowered to deliver on their duties. In forming its recommendation, the Panel considered various structures, including full separation of the CS facilities from the ASX, which several stakeholders suggested. However, the Panel considered that such a measure would be highly

disruptive to the market at a time when ASX already has significant issues to address as a priority. Greater internal separation is considered the proportionate response at this time. This should provide the CS facilities with the independence and focus they need, while minimising disruption to enable attention to be devoted by ASX to other challenges across its business.

The Panel welcomes the steps ASX has taken to strengthen board practices for the CS facilities. The changes to the composition, meeting practices and committee structures of the CS Facility Boards are targeted steps in addressing the findings outlined in this Section. Proposed changes to management and resourcing arrangements also demonstrate early momentum in addressing key priorities to support greater independence of the CS facilities.

As these plans are executed, it will be important for ASX to continually test whether the governance structures and practices are achieving their intended outcomes. Governance structures should ensure that the CS Facility Boards (and other licensee boards, where appropriate) have the independence and clarity of focus they require to meet their obligations. In addition, to perform effectively, boards need to be empowered by having the right information, resources and mechanisms to enforce accountability. This goes beyond merely making structural changes.

In this context, the Panel considers there are some additional elements that warrant attention as ASX executes its plans:

- **Management arrangements**

While the proposed appointment of a CS MD supported by dedicated CS resources is welcome, it will be important that these arrangements are supported by accountabilities, reporting lines and remuneration incentives that clearly prioritise the needs of the CS facilities over other Group interests. Remuneration structures for CS senior management, for example, are likely to require different incentive structures to minimise the risk of Group commercial interests influencing CS decision-making. Similarly, the reporting lines of resources that support the CS facilities should provide clarity on priorities and escalation pathways where licensee and Group interests diverge.

- **Resourcing and group support arrangements**

Planned changes to the GSA to provide more detailed service standards should help the licensees hold ASX accountable for shortcomings or failures in service delivery. It will be important, however, that any resources relied on by the licensees (such as CS business partners) have the appropriate expertise and incentives to focus on the needs of the licensees. Where appropriate, the boards and management of all ASX licensees should consider whether shared resources or support services would be better provided through third-party outsourcing arrangements rather than intra-group arrangements, particularly where this would deliver greater value and capability to the licensees.

- **Conflict management and the role of the CS facilities**

For the CS facilities in particular, directors must be highly vigilant to conflicts and act to avoid or appropriately manage them, supported by governance structures that are fit-for-purpose and not confined to serving the interests of ASX Group. Structures and practices should be set up to prioritise quality decision-making over efficiency. For example, the CS Facility Boards should recognise that each licensed entity has distinct risks and obligations relevant to its operations. This may warrant governance and oversight arrangements that operate at the level of individual licensees, rather than solely on a collective basis.

- **Appropriate oversight of ASX's market supervision responsibilities**

ASX has unique responsibilities to effectively supervise and monitor listed entities and participants' compliance with Listing and Operating Rules. Strong execution of these responsibilities is vitally important for confidence in Australia's financial market. To fulfil its stewardship role ASX should be reflecting on whether current arrangements are sufficiently supported by dedicated focus, expertise and resources, and consider this as part of any revisions made to governance and board committee structures.

Critical to supporting all these initiatives is the selection of directors with the appropriate skills, experience and vision. ASX has taken positive steps in refreshing its boards and board committees over the past few years, but the environment in which it

operates is dynamic. Cyber threats are real and will grow in sophistication, new technologies will emerge, and markets will continue to innovate.

A key factor to achieving success will be ensuring the collective capabilities and experience of directors provides the required breadth and depth of expertise to respond to this dynamic landscape effectively. ASX should continue to regularly assess the effectiveness of each board at a collective and individual level, and whether it has appropriate expertise in key areas such as technology, markets, and clearing and settlement.

Ultimately, the ASX Limited Board is accountable for ensuring the Group has strong and effective governance arrangements that place its role as a steward at the centre of decision-making. The board directors of all ASX Licensees should plan for lasting impact, making decisions that give proper weight to long-term consequences. It requires governance arrangements that reward, recognise and hold people to account by reference to how stewardship responsibilities are fulfilled.

Ultimately, the ASX Limited Board is accountable for ensuring the Group has strong and effective governance arrangements that place its role as a steward at the centre of decision-making.

05

KEY FINDINGS

Stewardship

Stewardship

KEY FINDING

ASX lacks the aspiration to be a steward of critical market infrastructure

Overview

ASX's current central role in Australia's financial system means its performance impacts more than its shareholders and immediate customers. Its level of aspiration is important for the competitiveness and effective functioning of Australia's financial markets. The Panel observed an organisation that is disconnected from the words of ASX's stated purpose, vision and value statements. Instead, ASX's domestic market dominance and the absence of competitive pressure, coupled with its immediate need to remediate a range of issues, have contributed to organisational inertia and a lack of ambition.

In the period leading to the Interim Report, the Panel saw little evidence that ASX had engaged in deep self-reflection or looked outwards to adopt better practices from peer organisations. It had not effectively understood, anticipated, and delivered on the needs of its stakeholders in a way that demonstrates a consistent stewardship mindset.

The ongoing cycle of external reviews ASX has needed to respond to following repeated issues and incidents has also contributed to its lack of aspiration. These reviews have been accompanied by a myriad of recommendations that have contributed to ASX applying tactical solutions to many of its problems rather than addressing root causes. ASX has become overwhelmed, focusing too heavily on remedying obvious gaps and meeting minimum standards.

These observations extend to ASX's approach to technology, which has been fragmented, reactive and largely remediation focused. The original Accelerate program, which ASX initiated in Q4 of FY25 to address the limited progress made across pillars of its strategy, also incorporated target states that had limited ambition.

A heavy focus on the short-term and failure by ASX to embrace its role as steward of critical market infrastructure has serious long-term implications for the broader market ecosystem. In an era when financial markets are evolving, ASX is at serious risk of falling further behind without a fundamental reset.

In the Interim Report, the Panel called for a reset of the Accelerate program to ensure that it could deliver the transformation required to set ASX up to meet the evolving needs of the Australian market. The report also identified limitations with ASX's enterprise technology strategy. A reset is needed to ensure that ASX's programs of work are repositioned to meet the standards appropriate for a steward of critical market infrastructure.

ASX has accepted that a fundamental shift in mindset is required by its boards and executives to elevate its view of what it means to be an effective steward. Alignment between ASX, ASIC and the RBA on a target state is essential to break the current remediation cycle and enable ASX to adopt a more ambitious, long-term strategy with aspirations aligned to its stewardship role.

ASX has accepted that a fundamental shift in mindset is required by its boards and executives to elevate its view of what it means to be an effective steward.

Detailed findings

Strategic aspiration

As a provider of critical market infrastructure, ASX's decisions today shape the market ecosystem of tomorrow. For this reason, the strength of its strategy and the ambition underpinning it are crucial to ensuring there will be stable, secure and resilient market infrastructure capable of meeting evolving market needs. The Panel observed a degree of complacency rather than a deep commitment by ASX to play a future-focused strategic leadership role for the market.

ASX's market dominance and lack of competitive pressure has tempered the pressure on ASX to actively look outwards to adopt best practices from global peers and explore innovation.

This tendency to insufficiently engage with external developments has been further exacerbated by ASX's internal challenges. A contributor to ASX's lack of ambition has been the outcome of ASX's attempt to replace CHES using DLT. It brought into question ASX's ability to deliver complex and innovative technology programs and triggered intense scrutiny across ASX's broad stakeholder base. This has had a significant impact on the confidence and the culture of ASX. In the Panel's view, it has further contributed to a culture that has become insular and defensive.

More recently, the ongoing cycle of reviews of ASX has facilitated an environment where ASX has applied tactical and reactive solutions to solve its problems, with a focus predominantly on remediation and ticking off recommended actions. Since January 2020, ASX has been subject to over 120 reports from external parties who have reviewed and made recommendations to improve aspects of its governance, capability, culture and risk management. ASX's tactical response to addressing these matters has focused on trying to meet minimum standards rather than striving to fulfill the role that best serves Australia's interests.

In the Panel's view, ASX's FY28 strategy lacks sufficient aspiration for a steward of critical market infrastructure. The strategy is focused mainly on maintaining and incrementally improving existing infrastructure with an emphasis on operational efficiency and regulatory compliance. While this may be understandable in the current environment where ASX is in the midst of fixing core systems and rebuilding trust, it should not become long-term or entrenched. The FY28 strategy does not sufficiently recognise ASX's important role in the functioning of the market.

Although ASX's current level of strategic ambition is inadequate, the Panel observed that ASX has not been able to execute its existing strategy effectively, with under performance across several key strategic areas. In Q4 of FY25, ASX initiated the Accelerate program in recognition that key activities across some of the pillars of this strategy such as 'One ASX' and 'Great fundamentals', had not made sufficient progress.

As outlined in Section 2, and following significant engagement, the Panel determined that a reset of Accelerate was necessary to ensure it adequately addressed concerns raised by the Panel and achieve transformational change, rather than delivering incremental improvements. In particular, Accelerate needed to be reset with target end-states that were agreed with the regulators to allow ASX to re-orient itself to appropriate long-term outcomes and to build the capability to achieve these.

A mindset of stewardship starts with what should be done in light of the role ASX plays, not what can be done given its current capacity or shortcomings. Accelerate is but one of the building blocks in ASX's forward work plan which requires this kind of strategic uplift.

As a provider of critical market infrastructure, ASX's decisions today shape the market ecosystem of tomorrow. For this reason, the strength of its strategy and the ambition underpinning it are crucial to ensuring whether there will be stable, secure and resilient market infrastructure capable of meeting evolving market needs.

Technology strategy

ASX’s lack of stewardship and aspiration is also observed through its approach to technology. ASX’s business is fundamentally technology driven, and while significant investment is underway to modernise its core platforms, on its current trajectory, ASX still risks falling further behind the evolving needs of the Australian market. The CHESS Replacement program, now planned for completion in 2029, means Australia’s transition to T+1 settlement is not proposed to occur until after that date, placing Australia behind other international jurisdictions. Similarly, the recent SR15 upgrade,⁴⁵ for example, was described by ASX as being “one of the most comprehensive market structure upgrades to the ASX trading platform in over a decade”. Some stakeholders, however, observed that changes merely brought the market back to an expected baseline.

The Panel considers that ASX does not have a credible, long-term enterprise technology strategy that articulates a coherent and forward-looking vision. Existing roadmaps are fragmented, reactive and largely remediation-focused, reflecting a tactical approach to technology architecture rather than a group-wide enterprise technology strategy designed to sustain and evolve the market ecosystem over time.

ASX’s business is fundamentally technology driven, and while significant investment is underway to modernise its core platforms, on its current trajectory, ASX still risks falling further behind the evolving needs of the Australian market.

⁴⁵ Cash Equity Market Structure Changes: Service Release 15 Post Implementation Report, August 2025 (p4). Implemented in June 2025, SR15, among other things, removed the staggered opening auction, introduced a post-close trading session and simplified the reporting process for block and late trades.

⁴⁶ ASX website. March 2026. www.asx.com.au/about/stakeholder-charter.

Prior to the Interim Report, ASX had been taking positive steps to improve its technology resilience and capability. However, many of these catch-up efforts represented a reaction to incidents and/or external recommendations rather than forming part of a cohesive technology strategy.

Peer benchmarking

Systematic benchmarking against peers can identify areas for growth, innovation and improvement. It facilitates an organisation remaining competitive and adhering to international best practices. Benchmarking would be particularly valuable for ASX as it does not directly benefit as much from the organic knowledge transfer that occurs in other, more competitive sectors.

However, the Panel found that regular benchmarking activities were not commonplace throughout ASX. There was little evidence to suggest that ASX has considered how to systematically benchmark its operations and service offerings against international peers, infrastructure providers or other systemically important institutions.

This has contributed to a narrow, inward-looking approach to how ASX has defined and assessed its own performance. It also contributed to a strategy that was skewed towards addressing known gaps and weaknesses rather than responding effectively to new and emerging global innovation.

Customer and stakeholder engagement

As outlined in Section 2, ASX serves a diverse and highly interconnected group of customers and stakeholders. Unlike most service providers, ASX’s customers generally have no viable alternative. This unique position creates a need for ASX to demonstrate leadership including setting ambitious, long-term goals that anticipate and respond to market developments.

ASX’s Stakeholder Charter⁴⁶ articulates its commitment to genuinely engage and build strong partnerships with the financial community. It describes how it seeks to balance the interests of customers, shareholders, regulators and the broader market. This charter is anchored in ASX’s purpose and incorporates being transparent and accountable, consultative, balanced, proactive and future-focused. Despite this, throughout the Inquiry, the Panel received feedback that ASX is not consistently ‘living by’ these espoused principles for stakeholder engagement.

Mechanisms for stakeholder engagement

ASX currently receives stakeholder input through multiple channels, including direct customer feedback, working groups, committees and bilateral engagements. Enterprise-wide customer satisfaction surveys were also reintroduced in 2024 following a pause in 2020.

The Panel heard mixed views from stakeholders on the effectiveness of ASX's existing stakeholder forums and committees. Some stakeholders felt that existing consultation was transactional, rather than reflecting strategic collaboration. For example, the Business Committee⁴⁷ (which covers matters related to cash equities clearing and settlement) was viewed by some as primarily an information sharing forum rather than a genuine mechanism for consultation. On the other hand, other stakeholders noted that ASX's stakeholder engagement has improved for large projects such as CHES Replacement and ClearStar.

Over the past five years, ASX has implemented several positive changes to its customer and stakeholder management approach, such as appointing an independent chair to the Business Committee. ASX also increased organisational accountability for customer outcomes through the inclusion of customer experience measures in the 2025 group scorecard, influencing executive remuneration.

However, there are also indicators that raise questions about the depth of ASX's commitment to meeting stakeholder needs. For example, following long-standing industry concerns with the adequacy of ASX's stakeholder and governance over the CHES Replacement program, the ASX Cash Equities CS Advisory Group⁴⁸ was only established following the request of regulators. In addition, organisational changes under Project Align in 2025 (Case Study 2) led to reductions in the Customer and Product team, which had responsibility for the customer engagement strategy, analytics, and product development.

The Panel observed that stakeholder feedback is often managed at a business unit level and addressed in a task-focused manner, limiting the organisation's ability to identify and resolve underlying systemic issues. Furthermore, reporting to ASX's boards lack sufficient depth, providing limited insight into the drivers of customer sentiment.

Meeting customer and stakeholder needs

Evidence gathered through interviews, submissions and customer surveys indicates that ASX has not consistently met customer and stakeholder expectations. Stakeholders repeatedly noted that ASX has been slow to adopt best practice and introduce features demanded by the market. Examples raised during the Inquiry included persistent inefficiencies arising from the need to connect to multiple trading platforms and CCPs (which has led to higher connectivity costs and increased margin requirements), and outdated connectivity for certain services.

“Are we as customer focused as we strive to be? Absolutely not.”

Former ASX Limited Board director

ASX's 2025 customer survey results reinforce these concerns. Respondents reported negative perceptions of the value delivered by ASX services, its ability to create opportunities for customers, and its track record of delivering on its promises. By contrast, feedback on the professionalism and quality of ASX's service and support staff was positive. This contrast suggests a disconnect between strong operational commitment at the staff

level and shortcomings in strategic decision-making, particularly in product and technology development.

Transparency also emerged as a significant concern. Stakeholders reported uncertainty about how their feedback influenced ASX decisions. Stakeholders called for clearer communication during outages, as seen in the CHES batch settlement incident Case Study (Case Study 4) and for decisions around Listing Rule waivers.

Pricing

While a review of ASX's pricing is not in the scope of the Inquiry, the Panel acknowledges that pricing is a live and contentious issue. ASX's customer satisfaction surveys consistently identified that one of the primary complaints is that ASX's pricing does not reflect the value of the services provided. The topic of pricing was also raised by numerous stakeholders during the Inquiry. While stakeholders acknowledged recent changes to the CS Services Rules for cash market equities, these changes impact a relatively small portion of ASX's services. Stakeholders suggested that prices for other services were high compared to other exchange groups internationally.

Feedback from stakeholders pointed to cost drivers and transfer-pricing policies lacking transparency, and connectivity charges being opaque. Participants felt that greater transparency in pricing is required to allow for better accountability on the quality of service delivered for the price set.

⁴⁷ The ASX Business Committee was convened under ASX Cash Equities Clearing and Settlement Code of Practice in August 2013. Its role is to provide input for consideration by ASX on the ongoing operation of cash equities CS infrastructure and services provided by ASX.

⁴⁸ The Advisory Group was convened in September 2023 as a further stakeholder forum for input to the boards of ASX Clear and ASX Settlement on strategic matters related to cash equities CS services and associated infrastructure.

Progress made to date

Strategic reset of Accelerate

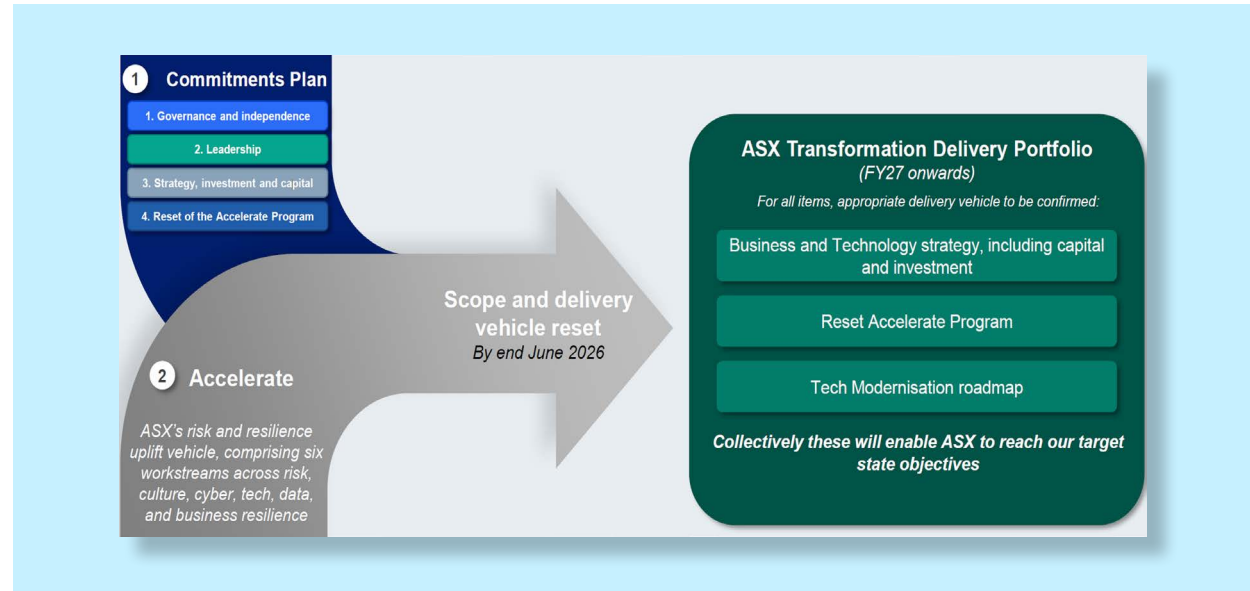
With the release of the Interim Report, the Panel recommended ASX undertakes a reset of the Accelerate program to ensure it could deliver the transformational change required for ASX to meet the evolving needs of the market ecosystem.

ASX is redefining Accelerate as a program enabling it to be a leading steward of critical market infrastructure, where risk management excellence, resilience and sustainable business operations are the standard. This involves the introduction of a Governance and Independence stream and a dedicated Culture stream. ASIC and the RBA have both been engaging constructively with ASX to ensure that all three parties are aligned on the target state for ASX.

ASX has reported on progress made within the existing Accelerate workstreams. ASX has also moved to engage the services of an external party to provide independent assurance on the delivery of outcomes under the reset program.

ASX is making cultural and leadership interventions to more explicitly address and emphasise ASX's stewardship role, and recognises the need for these to be embedded in the changes made under the Accelerate reset. Further steps that ASX is taking to place its stewardship responsibilities at the centre of its thinking about expenditure and investment are discussed in Section 3.

Figure 9: ASX Commitments Plan 2026



Source: ASX Commitments Plan 2026

Business and technology strategy

ASX has indicated it is undertaking a refresh of its business strategy which will be finalised following the appointment of a new CEO. The Panel recognises the importance of the new CEO owning the strategy and aligning technology requirements with ASX's strategic objectives.

ASX has committed to an enterprise technology strategy which enhances ASX's technology capabilities over and above technology modernisation. It has commenced this work by bringing together relevant pieces of the technological roadmap and establishing a taxonomy to drive consistent understanding across the organisation. The final phase of the development of the technology strategy is dependent on an

updated business strategy, as it is important that the technology strategy aligns with the strategic objectives of the business.

ASX has indicated that it will integrate its commitments made in response to the Interim Report into its reset of the Accelerate program. The strategies for business and technology, combined with progress on the technology modernisation roadmap, are key elements of the actions identified for ASX to reach its target state, as shown in Figure 9.

Peer benchmarking

As part of updating the ambitions incorporated into the Accelerate program, ASX plans to undertake targeted external benchmarking.

Customer and stakeholder engagement

In many of the initiatives that ASX is undertaking to deliver on its commitments to ASIC, it has recognised the importance of customer experience, stakeholder engagement and broader consideration of stakeholder impacts.

The Panel considers it critical that ASX and regulators agree on the specific outcomes to be delivered through Accelerate and on the matters which will be addressed in parallel, including a shared understanding of how the technology strategy will support ASX in fulfilling its important role in Australia's financial system.

The pathway forward

The Panel welcomes that ASX has recognised its important role as a steward of Australia's critical market infrastructure and that this is an inflection point for ASX to transform and rebuild confidence. It will be important to translate these words into actions.

As ASX moves forward on translating its intentions into outcomes the Panel notes the following important considerations:

ASX Transformation Delivery Portfolio

- ASX and the regulators are working to agree a clear target state for ASX. ASX will need to address these challenges in a multi-faceted manner and some initiatives may need to be developed and executed in parallel to the reset Accelerate program. The Panel considers it critical that ASX and regulators agree on the specific outcomes to be delivered through Accelerate and on the matters which will be addressed in parallel, including a shared understanding of how the technology strategy will support ASX in fulfilling its important role in Australia's financial system.
- The expected path to achieving the desired outcomes may evolve over time. ASX and the regulators adapting to developments in a constructive and outcomes-focused way will maximise the likelihood of a successful transformation by ASX.

- A well-scoped independent assurance program will also be important to ensure that the objectives of the program are translating into sustainable outcomes.

Technology strategy

- If well-developed and operationalised, a long-term enterprise technology strategy will drive a significant uplift in the way ASX carries out its business, engages with stakeholders and delivers improvements across the market ecosystem.
- There are many elements of a well-considered strategy of this kind, including articulation of target architecture integrated across all elements of technology, explicit governing principles, organisational support, investment planning and measurable outcomes tied to business and risk targets. This means that developing a fit-for-purpose technology strategy that is credible, costed and multi-year will require significant investment of time and resources by ASX. Prioritisation of decisions will need to be carefully considered to ensure the obligations of one provider of critical market infrastructure within the Group are not compromised by prioritising the technology of another. Scope to enable appropriate focus and capacity for innovation is also important.

Developing a fit-for-purpose technology strategy that is credible, costed and multi-year will require significant investment of time and resources by ASX.

Benchmarking

- ASX plans to conduct targeted benchmarking to inform its revised Accelerate program. The Guiding Principles for Accelerate include external benchmarking to raise standards. Specifically, that ASX “challenges the status quo, looks outward, drawing on peer practices, market infrastructure benchmarks, and global standards, to lift ambition and avoid inward-looking or reactive improvements.” The Panel notes the value of this principle being adopted beyond the confines of the Accelerate program. Selective comparisons with other systemically important financial institutions and infrastructure providers may also provide valuable insights.

Customer and stakeholder management

- ASX has a variety of mechanisms to engage and consult with its customers and stakeholders. Effective stewardship of critical market infrastructure requires ASX to play an important leadership role. This, in turn, requires the confidence of its stakeholders. ASX can help create this confidence by having a clear view of what success looks like in embedding customer and stakeholder feedback in ASX’s prioritisation and decision-making, and holding itself to account against this standard. Transparency about decision-making, including recognising trade-offs and the approach to risks, is another element that promotes stakeholder confidence if well-executed. While customer board representation (as raised by some stakeholders) was not recommended by the Panel, options to strengthen the customer voice in board and leadership decision-making should continue to be explored if other options prove ineffective.

ASX has made important first steps in developing a transformation program to work towards the target state. Most importantly, ASX has recognised that strong leadership starts with the boards and this has driven heightened activity and engagement across all aspects of the transformational program of work.

These dedicated programs to drive transformation will be critical in the coming years. However, true success goes beyond the achievement of outcomes of a defined set of programs but involves consistently demonstrating stewardship in the way ASX operates day-to-day.

True success goes beyond the achievement of outcomes of a defined set of programs but involves consistently demonstrating stewardship into the way ASX operates from day-to-day.



06

KEY FINDING

Capability
and culture

Capability and culture

KEY FINDING

Capability and cultural barriers are hindering transformational change

Overview

Complex organisations with an important role like ASX require sound governance structures and comprehensive frameworks to meet their obligations and stakeholder expectations. However, these formal structures alone are not sufficient. Equally, if not more important, are the organisational capabilities and culture that shape how the organisation delivers on its purpose and strategic objectives to meet stakeholder needs.

In ASX's role as operator of critical market infrastructure, strong capability and culture are fundamental to delivering quality products and services that meet the needs of the market and must reflect the higher standard expected of an organisation performing such important functions. An examination of capability and culture was therefore considered essential to understanding how ASX reached its current challenges and what needs to be done to ensure it is well equipped into the future.

The Panel found that ASX has not consistently built the internal foundational capabilities required to sustainably operate critical market infrastructure. This is particularly important because some of this capability is specialised and not easily acquired. Historically low investment in people and capability has constrained the development of strong in-house expertise. As noted in Section 2, ASX has increased resourcing more recently, however, this additional resourcing has tended to be more reactive and project focused.

Overall, the Panel found that there is a genuine sense of pride in parts of the organisation about the central role ASX plays in Australia's financial markets. However, the Panel believes that ASX suffers from a culture of insularity and defensiveness, which is creating an environment where people are reluctant to raise concerns or fear speaking up. This has hindered efforts to achieve the necessary transformational change.

In the Panel's view, successive boards and executives have not been able to address these cultural issues, with actions being too narrowly focused and process orientated rather than truly outcomes driven.

Recognising it has further work to do, ASX has established initiatives in Accelerate targeting leadership capability, organisational culture and risk culture. ASX has recently advised that, as part of the planned reset of Accelerate, it will separate the culture and leadership initiatives under a dedicated Culture workstream with the objective of having "[a] culture and ways of working that are grounded in our purpose and values that place our customer needs at the centre of how we operate". The Panel supports this work, noting that real cultural change will only occur through strong leadership and outcomes-focused oversight that commits to a higher standard over time.

The Panel found that ASX has not consistently built the internal foundational capabilities required to sustainably operate critical market infrastructure. This is particularly important because some of this capability is specialised and not easily acquired.

Detailed findings

Capability

Strong organisational capability requires having the right people in the right roles. However, the Panel found that ASX's approach to building organisational capability has been insufficient and reactive, from leadership down.

Leadership and accountability

Leadership is critical in aligning people, processes and systems to achieve organisational congruence and deliver ASX's strategic priorities. Effective leaders establish a clear vision and set a compelling direction for the organisation. They shape the organisation's culture, build and align high-performing teams and make informed, timely decisions that balance immediate priorities with future needs.

At ASX, however, leadership at all levels has not consistently demonstrated these attributes. In the course of the Inquiry, some leaders were described as reactive, resistant to change and delivering inconsistent messages. The Panel also observed a disproportionate emphasis on short-term execution at the expense of long-term capability development and strategic foresight.

While steps have been taken to refresh leadership at board and executive levels over recent years, ASX has not been able to demonstrate consistent and sustained delivery of successful outcomes in fundamental aspects of its business, such as risk management and operational resilience.

Part of the issue stems from accountabilities that are not clear or effectively operationalised. The Panel also heard descriptions of a predominantly siloed operating model, and experienced it in interviews with executives where the level of willingness and ability to talk broadly about ASX's business was not as high as would be expected. Together, these have diluted execution discipline and weakened ASX's ability to deliver meaningful transformation; particularly where those outcomes depend on coordination across multiple parts of the organisation.

In the Panel's view, this reflects a leadership that has not fully recognised its collective and individual responsibility for the outcomes ASX needs to achieve.

In response to a requirement from the RBA in 2021, ASX developed accountability statements and an accountability map to articulate and clarify accountabilities and responsibilities across the ASX Group. However, the Panel found that, to date, ASX has failed to operationalise effective processes and practices that meet the intent of this important requirement.

Workforce planning and development

ASX's ability to develop and sustain core internal capabilities is crucial given the critical role it performs, and the specialist skills and capabilities required to operate these functions. Given the importance of these functions, control and accountability cannot be outsourced. Strong, enduring in-house capability is essential for effective governance, resilience, and long-term operational integrity.

The Panel found that ASX has lacked a strong, enterprise-wide approach to workforce planning that emphasises the long-term development of specialist expertise. A strong workforce planning strategy should include a clear vision of future needs and skillsets. Without this it is difficult to ensure the right people, with appropriate leadership and technical skills, are consistently placed in roles critical to the organisation's long-term effectiveness.

ASX has historically had low investment in its own people (as a proportion of revenue) relative to its international peers. More recently, this position has begun to shift as ASX has increased resourcing to respond to growing business complexity, regulatory scrutiny, and the need to deliver large scale remediation programs. However, this uplift in resourcing has been disproportionately directed to projects, rather than building a strong, sustainable organisational capability base. As a result, workforce growth has often been driven by immediate delivery pressures rather than informed by a clear view of the skills, experience and leadership capability required over the longer-term.

The rapid workforce expansion has introduced a significant influx of new perspectives, bringing practices and norms from external institutions, including Australian banks. While external experience can be valuable, interviewees expressed concern that insufficient rigour is being applied to assess whether the practices adopted elsewhere are appropriate or optimal for ASX.

The Panel also found that ASX's approach to learning and development has not always kept pace with the increasing complexity and rate of change associated with operating critical market infrastructure. Employee survey feedback also indicated that learning and development opportunities were insufficient in some parts of the organisation.

Furthermore, ASX relies extensively on external parties for critical technology, project delivery, and specialist expertise across key areas of its operations. While the use of consultants is common practice and can provide access to advanced capability and scalability, the Panel identified that this reliance has come at the expense of building and sustaining internal capability, eroding ASX's organisational 'muscle' over time.

Key person risk or reliance on external third parties were observed in the case studies completed during the Inquiry. Critical knowledge required to maintain and operate some platforms is concentrated among a small number of individuals, with limited documentation or systematic knowledge sharing mechanisms in place. This concentration creates a material operational risk, particularly in the event of staff turnover or extended or unexpected absence.

Culture

ASX's cultural weaknesses have been a key contributor to many of its challenges.

In assessing the predominant cultural traits at ASX, the Panel undertook an analysis of themes from interview participants, as well as a review of relevant data from ASX employee engagement surveys and other reports. Several focus group sessions were also held with ASX staff to explore emerging themes.

From this analysis, the Panel identified a foundational tension between the organisation's purpose and espoused values, and its focus on shareholder returns. As discussed in Section 3, while there is a strong identification across the ASX of its role as an operator of critical market infrastructure, the Panel found that, in practice, ASX's focus on short-term financial objectives has often shaped organisational priorities and decisions. Culturally, this disconnect has contributed to an employee experience where leaders do not always 'walk the talk' as decisions, incentives and behaviours often prioritised short-term financial outcomes over long-term capability and customer outcomes.

The Panel also found that ASX suffers from a culture of insularity and defensiveness. In the Panel's view, ASX's insularity is reinforced by its long-standing market dominance, limited competitive pressure and deep technical specialisation, which have fostered a strong internal narrative of expertise and uniqueness. While there is, in many places, a sense of pride and purpose across the organisation, the Panel considers ASX's insularity has generated sub-optimal outcomes such as reduced openness to external perspectives and challenge and a lack of meaningful

comparison with peer organisations. As a result, ASX does not always actively seek to understand 'what good looks like'.

The Panel heard that there are many people at ASX who are diligent, committed and hardworking and the Panel saw this in action through some of the engagement it had with ASX. However, in recent years, the organisation has experienced a challenging operating environment as it responds to ongoing reputational risks, increased external pressure and regulatory demands.

"Staff feel under a perpetual state of siege and they can't look up to see what good looks like – this constantly wears them down"

Former ASX Limited Board Director

This challenging operating environment has created a sense of instability and anxiety in some areas of the business. In response, ASX has been overly focused on protecting its reputation and has become defensive rather than seeking to learn and challenge the status quo.

"...[ASX has] a glass jaw for [external] criticism but also [an] internal glass jaw... The organisation struggles with being honest with ourselves. If you aren't honest with yourself, then as a regulated entity, you get resentful, 'well the regulator is picking on us!'"

Former ASX executive

In the Panel's view, this defensiveness is driving a 'good news' culture focused on narrative control and justification of poor outcomes. It also erodes accountability as poor outcomes are rationalised and responsibility is deflected rather than owned.

The Panel also observed a fear of speaking up across some areas of the business which is limiting open collaboration and constructive challenge to entrenched ways of working.

In the Panel's view, these cultural traits and behaviours limit ASX's ability to use its collective intelligence and capabilities to resolve its challenges and long-standing tensions. They also have a detrimental effect on decision-making by creating false assurance, which delays appropriate intervention. These self-defeating behaviours, if not properly addressed, will prevent ASX from achieving the transformation required.

While this arguably reflects an inherently unstable and challenging environment, it also provides evidence of senior leaders failing to adequately respond to the challenge. Staff engagement surveys and reviews of ASX culture have highlighted similar concerns.

Progress made to date

Leadership and capability

Following the release of the Interim Report, ASX announced its current CEO will be stepping down from the role at the end of May 2026, following the delivery of CHESS Release 1. A global search process is underway to appoint a future leader to deliver ASX's Commitments Plan and take ASX through the next phase of transformation.

ASX has also focused on improving the capabilities of its executive team, senior leaders and people leaders. ASX is recruiting for a Chief Transformation Officer and a MD for the CS facilities. Executives have completed an externally benchmarked leadership assessment program and have now agreed development programs with tangible actions.

Executive performance scorecards have also been realigned with the delivery of ASX's Commitments Plan and the outcomes of the reset Accelerate program.

Over 130 of ASX's senior leaders and people leaders have commenced an 18-week leadership development program that focuses on strengthening leadership skills and building capability around adaptability, resilience, leading change and growth.

ASX has continued the uplift of senior talent with key appointments that aim to strengthen capability across areas of Risk and Compliance, Regulatory Engagement, Technology and CS Operations. As part of the delivery of its Commitments Plan, ASX has committed to investment across a range of technology capabilities to deliver on its technology strategy and long-term plans.

ASX has also developed delivery principles, which include maintaining a single view of resourcing across the Commitments Plan, managing capacity, interdependencies and supporting prioritisation where required, with a focus on appropriate mix of internal resources, new hires and external support.

Culture

In undertaking the root-cause analysis to support the further development of its Accelerate program, ASX has acknowledged that it has an insular and, at times, complacent culture that has weakened organisational capability. As part of its response to the Interim Report, it has committed to evolving its culture to reinforce ASX's role as steward of critical market infrastructure.

ASX has recently made changes to its leadership and culture interventions to more explicitly address and emphasise its stewardship role. It plans to review initiatives it has in place or planned to drive culture change and leadership uplift to ensure they align with ASX's strategy and purpose as a steward of critical market infrastructure.

Culture will now form part of a dedicated workstream implemented under the Accelerate reset. This stream is designed to support other objectives in ASX's transformation to improve governance, leadership, strategy and investment, and capabilities.

As part of the Commitments Plan, ASX has defined a desired outcome where its people understand its purpose, vision and behaviours. It also plans to improve senior leadership understanding of expected behaviours of leaders, with these expectations to be embedded across people practices, including performance management, accountability and reward frameworks.

The pathway forward

The Panel welcomes the steps ASX is taking to strengthen its leadership. The delivery of deep cultural change across the business needs strong organisation-wide leadership from the board down, an aligned vision and effective mechanisms to ensure accountability for the long-term.

The choices ASX makes as it moves to its target state have the potential to support or undermine stronger capability and culture. Clarity around 'what good looks like' for each part of its operations, including by systematic benchmarking to peers or relevant comparators, is likely to be part of the foundation for this. Choices around the use of consultants rather than in-house expertise, and how operations are divided into project-based and business-as-usual activities, require careful thought and monitoring. This is to ensure ASX has sufficient organisational 'muscle' to sustainably deliver on its responsibilities. Succession planning and addressing key person risk should also remain a priority for ASX with well-documented processes in place to mitigate these risks.

As outlined in the Interim Report, achieving meaningful and sustained cultural changes represents one of the most significant challenges facing ASX. A key priority will be ensuring that the Culture workstream within Accelerate, and its associated initiatives, is sufficiently ambitious.

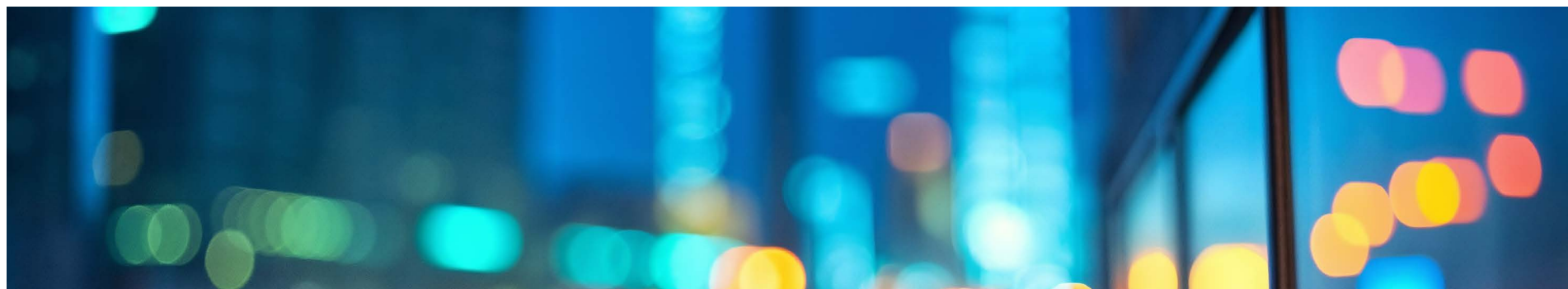
In the Panel's view, implementing the strategic package of actions as well as additional initiatives underway will also be a powerful catalyst for the ASX to shift its culture. For example:

- strengthening independence of CS facilities reinforces the importance of ASX's stewardship role;
- with the development of a clearer pathway forward with the regulators on programs of work like Accelerate, the defensiveness in the ASX environment should be reduced; and
- the current leadership transition and strategy reset will provide an opportunity for renewed direction and a fresh perspective.

The findings of the Report, together with the actions to address the underlying drivers of concern, should now provide ASX with the clarity, scope and momentum needed to achieve enduring cultural change.

It is time for ASX's leaders to convert words into enduring outcomes. Ultimately, real cultural change will only occur through strong leadership that commits to a higher standard over the long-term. Leaders, from the board down, need to recognise that they must consistently role model the behaviours and values that embed the change needed.

Choices around the use of consultants rather than in-house expertise, and how operations are divided into project-based and business-as-usual activities, require careful thought and monitoring. This is to ensure ASX has sufficient organisational 'muscle' to sustainably deliver on its responsibilities.



07

KEY FINDINGS

Risk
management
and compliance

Risk management and compliance

KEY FINDING

Risk management and compliance practices need to mature to become fit-for-purpose and embedded in business processes

Overview

Risk management or compliance failures at ASX could potentially have catastrophic consequences that adversely impact the fair, orderly and effective operation of Australian financial markets. ASX's obligations under its licences are designed to help prevent such failures and promote operational and financial resilience. Viewed through this lens, ASX's practices and aspirations for risk management and compliance should be to achieve excellence, not adequacy.

ASX has made several attempts to strengthen its risk management and compliance practices over the past decade. These include major risk and compliance transformation programs initiated in 2017 and 2020, and the most recent Accelerate program initiated in 2025 (which has risk management transformation as a core element).

The Panel examined frameworks and practices relating to risk management and compliance and determined that ASX has been unsuccessful in achieving the level of sophistication appropriate for its role. Future transformation efforts must be anchored in a strong understanding of what effective risk management and compliance needs to achieve for ASX, including the seriousness of the consequences that can arise if these arrangements fall short. Further work is also required to strengthen practices so they are embedded in business operations and risk ownership is established across the entire organisation. For this to occur, ASX's frameworks and approach to risk management and compliance must become easier to apply and more practical to implement, supported by systems and capabilities that drive effective and sustainable outcomes. The ASX Limited Board Risk Committee (and the CS Risk Committee, once in place) have an important role in driving and promoting the achievement of these outcomes.

ASX acknowledges the considerable work remaining to strengthen its risk management and compliance practices. The Accelerate program includes a range of initiatives which, if designed and implemented effectively, should help to address known deficiencies.

ASX must, however, hold itself to the high standards expected of a steward of critical market infrastructure when undertaking the required strategic reset of Accelerate. This requires frameworks and practices that are sufficiently robust to recognise the risks to ASX and the broader market ecosystem, while also being dynamic to respond to the evolutionary nature of markets. Frameworks need to be supported by a change in mindset and behaviours, starting with ASX's leadership, where sound risk management and compliance practices should be accepted as an enabler for achieving strategic objectives.

Viewed through this lens, ASX's practices and aspirations for risk management and compliance should be to achieve excellence, not adequacy.

Detailed findings

ASX's documented approach to risk management and enterprise compliance⁴⁹ is similar to that seen across the Australian financial and corporate sectors. Like many organisations, ASX treats risk management and compliance as separate disciplines, with separate frameworks governing the management of risks and obligations respectively.

ASX's Enterprise Risk Management Framework (ERMF) sets out its requirements for identifying, monitoring, reporting and managing key risks faced by the business. The ERMF complements ASX's approach to risk management and the Risk Appetite Statement (RAS). A separate Enterprise Compliance Management Framework (CMF) sets out ASX's requirements for ensuring compliance with the obligations the Group is subject to, as well as the Group's approach to managing regulatory risk.

While ASX has separate frameworks governing risk management and compliance, the two are closely related and complement each other. For example, both frameworks require information to be recorded in a common system known as 'ERICA'. Where there are gaps or weaknesses in controls to mitigate risks or ensure compliance with obligations, these control deficiencies must be recorded in ERICA. Accountabilities for managing risks and obligations are also assigned based on a customary "three lines of defence" (3LOD) model.

This approach to risk management and compliance, including the application of the 3LOD model, is common across industry and, when implemented effectively, supports sound risk management and compliance outcomes. However, the Panel observed shortcomings in the effectiveness of these frameworks and arrangements at ASX.

Risk management and compliance frameworks

The Panel observed ASX's frameworks and policies for risk management and compliance examined prior to the Interim Report to be unnecessarily complex, driving activity that places greater focus on form over substance. This has contributed to ASX being unable to embed the ERMF and CMF effectively and consistently across the organisation. This was a recurring theme from external reviews and interviews with ASX staff.

The ERMF includes strategies, policies and standards to identify, measure, assess, monitor, report and manage key risks. Taken as a whole, the practices the ERMF requires are extensive and are not practical for the business to embed into the way it operates. Multiple reviews and interviews noted how heavily process-driven and administrative frameworks and policies are, with a lack of adaptation to the scale and nature of ASX's operations.

When designed and implemented well, the ERMF should help ASX operate within the risk appetite and tolerances defined in its RAS. However, the RAS has not been well articulated or effectively operationalised to assist the organisation to make informed business decisions. Risks have been reported as remaining outside of tolerance, with

limited demonstrated accountability for remediation activity over extended periods of time. Key risk indicators have also not been effectively designed to drive risk-based decision-making. Audits and external reviews of RAS implementation have noted the approach to risk appetite reporting and monitoring lacks the insight necessary to facilitate meaningful discussions of risk.

The Panel also identified shortcomings with ASX's CMF and the underlying policies and practices to ensure compliance with obligations. Unlike risk management where organisations can make decisions about the level of risk they wish to target via their expressed appetite, compliance with obligations is mandatory. This distinction is not always reflected in ASX's approach to compliance management, where a key focus is regulatory risk management. This frames compliance as a risk type that can be managed to a specific appetite level.

The Panel observed ASX's CMF and related practices lacked maturity. The policies and procedures supporting the CMF are not user-friendly and are difficult to navigate. They contain a mix of framework, policy and procedural statements that business users find challenging to apply in practice.

The Panel acknowledges the challenges of implementing risk and compliance frameworks that are fit-for-purpose. These frameworks must balance regulatory requirements, operational realities and organisational culture. They must also drive practical and actionable outcomes. These challenges, however, do not diminish the expectation that frameworks are implemented consistently and with an appropriate level of robustness.

⁴⁹ In this section of the Report, references to "compliance" generally refer to enterprise compliance (i.e. ASX's management of compliance with its own obligations) rather than ASX's compliance responsibilities for the broader market (e.g. its Listings Compliance and Participants Compliance functions). These are discussed in Section 4 of the Report.

ASX has recognised the need to strengthen its risk management and compliance frameworks. Its Accelerate program incorporates initiatives within the Risk Transformation workstream targeted at defining the ERMF and CMF to set clear expectations and uplift processes. Initiatives to refresh the RAS and supporting processes to manage risk within appetite are also incorporated in the workstream.

Accountability for risk and compliance

Like many organisations, ASX adopts the 3LOD model for managing risk and compliance. When implemented well, this model is designed to ensure that risks and obligations are identified and effectively managed across various layers of the organisation with:

Line 1 operational management taking ownership and managing day-to-day risk;

Line 2 risk management and compliance functions providing oversight, guidance, monitoring and challenge to ensure controls are robust and regulatory requirements are met; and

Line 3 internal audit independently assuring that risk management and compliance processes are effectively functioning.

A common theme arising from document reviews and interviews conducted by the Panel was that the 3LOD model is not clearly articulated or effectively implemented at ASX. In particular, the Panel observed a blurring of accountabilities, roles and responsibilities across Line 1 and Line 2. Some ASX risk governance forums continue to rely heavily on Line 2 when they should be led by Line 1. There were also parts of Line 1 that believe Line 2 did not understand the business, with knowledge gaps limiting the scope for Line 2 to constructively challenge Line 1.

The Internal Audit function (Line 3) plays a role in identifying weaknesses in risk management and compliance practices through its audit activities. Over time, the function has evolved and matured. However, reliance on Line 3 to identify the risks and actions necessary to respond to challenges is not a substitute for resolving Line 1 and Line 2 weaknesses.

ASX has incorporated an initiative within the Risk Transformation workstream of the Accelerate program to update its 3LOD operating model, with supporting initiatives examining risk capability and capacity, executive accountability and management-level risk governance forums.

Approach to risk management and compliance

The above weaknesses in ASX's risk management and compliance frameworks and 3LOD model have contributed to ASX being overly reactive and tactical in its response to incidents, and to gaps and weaknesses identified in over 120 external reports. This has contributed to ASX being narrowly focused on responding to discrete recommendations, contributing to a tick-a-box approach to risk management and compliance.

The Panel has observed this tactical and reactive approach play out in a number of areas:

1 There has been a lack of effort in understanding the underlying root causes and drivers of incidents

This has been observed in a number of case studies the Panel completed. ASX has typically resorted to first-order, surface-level analysis of root causes in response to incidents. For example, human or coding errors have been identified as primary root causes, when more thorough and introspective analysis would likely reveal deeper systemic issues.

The above weaknesses in ASX's risk management and compliance frameworks and 3LOD model have contributed to ASX being overly reactive and tactical in its response to incidents, gaps and weaknesses identified in over 120 external reports. This has contributed to ASX being narrowly focused on responding to discrete recommendations, contributing to a tick-a-box approach to risk management and compliance.

2 ASX does not have a sufficiently robust control environment to enable it to manage its risks and compliance obligations in an effective manner

The Panel found weaknesses in ASX's control management, with inconsistencies in the recording and testing of controls, and limited integration across risk and compliance frameworks. The Panel observed gaps in control testing and assessments completed over key obligations and risks, as well as shortcomings with how controls are associated to obligations.⁵⁰ ASX also has a highly manual control environment, with only a small percentage of controls recorded in ERICA as being automated despite ASX's business being heavily reliant on technology.

3 A lack of maturity in systems and related infrastructure to support effective and sustainable risk management and compliance practices

For example, ASX relies on multiple risk systems and registers to record, manage and report on risks, controls, issues and incidents.⁵¹ This fragmented approach creates challenges for ASX and each licensee to gain a consistent and integrated view of risk and compliance profiles, hindering the effective embedment of practices.

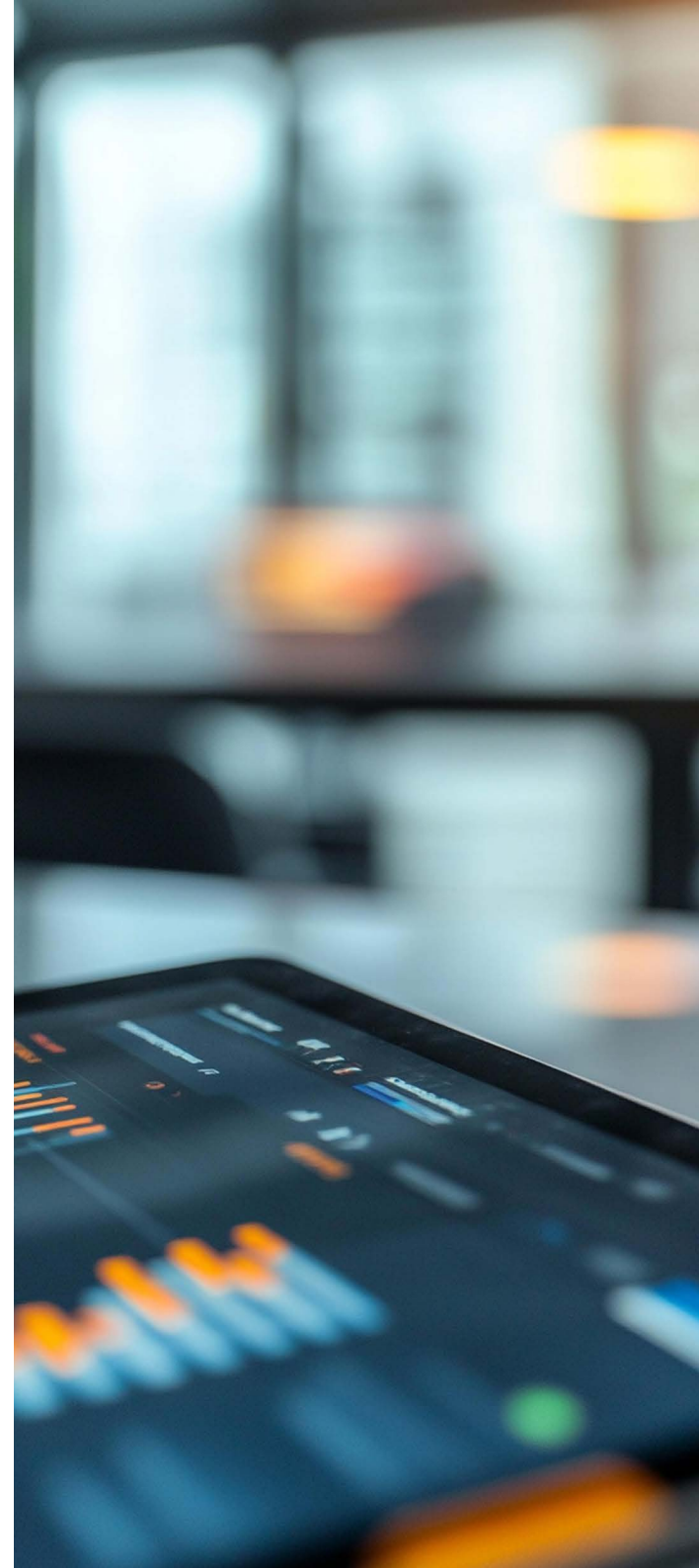
4 Many assurance reviews ASX has been subject to in the past decade have been overly focused on the processes undertaken to address identified weaknesses rather than outcomes

Without a greater focus on assuring outcomes, ASX runs the risk of continuing to apply a tick-a-box approach to remediation that focuses on the delivery of milestones rather than driving sustainable outcomes.

ASX has acknowledged these weaknesses and has established initiatives in its Accelerate program to address them. It has undertaken analysis of the root causes that have collectively contributed to its challenges in risk management. The Risk Transformation workstream of the Accelerate program includes an initiative to refresh the controls architecture and approach to control testing, along with initiatives on risk systems, risk profiling and risk management reporting.

⁵⁰ For example, of the more than 1,300 unique obligations recorded in ERICA as at 30 September 2025, the Panel found that approximately 60% had no controls associated to them. Where controls have been associated, the effectiveness of these controls has often not been tested or independently assessed.

⁵¹ ASX uses ERICA as the primary system for recording risk and compliance matters, but also relies on other applications to record incidents, customer complaints, and project delivery risks.

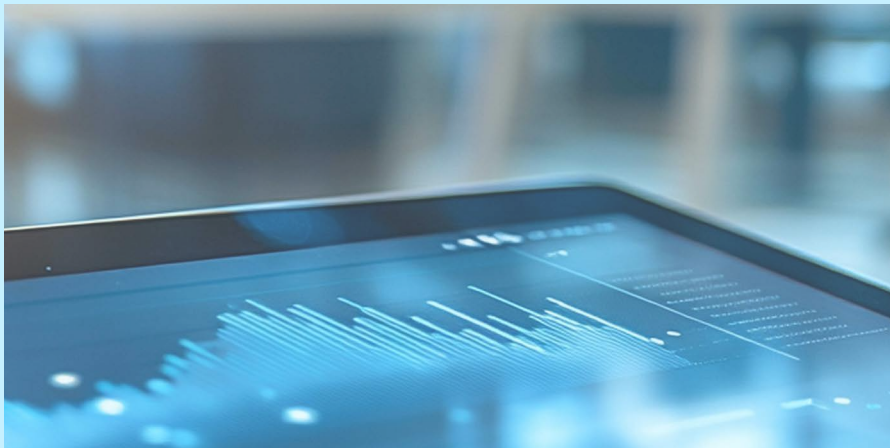


ASX TPG announcement error

Overview

On 6 August 2025, ASX Limited made an operational error in relation to TPG Telecom Limited (TPG) as a result of a market announcement involving another ASX-listed company, Infomedia Ltd (IFM). The error resulted in shares of TPG being halted for a period of 143 minutes, and all TPG trades executed prior to the halt being cancelled that day.

The error occurred as part of standard processes ASX conducts each trading day to screen market announcements. This screening process is performed by ASX's Markets Announcements Office (MAO), a small team responsible for reviewing approximately 150,000 announcements a year.



Timeline

2025
6 August

Prior to market opening, IFM submits an announcement that it had entered into a scheme implementation agreement for its acquisition by TPG Capital Asia (a private equity firm, not listed on the ASX).

9.15am

MAO incorrectly cross-releases⁵² the IFM announcement to TPG (a company not related to TPG Capital Asia). Due to the nature of the IFM announcement (price sensitive, involving an acquisition), a 60-minute trading halt on TPG Telecom shares is triggered.

9.23am

ASX teams identify that the cross-release of the market announcement to TPG is incorrect.

9.28am

IFM contacts ASX identifying the TPG cross-release error.

9.47am

ASX issues a corrective announcement while also taking steps to change the 60-minute trading halt that was triggered so TPG could trade as usual at market open (10am). The corrective announcement, however, fails to clarify that the original cross-release to TPG was an error.⁵³

9.52am

ASX receives a call from TPG. ASX is advised that TPG is not satisfied with the 9.47am announcement as it did not address that the original announcement incorrectly cross-released to TPG.

⁵² A cross-release refers to a situation when a market announcement submitted by one listed entity is also published against the name of another listed entity on ASX's Market Announcements Platform.

⁵³ The announcement simply stated: "Incorrect 60 minute timer attached to TPG. TPG Telecom Limited was put into a 60 minute timer at 09:20:12am this morning. This was an internal error. Please disregard!"

Timeline continued

6 August continued	9.53am to 9.59am	ASX considers whether trading in TPG should be halted given the situation. It assesses the risk of confusion to the market as low and decides not to halt trading in TPG before market open.
	10.00am to 10.15am	TPG's share price falls during the initial period of the market opening. ASX makes a further assessment of whether a trading halt on TPG shares is required. Following this assessment, trading in TPG shares is paused.
	11.11am	ASX decides to cancel all trades in TPG Telecom executed before the pause.
15 August 2025 onwards	12.38pm	After all trades were successfully cancelled at approximately 12.05pm and affected participants are notified, trading in TPG shares resumes. A total of 1,491 trades – approximating \$3.3 million in value – were cancelled across ASX and Cboe markets, impacting 27 ASX participants and their clients.
		ASX submits an incident report to ASIC, identifying the incident's root cause as "human error". ASX completes a review of controls and mitigation strategies to prevent recurrence. Key areas assessed include peer review protocols, incident escalation procedures, training and decision-making. Interim enhancements such as corrective announcement templates are introduced to improve response consistency.

Panel Observations

The Panel observed a number of shortcomings as part of its review of this incident, which reflect ASX's immature risk management:

1 Processes and controls are highly manual

The MAO is reliant on the specialist skills of its team to perform a highly manual function under tight timeframes and pressure. There has been inadequate investment in automated systems to strengthen MAO's screening processes. Responsibilities and procedures for error handling and corrective actions are poorly defined with limited workflow controls, leaving staff to rely on judgement and experience rather than consistent, systematic processes. High-pressure environments demand more rigorous and effective controls to prevent errors, which ASX lacked.

2 Root cause analysis is deficient

ASX attributed the primary root cause of the incident to human error. In the Panel's view, there are deeper, more systemic root causes that contributed to the incident. These include a lack of investment in effective tools and automation to support the MAO function, and weak control management.

The Panel observed improved incident management and escalation processes during this incident relative to the 2024 CHESS batch settlement incident (Case Study 4). It also noted that the MAO team operated under significant pressure, increasing the risk of operational errors.

Incident management and escalation

ASX has an incident management framework, policies and procedures to identify, capture and appropriately manage incidents that may arise through its operations. The requirements stemming from these policies and procedures, however, have suffered from a lack of clarity and alignment, with different risk events and incidents (e.g. IT incidents versus compliance incidents) subject to different workflow and reporting requirements. This makes it difficult for users to easily apply and consistently adhere to relevant policies. While some improvements have been observed over the past 12 months to address lessons learned from previous incidents, the Panel identified opportunities to further strengthen practices by ensuring that:

- current procedures contain clear, objective triggers for escalation that are easily understood and applied by staff (e.g. criteria to assess severity ratings);
- all incidents result in an examination of control effectiveness and the creation of action plans, with the resulting data feeding into reporting on risk profiles;
- assessments of incident severity consider not just the impacts to ASX, but also to participants and the broader system; and
- related business continuity practices (including severe scenario testing and contingency plans) are appropriately robust such that, if incidents were to occur, the response to such incidents is effective in minimising impacts to the system while also ensuring stakeholders are well-informed of developments.

Many financial institutions which are participants of, or reliant on, ASX's infrastructure have taken significant steps to improve their operational risk management practices to strengthen resilience under APRA's CPS 230 (e.g. performing end-to-end reviews of critical business processes). These institutions also regularly review the effectiveness of their overall risk management frameworks to ensure they are effective and remain appropriate for their business, as per APRA's Prudential Standard CPS 220 *Risk Management* (CPS 220).

While ASX is not subject to the same prudential requirements as some of its participants, it has substantially similar requirements under its existing regulatory obligations. Given ASX's critical role in the system, it is important that ASX reflects on the requirements for operational risk and resilience demanded of systemically important entities and implements practices that meet appropriate standards.

ASX has initiated work to draw on, and learn from, practices required under CPS 230. It has also incorporated an initiative within the Risk Transformation workstream of the Accelerate program to refresh incident and breach management policies and embed these into its ways of working.

Given ASX's critical role in the system, it is important that ASX reflects on the requirements for operational risk and resilience demanded of systemically important entities and implements practices that meet appropriate standards.

Progress made to date

Robust risk management and compliance practices are critical to the operation of any organisation, and even more so for one that plays a systemically important role like ASX. The Interim Report did not specifically focus on ASX risk management and compliance practices, noting only that the Inquiry had identified shortcomings in this area and that further detail would be included in the Inquiry's Final Report.

Prior to the Interim Report, ASX had already recognised that considerable work is required to strengthen its risk management and compliance practices. Since being established as a separate board committee, the Risk Committee has met frequently, including in 'off-cycle' meetings to workshop key themes and guide management in the redevelopment of key risk management and compliance frameworks. Its Accelerate program also includes a significant workstream relating to Risk Transformation. The workstream includes initiatives aimed at improving the people, infrastructure, systems and reporting supporting risk management and compliance.

Since the Panel provided feedback on the Accelerate program to ASX in October 2025, ASX has continued to evolve the program's design. It now incorporates reflection on the root causes of the identified shortcomings in ASX practices, and it has become more ambitious about the outcomes it is trying to achieve.

With the release of the Interim Report, the Panel recommended a reset of the Accelerate program to ensure it could deliver the transformational change required to set ASX up to meet the evolving needs of the market. The Panel notes that ASX has commenced work on the reset while, in parallel, continuing to make progress on some of the initiatives within the existing Accelerate program.

Within the Risk Transformation workstream, there are several initiatives that represent foundational elements of sound risk management and compliance practices. Noting that these initiatives were unlikely to be materially impacted by the planned reset, ASX continued to move forward with the critical design elements. In February 2026, the boards of ASX Group approved a redeveloped ERMF, a new 3LOD risk operating model and a new RAS. The CS Facility Boards also separately approved a RAS for the CS facilities.

The focus is now shifting to implementation of these fundamental building blocks, which will drive and support many of the other initiatives incorporated in the program.

ASX has advised that it has revised its executive performance scorecards to drive stronger alignment with delivery of the Commitments Plan and the targeted outcomes under the reset Accelerate program. ASX has also approved revisions to its Consequences Management Framework.

Whilst not specific to risk management and compliance, ASX has moved to engage the services of an external party to provide independent assurance on the delivery of outcomes under the reset Accelerate program, with the scoping of this engagement to be agreed with the regulators. ASX has also advised of progress made on initiatives in other workstreams of the existing Accelerate program, dealing with data management and cybersecurity.

The pathway forward

The Panel acknowledges the progress that ASX has made towards improving its risk management and compliance practices within the construct of the existing Accelerate program. It is supportive of this work continuing in parallel to the reset. ASX cannot suspend core operations while undertaking its reset; it must sustain momentum on critical initiatives while concurrently designing the transformational shifts required for long-term change.

The Panel also acknowledges the increased focus on risk management and compliance at the board level. The dedicated ASX Limited Board Risk Committee, which first met on 18 June 2025, together with the planned formation of a dedicated CS Risk Committee, are welcome developments that should help sustain attention on these matters. These arrangements should support clearer and more focused oversight of risk and compliance outcomes against the risk appetite of the relevant board. It will be important for these committees to establish clear accountability mechanisms that prompt timely and appropriate action where risks move outside tolerance.

The transformational change that ASX has committed to provides an opportunity for it to implement and embed risk management and compliance practices that befit its role. This will require a focus on frameworks and supporting policies and procedures that:

- are easy to understand, simple to navigate, and practical to implement;
- promote business-enabling, end-to-end risk management and compliance practices that are embedded into day-to-day operations; and
- drive improved accountability for risk management and compliance outcomes.

Sound risk management outcomes are achieved by investing in core capabilities across the 3LOD, cognisant of the specific skills and behaviours required across all lines of business and functions. They also require appropriate focus and investment on the quality of data in core risk management information systems to support the delivery of high-quality risk information to key decision-making forums.

Sound compliance management outcomes require a focus on understanding applicable obligations and establishing robust controls to ensure these obligations are met. Embedding controls into business processes and monitoring for changes in the regulatory environment provide a sound basis for a proactive approach that seeks to prevent breaches and incidents from occurring.

ASX should adopt the practices required under APRA's CPS 230 given the criticality of its infrastructure and the market's need for this infrastructure to remain resilient. There are important lessons that ASX can draw from the practices required to meet this standard, including in areas such as identifying critical operations, setting maximum tolerable disruption thresholds for critical operations, conducting regular scenario testing (including cyber, technology failure and third-party failure), and ensuring recovery capability. Where relevant, ASX should also draw on lessons and better practices adopted in other standards such as APRA's CPS 220.

ASX should place equal focus on driving improvements to both risk management and compliance behaviours and infrastructure.

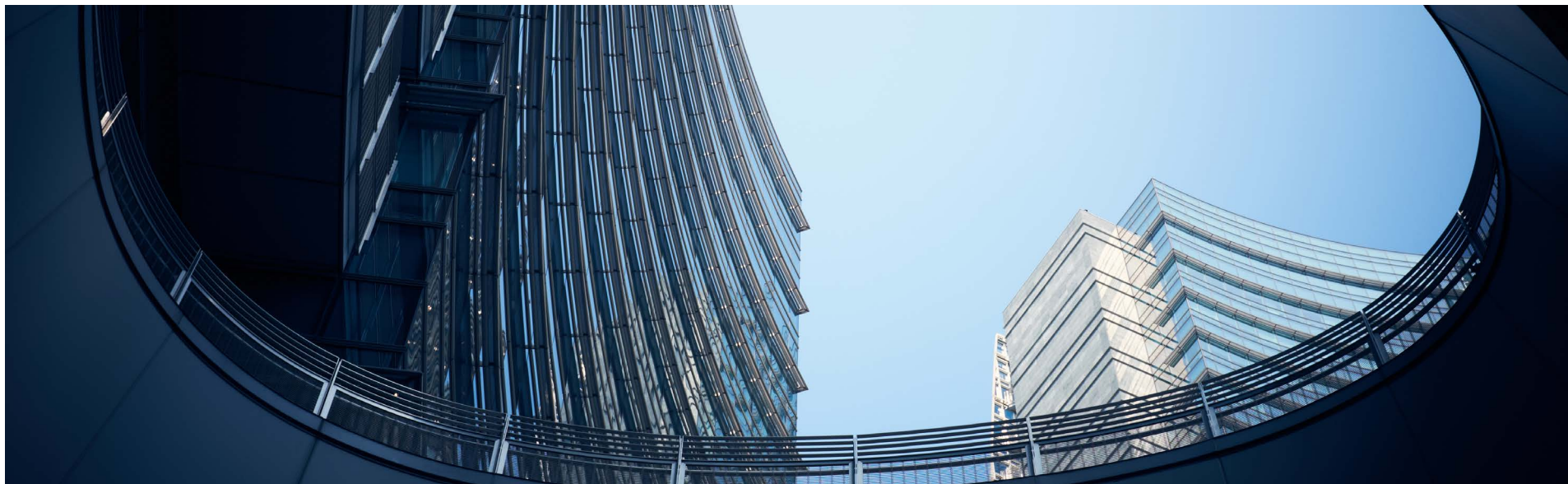
As ASX continues to strengthen its risk management and compliance practices as part of ongoing transformation efforts, it should:

- critically assess and reflect on what it will do to ensure that this transformation will succeed where previous efforts to mature risk management and compliance practices have not delivered the intended outcomes;
- place equal focus on driving improvements to both risk management and compliance behaviours and infrastructure;
- deliver data-driven risk intelligence which can be used to join-the-dots across the internal and external environment and deliver meaningful insights to inform decision-making; and
- continuously scan the external environment to understand and mitigate the impact of any future risk management or compliance failures on market participants and the broader ecosystem.

Key to all of this will be a shift away from treating risk management and compliance as administration, towards an approach where risk awareness is embedded in behaviours, day-to-day processes and decision-making to deliver the right outcomes.

Strong leadership will be required to gain the benefits envisaged by the relevant initiatives detailed in the Accelerate program.

The standards set by ASX's boards and executives will serve as the benchmark for what is considered acceptable risk, compliance, behaviour and performance throughout the entire organisation. Leadership actions cast a long shadow shaping how risks are managed, controls are applied and compliance behaviours are embedded at every level. This will be crucial to achieving success.



08

KEY FINDINGS

Regulatory supervision

Regulatory supervision

KEY FINDING

The current regulatory approach has not delivered the desired outcomes

Overview

As outlined in the Interim Report, the Panel observed that the current regulatory approach has not been effective in driving the outcomes all stakeholders would have desired. In conducting its analysis, the Panel considered this to be an underlying driver of concern, which needed coordinated effort to support ASX's strategic reset.

ASIC and the RBA have had justified concerns about how ASX has approached its responsibilities to deliver critical market infrastructure. A series of regulatory actions and communications over recent years have sought to convey to ASX directors and executives the gravity of these concerns in an effort to drive a fulsome course correction.

However, in the Panel's view, actions taken by its regulators prior to the Inquiry, and ASX in response to regulatory concerns, have contributed to an ongoing cycle of reviews that have not effectively addressed ASX's fundamental issues and resulted in ASX being overwhelmed.

Over time, trust has broken down and as a result, this approach has not achieved the strong alignment and effective coordination needed to deliver the best outcomes for the Australian market. Restoring this trust must be a priority for all parties.

There is opportunity for ASIC and the RBA to expedite ASX's transformational change by adopting a better aligned regulatory approach that places greater focus on outcomes and emphasises ASX's stewardship role.

The Panel considered that the establishment of a joint supervisory team between ASIC and the RBA would provide the best chance of delivering the change required to achieve desired outcomes.

Since the release of the Interim Report, ASIC and the RBA have committed to step up their review to uplift the joint supervisory model for the CS facilities. The regulators have established a joint working group to progress the review, which is focused on moving towards a strategic, forward-looking and outcomes-based approach to ASX supervision.

There is opportunity for ASIC and the RBA to expedite ASX's transformational change by adopting a better aligned regulatory approach that places greater focus on outcomes and emphasises ASX's stewardship role.

Detailed findings

As outlined in Section 2, many of ASX's licensed operations are systemically important to the Australian economy. In the absence of competitive pressures, regulation has an important role to play to ensure the market dominant position of ASX's licensees is exercised in a manner consistent with public interests. Regulation also plays an important role in making sure ASX takes all appropriate steps to ensure the resilience of its systemically important functions.

Over recent years, law reform has provided ASIC and the RBA with an increased regulatory toolkit more appropriate to the task facing them as regulators of ASX. Capability, resources and regulatory stance are also critical to the effectiveness of their regulatory efforts. In light of the role ASIC and the RBA play as co-regulators of CS facilities, the degree of coordination needed between them is important to achieving the desired outcomes sought by all parties.

The RBA publishes its assessments of ASX's CS facilities against the Financial Stability Standards (FSS). Those assessments have become increasingly critical. Following the CHES batch settlement incident in December 2024, for example, the RBA took the unprecedented step of reassessing ASX Clear's and ASX Settlement's compliance with the FSS outside of the RBA's usual annual assessment cycle and downgraded its assessment of compliance with the operational risk standard to "not observed".

ASIC has also increasingly used a wide range of regulatory tools to address its significant and growing concerns with ASX. These concerns culminated in a decision in June 2025 by ASIC to initiate this Inquiry, the first time ASIC has used its regulatory powers in this way.

As discussed earlier in Section 5, some of the over 120 external reports to which ASX has been the subject of have been undertaken in response to regulatory requirements or expectations, or have been directly requested by regulators. Others have been a result of ASX's heavy reliance on external expertise to solve its problems. Accompanying these reports is a myriad of recommended actions for ASX, which it has struggled to execute and prioritise.

Many of these reviews have also led to tactical recommendations to address particular incidents rather than facilitating root causes being addressed. As a result, resources and focus of ASX and the regulators have been diverted to prioritising identified remedial actions rather than holistically working towards ASX reaching a target state that reflects the importance of its role. Moreover, the Panel considers that the scope of some of this work has been poorly targeted and ill-defined, which has contributed to outcomes that are not what stakeholders had intended.

Adding to the challenge for ASX is the potential for differing regulatory expectations set by its regulators. While the Panel is not in a position to form a conclusion about this issue, the Panel notes that despite ASIC and the RBA recently increasing coordination in their approach with ASX, a number of ASX interviewees expressed the view that work still remains. Interviewees also expressed concerns about the capability and capacity of the regulators to undertake their responsibilities.

The Parliamentary Joint Committee on Corporations and Financial Services identified similar issues in April 2024. In the context of the CHES Replacement program, the Committee recommended, among other things, that:

- ASIC and the RBA regularly conduct joint assessments of CS facilities against the Principles for Financial Market Infrastructure (recommendation 10); and
- ASIC, the RBA and Treasury enhance their skills, experience and process at the most senior levels for monitoring and supervising strategic technology benefits and risks in financial services and market infrastructure (recommendation 11).

The supervisory approach coupled with ongoing incidents of concern at ASX has unfortunately limited the opportunity for all concerned to step back and address the key drivers behind ASX's issues and to deliver outcomes that are in Australia's best interests. As outlined in the Interim Report, a new regulatory approach is required.

Progress made to date

Since the release of the Interim Report, ASX, ASIC and the RBA have taken concrete steps to rebuild trust and reset the relationship between all parties with positive spirit and intent.

ASX has a number of initiatives underway to enhance regulatory engagement with ASIC and the RBA. ASX recently approved a new regulatory engagement strategy, including a set of principles for ASX staff to follow when interacting with regulators. ASX intends to continue strengthening regulatory engagement processes as part of Accelerate.

Both regulators have also recognised the need to take action to address the challenges highlighted in the Interim Report and restore trust in Australia’s critical market infrastructure. ASIC and the RBA have committed to step up their review to uplift the joint supervisory model for ASX CS Facilities. This includes reviewing the outstanding suite of regulatory actions with a view to streamlining or stopping certain actions expected of ASX, without sacrificing regulatory or supervisory outcomes.

The regulators have established a joint working group to progress this review, which is focused on moving towards a strategic, forward-looking and outcomes-based approach to ASX supervision. A key principle driving the review is to ensure that ASIC and the RBA can each focus on what is most important, be better coordinated and avoid unnecessary duplication, while recognising their respective mandates. The key elements of the refreshed supervisory model will include a new governance approach, sharpened areas of strategic

focus, greater role clarity across regulators and a streamlined model of engagement with ASX to achieve stronger outcomes. The refreshed supervisory model is expected to provide:

- a joint supervision framework to set strategic direction (including annual supervision plans endorsed by ASIC’s Commission and the RBA’s Payments System Board), oversee delivery and manage incidents;
- improved role clarity and approach to areas of regulatory overlap, including considering whether updates are needed to the ASIC and the RBA Memorandum of Understanding; and
- a more strategic engagement approach with ASX, with more effective meetings, reduced duplication, and ensuring there are opportunities for regular engagements at the most senior levels.

ASIC and the RBA are also:

- working together on the Accelerate program reset to ensure ASX’s target state is informed by global best practice and stewardship, and anchored in an appropriate technology strategy;
- reviewing and streamlining outstanding regulatory actions with ASX to ensure they are fit-for-purpose and outcomes-focused; and
- continuing to benchmark and strengthen their supervisory approach through engagement with peer regulators.

In its role as the sole regulator of ASX’s market licensees, ASIC has also refocused supervisory activities to support ASX to prioritise and deliver the most critical outcomes. These are intended to ensure regulatory actions are fit-for-purpose, clearly aligned to the outcomes sought and remain warranted and include:

- reviewing the scope, strategic effectiveness and impact of reports and assurance required under licence conditions, ASIC rules and directions;
- revisiting the ongoing suitability and effectiveness of appointed assurers and experts; and
- streamlining meeting frequency.

ASIC has also set up a new dedicated team to oversee delivery of ASX’s and ASIC’s Commitments, and to work with the RBA on reviewing the joint supervisory model. ASIC has committed to investing in long-term ASX supervisory capacity and capability, including across governance, risk management and remediation.

ASIC and the RBA have expressed their commitment to the goal of an ASX transformation that supports the resilience of Australia’s critical market infrastructure in a complex and challenging environment.

The pathway forward

The Panel welcomes the responses received from ASX and the regulators to the observations about regulatory supervision in the Interim Report. ASIC and the RBA shoulder a heavy responsibility in the interests of Australia. Effective regulatory oversight is critical if ASX is to deliver the desired outcomes on its significant workplan ahead and also continue to maintain its day-to-day operating performance. All parties should remain accountable for not losing traction on the momentum gained to date.

Working jointly, ASIC and the RBA will be well placed to determine the most significant issues for regulatory attention having regard to the desired target state and how best to respond. A joint supervisory strategy avoids unnecessary duplication of regulatory effort and minimises the impact on ASX as it continues to operate its businesses. Another benefit of working together is the identification of group-wide insights that will enable individual regulators to more effectively fulfil their respective mandates.

Although this Report focuses on issues closely related to supervision of ASX Licensees by ASIC and the RBA, other regulators such as the ACCC also have a continuing role to play in relation to oversight of ASX's conduct.

Rebuilding trust requires a sustained commitment from all parties to best practice, continuous improvement and transparent, good-faith engagement. This will take time and the Panel encourages ongoing vigilance, self-reflection and accountability by all parties.



CHES batch settlement incident

One incident that illustrated serious shortcomings across the broad scope of the Inquiry's ToR was the failure by ASX to process settlements on CHES on Friday, 20 December 2024. This incident is presented as the final Case Study and illustrates some of the key deficiencies observed with ASX's governance, capability and risk management practices and which have been highlighted across many sections of this Report.

Overview

CHES manages the settlement of transactions in cash equity products in Australia. The system facilitates the transfer of legal ownership simultaneously with the payment of money after a transaction, which usually occurs two business days after the transaction ('T+2').

Each business day, CHES employs a batch settlement process. This process involves the netting of all buy and sell transactions per security for each participant in CHES and calculating each participant's net funding and securities delivery obligations and the aggregate net funds positions of all participating financial institutions to settle transactions.

On Friday, 20 December 2024, the CHES batch settlement process failed, resulting in the failure to settle transactions executed on Wednesday, 18 December 2024. ASX had to reschedule settlement obligations for these transactions to the following business day (Monday, 23 December 2024). The incident created disruption to the market. Some participants faced increased liquidity pressure due to payment delays and treatment of margins. Participants and other stakeholders also raised concerns about the lack of clear communication from ASX during the incident, delays in the decision to reschedule settlement to the following business day, as well as other potential impacts (such as the inability to finalise planned capital raises around the time of the incident).

While outages to trading and CCP systems are observed across many exchanges around the world, multi-day failures related to settlement processes are less common. The December 2024 incident was the first time a full settlement batch of ASX equity transactions needed to be re-scheduled to a later day.

Timeline⁵⁴

2024

Friday
20 December

11.32am

ASX's systems alert it that batch settlement can not proceed because a critical step in the process generated an error that prevented completion. Investigations by ASX teams commence shortly after the alert.

12.05pm

Participants are notified of the issue via an update on the CHES System Status page. Regulators are notified shortly after at 12:17pm.

Between 12.00pm-5.00pm

ASX activates its incident management process. It convenes an incident response team to investigate and attempt resolution. It also commences preparation of operational contingency actions required if batch settlement could not complete as expected by the end of the day.

At 12:07pm, ASX initially assesses the incident at severity rating level 3 (on a scale ranging from level 1 (most severe) to level 5 (least severe)). After escalation and further assessments by senior executives, the incident is re-rated to severity rating level 2 at 12:49pm. Members of ASX's Crisis Management Team (CMT) join a call at 12:55pm and conclude that a CMT does not need to be convened at this time.

ASX publishes regular updates on the CHES System Status Page. There are also regular briefings to regulators.

After 5.00pm

At 5.55pm, after being unable to resolve the issue in time to proceed with the scheduled Friday settlement, ASX announces to participants that it will reschedule batch settlement to Monday, 23 December 2024. An industry call to provide an update on the situation is held at 6.30pm.

⁵⁴ For further details about the incident, refer to the CHES Batch Settlement Incident Review paper published by ASX at: www.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/ches-batch-settlement-incident-review.pdf

Timeline continued

Throughout the day
Saturday
21 December
2024
ASX continues to investigate the cause of the incident. Only one core engineering team is working on the issue. During the morning, investigation into the cause of the incident is paused for a four-hour period while the core engineering team takes a break.

4.30pm

The CMT is convened. At this time, the underlying cause has still not been identified.

10.30am
Sunday
22 December
2024
The underlying cause of the issue is identified after support is provided by a third-party vendor expert located offshore, who has specific background in CHES and was part of the original CHES development team in the 1990s.

4.10pm

A fix is implemented to address the issue.

Monday
23 December
2024
Batch settlements starts and are successfully completed, covering both rescheduled and scheduled obligations.

2025

Developments

On 23 January 2025, ASX publishes its Incident Review to the market. In this review, ASX notes that a combination of factors triggered the incident, including issues around memory allocation logic and the introduction of a product called mFund in 2014.

ASX also announces it will waive all fail fees for the period from 20 to 31 December 2024, and establish a \$1 million credit disbursement to be allocated in the form of a rebate to settlement participants.

Approximately six months after this review, ASX introduces a 3:30pm decision point for potential rescheduling of CHES batch settlement if there are issues preventing timely settlement.

Panel observations

This incident has been the subject of significant review by several parties, including regulators and external experts. The Panel's observations in completing this Case Study have broadly aligned to the observations made in other reviews. In particular, the Case Study reveals shortcomings across several themes relevant to the Inquiry, including:

- 1 Incident response and crisis management practices that did not operate effectively:** ASX failed to recognise the seriousness of the incident in its initial assessment, rating the incident at a severity level below what was appropriate. The formation of ASX's CMT was also delayed, hindering the timely and effective resolution of the incident.
- 2 Insufficient resourcing to identify and resolve the issue:** With just one core engineering team working on the problem when the incident occurred and no capacity to replace members during breaks, the timeliness in which the incident could be resolved was adversely impacted.
- 3 Key person risks and third-party dependencies:** Knowledge of the critical business logic behind CHES resided with a small group of long-tenured experts at ASX. Furthermore, resolution of the incident relied heavily on the technical expertise of a third-party expert, who provided support that was outside of ASX's usual support arrangements. These dependencies create key person and vendor support risks that were identified in a 2025 IBM review of CHES.
- 4 Reactive and tactical root cause analysis:** ASX's root cause analysis shows the reactive and tactical approach taken to risk management. Deeper, more systemic causes that contributed to the incident, such as poor technology risk management and operational resilience practices, were given less priority.
- 5 Insufficient stakeholder engagement:** Stakeholders have commented that communications during and after the incident were inconsistent and vague.

A roadmap
for the future

A roadmap for the future

The Panel identified key underlying drivers of concern and a strategic package of actions that, if implemented well, provides the necessary foundations for ASX to be a respected steward.

Pleasingly, ASX has committed to taking the required steps.

“We agree with the Panel’s Interim Report and we see this as a critical inflection point for ASX to transform and rebuild confidence. As a steward of critical market infrastructure, we are held to high standards and we acknowledge we have not always met them. We are fully invested in turning this around and delivering lasting change.”

ASX Chair David Clarke
ASX Media Release
27 February 2026

The Panel emphasises that ASX now needs to use this moment to become the organisation that is able to translate these words into sustainable outcomes. ASX will ultimately be judged on what it delivers. Risks remain in the execution of ASX’s programs of work. Most importantly, ASX cannot afford to lose sight of the day-to-day needs of the market while it pursues the transformation needed.

In the Panel’s view a holistic and strategic approach that centres on achieving long-term outcomes that are truly aligned with ASX’s critical role is required. An important element to this will be the refreshed and more strategic regulatory supervisory model which will also support ASX’s transformation.

Strategic package of actions

The following tables outline the strategic package of actions as set out in the Interim Report and provide an overview of the key indicators that will define success as ASX progresses through its transformation. They also identify the principal challenges that ASX and the regulators should be mindful of during the implementation of the required changes. These tables need to be read in the context of the Report.





Strategic reset of Accelerate

ACTION	RATIONALE	PROGRESS	MARKER OF SUCCESS	KEY CHALLENGES
<p>Complete a strategic reset of the Accelerate program to set stronger foundations for success and place the provision of critical market infrastructure at the centre of ASX's decision-making.</p>	<p>A reset is required to ensure that ASX delivers the necessary transformational change to set itself up to meet the evolving needs of the Australian market.</p>	<p>ASX has advised that Accelerate will be redefined as the program enabling it to be a steward of critical market infrastructure. Changes are being made to the existing program alongside discussions with the regulators about the strategic reset in accordance with ASX's Commitments Plan. This includes plans to add a Governance and Independence stream as part of the reset to Accelerate.</p> <p>ASX has also continued to make progress on some of the existing initiatives within the Accelerate program that provide foundational building blocks for identified gaps and weaknesses.</p>	<p>In the shorter-term, ASX and the regulators agree on the structure and content of the reset program. Longer-term success will be defined by holding firm to the intent of the agreed target end-state and the delivery of aligned outcomes.</p> <p>ASX will also need to take a forward-looking approach to ensure strong alignment between other foundational pieces critical for ASX to be a leading steward of critical market infrastructure: ASX's overall strategy, its technology strategy, a revised capital management and investment framework, and capability and leadership uplift.</p>	<p>As ASX moves into the execution phase, further challenges are likely to emerge, requiring considered responses and adjustments to ensure the program remains focused on delivering the agreed outcomes. ASX needs to periodically pause and assess the extent to which the transformation program needs to be revised to address these challenges and/or changes in the internal or external operating environment and to ensure all aspects of the change agenda continue to align with the same objective.</p>



Strengthen the independence of CS facilities

ACTION	RATIONALE	PROGRESS	MARKER OF SUCCESS	KEY CHALLENGES
<p>Strengthen governance and enhance the independence of the CS facilities by:</p> <ul style="list-style-type: none"> ensuring the boards of the CS facility licensees are composed only of directors who are not directors of an ASX Group company other than the CS facility licensees; and taking steps to achieve greater functional separation of the CS facilities from other ASX businesses. 	<p>Greater independence and functional separation is required to ensure that governance arrangements effectively manage the competing tensions that exist between the role of individual companies within the ASX Group (as providers of critical market infrastructure) and the operation of ASX as an integrated commercial enterprise with a mix of monopoly and competitive services.</p>	<p>The CS Facility Boards are now comprised solely of independent directors following the resignation of three ASX Limited directors in February 2026.</p> <p>ASX has commenced processes to identify additional directors to be appointed to the CS Facility Boards, using a revised skills matrix to identify the requisite skills, experience and capabilities.</p> <p>ASX has also commenced the process to appoint a new CS MD and is considering what additional resources should be dedicated to the CS facilities to support the enhanced independence of their functional operations.</p>	<p>Greater functional separation of the CS facilities, with resourcing, support services and governance arrangements that operate effectively to support each licensee in meeting its obligations. Evidence of actions, investments and sustainable delivery of outcomes that align with placing stewardship at the centre of decision-making.</p>	<p>In implementing the structural separation envisaged, ASX must focus on the intent behind this recommendation and develop mechanisms to continually test whether the actions undertaken are operating effectively. Importantly, this will require a change in mindset that places the importance of the provision of critical market infrastructure at the core of decision-making across ASX Group.</p>



Revised regulatory approach to ASX

ACTION	RATIONALE	PROGRESS	MARKER OF SUCCESS	KEY CHALLENGES
<p>Evolve the regulatory approach to ASX by:</p> <ul style="list-style-type: none"> ASIC and the RBA establishing a dedicated joint supervisory team to undertake future supervisory work over ASX; and ASIC and the RBA collectively setting with ASX an agreed target state for the ASX Licensees as operators of critical market infrastructure. 	<p>To provide a greater focus on outcomes that emphasises ASX's role as a steward where engagement is centred on restoring trust and delivering better outcomes for Australia.</p>	<p>Engagement between the respective parties has been proactive, with particular emphasis on the development and delivery of material in line with the dates agreed in the Commitment Letter.</p> <p>ASIC and the RBA have established a joint working group to progress a review of their joint supervisory model. This is focused on moving towards a strategic forward-looking and outcomes-based approach to ASX supervision.</p> <p>The Secretariat has held a series of workshops with members of ASIC and the RBA supervisory teams to discuss and share learnings and insights from the Inquiry as a means to drive alignment and understanding of the magnitude of the task ahead of ASX.</p> <p>ASX itself approved a new set of Regulatory Engagement Principles based on some guiding values and behaviours to frame its interactions with regulators.</p>	<p>Clarity on the outcomes that ASX needs to deliver will create regulatory efficiencies, improve engagement and form a sound basis for the restoration of trust.</p>	<p>Implementing the revised regulatory approach will not be straightforward. ASIC and the RBA will need to balance effective collaboration with maintaining clarity of roles and responsibilities, timely decision-making and being sufficiently flexible to adapt to emerging risks; all while delivering on their respective statutory mandates.</p>



Regulatory capital charge

ACTION	RATIONALE	PROGRESS	MARKER OF SUCCESS	KEY CHALLENGES
<p>Apply a capital charge to respond to ASX's elevated risks.</p>	<p>In addition to the well-established principle of holding capital to reflect elevated risk, the capital charge is designed to focus the attention of leadership, incentivise the successful delivery of remediation efforts and promote appropriate resource allocation.</p>	<p>As agreed with ASIC, ASX must accumulate an additional amount (relative to 31 December 2025) of \$150 million in net tangible assets by 30 June 2027.</p> <p>ASX has reduced its dividend payout ratio and operated a discounted dividend reinvestment plan to accumulate funds towards meeting the capital charge.</p> <p>ASX must hold this additional amount of capital until it achieves the milestones identified in the reset Accelerate program and ASIC approves the reduction or release of the capital charge.</p>	<p>Alignment on, and delivery of, milestones that will progress ASX towards the desired target state sufficiently enough to reduce the elevated risks faced by ASX and ultimately a decision by ASIC to remove the regulatory capital charge.</p>	<p>ASX and the regulators will need to avoid measuring success by reference to the completion of individual activities in the transformation program. Focus must be on demonstrable progress in delivering sustainable outcomes.</p>

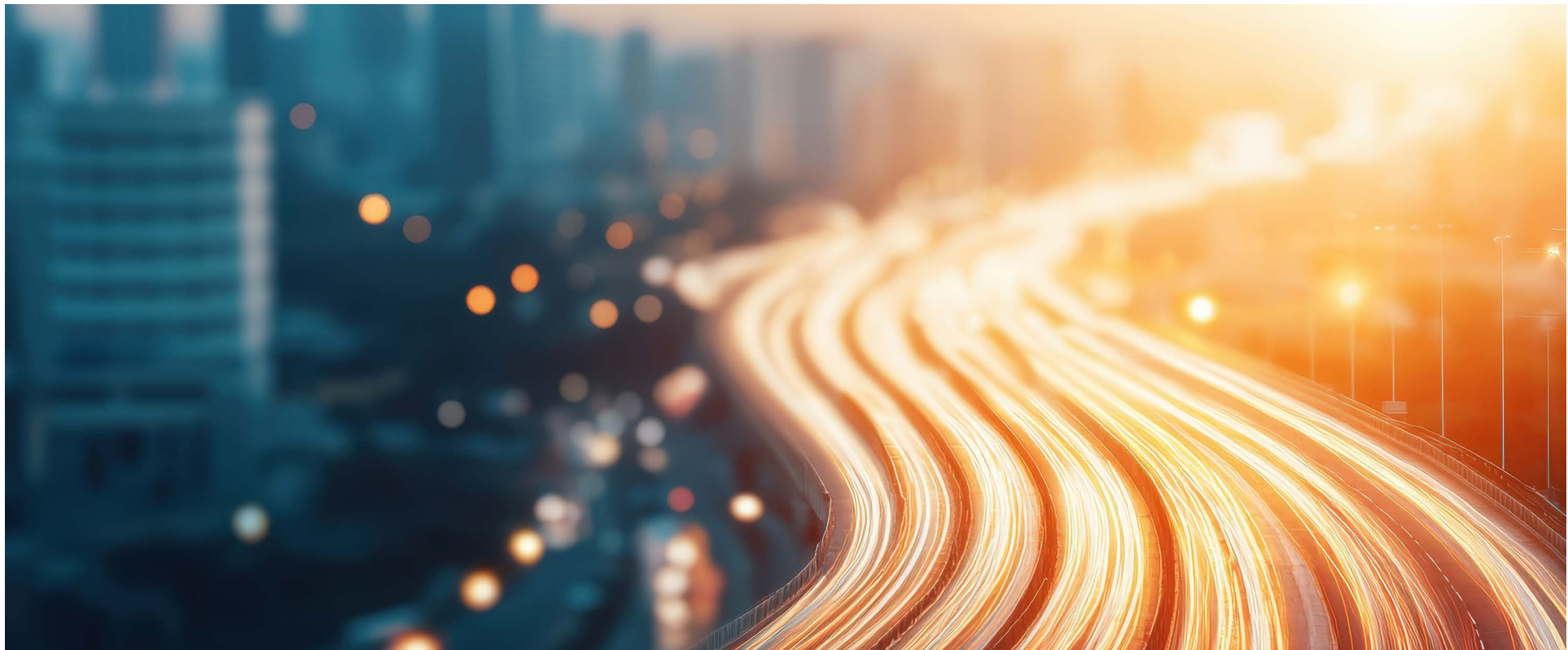
Conclusion

This Inquiry has reached a clear and consequential conclusion: that for ASX to fulfill its stewardship role in Australia's financial markets, it must undertake a fundamental reset.

ASX is now at an important inflection point. The evidence presented to the Inquiry has revealed both the challenges and the opportunities inherent in its mandate. It must deeply reflect, with the benefit of the insights in this Report, on how to build on its commitments to transform and produce outcomes that inspire confidence and trust in Australia's financial markets.

Organisational transformation of this scale will take time. It will demand dedicated focus, disciplined execution and significant investment. Central to this effort is an unwavering commitment from boards and executives, as well as leadership that brings to life a compelling vision and strong culture to deliver lasting, meaningful change.

With the Inquiry complete, there is now a stronger pathway forward for ASX. The time for action is here and ASX's boards must take full accountability for driving the reforms and sustained improvements that will deliver outcomes commensurate with ASX's important stewardship role.



Appendices

Appendix A

Panel members

Rob Whitfield AM **Chair and Panel Member**

Rob is an independent non-executive director of Commonwealth Bank, a non-executive director of Transurban Limited and a member of the Council of the Australian National University.

During Rob's 30-year career with Westpac Banking Corporation, he held roles as Chief Executive Officer of the Institutional Bank, Chief Risk Officer, Group Treasurer and Chair of the Asia Advisory Board. After leaving Westpac, he held roles as Chair and Director of NSW Corporation, and Secretary of NSW Treasury and Industrial Relations.

In 2020, Rob was awarded the Order of Australia (AM) for his significant service to the banking and finance sector and public administration.

Rob holds a Bachelor of Commerce from the University of NSW, a Graduate Diploma in Banking, and a Graduate Diploma in Finance from UTS and has completed the Advanced Management Program at Harvard Business School. Rob is also a fellow of the Chartered Institute for Securities and Investment (CISI) and a fellow of the Australian Institute of Company Directors (AICD).

Christine Holman **Panel Member**

Christine is an independent non-executive director of two ASX listed boards, AGL Ltd and Collins Foods Ltd, and one private company, Indara Pty Ltd which is a joint venture between Australian Super and Singtel.

Christine's 35-year executive and board career included leading teams across the media, property, industrial, infrastructure, private investment and technology sectors. She was formerly Chief Financial Officer and Commercial Director at Telstra Broadcast Services and advised management and the boards of investee companies at Capital Investment Group.

Christine also sits on the boards of Football Australia, The State Library of NSW Foundation and The McGrath Foundation.

Christine has an MBA and Post-Graduate Diploma in Management from Macquarie University and is a Graduate of the AICD.

Dr Guy Debelle **Panel Member**

Guy Debelle is chair of FundsSA and a board member of the Clean Energy Finance Corporation, e61 Institute and Tivan Limited. He is also an adviser to the Investment Committee of Australian Retirement Trust, chair of the advisory board of Famille Capital and an honorary professor of economics at Adelaide University.

Guy was the Deputy Governor of the Reserve Bank of Australia for six years having worked at the RBA for 25 years, including 10 years as Assistant Governor Financial Markets. After leaving the RBA, Guy worked at Fortescue Future Industries as CFO.

Guy holds a Bachelor of Economics, with first class honours, from the University of Adelaide, and a PhD in Economics from Massachusetts Institute of Technology (MIT).

Appendix B

Inquiry Terms of Reference

ASIC is conducting an assessment under section 794C and section 823C of the *Corporations Act 2001* (Cth) (**Corporations Act**) of how well the ASX Licensees are complying with their obligations under Chapter 7 of the Corporations Act. ASIC requested the Panel contribute to ASIC's assessment by examining the frameworks and practices of (a) the ASX Licensees and (b) other companies within the ASX Group (to the extent they assist the ASX Licensees in relation to the operation of the relevant markets/facilities and compliance by the ASX Licensees with their obligations under Chapter 7) (collectively, the **ASX Group** or **Group**).

For the purpose of the assessment, the Panel was asked to examine the frameworks and practices in relation to governance, capability, and risk management within the ASX Group, so as:

- a) to identify, in light of a number of incidents in recent years that have raised compliance concerns with respect to the ASX Licensees:
 - i) any core organisational and cultural drivers within the ASX Group that have contributed to these incidents; and
 - ii) whether the ASX Group has the right organisational capabilities for the ASX Licensees to provide a stable, secure, and resilient market infrastructure and to meet the evolving needs of the Australian market;
- b) to assess, at a minimum, whether any of the following areas of operation, or their implementation, conflict with sound risk management and/or compliance outcomes in relation to the ASX Licensees:
 - i) the Group's organisational structure, board structures and governance framework;
 - ii) the Group's framework for managing and delegating risk management and compliance responsibilities;
 - iii) the Group's financial objectives;
 - iv) the Group's accountability framework;
 - v) the Group's framework for identification, escalation and addressing matters of concern raised by ASX staff, regulators, members or customers; and
 - vi) the mix of monopoly and competitive services offered by the Group;
- c) to consider, where the ASX Licensees have initiatives underway to enhance the areas reviewed under (a) and (b) above, whether these initiatives will be sufficient to respond to any shortcomings identified and, if not, to recommend what other initiatives or remedial actions need to be undertaken; and
- d) to recommend, to the extent that there are other shortcomings or deficiencies identified under (a) and (b) above that are not already being addressed, how such issues should be rectified.

ASIC requested the Panel provide a report to ASIC by 31 March 2026.

The Panel should not make specific determinations regarding matters currently the subject of legal proceedings or regarding individual stakeholder issues.

Schedule 1— Definitions

In these Terms of Reference:

ASX Group means ASX Limited and its related bodies corporate.

The ASX Licensees are:

- (a) ASX Limited, holder of an Australian market licence issued under s 795B(1) of the Corporations Act;
- (b) Australian Securities Exchange Limited, holder of an Australian market licence issued under s 795B(1) of the Corporations Act;
- (c) ASX Clear Pty Limited, holder of an Australian CS facility licence issued under s 824B(1) of the Corporations Act;
- (d) ASX Settlement Pty Limited, holder of an Australian CS facility licence issued under s 824B(1) of the Corporations Act;
- (e) ASX Clear (Futures) Pty Limited, holder of an Australian CS facility licence issued under s 824B(1) of the Corporations Act; and
- (f) Austraclear Ltd, holder of an Australian CS facility licence issued under s 824B(1) of the Corporations Act.

Schedule 2— Examples of incidents involving the ASX Licensees

Examples of incidents involving the ASX Licensees in recent years include:

- (a) the 2016 hardware failure in ASX's equity trading system, which delayed the opening of the ASX market and caused it to close early;
- (b) the capacity issue with the CHESSE Settlement system at the onset of the COVID-19 pandemic in March 2020 that required ASIC to direct market participants to reduce trading volumes;
- (c) the November 2020 full day outage of the ASX equity market due to a failed software upgrade;
- (d) the decision in 2022 to pause and then cancel the upgrade of CHESSE, which is now the subject of legal proceedings; and
- (e) the failure of ASX CHESSE Batch Settlement to complete as scheduled on 20 December 2024.

Appendix C

Glossary of acronyms and defined terms

Acronym	Definition
ACCC	Australian Competition and Consumer Commission
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
CCP	Central Counterparty
CEO	Chief Executive Officer
CHESS	Clearing House Electronic Subregister System
CMF	Compliance Management Framework
CMT	Crisis Management Team
CRO	Chief Risk Officer
CS	Clearing and settlement
DLT	Distributed ledger technology
EBIT	Earnings before interest and tax
ERMF	Enterprise Risk Management Framework
FSS	Financial Stability Standards
FY	Financial year. ASX Limited's financial year ends 30 June.
GSA	Group Support Arrangement
IOSCO	International Organization of Securities Commissions
MAO	Markets Announcement Office

Acronym	Definition
MD	Managing Director
NPAT	Net Profit After Tax
OTC	Over-the-counter
RAS	Risk Appetite Statement
RBA	Reserve Bank of Australia
SLA	Service level agreement
SSF	Securities Settlement Facility
TIRR	Technology Issues Remediation Roadmap
ToR	Terms of Reference
TPG	TPG Telecom Limited

Term	Definition
Accelerate	A program initiated by ASX to deliver improvements across risk, business and technology resilience, cyber risk, data management as well as culture and capabilities.
ASX	Used in this Report to refer to ASX Group, which covers ASX Limited and its related bodies corporate.
ASX Clear	ASX Clear Pty Limited
ASX Clear (Futures)	ASX Clear (Futures) Pty Limited
ASX Licensees	The following ASX entities: <ul style="list-style-type: none"> • ASX Limited • Australian Securities Exchange Limited • ASX Clear Pty Limited • ASX Settlement Pty Limited • ASX Clear (Futures) Pty Limited • Austraclear Ltd
ASX Limited	The parent entity of the ASX Group and holder of a markets licence.
ASX Operations	ASX Operations Pty Ltd. A subsidiary of ASX Limited providing intra-group support to ASX entities.
ASX Settlement	ASX Settlement Pty Ltd
Austraclear	Austraclear Ltd. Company that operates the settlement system and central securities depository for the wholesale debt market.
Cboe	Cboe Australia Pty Limited (formerly known as Chi-X)
ClearStar program	A portfolio of projects designed to modernise ASX's OTC Derivatives and Future Clearing services.
Commitments Letter	The letter dated 14 December 2025 between ASX and ASIC that sets out ASX's agreement to a set of commitments.

Term	Definition
Commitments Plan	The Plan dated 27 February 2026 submitted by ASX to ASIC that outlines how ASX will deliver on the commitments in the Commitments Letter.
Control	In the context of risk management and compliance, a measure designed to reduce the likelihood or impact of a risk, or a breach of an obligation.
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CS facilities	Clearing and settlement facilities
CS Facility Boards	The boards of ASX Clear, ASX Clear (Futures), ASX Settlement and Austraclear.
EBIT margin	EBIT divided by revenue, expressed as a percentage.
ERICA	ASX's governance, risk and compliance system. This system is used by ASX to record risks, obligations, controls and action plans to mitigate risks.
Financial market infrastructure	A multilateral system among participating institutions, including the operator of the system, used for the purposes of clearing, settling, or recording payments, securities, derivatives, or other financial transactions.
Group	ASX Limited and its related bodies corporate.
Interim Report	Interim report of the Panel dated 14 December 2025.
Inquiry	Inquiry into ASX Group announced by ASIC on 16 June 2025.
Listed entity	An entity admitted to the official list of a public equity market.
Listing Rules	Rules that govern the admission of entities to the official list, the quotation of securities, suspension of securities from quotation and removal of entities from the official list as well as disclosure and aspects of a listed entity's conduct.

Term	Definition
Market infrastructure	Infrastructure that supports trade execution and post-trade clearing and settlement. For the purpose of this Report, this is defined as being broader than the definition of 'financial market infrastructure' in that it includes market operators.
Market licensee	Holder of a market licence issued under section 795B(1) of the Corporations Act.
Non-ASX CS director	A director on a board of a CS Facility Licensee who is not a director of ASX Limited.
Operating Rules	Includes any one or more of the following rules, regulations or procedures: <ul style="list-style-type: none"> • ASX Operating Rules • ASX 24 Operating Rules • ASX Settlement Operating Rules • ASX Clear Operating Rules • ASX Clear (Futures) Operating Rules • Austraclear Regulations
Panel	The expert panel appointed to conduct the Inquiry into ASX as set out in Appendix A.
The/its regulators	ASIC and the RBA.

Term	Definition
Report	This Report of the Panel dated March 2026.
Secretariat	The team established to support the Panel in conducting the Inquiry into ASX.
Three Lines of Defence (3LOD)	A widely adopted risk management model defining distinct roles (first, second and third lines) for owning, overseeing and independently assuring an organisation's risks.

Appendix D

Acknowledgements

Inquiry Secretariat

The Panel would like to sincerely acknowledge and thank the Secretariat team for their dedication and contribution to the preparation of this Report. Their careful research has been instrumental in shaping the evidence-based key findings of this Report.

Head of ASX Inquiry Secretariat: Jane Eccleston.

The Secretariat team:

The Secretariat Team comprised secondees from regulators and external specialists, who joined at various points throughout the Inquiry to support the required activities and the development of the Report.

Senior Secretariat members: Steve Blinco, Emma Box, Jordan Brell, Victor Chandra, Peter Chia, Stuart Frith, Caitlin Macleod, Andrew McPherson, Alex Purvis, Katrina Purvis, Jennifer Reynolds, Emma Rumble, Lilliana Vojvodic.

Analysts/Lawyers: Tom Baker, Patrick Fong, Sara Ivkovic, Joanna Liang, Charlotte Luong, Chiara Moro, Sachveer Singh, Niels Stecher, Mel Taylor, Katrina Touma, Edward Wong.

Support: Haseib Ayoub, Yash Chawla, Brianna Munns, Martina Orovnicka, Richard Yu.

Regulators

The Panel would like to thank ASIC for its constructive engagement throughout the Inquiry process.

The Panel would like to acknowledge the support of the RBA for their engagement throughout the Inquiry and their commitment to a new way forward.

The Panel thanks APRA and the ACCC for their contributions.

ASX

The Panel would like to acknowledge and thank the ASX Group, its boards, executive leadership, senior management and employees for their cooperation and constructive engagement throughout the Inquiry.

Key experts

Key external experts have also provided valuable assistance in supporting the Panel to form views about ASX. These experts have provided perspectives on key subjects, which has helped shape the recommendations of the Inquiry.

- Market Structure Partners provided international benchmarking assistance.
- Dr Juliet Bourke provided insights on culture.

- Clayton Utz Risk Advisory; and
- Kate Hughes provided assistance on risk management.

- Mike McGuire (HMX Consulting Pty Ltd);
- Mike Aikins (Strategic Information Management Pty Limited); and
- David Lester (FMTI Limited) brought global and industry perspectives on how exchanges and critical infrastructure use and operate technology.

- Dr John Laker AO provided valuable advice on drafts of the Panel's reports.

Other contributions

Finally, the Panel thanks all others who contributed to the Inquiry through submissions and interviews. The broader perspectives shared by these participants were important in helping shape the Panel's approach to its role.

Disclaimer: This Report has been prepared for the purposes of ASIC's assessment under ss 794C and 823C of the Corporations Act of how well the ASX Licensees are complying with their obligations under Chapter 7 of the Corporations Act and reflects the Panel's analysis and opinions. Reasonable efforts have been made to ensure the accuracy of the information contained in this Report. No reliance can be placed on this Report other than for the purposes for which it was produced. This Report includes quotations and references from third-party sources believed to be reliable and consent has been sought where appropriate.

Inquiry into ASX Group Final Report