

# ISSA



**SYMPOSIUM 19**

**23 – 25 May 2018**

## **CURRENT ISSA WORKING GROUP ACTIVITIES**

**William Hodash**

Managing Director, Enterprise Data Management, DTCC  
Chairman Operating Committee ISSA

May 23, 2018

### **Current ISSA Working Groups - Overview**

#### Corporate Actions & Proxy Voting

- Jyi-chen chueh, Standard Chartered Bank, Co-Lead
  - Christophe Delbrouk, Euroclear, Co-Lead
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#### Customer Cyber (Fraud) Risks in Securities Services

- Andy Smith, BNY Mellon, Lead
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#### Distributed Ledger Technology

- Urs Sauer, SIX Securities Services, Lead
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#### Financial Crime Compliance Principles

- Mark Gem, Clearstream, Lead
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#### Regulatory Impact on the Securities Services Chain

- Laurence Caron-Habib, BNPPSS, Lead

### **Corporate Actions & Proxy Voting – WG Status**

#### **Objectives**

- Investor Transparency – Guide to Disclosure Practices
- Potential recommendations on minimizing variety of processes

#### **Current Status**

- Survey as basis for inventory delayed – manpower issue

#### **Planned Milestones**

- Restart WG calls, restructure co-lead (June 18)
- Publish and issue survey (Sep / Oct 18)
- Collect and analyse responses (ETA: 1Q19)
- Issue draft recommendations / guidelines (ETA: publish 2Q19)
- Plan phase 2 / additional scope registered securities (tbd)

### **Customer Cyber (Fraud) Risks – WG Status**

#### **Objectives**

- Re-examine Custody Risks through a lens of heightened Cyber Risk
- Evaluate Cyber Risk Frameworks' applicability to Custody Risks
- Identify any gaps and recommend risk mitigation strategies

#### **Current Status**

- Working Group formed in January, Workshops and Group Meetings
- Interim findings distributed to ISSA Symposium Participants

#### **Planned Milestones**

- Progress work on initial draft report, including results from Symposium Breakout Group discussions: End July 2018
- Aim to have Working Group Report ready by Sibos (October 2018)

### **Distributed Ledger Technology – WG Status**

#### **Objectives**

- Explore principles and developments to be followed by industry players in governance, info security and regulatory aspects
- Focus on conventional assets, exploring digital assets separately

#### **Current Status**

- Integrated CSD WG on DLT in ISSA's Working Group
- Report on DLT principles as pre-reading material for Symposium

#### **Planned Milestones**

- Amend and publish report (CUG Section) June / July 2018
- Establish new report on "Definition of Digital Assets and Required Services / Infrastructure", Publication Q3 2018

### **Financial Crime Compliance Principles – WG Status**

#### **Objectives**

- Facilitate FCCP implementation by offering a platform to share best practices or concerns
- Content developed to promote the Principles is to be made broadly available in the public domain

#### **Current Status**

- Workshop March 2018 identified issues and allocated responsibilities
- No further FCCP DDQ; Investment funds to be included; best practices relating to payments in securities operations (e.g. avoid abuse)
- Discussions in Board / OC Meetings May 22/23, 2018

#### **Planned Milestones**

- Define best practices / guidance notes: Q3 2018
- Launch communication plan via various channels: Q3 / Q4 2018 <sup>6</sup>

### **Regulatory Impact on Securities Services Chain – WG Status**

#### **Objectives**

- Report on regulatory developments since 2012 (original report)
- Inform on impacts of regulation on securities services

#### **Current Status**

- First report on developments issued to ISSA CUG in November 2017, and now freely available on ISSA's homepage
- Second report on evolution of traditional business models, developments of new solutions / challenges to be faced in final draft

#### **Planned Milestones**

- Release second report to ISSA CUG before summer holidays 2018

### **ISSA Member Participation in Working Groups**

37 ISSA Member Firms\* are participating in ISSA Working Groups

- 2 Member Firms participating in all 5 Working Groups
- 4 Member Firms participating in 4 Working Groups
- 5 Member Firms participating in 3 Working Groups
- 6 Member Firms participating in 2 Working Groups
- 20 Member Firms participating in 1 Working Group

81 Member Firms not participating in any Working Group

\* ) represented by 122 experts



### **Benefits of Participating in ISSA Working Groups**

#### **Benefits to ISSA Member Firms**

- Keep current on industry developments
- Impact early shaping of specific topics
- Directly influence development of ISSA recommendations
- Networking with peers at a deeper level than in other forums
- Development opportunities for SMEs / future leaders

#### **Benefits to ISSA and the Industry**

Broader ISSA member participation brings:

- Depth to avoid manpower issues
- More diversity of background, experience and expertise
- Deeper dialogue / broader debate
- Higher quality ISSA deliverables with broader industry support