

**ISSA** **Workshop**

**INFRASTRUCTURE FOR CRYPTO-ASSETS**

Workshop focusing on ISSA's latest report

**Sunday, October 21, 2018, 14:00 – 17:30**  
ASX Ltd, Exchange Center, Sydney

**ISSA** **SWIFT@SIBOS Session**

**FINANCIAL CRIME COMPLIANCE IN SECURITIES**

Panel moderated by Mark Gem, Clearstream, and ISSA Working Group Leader Financial Crime Compliance

**Monday, October 22, 2018, 13:00 – 13:45**  
SWIFT Hub Level 2, SWIFT Hub 1

**ISSA** **SWIFT@SIBOS Session**

**CYBER ATTACKS IN THE SECURITIES MARKETS?**

Panel moderated by Bill Hodash, DTCC and ISSA Operating Committee Chairman

**Tuesday, October 23, 2018, 16:30 – 17:15**  
SWIFT Hub Level 2, SWIFT Hub 1

**ISSA** **Community Session**

**DLT AND CRYPTO-ASSETS**

Panel moderated by Urs Staehli, ISSA Secretary

**Wednesday, October 24, 2018, 14:00 – 15:00**  
Conference Level 3, Conference Room 6

**Main Conference**

**SECURITIES REGULATION; WHO BENEFITS THE MOST?**

Panel moderated by Graham Ray, BNPPSS

**Wednesday, October 24, 2018, 09:45 – 10:45**  
Conference Level 3, Conference Room 4

## ISSA's REPORTS ON

- **INFRASTRUCTURE FOR CRYPTO-ASSETS**
- **CYBER SECURITY RISK MANAGEMENT**
- **REGULATORY DEVELOPMENTS/IMPACTS**

In view of the upcoming SIBOS taking place in Sydney from October 22 to 25, 2018, ISSA is very pleased to make three reports publicly available. The topics covered within these reports form also part of the agenda of this major industry event. Representatives from ISSA Member Institutions will talk about these themes in panels and special ISSA sessions.

The links to these reports are provided below. The next two pages contain a summary of each of those reports.

### **INFRASTRUCTURE FOR CRYPTO-ASSETS**

An ISSA group of infrastructure providers has produced a fundamental report highlighting the role they are willing to take in the new crypto-assets market. The report is available [here](#).

### **CYBER SECURITY RISK MANAGEMENT IN SECURITIES SERVICES**

A team of experts drawn from ISSA Member firms has compiled this educational report that sets out the cyber attack threats to firms active in the securities servicing industry. The report is available [here](#).

### **REGULATORY DEVELOPMENTS / IMPACTS ON THE SECURITIES SERVICES INDUSTRY**

This report was made available to ISSA's members in August 2018 and it is now freely available [here](#). The report appraises how industry participants have adapted to various regulatory developments.

Apart from the above reports, ISSA has published an article on its "Financial Crime Compliance Principles in the Securities Custody Business" in the Journal of Financial Compliance. The article can be downloaded [here](#).

The ISSA Board wishes to thank all experts having contributed to these publications.

With best regards  
ISSA CEO Office

## INFRASTRUCTURE FOR CRYPTO-ASSETS: A REVIEW BY INFRASTRUCTURE PROVIDERS

Crypto-assets are on a trajectory to establish themselves as a new asset class. An interesting momentum is developing beyond Initial Coin Offerings (ICOs), with a variety of different tokens, as a potential method of financing start-ups and small and medium-sized enterprises. The range of crypto assets available to buy and sell has expanded enormously in the last two years, which facilitated the emergence of intricate ecosystems. To enable further growth, established financial market infrastructures and infrastructure providers could assist with establishing a safe and efficient environment for their customers, intermediaries and investors in this emerging asset class.

Building on its first report on DLT-Principles for Industry-Wide Acceptance, ISSA's Working Group on DLT has produced a fundamental report highlighting the role the participants are willing to take in this new crypto-asset market:

- FMI's are uniquely positioned to serve, support and enable growth in this new market.
- FMI's will create opportunities for their customers to establish themselves in this new market.
- FMI's, together with their customers, are able to offer investor protection and the ability to prevent market fragmentation.
- DLT will enable new and traditional financial instruments to be serviced more efficiently in a distinctly different way. FMI's are uniquely positioned to accompany their participants in this transition, by leveraging the existing business, technical standards and existing communication channels in order to ensure interoperability and avoid market fragmentation to the benefit of the whole post-trade industry. It will then deliver the promised efficiencies inherent in this new technology.

In a further iteration, the Working Group will include the global custodians' point of view.

Refer to the DLT / Crypto-Asset related ISSA-events taking place at SIBOS.

## CYBER SECURITY RISK MANAGEMENT IN SECURITIES SERVICES

Cyber attacks continue to increase in frequency, sophistication and impact. These attacks have the potential to disrupt critical financial services and could undermine the security and confidence of the financial system. The World Economic Forum's 2018 Global Risks report considers cyber attack risk as the third most likely and sixth most impactful of all global risks.

ISSA's Working Group on Cyber Risks has compiled this report that sets out the cyber attack threats to firms active within securities servicing and the risk mitigation techniques they should adopt to manage those threats that may lead to a material impact to the securities servicer firm or to the financial markets.

The report is targeted at Senior Management, Information Security Professionals and Risk Managers working within the securities services industry.

Refer to the Cyber Risk related ISSA-event taking place at SIBOS.

## MAIN CHANGES EXPERIENCED BY THE SECURITIES SERVICES INDUSTRY AS A RESULT OF REGULATORY DEVELOPMENTS

Following ISSA's report of November 2017, which was an encompassing overview of the main progress made in the various regulatory initiatives undertaken in the aftermath of the financial crisis and of the new regulatory trends underway, ISSA issued a second report on the main changes experienced by the securities services industry.

The report's focus is on appraising how industry participants have adapted to these various evolutions, notably by modifying internal organizations and operational processing, but also by introducing new types of services for their clients.

Refer to the Regulation related event taking place at Sibos.

## FINANCIAL CRIME COMPLIANCE PRINCIPLES IN THE SECURITIES CUSTODY BUSINESS

The article published by the ISSA Working Group on Financial Crime Compliance in the Journal of Financial Compliance aims to introduce the reader to the purpose and content of ISSA's Financial Crime Compliance Principles. They were originally issued in September 2015 and subsequently revised in May 2017.

The article highlights today's key questions and elements with the aim that the Principles become the standard in financial crime prevention across the securities industry.

Refer to the ISSA panel, which will discuss the securities firms' response to financial crime compliance challenges.