

ISSA

International Securities Services Association

ISSA – Domestic CSD (WG) Kick-off Minutes 15th July 2021, 14:00 – 15:00 CET

Participants:

Lavinia	Gheorghe	Depozitarul Centra S.A. Romania
Arman	Melkumyan	NSD Russia and AECSD
Pichaya	Chomchaiya	The Thailand Securities Depository
Onome	Komolafe	CSCS Nigeria
Onifade	Femi	CSCS Nigeria
Dale	Connock	Strate South Africa
Pheone	Hartel	Strate South Africa
Joshi	Anthony	NSDL India
Colin	Parry	(Minutes and today's Chair) ISSA

Excused:

Agenda:

Welcome and Introductions.
Selection of the first topic from the list
Working Approach
Deadlines
Choosing of a Chair
AOB

Welcome

Colin welcomed the team to the inaugural meeting and we performed a round of introductions. He quickly summarized the rationale for the formation of the group in that we all had shared experiences and some of the emerging topics within the whole ISSA WGs are useful but not necessarily aligned to the problems that the Domestic CSDs may face on a daily basis. It was therefore agreed that setting up a WG focused on the CSD issues was felt to be useful and this is the result.

Selection of the topics for discussion

The initiating parties involved in this WG thought that there was commonality in the pandemic sphere and had quickly brainstormed topics that may be of interest:

1. Experiences & responses to the pandemic
2. Remote Working & Associated Controls
3. Remote Network Due Diligence
4. Signatures on physical documentation

5. Voting (and other corporate actions and physical paper exchanges) including the best practices for launching e-proxy in a market to maintain the foreign investment in times of limited travel.
6. Physical Securities

But these may not be the highest on peoples priorities so Colin asked for other suggestions. The following were mentioned:

7. Resilience including
 - a. The physical infrastructure of the CSD
 - b. The economic situation in the country and that impact
 - c. Supplies – fuel (for generators), telecoms, power supplies
 - d. Disaster Recovery sites – including generator supplies
8. Restructuring and the winddown of a CSD – based on the IOSCO principles for FMIIs (although different by jurisdiction i.e. Europe has a Recovery and Resolution rule set). We could also look at the scenarios affecting CSDs and the effect of those as it will be different from credit institutions (Colin mention the RRR WG which is addressing this and he would prefer to wait until they had reported.)
9. Practicality of a 2 hour recovery window for resumption of service given the severity of Cyber-attacks.
10. Delayed Settlement. If the systems are compromised and settlement does not happen on settlement date but rolls over to the next possible date what is the impact, implications for a CSD, the market and cross border activity. What would he measures be that we take in preparation and if it occurs?
11. COVID memories are fading do we need to concentrate on the reactions that kept the financial markets turning at the time with a view to documenting them before we forget.
12. Best practices for Frontier markets about how (if they want to) they can open up to foreign investors, what do they need to have in place.
13. Pressure from the regulators to reduce costs, open up to competition while supplying the same if not better services and capabilities to the market

Working Approach and Deadlines

ACTION: The WG is going to elect their top three topics from the above list, including fleshing out which areas of focus they would like to see within the topics and let Colin know. He will compile the list and see if there are clear favourites. The group will then align on the topic and start work in as large or small teams as we need.

The aim is to have the first deliverable out by the end of year at the latest. This will be supported by monthly calls and a three month checkpoint to review the documentation we have created.

New Chair

Given Colin's inability to do two things at once Dale kindly agreed to Chair the calls going forward and Colin will take the minutes.

Summary of Follow-Up Actions

No.	Action Description	Responsibility	Deadline	Revised status
1.	Select your top three and let Colin know	WG participants	22 nd July	
2.				
3.				
4.				

Colin Parry
 ISSA CEO Office
 15th July 2021