

Working Group Webinar

Wednesday, 8 February 2023, Day 1

Agenda Day 1

1.	Welcome Remarks	Colin Parry, ISSA	13:00 – 13:05
2.	ISSA Member Survey	Colin Parry, ISSA	13:05 – 13:45
3.	DLT in the Real World	Steve Everett, TMX Glen Fernandes, Euroclear Colin Parry, ISSA	13:45 - 14:30
	Break		14:30 – 14.35
4.	ISO 20022	Giles Elliott, TCS Stuart Warner, HSBC	14:35 – 15.10
5.	Asset Servicing - Data Sourcing	Barney Nelson, The Value Exchange Steve Ridley, Broadridge Karen Zeeb, ISSA	15:10 – 15.55
6.	Wrap up day one	Colin Parry, ISSA	15:55 – 16:00

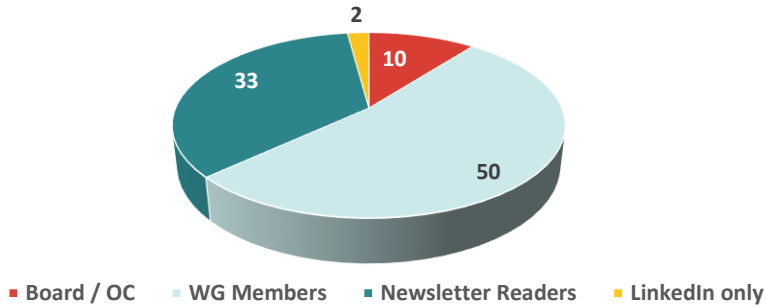
Welcome Remarks

ISSA Member Survey

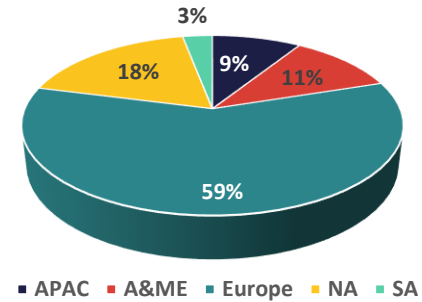
ISSA Member Survey

95 Respondents

Respondents by ISSA Relationship



Respondents by Continent



ISSA Member Survey

Assessment of ISSA's Purpose

What do you think the purpose of ISSA is?	CORE PURPOSE	USEFUL BUT NOT CORE	NOT A PURPOSE
▪ Securities Services best practice setting and promulgation	82	5	0
▪ Think tank for the Securities Services Industry	68	15	3
▪ Providing a network of experts	63	21	3
▪ Education	38	44	3
▪ Regulatory advocacy	27	44	10
▪ Lobbying regulators	25	41	15

ISSA Member Survey

Assessment of ISSA's Products and Visibility

Compared to other associations how would you rank ISSA?	70% amongst the best 30% average
Have you used our papers in your work?	77% yes
Quality of output?	52% excellent 47% good
Relevance of output?	86% yes 14% partially
Podcasts & Videos, and following us on LinkedIn	approximately 55%
Attend panel if ISSA on it	45% yes
Visibility	27% high 61% medium 12% low

ISSA Member Survey

Recommendations for Increasing ISSA's Visibility

How would you advise ISSA to increase visibility?

- Maybe helpful to setup a Member Working Group for Members' public affairs teams to advise on how to position and collaborate.
- Public relations campaign/hire a third-party firm to execute. We had success doing this in North America with the ISITC group.
- Adopt a more original and punching style in presentations/articles shared online to attract more interest
- Increase membership across the whole ecosystem
- Continue working with ValueExchange (and others) to increase presence

ISSA Member Survey

Assessment of ISSA's Value to the Industry

Where do you get the most value from ISSA (please rank your top three) ?

	1	2	3	4	5	6	7	TOTAL	SCORE
Connection to a Network of professionals	36.11% 26	23.61% 17	22.22% 16	4.17% 3	6.94% 5	5.56% 4	1.39% 1	72	5.56
Collaborating on key industry issues as part of a Working Group	38.16% 29	30.26% 23	17.11% 13	2.63% 2	3.95% 3	5.26% 4	2.63% 2	76	5.70
Changing the industry through collective action	19.12% 13	32.35% 22	25.00% 17	7.35% 5	8.82% 6	1.47% 1	5.88% 4	68	5.18
Receiving the ISSA documents (articles /bulletins / white papers)	11.11% 7	20.63% 13	25.40% 16	19.05% 12	19.05% 12	3.17% 2	1.59% 1	63	4.70
Receiving the ISSA newsletters	5.77% 3	11.54% 6	5.77% 3	21.15% 11	19.23% 10	26.92% 14	9.62% 5	52	3.44
Receiving the surveys and survey results	1.96% 1	0.00% 0	15.69% 8	11.76% 6	13.73% 7	33.33% 17	23.53% 12	51	2.71
Access to the Symposium	7.02% 4	5.26% 3	21.05% 12	14.04% 8	5.26% 3	10.53% 6	36.84% 21	57	3.16

ISSA Member Survey

Recommendations for Increasing ISSA's Value to the Industry (1)

What, if anything, could ISSA consider doing to increase its value to the Securities Services Industry?

- Keep focus on core objective of best practices
- Respond to regulators call for comment as ISSA
- Lobby regulators
- Roundtables on ISSA topics
- Advocacy and education on ISSA topics
- Facilitate FCCP – DDQ responses.
- Don't forget smaller institutions
- Extend Symposium invitations to WG members

ISSA Member Survey

Recommendations for Increasing ISSA's Value to the Industry (2)

What, if anything, could ISSA consider doing to increase its value to the Securities Services Industry?

- Education and training
- Increase collaboration with other Associations
- Visit more countries for ISSA education on ISSA WG topics
- Not issue standards for DLT.
- Store and source of Industry statistics
- Promote collaborative developments rather than recommendations
- Sandbox for theories

ISSA Member Survey

Recommendations for Working Group Topics

Are there topics that you think the Working Groups should be looking at?

- Securities Class Action Recoveries

- ADRs

- WHT

- Digital Identity

- T+1

- Digitization

- Business Models

- Diversity and Inclusion

- Fintech and AI

- Custodian WG – future of custody, clients, tech etc.

DLT in the Real World

Successes in 2022

“Blueprint for Central Bank Digital Currencies in Post-trade settlement” Paper

- DvP in CB Money – instant finality
- Atomic settlement
- Alignment of cash and securities on single platform
- Programmability
- Efficiency
- Potential new and different roles
- Call for interoperability from CBs

Revision of the ISSA DLT Identifiers Matrix

- Still no optimal single standard identifier in use globally
- Attributes by WG identified are still relevant
- Update launched after ISIN published their definition of the asset identifier.

Successes in 2022 continued

“Crypto Assets: Moving from Theory into Practice” Paper

- Glossary created and informs Global Business Blockchain Business Council –Global Standards Mapping Initiative for securities
- Updates include Reference Data, Withholding Tax, Insurance, and Cyber & Network Management
- Reiterated that digital assets will only succeed with best practices, trust and good regulation.
 - “same activity / business, same risk, same regulation”

DLT in the Real World – Podcasts

- 9 available explaining the ISSA research or DLT examples explored
- Supported by VEX
- Please volunteer if you have a story to tell

Deliverables for 2023

- **Digital Asset Custody Paper**
 - Collaboration between Deloitte, GBBC – Digital Finance, and ISSA
 - Covers: Definition of Custody, compares DAC v traditional securities custody, challenges and opportunities and potential best practices

- **DLT in the Real World 2023 Survey**
 - Base questions agreed – longitudinal and new refinements as the industry develops
 - Launch March and analysis complete for SIBOS

Discussion of other Potential Topics for 2023

- **Securities Markets and the integration with Stable Coins**
 - Examples are being seen
 - Are their best practices

- **Lessons from DLT Projects and Project Management**
 - Lots of projects variable success
 - Waterfall, POC, Sandboxes, Agile etc
 - Are their best practices for successful projects

Which Asset classes/use-cases are more ready to go-live

Experimentation

Commercialisation

21%

26%

23%

30%

of DLT projects will end at pilot stage

of DLT projects will continue in pilot phase for over 1 year

of DLT projects will scale into live deployments

of DLT projects will continue to grow once live

Securities Financing

Commodities

Structured products

Payments (inc CBDC)

Private Debt

(Vanilla) Bonds

Green bonds

Private Equity

OTC Derivatives

Equities / ETFs

Securitised assets

Carbon credits

Futures and Options

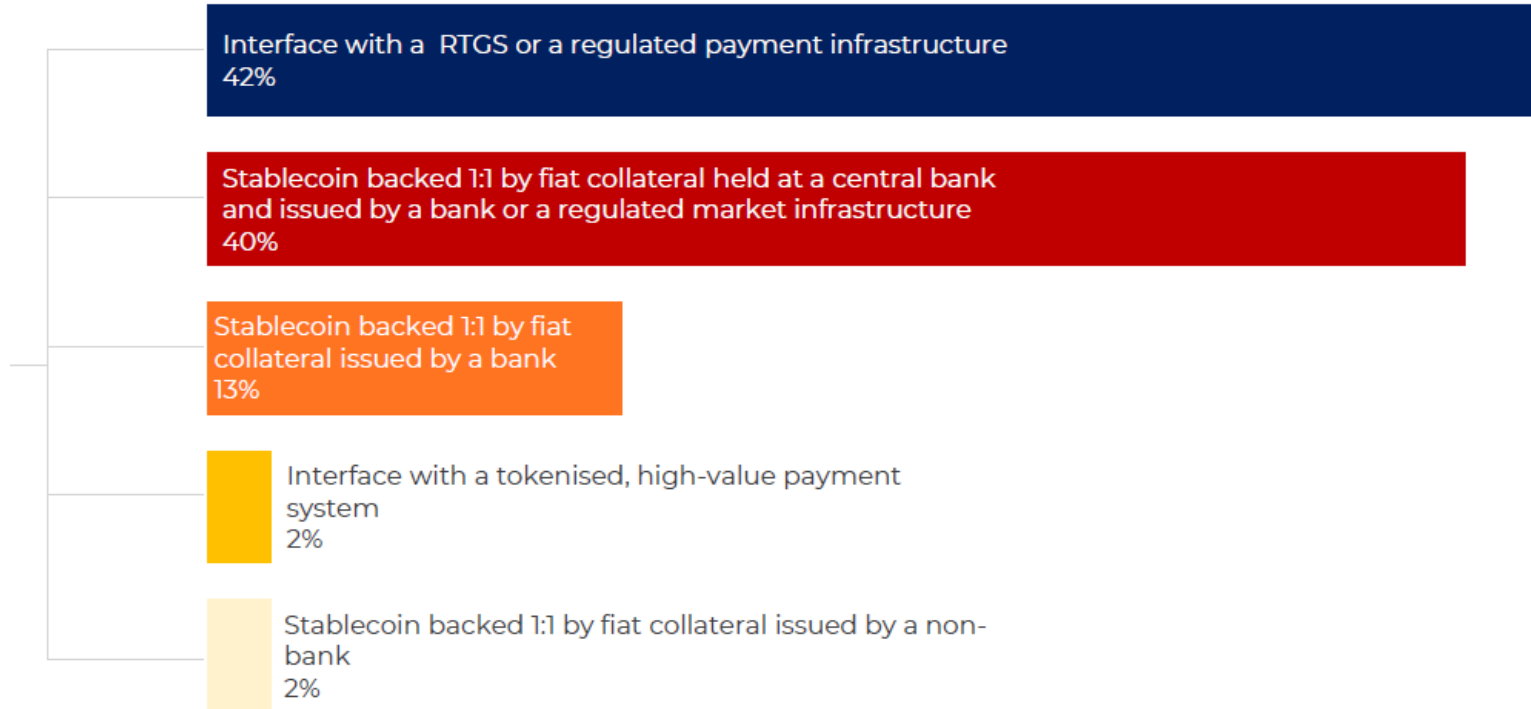
GDR/ADRs

Crypto currencies

Asset classes where majority of projects will be pilots in 2022/3

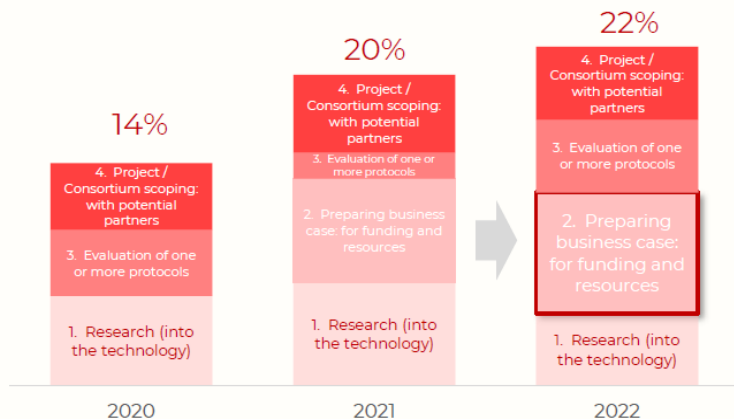
Asset classes where majority of projects will be live in 2022/3

What solution would you use for the cash leg, if not CBDC?

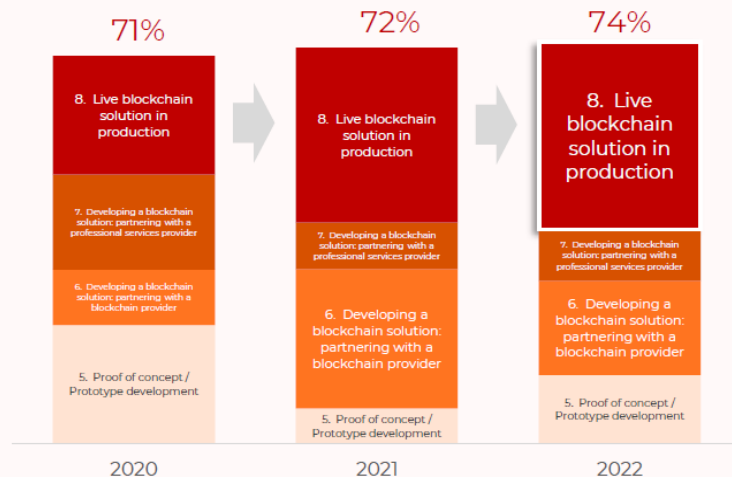


How are we deploying DLT today?

More firms are researching and more business cases are being written every day



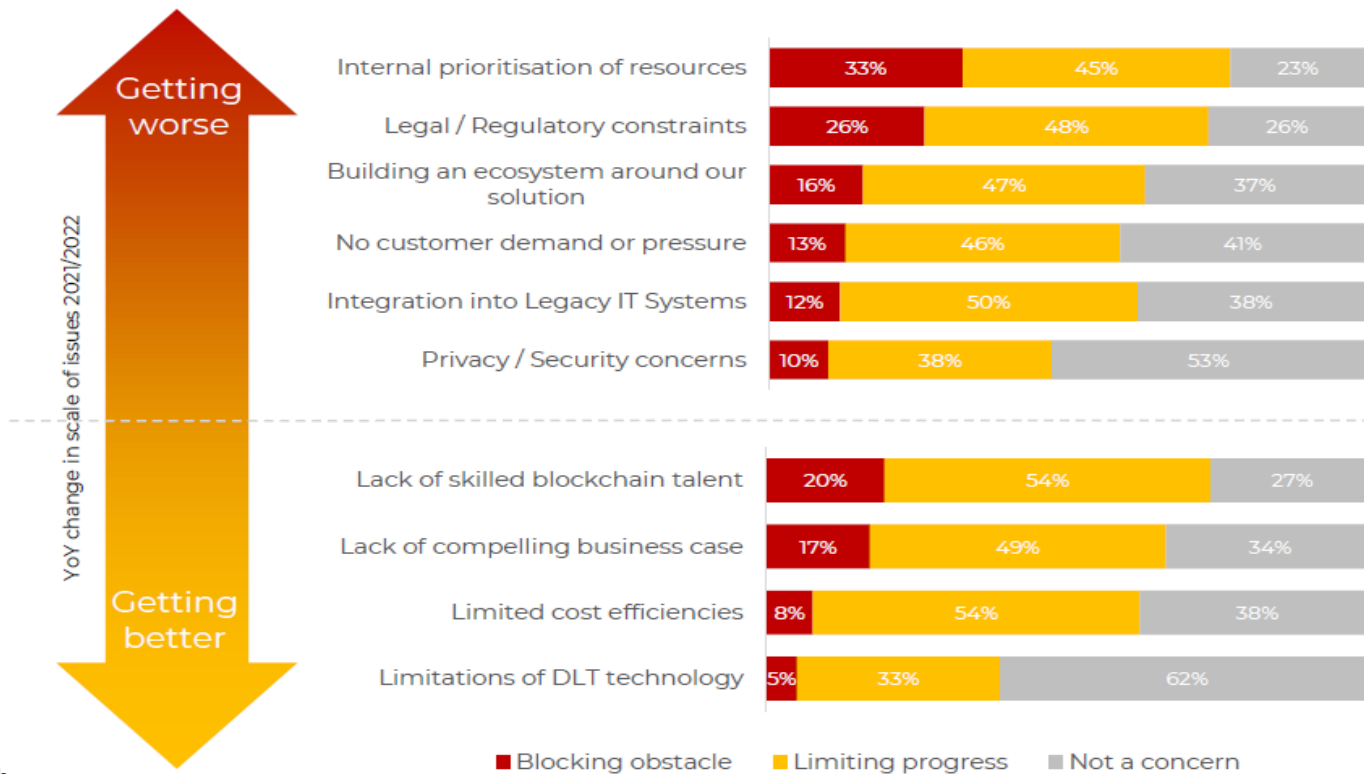
Pilots are diminishing whilst the number of live deployments grows



Preparing for DLT

Launching DLT

What are the key challenges to DLT projects



Break

ISO 20022

ISO 2022 in Summary

Working Group successes

- Creation of store of non-ISSA Documents at [Resource Centre](#)
- Partnerships with BVI, ECSDA, ISITC
- Industry influence through Reports on Securities Service position.
- 2023 Survey [launched](#) (closes 17th Feb)
- Reconstituted under Standards and Asset Servicing Working Groups to maintain the focus.

Reports

- ISO 2022 Survey – Background and Context document > [PDF](#) 404 kB
- ISO 2022 – Interoperability and APIs > [PDF](#) 359 kB
- ISO 2022 – The Benefits of a Common Data Model (05/2022) > [PDF](#) 298 kB
- [Sibos Podcast](#) (05/2021): Discussion on why ISSA wrote the ISO 2022 report, the contents of it and the next steps
- ISO 2022 Report (04/2021) > [PDF](#) 340 kB
- Context Document to explain ISO 2022 and changes from 2018 (06/2020) > [PDF](#) 420 kB

Asset Servicing WG – Data Sourcing

Asset Servicing WG – Data Sourcing

CORPORATE ACTION DATA SOURCING

The Case for a Standardized, Automated
Single Source Model

ISSA International Securities
Services Association

CORPORATE ACTION DATA SOURCING

The Case for a Standardized, Automated Single Source Model



Asset Servicing WG 2023 Plans

Purpose

The Working Group's purpose is to research the key challenges and issues that continue to impact the Asset Servicing area with the aim of providing best practice guidance for existing services as well as proposing alternative business models. Through these improvements and fundamental change propositions, the WG can assist the Securities Services industry in adopting more accurate, efficient and cost-effective Asset Servicing arrangements.

Scope

In scope topics for 2023 include:

Asset Servicing – Corporate Governance

Corporate governance is becoming increasingly important to investors. Within the Asset Servicing arena, governance events – such as Proxy Voting and Class Actions – involve operational processes that are highly manual, inefficient and costly. This subgroup will explore opportunities to improve the current processes through revised practices and automation in order to improve the effectiveness, timeliness and accuracy of the service offering whilst taking into account key influences such as, but not limited to, regulation.

Asset Servicing – Technology Enablers

This subgroup will investigate the potential for utilizing technology, such as APIs, to improve operational processes in Asset Servicing. Validation of the technology's potential will be achieved through a number of key use cases, including governance events (see above) and complex corporate actions.

Asset Servicing Working Group

Executive Sponsor

- Jyi-chen Chueh, Standard Chartered

Working Group Co-Chairs:

- Ann Marie Bria, DTCC

- Stephen Ridley, Broadridge Financial Solutions

69 Working Group Members

32 ISSA Member Firms involved

Wrap up day one
