

21st ISSA Symposium - Context Document

Breakout Session 6: Retaining Relevance in a Changing World

HYPOTHESIS

Globally, financial markets are constantly changing. Within Securities Services, there is also change occurring. Our industry is seeing external players come into the space as well as existing incumbents broaden their service offering and encroach on the activities of the traditional participants.

These external and existing parties could prove to be one of the biggest challenges that the traditional participants have to face in order to retain their relevance. Retaining relevance will be key if the traditional participants want to avoid disintermediation. It should be noted that, potentially, each function within the value chain is at risk in this way.

Potential scenarios could include:

- Sub-custodians being disintermediated by:
 - Global Custodians as FMIs both standardize and harmonize while they simultaneously change their access rules
 - Regional players
- Global Custodians being disintermediated by:
 - Regional players who have scale and local expertise and could be assisted by a geopolitical situation
 - (I)CSDs expanding their service offering
 - Fin Techs or Big Techs through the adoption of DLT at scale for traditional and native digital assets
- (I)CSDs being disintermediated by:
 - Non-permissioned DLT using smart contracts to create liquidity and leverage
 - Big Tech

The objective of the Breakout Session will therefore be to debate the theme, consider if there are areas that the ISSA membership feel resonate and, where this is the case, review whether this is something that should be taken forward by ISSA in some way.

PRE-READING

Breakout Session participants should read the following collateral to familiarize themselves with the hypothesis prior to the Symposium:

[Web 3.0 beyond the hype](#)

[Digital Assets, Distributed Ledger Technology, and the Future of Capital Markets](#)

[Deutsche Bundesbank: Out of sight, out of mind? On the risk of sub-custodian structures](#)

[LinkedIn: Sub Custody - Visibility over the Business Case.](#)

[HSBC: Custody in 2025 - Game Changers Future Trends in Securities Services](#)

IDEAS FOR CONSIDERATION

Relevance Factors

- Review what factors will enable the traditional participants to retain relevance
- Look at what new approaches there are that the traditional participants could explore to ensure ongoing relevance moving forward
- Consider the opportunities offered by ensuring future relevance (e.g. partnerships, cost savings, etc.)

Disintermediation

- Consider where the risks of disintermediation could come from
- Look at each of the market segments and consider how disintermediation could occur:
- Review what barriers there may be to disintermediation (e.g. regulatory constraints, protectionism, geopolitics, etc.)