# ISSA – WG Digital Identity and Onboarding
# Minutes of monthly meeting 11 July 2023

Participants:

| | | |
|---|---|---|
| Brett Lewis - | Co-chair | Globe Tax |
| Sonia Paston – | Co-chair | UBS |
| Colin Parry | Minutes | ISSA |
| Isa Ribeiro | | Clearstream |
| Giles Elliott | | TCS |
| Rupert Booth | | Myriad |
| Kurt Ospelt | | LLB |
| Oliver Maxwell | | IHS Markit |
| Sivaraman Ramasamy | | TCS |

Apologies:

| | |
|---|---|
| Kelly Robinson | Strate (Pty) Ltd |
| Rupanshi Chugh | Deutsche Bank AG |
| Calum Hill | Northern Trust Corporation |
| Florian Pfleiderer | Clearstream |
| Juliette Kennel | SWIFT SCRL |

## Agenda

    a) Welcome
    b) Updates
    c) Approach
    d) AOB and Close

## Welcome

Sonia and Brett welcomed the attendees and thanks Oliver ad Kurt for completing their actions. Oliver reiterated that the document should not be shared outside the WG. The WG now has two useful elements of collateral to build upon.

## Updates

The documentation received covers bank to bank onboarding. The group discussed that while useful this did not give a full picture of the requirements as it does not cover CSD v Custodian where additional documents are required. These CSD to bank requirements also vary by jurisdiction of the CSD (and in some circumstances the jurisdiction of the custodian as well as the CSD).

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ACTION: Please provide to Colin any documentation lists that exist at the CSD level stating what documents are required from a Custodian to be onboarded. The more example we have the better. This is one of the biggest annoyances for clients i.e. they are onboarded by a bank and then they get another set of document requests from the bank but initiated by the CSD. If there can be a holistic onboarding everyone would be happier.

Brett will talk to KSD and Strate to understand their requirements. (ACTION: Brett to let Colin if he needs help)

ACTION; The WG should create a sequential list of all the documents required in the majority of markets as a flow chart.

ACTION: HSBC, NT, UBS and DB to find a name for their onboarding team who can answer the requirements from their firm's viewpoint and respond to a few structured questions. ACTION: SONIA to Draft questions.

ACTION: Are requirements different CBF and CBL? Isa

****************** POST CALL UPDATE – DRAFT QUESTIONS ******************
Questions:
- Where do you sit in your organisation/what sort of organisation are you?
- Is the onboarding process a problem in your organisation? How does this manifest itself?
- What are the pain points that you see in the F2B onboarding process that you would like to be addressed?
- What's the benefit that could be generated in your organisation? FTE, Cost, Risk? What sort of scale?
- What about previous/current external industry/3rd party initiatives, what are your impressions? Why have some firms not been as successful as they possibly could have been. What is stopping them?
- How could we collectively be more ambitious and look for a future state solution to improve the process? What does good look like?

******************* back to real minutes *******************************

The group then talked about what was stopping us:
1. Lack of standards
2. Lots of discrete small parts of the process
3. Internal organization groupings

And why some industry solutions were more successful than others?
1. Pre-2019 there was no embracing of technology, post 2019 this has changed.
2. GCs act an harmonized unit with no firm willing to be the outlier but able to move on mass
3. Rigidity of solution leads to failure, but also that the industry resists change and are not willing to share information.
4. Liability cannot be outsourced.
5. Single package of documentation is preferable
6. Solution would provide a digitalized centralized record as this would solve the cost challenge
7. Multiple "portals" exist therefore no singular standard interface; and not all clients want a single portal! An example of the links is that Saphyr link to S&P Global is actually by email.

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**P2**

8. Clariant had Banks, BD, GC and tried to agree the "ISO model" document set but no-one was happy with those documents alone and wanted to add for their requirements so could not get agreement on single set of documents.

Solutions that are offered include:

Internal builds – using Fernergo and Pega for example for workflows

External solutions such as Saphyre

Ume - Luxembourg has a mutualized single hub for funds to collect the documentation and the members can view it but the liability not mutualized or solved for, really a big repository of documents.

SWIFT KYC Registry – successful but the issue still exist why?

S&P Global have provided a solution from 2008 but not validating the documentation because of the liability risks.

There are solutions for Payments out there which we should look at (ACTION COLIN)

German Trade Finance

Europe working on digital identity solution and we should investigate that to see if they are trail blazing the principles?

Paper should try to give a solution:

1. What are the acceptable set of information that a jurisdiction should require.
2. Whether "consularization" or notarization are needed
3. What should be the reciprocal requirements
4. Be ambitious about what good looks like (until reality really fights back)

## Summary Follow Up Actions

| No. | Action Description | Responsibility | Deadline |
|---|---|---|---|
| 1. | Oliver to see if he can share these data points and the approach | OM | Closed |
| 2. | Kurt to provide typical onboarding requirements | KO | Closed |
| 3. | Brett will talk to KSD and Strate to understand their requirements. | Brett & Colin | 31 Aug 2023 |
| 4. | The WG should create a sequential list of all the documents required in the majority of markets as a flow chart. | All | 31 Oct 2023 |
| 5. | HSBC, NT, UBS and DB to find a name for their onboarding team who can answer the requirements from their firm's viewpoint and respond to a few structured questions | HSBC, NT, UBS, DB | 31 Aug 2023 |
| 6. | SONIA to Draft questions. | SPB | Closed |
| 7. | Are requirements different CBF and CBL? | IR | 31 Aug 2023 |
| 8. | There are solutions for Payments out there which we should look at | CP | 31 Aug 2023 |

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