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Welcome Message

Dear Friends of ISSA

One of the joys of my job is to maintain the momentum at ISSA and avoid the temptation to breathe a sigh of relief - and relax - after the successful delivery of the Symposium. Luckily, the Co-Chairs of the Working Groups are pushing hard and will not let the ISSA team sit back! You will hear more of what is going on in the Working Groups below but I am, again, grateful for the effort that goes into the Working Groups and their output - thank you.

This year's Symposium has been wrapped up, the bills paid and Dominic Hobson's excellent summary of the discussions delivered to the participants. The final wrap up of the Symposium was hearing from the membership who have suggested areas where ISSA should focus over the next two years. It is my belief that these ideas should be actively pursued or rejected after discussion. The suggested areas currently under consideration include:

- Education and training - is there a role for ISSA to help?
- Collaborating more widely - especially with regulators and other trade associations
- Expanding the membership and types of members
- Are there improvements that could be made with onboarding and due diligence?
- Should ISSA provide a focal point for crisis management or cyber incidents?
- Should ISSA insist that members follow certain best practices?

These ideas are currently being reviewed by the ISSA Board and, with the CEO Office, they will decide where resources should be focused.

Karen and I not only survived SIBOS (18-21 September), but thoroughly enjoyed it! The event was fantastic and we were fortunate to be able to meet with many of our members whilst there. Our thanks to SWIFT for their support in allowing us to attend and the SIX team for hosting us, and our members, at their stand. You will see below that the ISSA team, along with many of the Board and Working Group participants, were involved in a variety of talks and panels and that these were well received by the various audiences that attended.

Finally, we are delighted to include an introduction to Vicky Kyproglou who is the new ISSA Chair. We asked Vicky to provide us with some of her thoughts about ISSA and her background which we know you will find as fascinating as we did.

Kind regards

Colin



**Vicky Kyproglou, UBS, ISSA
Chair**

Welcome to our new member of the ISSA Board:



Mike Hughes
Managing Director
Global Head of Product -
Custody
Citigroup

Welcome to our new member of the ISSA Operating Committee:



Anna Matson
Digital Asset Innovation
EMEA/Senior Vice President
Northern Trust Corporation

Introducing our New ISSA Chair

We are delighted to introduce our new ISSA Board Chair – Vicky Kyproglou - to her new role at ISSA. We asked Vicky to take a few minutes to answer some questions that we put to her.

What do you do at UBS?

I manage the Global Network and Market Infrastructure team which covers an end-to-end perspective of services from our network, with governance across post-trade infrastructure as well as the critical processes of managing market change and risk, regulatory change and enabling market access for our end clients. It's a fascinating role that's broad and diverse in its remit, going beyond the important traditional management of our network relationships.

I am also responsible for the Digital Asset strategy for post trade and custody. It's an important topic for the bank and the industry, so it's great to be in a position to help drive and define the shape of our future as the industry evolves.

What advice would you give to someone starting out in a career in securities services?

Ask questions and be curious. Across the financial services industry we have learned many lessons. These lessons are embedded in our policies and procedures, but it is not always self-evident why we do something in a particular way. There is nothing worse than being told "we've always done it this way." Don't be that person. Be curious. Be innovative. What worked yesterday may not be the best solution today. Asking questions provides a deeper understanding of how and why things are done, helps us manage risk, and drives success for our firm and clients.

Why is it important that you are the first female ISSA Chair?

Stepping into this role, I hope that I can provide my female colleagues in the industry with an element of aspiration and confidence that glass ceilings can and should be broken. While ISSA still has room to improve at the Board level, we have made great progress in the past two years and we will continue to ensure diversity remains a priority.

What areas are you looking to see us develop in the next ISSA strategic plan?

There are four key elements to address in the next plan: our identity, innovation, rethinking outcomes, and enhancing our visibility. The Board will challenge the team to come up with the strategy, which will lead ISSA into its golden anniversary year.

What is your greatest achievement (or is it still to come)?

From a personal perspective, my 30-year marriage and our two kids, Constantine and Alexandra, are my greatest achievements.

From a professional perspective, we can all point to many successes, but for me I am most proud of establishing a nine-month, female advancement sponsorship program across UBS's technology and operations functions. It's incredibly important to support women in the securities industry as they advance in their careers.

ISSA at SIBOS

Karen and Colin had the pleasure of attending SIBOS in Toronto in September which provided the opportunity to catch up with many of our member firms as well as meet some potential new members.

We started the heavy lifting with a session on T+1, a very popular topic within the SIBOS family this year. Paul Maley (ISSA Board member and Deutsche Bank) and Colin took to the stage to talk about T+1 and where standards could help. To make it more exciting for Paul and Colin, we polled the audience to find out which topics they wanted to focus on. Luckily the audience were aligned with the panellists preparation and the highest concerns were: Settlement Timings (Instructions cash and securities), Liquidity, Foreign Exchange timing for funding and Securities Financing Transactions and Stock loan recalls. Our thanks to Paul who did a great job articulating the answers, as well as explaining what work still needs to be done. We will post the session on LinkedIn and the ISSA website once it is available from SIBOS.

The second panel was the ISSA Standards Session Standards Forum. Vicky Kyproglou (ISSA Chair and UBS) and Margaret Harwood-Jones (ISSA vice -chair and Standard Chartered) joined Karen to discuss ISSA and the work we are doing to promote standards. After a quick "Who is ISSA" pitch, Vicky was quizzed on the benefits of ISSA; in particular around the value of generating high quality standards to improve the industry. Margaret used our Connecting, Collaborating and Changing themes to explain the execution of our mission and the value that the industry gets from standardization - be that by utilizing the ISO standard messages or adopting best practices. Vicky continued the theme, whilst highlighting that standards are not for standards sake but for the business case for the industry and the roadmap has to match the benefits realization. Margaret and Vicky then walked through some examples where the Working Groups are promoting coordination, harmonization and standardization. The video for this session will also be published shortly.

Colin had been invited to speak at the Broadridge Meet the Experts session based on the results of the fourth DLT 'In the Real World' (survey which had just been published). The session was very interactive and informative with the survey results being backed up with examples of the real activities that the panel members were seeing or using at their firms. Colin's favourite quote was that one firm is building all new apps to be DLT ready. You can chose your favourite when we publish the link to the film.

Colin launched the Digital Assets Custody (*to be published the week of 9 October*) and Due Diligence papers (*see below*) and invited comment and feedback. This was not filmed.

Further Events

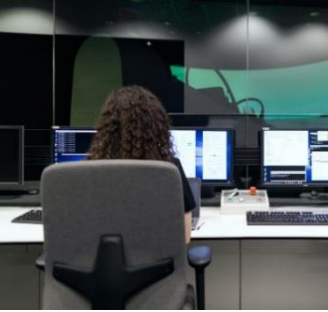
During the second half of 2023, ISSA will be hosting and attending further events, including:

- **PostTrade 360 Conference**
Jubilee Event Clarion Hotel Copenhagen Airport 11-12 October 2023
"What our industry needs is a saxophone" - luckily Colin is not providing one but, less excitingly, the opening keynote speech: "Drivers and shakers – The factors shaping post trade through 2024 and beyond"
- **Asia-Pacific Central Securities Depository Group (ACG) Conference**
Da Nang, Vietnam 17 -20 October 2023
- **Women of ISSA Webinar**
31 October 2023
ISSA will host the first Women of ISSA forum with a virtual event which all are welcome to attend. Further details will be sent out shortly.

We would be delighted to meet any members in Copenhagen or Vietnam. Please reach out directly to Colin.



Working Group Updates



In Q3 2023, ISSA has been delighted to welcome the following new Members:

- National Stock Exchange of India
- New Zealand Clearing and Depository Corporation Limited
- Taurus SA
- NowCM
- Nucleus Finance
- Financial Recovery Technologies



Tel: +41 58 399 23 68

Email: issa@issanet.org

Address:

c/o SIX Group Services AG
Hardturmstrasse 201
P.O. Box
CH-8021 Zurich
Switzerland

www.issanet.org

ISSA's WGs continue to focus on driving change in the Securities Services space. Despite the summer break in Europe, the WGs have continued to meet and key outcomes included:

- Publication of the Domestic CSD Due Diligence article
- Publication of the DLT in the Real World key findings
- Launch of the Corporate Governance Survey 2023 in collaboration with The Value Exchange, FIS, Goal and Proximity
- Publication of the ISO 20022 2023 Report

Further details about the WGs and their efforts are highlighted below. If you are interested in joining an ISSA WG, please contact Colin or Karen at issa@issanet.org.

Domestic CSD WG – Leading the Way

The Domestic CSD WG is leading the way in collaboration with other Trade Associations. The Domestic CSD WG chooses topics that are of particular interest to the domestic CSDs - wherever they are based. One of the activities that is particularly onerous for CSDs is the process around Due Diligence (DD). They are not alone in this and a number of the custodians agree that it is not efficient.

Everyone recognizes that the role of ISSA members is to provide safe custody for the clients and that DD is a vital part of establishing that. So - in summary - DD is vital, but inefficient. How can we make it better?

The Domestic CSD WG's paper on Due Diligence ([see link](#)) sets out some routes to make it more efficient and effective. These need to be fully debated in the industry, but a core tenant of what the WG is recommending is the simplification and convergence of the Association of Global Custodians (AGC) and Association of Financial Markets Europe (AFME) questionnaires which drive the vast number of DD requests that CSDs receive. In addition to this, the CSDs would like to drive some process convergence and will take any feedback on how they can also improve the CSD processes supporting DD.

The great news is that AGC and AFME have agreed to work with ISSA to look at possible paths of convergence and simplification. There are many steps on the path for achieving this aim and these will need support from all ISSA members. It is recognized as a big task but, as one of our African based members noted, "you eat the elephant one bite at a time".

DLT Working Group

It has been a busy three months for the DLT WG. ISSA next week will publish the Digital Asset Custody paper, in partnership with the Global Business Blockchain Council's Global Digital Finance arm & Deloitte, combining the views of the existing market participants and the newer entrants into the custody arena for digital assets. As you can imagine, this has been a challenging paper to produce. The discussions in the WG were extensive and detailed (and too detailed for a paper) but those who engaged have learnt a lot and the WG Co-Chairs hope that the membership find the output useful and illuminating.

The second delivery of the quarter has been the publication of the fourth "DLT in the Real World" Survey ([see link](#)). Thank you to the huge number of firms that responded. The data is rich in content and, as it covers the longitudinal view, many observations about the DLT industry, change year on year. The final report has been published in time for SIBOS and will be formally launched there.