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ISSA BY NUMBERS

- ◆ 51 countries represented by ISSA members
- ◆ 10% y-on-y increase in members
- ◆ 20% y-on- increase in Board members
- ◆ 557 WG members and 17 WG and sub groups.
- ◆ 10 papers, surveys and articles published
- ◆ ISSA has attended and presented at 15 conferences

Year-End Message

Dear Friends of ISSA

I think a function of getting older is that time passes faster. It cannot possibly be true, but where has 2023 gone? As we approach the calendar turning to the joys of 2024 I will take the opportunity to reflect. ISSA has enjoyed another great year, as a result of the enthusiasm and dedication of our Working Group (WG) participants and to the active participation and involvement of our Board and Operating Committee (OC) members. Our members are the strength of ISSA. I love the debate, energy and exchange of information. Karen, Bill and I would like to thank you all for your amazing support over the course of this year.

2023 has also been a further year of growth for ISSA. As our relevance to the Securities Services industry continues to grow, we are seeing more firms join the membership and we all benefit from the knowledge they bring. In addition, we have continued to strengthen the Board by adding a number of illustrious names in 2023. These include JP Morgan, Nasdaq, National Securities Depository Limited India (NSDL), Northern Trust and State Street – we welcome them and their input.

The ISSA community is a joy to be part of. I have daily interactions with people from New Zealand to Chile and everywhere between. One of our aims is to ensure we partner with other organizations to ensure a coherent view world view without overlapping efforts. I had the privilege to attend the Asia-Pacific CSD Group's Annual General Meeting and SIBOS in this quarter and came away from both with new friends and new ideas. We are feeding these ideas into the appropriate WGs and highlighting the value of connecting, collaborating and changing the industry for the better.

ISSA has both attended and run events "*shaping the future of securities services*". We started 2023 with the WG Webinars with over 250 people attending over the two days. Day one focused on the WGs that had just delivered papers and the second on launching the new WGs. The audience appreciated that the sessions were 45 minutes and focused on topics that they cared about. The Symposium followed in May – a sell out event and great one but I covered in detail in the Q3 Newsletter so will say no more here. In this Newsletter we provide some information on 2024 events. This includes the WG Webinars, so please hold 6 and 7 February and look out for the invitation that will follow in January.

Over recent years, we have grown our community on LinkedIn and it is highly likely that you may be reading this Newsletter to using this medium. We already have over 5,000 followers on the page and we would love to end 2024 with over 6,000. Therefore, if you are not following us, please do so at: [LinkedIn](#).





Haroun Boucheta
Head Public Affairs
BNP Paribas



**POST
TRADE
360°**

ISSA already has a lot planned for 2024 - some of which is included in this Newsletter - and we are excited about the opportunities for next year. I will therefore close by wishing you season's greetings, a "guet rutsch" and to connecting again in 2024.

Colin Parry, ISSA CEO

Handover ISSA OC Chair

The ISSA Board and ISSA CEO Office is delighted to welcome Haroun Boucheta (BNP Paribas) as the new Chair of the OC. Haroun has been instrumental in driving the T+1 WG, as Co-Chair, and has been an active member of the OC to date. Haroun recently chaired his first meeting which was hosted by BNP Paribas at their office in Pantin, Paris.

Haroun takes over from Juliette Kennel (SWIFT), who made a significant contribution during her tenure as Chair. She was instrumental in revamping the OC to be more forward looking and proactive. The Board and ISSA CEO Office would like to thank Juliette for her dedication and support. Juliette will continue to be SWIFT's representative on the OC.

Event Update

Looking ahead, ISSA is already planning to host and attend multiple events in 2024:

- ◆ **ISSA WG Webinars**

ISSA will again hold two half-day webinars on the work of the ISSA WGs. Scheduled for Tuesday 06 and Wednesday 07 February, from 13.00 – 16.00 CET, ISSA members will have the opportunity to hear directly from the experts in the WGs about the topics they are looking at and what they are delivering. An email inviting ISSA members and friends to the webinars will be sent out early in January. In the meantime, please add the dates to your calendar.

- ◆ **Women of ISSA**

In the first quarter, ISSA will host its first Women of ISSA forum with a virtual event which we hope you will attend. More to follow on this in the new year.

- ◆ **WG Mash-Up**

In the third quarter, ISSA is planning the first of a series of Mash-Ups. The aim is to ensure that those WGs whose work interacts can have the opportunity to cross-pollinate ideas and considerations and ensure the "red thread" between the groups is understood and coherent.

- ◆ **Partnership event with Post Trade 360**

At the end of Q3 ISSA will partner with Post Trade 360 to bring the WG content to a wider audience.

- ◆ **ISSA AGM**

In the final quarter, we will hold the ISSA AGM - again virtually - and all member representatives will be welcome.

Working Group Updates

The ISSA Working Groups have, again, been very active this quarter:

- ◆ Our 11 WGs are focused on topics that are top of the agenda for our members. If there are other topics of interest, please let Karen or Colin know.

- ◆ The T+1 WG has just released its paper - more on this below. This serves as education for the membership and, in a slight change to ISSA's normal approach, has been sent to ESMA to assist the regulators. ISSA believes that educating the regulators is aligned with our goals. ISSA will continue to avoid lobbying and leave that to the regional associations but is happy to engage with regulators where the members believe it is useful.
- ◆ Operational Resilience WG held a two-day workshop in London last month. The purpose of the workshop was to further the work on the development of an OR Questionnaire which will provide firms operating within the Securities Services industry with a means to assess whether their counterparties are operationally resilient.
- ◆ The ESG Standards subgroup has created two pieces of useful collateral to help educate and inform ISSA's members about the important topic of ESG. Again, more on these below.
- ◆ Digitization has wrapped up the private markets focus and now is moving to "Client Communications" - see below.
- ◆ Finally, the FCC WG has completed the review of the ISSA 2023 Due Diligence Questionnaire. Keep an eye out for the updated version which will be distributed in January.

Digitization Looking Forward

Everyone has heard the apocalyptic tales of the corporate action election being faxed into the office and shredded with the spam faxes and costing a million (pick your currency). In the twentieth century the answer was "Let us insist on an email" and we have heard the apocalyptic tales of the corporate action election being emailed and - still - ending up with the spam and costing a million (pick your currency again).

So what is the twenty-first century answer? That is the challenge that the Digitization WG has decided to focus on. Not just elections, but how we can digitize the whole set of interactions with the clients, increase client service, reduce risk and increase efficiency. We all agree that it is the right thing to do so why has it not happened?

The WG intends to create a paper that sets out:

- ◆ Why things have not moved from legacy to digital?
- ◆ Awareness of the drivers, current status, and barriers for, the industry's digital transformation journey i.e. what are the real reasons (legal, tax, habit?) and focus on these barriers.
- ◆ Agreed definition on best practices and how implementation barriers should be addressed i.e. what hampers the adoption of the digital solutions. This should include the investigation of Portal Proliferation
- ◆ Agree on business case, potential cost, efficiency, and scalability benefits of the transformation
- ◆ If you are in a firm who needs to solve the problem please reach out to Colin or if you are in a firm which has solved the problem definitively please reach out to Colin and we will get you signed up!

Welcome to our new member of the ISSA Board:



Padmaja Chundurur
Managing Director and CEO
NSDL

Welcome to our new member of the ISSA Operating Committee:



Prashant Vagal
Executive Vice President
NSDL



Sarah Sutton
Managing Director
Citi

In Q4 2023, ISSA has been delighted to welcome the following new Member:

- ◆ Bloomberg LP
- ◆ SwissChain



ISSA wishes you all a happy festive season and a great start to 2024



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Standardization is Key

The Standardization Working Group's purpose is to focus on the ISSA participants' standardization journey – understanding the challenges, as well as the opportunities available – so that ISSA is able to offer best practice guidance and to promote standardization. During 2023, the Standardization WG has been focusing on two key standards topics:

- ◆ ESG Standards in Securities Services
- ◆ ISO 20022 Standards

The ESG Standards subgroup has now created two essential resources aimed at enhancing the industry's understanding of ESG, especially in the context of Securities Services. The first resource is the ESG Glossary of Terms which offers clear definitions of key ESG terminology relevant to Securities Services ([link here](#)). The second is the ESG Resource Centre, containing non-ISSA collateral curated by the ESG Standards Subgroup ([link here](#)). In 2024, the subgroup will look at data flows, particularly where these touch and impact the Securities Services arena, as well as look to understand the impacts opportunities and problem statement for ESG in Securities Services.

The ISO 20022 Standards subgroup's aim is to take a deep breath and think about ISO 20022, the considerations for adoption, and adoption paths or otherwise. The group has looked at lessons learnt from prior and contemporaneous migrations between standards, the impact on global processes and local market practices, and the actual rather than theoretical standardisation opportunity of ISO 20022. Given these and the market structure the paper has made a number of recommendations on possible migration approaches based on the overall premise that there should be a business case to move. The final paper will be issued in Q1 2024.

T+1 Impacts

There are clear benefits to securities markets in reducing the period between trade date and settlement date. This includes reductions in settlement, counterparty credit and market risks as well as an overall gain in processing efficiency as market participants are forced to automate all aspects of post-trade processing to continue to participate in the markets. These cumulative risk-reduction benefits can be characterized as reducing the overall systemic risk of securities trading. However, there are also obstacles that must be addressed both domestically, and very importantly, on an international basis, focused on cross-border trades into markets moving to T+1 settlement.

In this paper, ISSA's T+1 Impacts WG identifies six issues related to the move to T+1, one of which is unique to international investors. The remaining five are common to both domestic and international investors, but are more significant for international investors to address. Most importantly, ISSA's T+1 Impacts WG makes four recommendations to the industry and to regulatory bodies that are contemplating the possibility of accelerating their market's settlement cycles to work together collaboratively on.

We invite you to read about ISSA's recommendations and the context for them in this this latest ISSA [white paper](#).