



Welcome Remarks from the ISSA Chair



Speaker

- **Vicky Kyproglou** – *UBS, ISSA Board Chair*

Agenda

Welcome Remarks from the ISSA Chair	Vicky Kyproglou - <i>UBS</i>	13.00 – 13.10
2023 Year in Review	Colin Parry - <i>ISSA</i>	13.10 – 13.30
Asset Servicing Corporate Governance WG	Vicky Dean - <i>Goal Group</i> Andrew Myers- <i>Proximity</i> Barney Nelson - <i>The Value Exchange</i>	13.30 - 14.15
Operational Resilience WG	Alejandra Glass - <i>DTCC</i> Simon Shepherd - <i>MYRIAD Group Technologies</i> Karen Zeeb - <i>ISSA</i>	14.15 - 14.45
Break		14.45 - 14.50
Financial Crime Compliance WG	Mark Gem - <i>Clearstream</i> Olivier Goffard - <i>Euroclear</i>	14.50 - 15.20
Standardization - ISO 20022 WG	Giles Elliott - <i>TCS</i> Juliette Kennel – <i>SWIFT</i> Colin Parry - <i>ISSA</i>	15.20 - 15.50
Wrap up day one	Colin Parry - <i>ISSA</i>	15.50 - 16.00

2023 Year in Review



Speaker

- **Colin Parry - ISSA**

Governance

Change of Chairs – Board and OC

- Phil Brown handed over to Vicky Kyproglou and Margaret Harwood-Jones became Vice-Chair
- Juliette Kennel handed over to Haroun Boucheta and Sonia Paston-Bedingfeld became Vice-Chair

Change in ISSA office

- Ursula Borer retired, and Miriam Breil joined as office manager
- William (Bill) Hodash joined as PMO
- New accounting and billing system implemented

ISSA Board

- Grew with JP Morgan, Nasdaq, National Securities Depository Limited India (NSDL), Northern Trust and State Street joining
- Agreed 2024 - 2028 strategic plan

Membership

- Increased with net 12 new members

2023 Profitable

- No change to member fees in 2024

Events and media

ISSA Symposium

- May 10-12, 2023
- Sold out – globally diverse audience

ISSA Webinar 2023

- 265 attendees (this year higher registration)

External Events

- Strate Nexus, Post Trade 360, SMPG, World Forum of CSDs, SIBOS, Asia-Pacific Central Securities Depository Group, Broadridge, TCS, FIS

LinkedIn

- Over 5000 followers
- High engagement rates
- Feel free to repost to your network

Media stories and profile growing

- Increasing number of stories on our papers
- Stories increasing activity in Africa and India
- Active regulatory inquiries and responses.

Working Groups

Summary

- Launched 3 more WGs, taking us to 11
- Addition of 8 subgroups
- Over 560 WG participants
- Published 10 papers, surveys and articles
- Held 5 ISSA Workshops

Working Groups

- Asset Servicing WG
 - Technology Enablers
 - Corporate Governance
- Digital Identity and Onboarding WG
- Digitization WG

- Distributed Ledger Technology WG
 - DLT in the Real-World Survey
 - Digital Asset Custody
- Domestic CSD WG
 - Due Diligence
 - Opening frontier markets
- Financial Crime Compliance WG
- Future of Service Securities WG
- Securities Services Risks 2024 WG
- Standardization WG
 - ISO 20022 Standards
 - ESG Standards in Securities Services
- Operation Resilience WG
- T+1 Impacts WG

Asset Servicing Corporate Governance WG



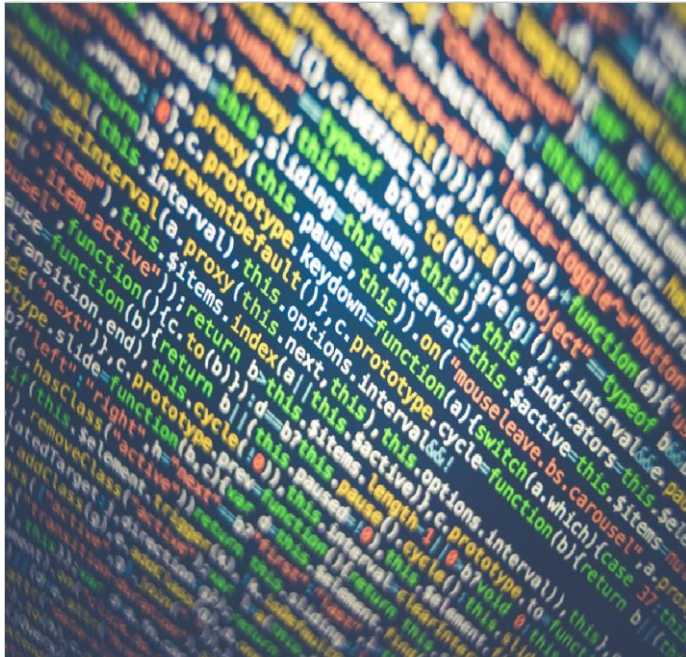
Speakers

- Vicky Dean – *Goal Group*
- Andrew Myers - *Proximity*
- Barney Nelson - *The Value Exchange*

Co-Chairs of Working Group

- Ann-Marie Bria - *DTCC*
- John Kirkpatrick - *Broadridge*

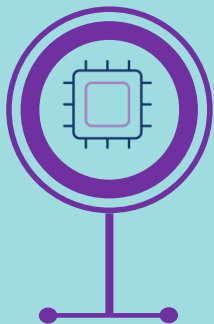
Asset Servicing Corporate Governance



Proposed Principles

- To create optimum meeting process via digitisation and harmonisation

Potential Principles



Digitization

Utilising digitisation as an end-to-end resource to harmonise the General Meeting flow from announcement through to post meeting confirmations and results



Transparency & Visibility

The ability for issuers to know who their investors are at the beneficial owner level, standard requirements for entitlements to vote (e.g. Record date and not blocking) etc



Efficiency

All information transfer (including announcements and voting) should take place without delay and any recommendations should benefit all market participants



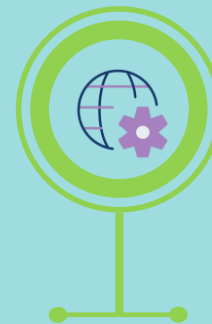
Timetable

Dates should be ordered and spaced to ensure efficient processing and that current shareholders are voting at the meeting



Engagement & Stewardship

Ensure investors know that their vote has been received by the issuer / issuer agent and counted as part of the meeting's outcome

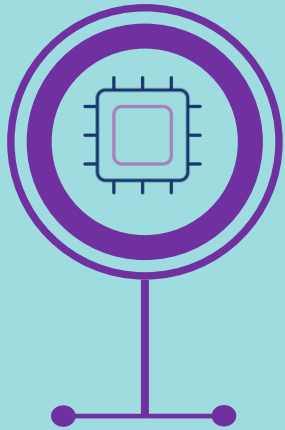


Harmonisation

Market rules should be in line with global principles and not bespoke for that given market or any sector of the market

Principle 1 – Digitization

Digitisation serves as a transformative force in harmonizing the entire General Meeting process, from the initial announcement through to the crucial voting phases. Embracing a comprehensive digital approach enhances transparency, efficiency, and accessibility throughout this spectrum. Examples could include:



Leveraging digital platforms to enable dissemination of meeting details, agenda, and relevant documents to stakeholders

1

Cheques to be abolished for class actions and replaced with Wire Transfers

2

Real-time notifications and updates to ensure that participants are well-informed, fostering engagement from the outset

3

Engage in full STP and remove paper-based processes to overcome geographical barriers

4

Provide for proxy voting to be accepted at the meeting without the requirement for a separate representative

5

Principle 2 – Transparency & Visibility



Good governance is predicated on the ability for issuers and their investors to interact so, therefore, it is vital that issuers know who own them and investors are known to the issuer for a particular event (e.g. a meeting). Examples include:

- Issuers should have the legal right to know their shareholders at the Beneficial level
- Markets should use record date processing rather than registration or blocking , as a standard

Next Steps



- Review and agree principles
- Determine order in which to progress
- Expand on definitions for global consumption

Operational Resilience WG



Speakers

- **Alejandra Glass** - *DTCC*
- **Simon Shepherd** – *MYRIAD Group Technologies*
- **Karen Zeeb** - *ISSA*

Co-Chairs of Working Group

- **Alejandra Glass** - *DTCC*
- **Simon Shepherd** – *MYRIAD Group Technologies*

Operational Resilience



Definition

Operational Resilience is defined as the ability of a Securities Services provider to deliver critical operations through disruption. This ability enables a Securities Services provider to identify and protect itself from threats and potential failures, respond and adapt to, as well as recover and learn from, disruptive events in order to minimize their impact on the delivery of critical operations through disruption.

Operational Resilience



Purpose

The topic of Operational Resilience is increasingly becoming part of the regulators' requirements. ISSA anticipates that there will be a need for firms to both request, and provide, evidence and attestation around operational resilience standards.

The purpose of the Operational Resilience Working Group will therefore be to assist our members understand and deal with future operational resilience requirements.

Operational Resilience



Scope

The scope of the Working Group is to explore how a firm can assess, mitigate and rapidly – but safely – recover from the impact of operational issues by leveraging a consistent methodology (excluding financial impacts which were covered in the Recovery, Resolution and Resilience Working Group).

The aim will be to enable process alignment and standardization in order to minimize the administrative burden on the industry.

Operational Resilience



Key Deliverables

- To agree on ISSA Working Group's key terms and definitions for Operational Resilience
- To provide an inventory of the current regulations in place or being considered
- To understand the challenges that ISSA members may be facing with the Operational Resilience frameworks and consider potential solutions to resolve these challenges
- To analyze and agree which standard components should exist to support development of an Operational Resilience Questionnaire

Break

Financial Crime Compliance WG



Speakers

- Mark Gem - *Clearstream*
- Olivier Goffard – *Euroclear*

Co-Chairs of Working Group

- Mark Gem - *Clearstream*
- Olivier Goffard – *Euroclear*

Standardization - ISO 20022 WG



Speakers

- **Giles Elliott – TCS**
- **Juliette Kennel – SWIFT**
- **Colin Parry - ISSA**

Co-Chairs of Working Group

- **Giles Elliott - TCS**
- **Juliette Kennel - SWIFT**

Considerations and Best Practice approach for Securities Migration to ISO 20022

Why write a new paper

- Recommendation from previous ISO 20022 paper
- A growing level of interest from global markets implementing ISO 20022
- We are seeing a wide variety of approaches to ISO 20022 implementation
- Several markets have moved (parts) of their process to ISO 20022 – what has the industry learnt?
- Benefits of the ISSA Membership having a view on best practice

Audience

- Those considering driving the change
 - Regulators (Securities and Banking)
 - FMI's
- Those involved in the implementation
 - Global and local custodians
 - Banks and credit providers
 - Vendors

Key Considerations and Inputs

- Actual experience learnings sort from:
 - Indeval, NASDAQ, JASDEC, Target 2 Securities and DTCC
 - ISO 7775 to 15022
 - Funds migration to ISO 20022
 - Ongoing Payments migration to ISO 20022
- How can a market move, what should the drivers be and who should be involved
- Technical challenges – Extensions, Versioning, Market Practices and Harmonization
- Possible timelines and project phases
- Possible migration approaches
- Implementation Strategy including co-maintenance and co-existence

Emerging Points of View

- How to encourage streamlining. New products or processes should only be implemented in ISO 20022
- Importance of transparent market engagement and approach/timeline assessment; goals and objectives analysis and a structure for co-existence and co-maintenance rather than mandatory switchover.
- Scope – Limit primary scope to affect the FMI’s direct participants only; Identify priority processes where viable
- Address the technical challenges early. Use the base standard and agree the schedule for updates and avoid the use of extensions where not needed to facilitate migration (see Harmonization focus)
- Custodians and network providers should enforce global market practice rules
- Harmonization Focus - Review governance of ISO 20022 (and 15022) governance to ensure it enables change

Wrap up day one



Speaker

- Colin Parry - ISSA