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Welcome

Dear Friends of ISSA

The best part of my role is meeting both the current membership and potential members. I enjoy hearing what ISSA is doing well, as well as what should be done differently, where there should be more focus and what help we can give. Our aim is to be a member led organization and these discussions ensure that we stay true to that target. Recent conversations have led me to believe that ISSA is addressing the issues that our members - and the wider industry - are interested in.

Working Group (WG) participation continues to grow and the papers that ISSA publishes are attracting the attention of industry participants and the global regulators. It is imperative that ISSA continues to provide the impartial and intellectually robust analysis that allows the industry to discuss complex topics and cooperate to find solutions.

Behind the scenes, ISSA also continues to evolve. Member Representatives will all have received (and hopefully paid!) fees for 2024, generated from our new accounting system. Work continues apace on the educational offering and a short survey will soon be sent out to gauge the appetite of our members in participating in the offering. ISSA is also preparing to move from the SIX infrastructure to a cloud-based provision with our own capabilities. Finally the CEO Office team have already started working on the planning for the 2025 Symposium. Therefore, if there are subjects that you think should be considered, please do give me a call or drop me a note.

Colin Parry, ISSA CEO

**Welcome to our new
member of the ISSA Board:**



James Fok
Chief Commercial Officer
Central Moneymarkets Unit

Event Update

During this quarter, ISSA has both hosted and participated in a number of events. These include:

- **ISSA WG Webinar** One of the opportunities to connect with our members is the ISSA WG Webinars. These interactive sessions have become an annual event and attract a strong audience. During our February event, we had an audience of approximately 400 people attend over the two half-days. These webinars are brilliantly presented by the many WG Co-Chairs. This year started with a recap of the successes of 2023 and was quickly followed by excellent sessions on Corporate Governance, by the Asset Servicing WG, and the Operational Resilience WG's deliverables. After the break, the Financial Crime Compliance (FCC) WG discussed the newly revised FCC Questionnaire and the Standards WG addressed the ISO 20022 market developments. The second day addressed the Future of Securities Services WG and their upcoming paper, the Standards WG explained the deliverables of the ESG stream and T+1 WG highlighted the unique challenges that international investors face with a shortened settlement cycle.



Event Update

- **ISSA WG Webinar (continued)** The day finished with the Digitization WG explaining the work that they are taking on next (and asking for volunteers) in the Client and Market Communications area and the Securities Services Risk WG outlining the changes in the risk framework since the first paper was published. The 2024 plans for all WGs then closed out the two-day event. The sessions were interactive, with many questions from the virtual floor, and really highlighted what ISSA is accomplishing with the help of our members. Again our thanks to the presenters.
- **Bloomberg Seminar**
Bloomberg held a seminar on the importance of standards within financial services. Colin participated to give ISSA's view highlighting both the value to the industry of existing standards (whilst recognizing the fact that these are most effective when combined with market practices) and the need for convergence of a variety of standards over time. Whilst this aligned to other panellists' views, it was also highlighted that there are opportunities for Artificial Intelligence (AI) to become the glue for standards, rather than convergence. Colin came away from the seminar with a much more nuanced view than entering it and a belief that AI has some immediate applicability to Securities Services.
- **ACSDA Conference**
Hosted by Caja de Valores, the American CSD Association General Meeting in Buenos Aires was fascinating. Again Colin saw the commonality of challenges and opportunities across the global and - more interestingly - the diverse solutions that are being used to take businesses to the next level. Bruce Butterill kindly invited Colin to moderate the final panel which was to summarize and explore open questions from the three days (hence reinforcing his need to pay detailed attention). The result can be seen on the ACSDA website, but Colin would summarize by saying that it is much easier to moderate when you have an excellent panel and many questions from the floor!

ISSA will also be involved in further events during the course of this year. Please therefore note the following and do joins us if you can:

- **Women of ISSA**
ISSA will host its first Women of ISSA forum on Tuesday 04 June from 14.00 to 15.30 CET with a virtual event which will be held on Teams. Keep an eye out for the invitation which will be sent out by email shortly to all ISSA members.
- **SIBOS**
SIBOS will, this year, be held in Beijing – please let us know if you would like a meeting.
- **PostTrade 360**
ISSA is partnering with [PostTrade 360](#) to bring a number of ISSA papers and meetings together in Stockholm September 4-5, 2024. This will be the first time that ISSA has taken such an approach but it will allow members to participate in a number of different Working Groups in the two-day period and hear from the WG experts discussing the whitepapers in detail.

Working Group Updates

The first quarter is always a busy time for the ISSA Working Groups - with renewed energy and interest from both existing participants and the addition of new members. Some highlights of Q1 activities are provided below:

- The Asset Servicing WG's Technology Enablers subgroup** - in collaboration with The Value Exchange, Broadridge and DTCC - will shortly release a survey entitled "The Asset Servicing Automation 2024 survey". This short survey is looking to collate responses on corporate action processing challenges and impacts on organizations, along with projects that are currently in progress or being considered. Keep an eye out for the survey which will be published shortly on LinkedIn, the ISSA website and by email.
- The Digital Identity and Onboarding WG** has continued to progress. The topic is complex and it appears that no two firms approach it the same way. The simplification of the Terms of Reference is helpful to reduce the variation of DI&O options. However, this still leaves thousands of routes through the process. The intent is to produce a paper in Q2 explaining the problem and then articulate possible routes forward in a further paper later in the year.
- The Operational Resilience WG** has finished its draft of the questionnaire and are now reviewing each section to ensure they are complete but not duplicative.
- The Standardization WG** – comprised of the ISO and ESG Standards subgroups - are looking at new topics. The ISO subgroup is looking to publish a new paper. The ESG Standards subgroups is covering two different themes, focusing on data flows and ESG challenges and mitigants. More on these topics below.
- The T+1 WG** has now started working on the second phase of the project, looking beyond the US moving to T+1. As part of this effort ISSA has engaged with a number of other industry associations in the "European T+1 Taskforce" to ensure the voice of ISSA is heard. ISSA has also been engaging with DTCC on increasing the transparency of the matching metrics to help non-US firms benchmark. The final element of the continuing work is to front run a move to further accelerated settlement and create a view on what needs to happen if a country wishes to move to T0 (atomic or EOD) settlement.



How do you Communicate?

Do you communicate with clients or the markets outside digital channels?

The Digitization WG is now focusing on market and client communications. The agreed definition of digital, in this context, should be that things are machine readable and capable of machine processing i.e. not MT599s. The scope is very wide from KIIDS and PIIDS, contract notes, proxy and tax documentation and everything in between. The WG believes there are environmental, risk and financial benefits to removing non-digital communications. If you agree please let Colin know on colin.parry.issa@six-group.com and join the WG.





In Q1 2024, ISSA has been delighted to welcome the following new Member:

- Hong Kong Monetary Authority/ Central Moneymarkets Unit
- Saphyre



SAPHYRE



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What next for Standards?

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 2024, the Standardization WG will focus on two key standards topics:

- ESG Standards in Securities Services
- ISO 20022 Standards

ESG Standards subgroup will focus on two key topics:

- Data flows: This group will look at how ESG data flows through the financial ecosystem, particularly at the touch points and impacts on Securities Services
- ESG Impacts: This group will focus on the challenges and implications for Securities Services of ESG needs

The ISO 20022 Standards subgroup's aim is to publish the paper on "Considerations and best practice approach for securities migration to ISO 20022" in Q2. The aim of the report is to:

- Provide an objective set of insights on the different factors that influence any migration strategy, drawing on member experience, previous use cases and other current migration initiatives
- Educate global markets, regulators and other market participants on the underlying factors that influence adoption, so that there is a structure for their own programme assessment when considering ISO 20022 adoption in securities markets
- Provide a set of practical insights and recommendations to these entities for future migration

Did you miss the "DLT in the Real-World Survey" Invitation?

The DLT WG are progressing two sub-projects at the moment. The first which should be published later this quarter is a short article on "Making DLT Projects Successful" Highlighting the differences between normal projects and those involving a wider ecosystem then the survey bit.

The second is the continuation of the "DLT in the Real World" longitudinal survey. The survey has now entered its fifth year and, as always, we would appreciate your help in gaining insights. The survey can be found on our [website](#) or by using the QR code below:

