

Domestic CSD Working Group

03 March 2025, On Teams

Meeting Minutes

Participants (in attendance in bold):

Firm Name

Central Securities Clearing System Plc
Central Securities Depository Ghana Limited
Nasdaq Inc.
Depozitarul Central S.A.
Americas' Central Securities Depositories Association ACSDA
The Stock Exchange of Thailand
Hong Kong Exchanges and Clearing Limited

Central Securities Depository Ghana Limited

UBS Group AG
Strate (Pty) Ltd
UBS Group AG
BNY

Montran

Central Securities Clearing System Plc

Egyptian Central Security Depository

Depozitarul Central S.A.

Central Securities Depository Joint-Stock Company Kazakhstan
UBS Group AG
Strate (Pty) Ltd

The Standard Bank of South Africa

Datos Insights
Central Securities Clearing System Plc
Deposito Central de Valores (DCV)

Deutsche Bank AG

Egyptian Central Security Depository

Central Securities Clearing System Plc
BNY

CMU OmniClear Limited

Macao Central Securities Depository and Clearing Limited

Egyptian Central Security Depository

NSDL Group

Euronext N.V

Central Securities Clearing System Plc

Euroclear

First Name

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Melvina
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John

Sohayla

Lavinia

Mikhail
Laura
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Sally

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Javier Andres

Louis

Tarek

Onome
Christopher
Hector
Jiahua
Ahmed
Rakesh
Henrik
Femi

Matthew

Last Name

Agbelele
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Coleman-Forson

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De Liedekerke

Espinoza

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Jara Traub

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Onifade

Pallett

Hong Kong Exchanges and Clearing Limited
Deutsche Börse Group
B3 Brazilian Exchange and OTC
Standard Chartered Bank

Richard	Shum
Piotr	Sokol
Ana Paula	Theodoro
Catherine	Tinavapi

Agenda

1. Welcome and Introductions
2. Domestic CSD 2025 Priorities Discussion
3. AFME Update
4. 2025 Terms of Reference
5. AOB

Welcome & Introductions

Suresh informed the WG that Hector Lau replaces James Fok as CMU Omniclear Limited's representative in the WG. James will continue as Executive Sponsor of the WG.

Domestic CSD 2025

Suresh informed the WG that 3 new topics were tabled by ECSD. The 3 new topics were:

- i. AI Adoption in CSDs: How can CSDs leverage artificial intelligence, and what potential benefits/impacts could this adoption have on their operations?
- ii. Cross-Border Securities Transactions: What are the key challenges CSDs face in cross-border securities transactions?
- iii. CSD-CCP Engagement: What is the optimal approach for engaging Central Securities Depositories (CSDs) with Central Counterparties (CCPs)?

Sohayla and Ahmed from ESCD provided the following context in relation to the 3 proposed topics.

AI Adoption in CSDs – Explore how AI would be adopted/integrated in the current CSD activities and the benefits that the adoption of AI would deliver e.g. cost reduction, reduced processing time etc. Additionally, this paper will outline the potential risk associated with the adoption efforts and strategies to mitigate the identified risks.

Sohayla also added this could potentially lead to increased collaboration with technology companies and increased opportunities for innovation.

Cross Border Securities Transactions – There are many benefits associated with cross border security transaction such as increased liquidity in the market, increased foreign investment into the local market and increased exposure and consequently these benefits come with its own challenges. The proposal is to analyse the key operational and compliance related challenges associated with cross border security transactions and propose best practice solutions to tackle these challenges.

CSD-CCP Engagement – This proposal relates to the evaluation of the different CSD-CCP models that are currently being used in the different markets. This paper would explore the rationale for the adoption of a specific CSD-CSP model and implication of each model within their respective markets.

Catherine commented that these were 3 good topics that should be considered by the WG and in relation to the AI Adoption topic asked the WG if they thought that there was sufficient adoption of AI within the current CSD infrastructure and ecosystem for the WG to share their insights. The DLT series of papers previously published had provided some insight into the benefits of AI Adoption. Ahmed responded that as AI adoption whilst widespread is still relatively nascent, the paper would initially explore the benefits and perceived risks associated with the adoption of AI given that there may not be many use cases currently in the ecosystem to draw upon.

Sally commented that the AI topic is a relatively broad topic that is being considered across the financial ecosystem. She suggested incorporating the AI topic into one of the existing topics being considered by the WG.

Lavinia concurred with Catherine comment regarding the AI being addressed in the DLT series. She added that at this stage there is insufficient uses cases right now to be considered as a topic on its own.

Catherine commented that the cross-border securities transaction topic was worth considering as there has been an increase of access models into local settlements. She added that given cross-border securities transaction challenges there are new solutions like the Africa Exchange linkages initiative – in this model you can have a trader in any market that is linked with the African Exchange trade in a foreign asset and settle in the market where the asset is eligible for custody. She suggested that it would be worthwhile reviewing these models to determine the benefits and challenges that they may offer. Other models for consideration are the account operator model and remote access model.

Suresh then reminded that the poll for the 2025 Domestic CSD Initiatives have been sent out to the WG participants and that it would be closing on 7 March 2025. In relation to the 3 new topics proposed by ECSD, the WG agreed to add these topics to the list but to leave them out of the current voting process. The WG agreed to include these topics for consideration upon completion of the first paper for 2025.

Below is the outcome of the poll that closed on 7 March 2025

Polled Topics	Ranked 1st	Ranked 2nd	Ranked 3rd
Managing Change from a CSD Perspective	50%	20%	13%
Interface Practices Custodians to CSDs	13%	26%	24%
Mutualized Market Technology Solutions	6%	40%	19%
Practicality of a 2 Hour Recovery Window for the Resumption of Services			13%
Blurring of Lines Between CSD and Custodian	31%	7%	13%
Restructuring and the Winddown of a CSD			19%
Delayed Settlement		7%	0%
	100%	100%	100%

The Top 3 Priorities in order of preference are :

1. Managing Change from a CSD Perspective
2. Mutualised Market Technology Solutions
3. Interface Practices Custodian to CSDs

AFME Update

With reference to the AFME call held on 11 Feb 2025, Suresh provided an update. A summary of the items discussed was shared with the WG in the January 2025 minutes.

Suresh also informed the WG that a follow-on call was scheduled with the AFME representatives on 12 March 2025. Catherine asked for a CSD representative to join the discussion. Matthew Pallett volunteered to join the call.

2025 Terms of Reference

Suresh shared the latest draft of the 2025 ToR for the Domestic CSD. Suresh requested invited WG participants to send in their feedback.

AOB

For the WG participants reference, Suresh shared the following links :

LinkedIn Page - <https://www.linkedin.com/company/19215164/admin/dashboard/>

Symposium Link - <https://www.miceconciergeme.com/22ndissasymposium/registration/Site/Register>

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Share outcome of the poll for the 2025 CSD Priorities	Suresh	31/3/2025