

22nd ISSA Symposium - Context Document

BREAKOUT SESSION 1: CLIENT EXPERIENCE

HYPOTHESIS

The highest priority for the Symposium's attendees is improving the Clients' Experience of their own organisations. In both of the ISSA Future of Securities Services papers, we have seen that Investor Behaviour is driving the strategic direction for firms. Clients want:

- More efficient and cost-effective service
- Real time visibility on their holdings and projected movements to and from those, including a cash ladder
- The maximum return from their positions and collateral usage
- To have specialists to deal with their queries in real time
- The ability to pull data (both real time and over a long-term horizon) to analyse and use
- To have a seamless service across asset classes using the best-in-class providers
- To be able to port portfolios between service providers in a simple and efficient manner
- Expansion of products services especially in Out of Network assets (e.g. private markets / cryptocurrencies)

These changes have collided with the securities services industry's legacy processes, tools, operating models and IT systems. The historic services and assumptions are now being actively challenged as not being adequate for clients. This "always on" requirement has also been driven by the ever-shortening settlement cycles, which also impacts the corporate action and voting elements.

At the same time the client base is becoming more technologically proficient and has been exposed to providers who take a personalised view rather than "we have always done it that way" approach in their daily lives. This has changed the client's expectation of what can be delivered in their professional lives.

An additional dimension to the problem is occurring at the same point of time: the Securities Services industry's clients' own profitability and value are being challenged by their own clients. This has meant that despite the pressure for them to "improve" there is limited technology spend, or process improvement investment being funded within their own organisations.

There is therefore a natural conundrum of where change is best led and what changes are best to be executed for the whole industry.

The objective of the Breakout Session will therefore be to debate the two sub-themes and identify the areas where collective action can be taken by the ISSA membership to resolve or mitigate some of the unmet needs. The group should assess whether collective action is something that ISSA could take forward.

The Breakout Session will then split into two sub-groups to discuss the following two sub-themes in greater detail:

- Improving Client Efficiency
- Changing Behaviours Processes and Data Flows

PRE-READING

Breakout Session participants should read the following collateral to familiarize themselves with the hypothesis prior to the Symposium:

[2024 CX and Communications Consumer Insights | Broadridge](#)

[The Evolution of the Custody Business](#)

[Eri21 WP Custody-Services PROD4.pdf](#)

IDEAS FOR CONSIDERATION

Below is a list of ideas that the Breakout Session participants may wish to consider during their discussions (but the group should not be limited by these ideas):

Priorities

- What can be done to improve client efficiency?
 - Convergence and standardisation of API design
 - Look at whether there are additional risk mitigants that should be considered
 - Use of existing and emerging technology throughout the asset and trade lifecycle
 - Increased education
 - Automation of sub-optimal processes and procedures for example Private Markets or Affirmations/Confirmations.
 - “Value added” Service extensions
- What Behaviours should be changed (on either by the client or Securities Servicers)?
 - Actual versus contractual settlement
 - Client communications including the use of e-signatures and non-machine-readable documentation
 - Reconciliations
 - Adoption of Unique Transaction Identifier (UTI) and Legal Entity Identifier (LEI) as examples
 - Expansion of product offerings

Potential Mitigants

- Review what actions the Securities Services industry could take to alter behaviours and the economics of investing
- Look at where collective effort via ISSA could potentially help to support these actions
- Consider whether there is a need for a new ISSA Working Group to support these actions or the addition of topics to existing Working Groups