

DI&O Group

17 December 2024, On Teams

Meeting Minutes

Participants (in attendance in bold):

Deutsche Bank AG	Paul	Maley
Deutsche Bank AG	Siwei	Feng
Deutsche Bank AG	Pallav	Pandey
Deutsche Börse Group	Isa	Ribeiro
Deutsche Börse Group	Florian	Pfleiderer
Euroclear	Marie-Charlotte	Henseval
GlobeTax Services, Inc.	Brett	Lewis
Goal Group Limited	Debbie	Hickey
Hong Kong Exchanges and Clearing Limited	Samuel	Ng
HSBC Holdings Plc	Robin	Saunders
LLB	Kurt	Ospelt
ISSA	Colin	Parry
MYRIAD Group Technologies Ltd	Rupert	Booth
Northern Trust Corporation	Jonathan	Hartwell
Northern Trust Corporation	Fergal	Keavey
S&P Global	Petra	Handoca
S&P Global	Oliver	Maxwell
S&P Global	Julia	Bava
Saphyre, Inc	Gerhard	Kronsteiner
Saphyre, Inc	Max	Lamb
State Street Corporation	Holly	Winsor-Crowley
State Street Corporation	Santhosh	Ramarao
Strate (Pty) Ltd	Steven	Ingleby
Strate (Pty) Ltd	Kelly	Robinson
SWIFT SCRL	Juliette	Kennel
Tata Group	Giles	Elliott
Tata Group	Sivaraman	Ramasamy
The Investment Association	Shruti	Deb
UBS Group AG	Sonia	Paston-Bedingfeld
UBS Group AG	Joe	Mernagh

Agenda

1. Introduction
2. Discussion on the next phase of the project.
3. Review of initial paper outlining problems in account onboarding.

Introduction

Brett welcomed everyone and explained that we had taken the Brainstorming Session output and turned it into an RFP draft. If agreed this could be then used to engage the vendors for them to tell us how their solutions met the desired features.

Need to validate the RFP hits the right questions and statements and who it should be sent to. Also need to ensure that there is confidentiality in feedback i.e. a firm's answers not shared with another competitors.

RPF Structure

ISSA Overview

Project overview including the old paper

Objectives of the WG

Scope of Work/ Services Required

What they need to deliver.

Discussion on draft RFP

- Need to articulate why a vendor should complete what is the hook for them?
 - Require the ISSA Members actually turn up in numbers as “advertising”
- Is it the right approach?
- What comes out of the process i.e. do the vendors get feedback to improve their offering?
- Confidentiality – what do the vendors think should be kept confidential?
- How would we even score it - should we use independent reports to compare?
- Should it be show and tell rather than a written response?
 - Demo is best.
 - Take feedback from vendors from their canned responses also but major on the demo.
- Needs to reflect the “refresh” aspect not just the “initial” KYC maybe more fully than Custodian question 5?
- Do we want to expand into scenarios (as per the paper) for the length of time it takes to onboard?
- Should we describe the set of features that we think we need?
 - Define what we think the perfect solution features would be
 - Ask whether they exist or whether vendors would be willing to develop them.
 - These features may include:
 - Ability to share documents
 - Interoperability
 - Collaboration
- So, what in the WGs view does good look like?
- Happy with this approach but need to look at the motivations. A client does not care if the solution is mutualised, but rather that they have to provide documents only once, rather than to multiple parties.
- The RFP as is, is not fit for the purpose.

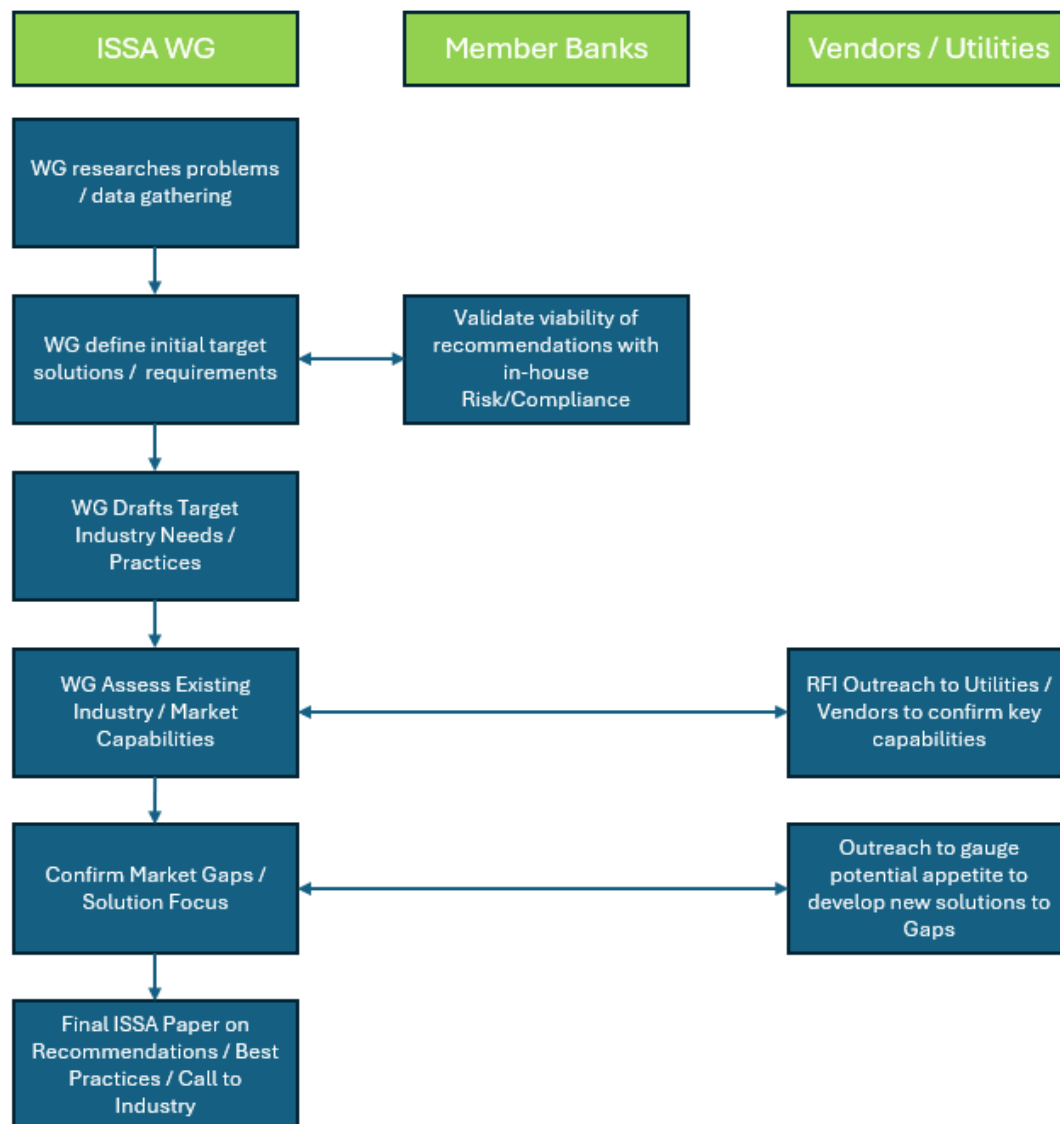
- Expanding on the features required:
 - Security and Privacy
 - Connectivity to LEI and VLEI?
 - Switch/Connectivity between information providers
 - Ability to give consent to share a solution's information (privacy through a different lens)
 - Client provides once in retail banking and others accept that is good enough
 - UABO accounts how do we source the information, validate it and limit the redundant information exchange?
 - All underlying documents should be digital and verified by the government in each country. True digital record.
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- How do we deal with the internal coordination of the review?
 - Need to ask whether the banks would trust another single repository is a big question.
 - Does it need to be a single repository or could it be many that custodian can connect to?
 - Mutualisation and centralisation are one answer but maybe not the only one?
 - Interoperable rather than mutualised or standardisation helps equally?
 - Need to give the roadblocks (such as GDPR) to the optimal solution but with potential answers.
 - The questions and ideas need thought as KYC is big problem and a nuanced one – clarity of our ask will prevent lots of work which does not move us forward.
 - Prescriptive, so we understand, but not so prescriptive that we don't learn.
 - Signatures digital, AI gathering publicly available information and DLT distributing it? Caution as the answers may not be known.....
 - Governmental “trusted ID” – would the banks accept it? Who has the liability?
 - Is liability the fundamental issue? This also stops mutualisation.
 - All countries must have recognition (and probably treaties) accepting the work of another (UK Companies House being an example of an unverified source which may say it is verified).
 - Standards of quality for obtaining the government ID must be strong.
 - If possible to mutualise what is the cost incentives?
 - Validate that mutualisation is possible

Giles' flow:

So the flow that I would suggest we adopt when ending up with Vendor Engagement would be:

1. Research to understand key issues and current industry status.
2. Define a clear set of Target Solutions/Best Practices that we feel collectively solve the majority of the headline issues, and best target principles (e.g. sharing platforms, interoperability, certified digital certificates/original documents, etc).
3. Outreach within member firms (e.g. to risk/compliance) to test the viability of these solution recommendations and any additional requirements (e.g. would you trust a digital document from a shared utility/what certification would you require to trust it...; willingness to share KYC data with other banks). Ideally some credible data that says the ISSA banks would use the solutions if these were available under the stated conditions.
4. We validate what is available in the marketplace (existing utilities, vendors, etc) so that we understand the gap/shortfall through a highly focused RFI on the key features only (i.e. is not a general RFI).

5. An outreach to different utilities, vendors, other interested parties to present options to bridge the gaps. With a view that ISSA would try to avoid recommending a single option. The data from #2 helps the vendors/utilities with their business case for investment to bridge the gap
6. We define target solution requirements/target best practices (e.g. digital certified sharable company documents/data) in a clear paper aimed at all relevant parties – including regulators, company registries, tax authorities, fund companies (who could digitise their corp. identity)
7. Ongoing tracking to see whether needle moves....



Action Items and next steps

- Colin Parry to pull together a view of nirvana for debate.