

DI&O Group

1 April 2025, On Teams

Meeting Minutes (Colin Parry ISSA)

Participants (in attendance in bold):

Firm Name	First Name	Last Name	Working Group Function
GlobeTax Services, Inc.	Brett	Lewis	Co-Chair
UBS Group AG	Sonia	Paston-Bedingfeld	Co-Chair
Deutsche Bank AG	Paul	Maley	Executive Sponsor
BNP Paribas S.A.	Angelos	Kontogiannis	Member
Deutsche Bank AG	Siwei	Feng	Member
Deutsche Bank AG	Pallav	Pandey	Member
Deutsche Börse Group	Florian	Pfleiderer	Member
Deutsche Börse Group	Isa	Ribeiro	Member
Euroclear	Marie-Charlotte	Henseval	Member
Hong Kong Exchanges and Clearing Limited	Samuel	Ng	Member
HSBC Holdings Plc	Robin	Saunders	Member
LLB	Kurt	Ospelt	Member
MYRIAD Group Technologies Ltd	Rupert	Booth	Member
Northern Trust Corporation	Jonathan	Hartwell	Member
Northern Trust Corporation	Fergal	Keavey	Member
S&P Global	Julia	Bava	Member
S&P Global	Petra	Handoca	Member
S&P Global	Oliver	Maxwell	Member
Saphyre, Inc	Gerhard	Kronsteiner	Member
State Street Corporation	Santhosh	Ramarao	Member
State Street Corporation	Holly	Winsor-Crowley	Member
Strate (Pty) Ltd	Steven	Ingleby	Member
Strate (Pty) Ltd	Kelly	Robinson	Member
Tata Group	Giles	Elliott	Member
Tata Group	Sivaraman	Ramasamy	Member
The Depository Trust & Clearing Corporation	Cristina	Pagan	Member
The Investment Association	Shruti	Deb	Member
UBS Group AG	Joe	Mernagh	Member
x-markets GmbH & Co. KG	Serkan	Yagci	Member

Agenda

1. Introduction
2. Discussion on the Matrix
3. Actions

Introduction

Brett welcomed everyone and Angelos from BNP introduced himself as the new member.

Brett asked to move the next meeting outside the Symposium timings – good spot!

Discussion on the Matrix (Matrix attached)

Brett summarised the matrix:

- Certain things we can achieve as ISSA
- Others where ISSA not best positioned to help
- Driven off three high level issues:
 - a. documentation standards,
 - b. mutualization and vendor solutions and
 - c. client experience
- These were used to drive initiatives to improve onboarding.

Joe then started walking through the details.

Documentation Standards:

- One of the things that wasn't always clear that would be really helpful would be “what would be acceptable sources of the documentation” and what source of that documentation will be acceptable? How would we even score it - should we use independent reports to compare?
- Financial Market Standard Board (FSMB) in UK have done some excellent work here specifying both.
- Could this information be sourced and verified using AI “scraping” off the web as a technological improvement?
- Proposal was to start with a big fund locations such as Lux, CH, Dub, London, Bahamas, Hong Kong, Singapore and US, and then look at the 10 biggest investable markets for those funds.
- This needs engagement with local regulators and fund associations to see what is acceptable to them building on FSMB’s work **ACTION**. (prioritise 1 or 2 locations at start and refine EFEMA and The IA?)
- Validate the super set with ISSA WG Members **ACTION**
- Will the vendors support the collation of the Super set? **ACTION**
- Talk to providers to see if they have AI sourcing on their road map **ACTION**
- Validity of documents over time. Client frustration that they provide a document, then later open a new market say 6 months later and the document needs refreshing. **ACTION** add column to Acceptable sources document with validity period.
- Suggestion to recommend 5 years validity or until the beneficial owner changes their information use a change of circumstance form. **ACTION**
- Promoting the electronic signatures with the regulators is hard to implement but high benefit. Aim would be to adopt digital signature but also allow them to be consumed digitally by the tools that vendors are supplying. AS WG are also looking at e-signatures so Colin to talk to Bill **ACTION**
- Solutions should be widely adopted e.g. DocuSign used in west, but India will only accept their local tools. Idea would be to create the required attributes of a e-signing tool and push for the standards to be adopted globally. Likely there are a number of associations pushing for this and ISSA should partner with them **ACTION**
- Clients are pushing back against electronic signatures – create/promote an educational piece to show the value? **ACTION**
- Divergent market requirement on AML/KYC (LEI or common references accepted). We should get Alex Kech from GLIEF to explain what they are doing. View is that ISSA should recommend LEI for all firms as these are

institutional investors not retail.

- Question on the attributes GLEIF Holds and whether they map to the FSMB's table of data. Ask Alex **ACTION**
- Unclear or different definitions of beneficial owner, shareholder, legal person, and Trusts. Vote was to put it into the too hard category and watch the European CMU take it up.

Mutualization and vendor solutions

- Inability to use Mutualised solution (liability/trust) should not be lead by ISSA (if we could). Main issues appear the liability and limited real mutualisation as funds use limited number of providers. Vendors to solve.
- Digital Identity – should be phase two after the data sources and information agreed.
- Solutions should have both great UX and a good security posture
- Potentially clients could tokenise their own information for distribution and the platform would permission it.
- FMSB has set up a DI Group so we should work with them.
- Presently no regulator nor MLRO will accept digital identity. So ISSA should position to endorsement of likely solutions such as the GLEIF's digital ID. (**ACTION** for Gerhard and Christina to connect on the FMSB DI Working Group)
- High Cost of Platform integration for vendor solutions due to legacy infrastructure, complicated or inconsistent internal workflow and/or data integrity – not for ISSA to solve. Observed that there is low/no integration cost to use it as a GUI but higher cost to connect to API but bigger benefits.

Client Experience

- Educational Activities – clients do not know what the SSPs need from them by market, partly as this varies by SSP's own history and risk appetite (Bank X wants 1-7 and Bank Y wants 1-10)
- Client's need to be clear at the start what they want to trade and where – fundamental ask of the clients.
- This should fall out of the documentation and sources documents but should be led by the firms.
- Firms should create dynamic questions that lead through the processes if you want X markets and Y product then these if X and Z then these to provide a better experience
- The visibility in the process should also be engineered in so clients can see when the account should be opened.
- Pre-approval of client accounts by regulator – rejected although potentially nirvana from risk management practically hard.
- Derivative is to get regulators to agree the standards and sign off on them, which will help with mutualisation.
- Corollary in US is the IRS tells you that a fund has a TIN and they respond very efficiently – why can they not do that for money laundering? SSPs should then look at transactions to ensure they are not laundering but ID should be government owned and liability sits where the identification should have occurred.
- Build a chapter linking Government ID to LEI **ACTION**
- Brett to write paragraph on IRS solution. **ACTION**
- Lack of transparency to clients to onboarding requirements (piecemeal) and statuses
- Definitely not your "Your delivery is 4 stops away" type of service yet! But comes out of the educational issues above so can write that up.

Action Items and next steps

Action	Who	By when
This needs engagement with local regulators and fund associations to see what is acceptable to them building on FSMB's work ACTION.	Colin	Next call
Validate the super set with ISSA WG Members	All	July call

International Securities Services Association

Tel: +41 58 399 23 68
Email: issa@issanet.org

c/o SIX Group Services AG, Hardturmstrasse 201,
P.O. Box, CH-8021 Zurich, Switzerland

www.issanet.org

Will the vendors support the collation of the Super set?	Colin	Post -paper
Talk to providers to see if they have AI sourcing on their road map	Colin	At Vendor presentation
Add column to Acceptable sources document with validity period.	Colin	After agreement with FSMB
Suggestion to recommend 5 years validity or until the beneficial owner changes their information use a change of circumstance form	Colin	In paper
AS WG are also looking at e-signatures so Colin to talk to Bill	Colin	By next call
Likely there are a number of associations pushing for this and ISSA should partner with them	Colin	By next call
Clients are pushing back against electronic signatures – create/promote an educational piece to show the value?	Colin	In paper
Question on the attributes GLEIF Holds and whether they map to the FSMB's table of data. Ask Alex ACTION	Done	Next Call
Gerhard and Christina to connect on the FMSB DI Working Group)	GK/CP	ASAP
Build a chapter linking Government ID to LEI	Colin	In paper
Brett to write paragraph on IRS solution	Brett	ASAP