

Out-of-Network Assets Working Group

05 June 2025, On Teams

Meeting Minutes

Participants (in attendance in bold):

▪ Suresh	Gopal	ISSA,PMO
▪ Alison	Arthur	State Street Corporation
▪ Ismael	Balbolia	Myriad Group Technologies Ltd
▪ Ashweeni	Basenoo	U.S. Bank N.A.
▪ Flora	Belladonna	BNP Paribas S.A.
▪ Michael	Burg	State Street Corporation.
▪ Alan	Doyle	BNY
▪ Sven Olaf	Eggers	State Street Corporation
▪ Caroline	Geraghty	U.S. Bank S.A.
▪ Bryant	Hill	BNY
▪ Darren	John	Deutsche Bank AG
▪ Alpana	Johnsson	SEB Group
▪ Brett	Lewis	Globe Tax Services, Inc
▪ Fiona	McNally	BNY
▪ Anna	Robinson	Northern Trust Corporation
▪ John	Siena	Brown Brothers Harriman & Co
▪ Daniel	Teo	Deutsche Bank AG
▪ Stuart	Warner	HSBC Holdings PLC
▪ Larisa	Whitmore	Bloomberg LP

Agenda

1. Welcome and Introductions
2. Project Background & Scope
3. Private Markets
 - Private Market Definition
 - Private Markets Challenges & Initiative Objectives

Welcome and Introduction

Suresh informed that the WG that the WG meetings will be recorded for minuting purposes. He asked if everyone was okay with that, and there were no objections. Suresh informed the WG that Swen Eggers from State Street was not able to attend the meeting and in his place was Alison Arthur.

The 2 co-chairs kicked-off introductions:

- John Sienna introduced himself as a co-chair of the project, representing BBH and the AGC. He provided background on the collaboration between ISSA and AGC and his involvement in various committees and boards.
- Stuart Warner introduced himself as a representative from HSBC, bringing the ISSA side to the project. He mentioned that this was a new subject for him and expressed his ambition to cover the topics within a set timeline.
- Other participants, Alpana Patel Johnsson (SEB), Flora Belladonna (BNP), Bryant Hill (BNY), Alan Doyle (BNP), Fiona McNally (BNY), Alison Arthur (SSC), Larisa Whitmore (Bloomberg), Ismail Balbolia (Myriad), Caroline Gerathy (US Bank), and Anna Robinson (Northern Trust), also introduced themselves and their organisations.

Project Background & Scope

John and Stuart provided background on the project, explaining the collaboration between ISA and AGC, and the need to update the 2014 paper on out-of-network assets (ONA) due to the information being stale.. They discussed the scope of the ONA initiative, emphasising the focus on private markets, physical certificates, digital assets, derivatives, and loans. . They emphasised the importance of addressing the changes in the industry and evolving the space of out-of-network assets and considering the different views of the WG participants who have different functional experience. Stuart also added that the WG will also need to consider the various asset types that constitutes the asset type/classification being reviewed by the ONA WG.

When discussing Private Markets, John and Stuart highlighted the significance of private markets, including private equity, private credit, and real assets. They discussed the need to define the scope and address the challenges within these markets. The WG will evaluate how the industry has evolved, what are the current challenges and what are the proposed standardisations and recommendations to address these challenges. These challenges may relate to the manner the assets are being custodied, the legal considerations when custodying these assets and general challenges associated with servicing these assets (both operations and technology).

John recommended and all WG participants read the 2014 paper in order to understand where we WG will be starting from. He added the need to update the 2014 paper on out-of-network assets, as it is outdated and does not adequately cover the current state of the industry. He emphasised the importance of providing updated recommendations and standards.

John also highlighted the interrelationships between the asset types / classifications. As an example, he mentioned how the tokenisation (digital assets) is being considered as a potential solution in the private market space. As the ONA WG will also be publishing a paper on digital assets, the WG will need to consider how best to deal with this potential overlap.

Private Markets

Private Markets Definition

The WG discussed the definition of private markets, including private equity, private credit, and real assets (real estate, infrastructure, and natural resources). They also considered the inclusion of fund of funds and the challenges of categorising certain assets. Alan mentioned that in BNY, private market funds are funds that don't have regular daily liquidity subscriptions, redemptions. Larisa shared that data vendors take a more simplistic view of private market assets, as assets that are not publicly traded, right. She added that whilst simplistic it maybe a cleaner way to define these assets

The WG discussed and broadly agreed that private equity, private credit and real assets as key components of private markets. Real assets cover investment in physical assets such as real estate, infrastructure and natural resources. Additionally, these investments are typically in private companies and due to the nature of these investments there are a myriad of challenges associated with servicing these assets.

Alision raised the need for including of fund of funds in the definition of private markets. They highlighted the importance of addressing the challenges in this area and the need for updated recommendations and standards as this space has evolved significantly since the last 2014 paper.

Caroline raised the question of how to classify carbon allowance which is an emerging asset class. John discussed the challenges in categorising carbon allowance within private markets but emphasised the need for a clear definition of what is carbon allowance and the importance of addressing this in the ONA initiative.

Private Market Challenges and Initiative Objectives

Stuart and John emphasised the importance of identifying common challenges in the private markets space. They discussed the need to address these challenges to improve the overall efficiency and accessibility of the market.

Stuart and John discussed the need to set clear objectives for the project. They highlighted the importance of providing recommendations and standards to improve the private markets space for both investors and the industry. Stuart suggested that the WG will need to review the challenges through the different life cycle stages e.g. legal, service requirements etc. He added that the WG should review these challenges from different perspectives and determine if there are other investment assets other than real assets, private equity and private credit that should be part of the scope of the private markets paper.

The WG also discussed the need to improve accessibility in the private markets space. They emphasised the importance of making it easier for investors to access private markets and the role the private market paper can play in supporting the achievement of this goal.

Finally, WG also discussed the need to enhance efficiency in the private markets space. They highlighted the importance of addressing operational and process challenges to improve the overall efficiency of the market.

Next Steps

Stuart outlined the plan for the next sessions, focusing on identifying current challenges in the private markets space. He emphasised the importance of gathering input from the group to address these challenges effectively.

Stuart and John encouraged participants to review the 2014 paper on out-of-network assets. He highlighted the importance of understanding the previous recommendations and identifying areas that need updating.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Review the 2014 paper before the next WG meeting	All	3 July 2025