

A photograph of a computer workstation. In the foreground, there is a white control panel with four buttons: a green one on the left, a yellow one in the center, a red one on the right, and a larger orange one at the top. A black keyboard is partially visible at the bottom. Behind the control panel are two large computer monitors. The left monitor displays a webpage with a blue header and a diagram. The right monitor displays a webpage with a white header and a blue sidebar. The background is a blurred office environment with a glass partition and a chair.

Managing Change from a Central Securities Depository Perspective

October 2025



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Executive Summary

Introduction

The International Securities Services Association (ISSA) is a global association that supports the Securities Services industry. ISSA's members include Central Securities Depositories (CSDs), custodians, technology companies and other firms who are actively involved in all aspects of the Securities Services value chain. By connecting its members and facilitating collaboration, ISSA provides the leadership necessary to drive change in the Securities Services industry. The focus is on finding progressive solutions to reduce risk and improve efficiency and effectiveness – from issuer through to investor – as well as on providing broader thought-leadership to help shape the future of the industry.

The purpose of the Domestic CSDs Working Group (WG) is to investigate the primary challenges and issues affecting Domestic CSDs, particularly those serving local markets and international inflows.

Managing Change from a Central Securities Depository (CSD) Perspective Paper

Amidst the adoption of new technologies and implementation of faster settlement cycles across several markets, the WG has identified a growing trend of Domestic CSDs having to deliver significant Market Change initiatives to enhance the functioning and competitiveness of the markets they serve. The term Market Change is intentionally used broadly and could include, for example, business-driven changes (e.g., policy amendments, new market procedures, updated operating rules) or technical changes (e.g., system upgrades, message format changes). These examples are not exhaustive.

The WG has provided ideas and best practice guidance relevant to this context, and highlighted the importance of progress monitoring and challenge, particularly at the Market Change initiative development stage. The criticality of the need to formalise communication, in order to ensure the quality of the deliverables and to avoid confusion and misunderstandings, is also highlighted.

In line with the objectives of the Domestic CSDs WG, this paper presents a framework for Domestic CSDs (hereafter, for the purposes of brevity in this paper, shortened to CSDs) who are looking to implement Market Change successfully, with minimal operational disruption, while avoiding unintended consequences. It outlines best practices for rules, systems and processes and is intended to support improvements in Stakeholder outcomes, risk management, and the efficiency of local markets within the Securities Services industry more generally.

It is important to note that this paper is not intended as a comprehensive project management guide, as it is assumed that robust project management will be employed as a matter of course. Specific project management aspects have been included in the limited cases where the WG has observed outcomes that suggest insufficient focus on those aspects. In the main, this paper focuses on the areas where a Market Change needs to involve both CSD and broader Stakeholder relationships and communications and seeks to provide guidance on the risks and mitigants around these aspects.

The report is organized as follows:

- **Chapter 1 (Pre-Announcement of Market Change)**

This chapter discusses the importance of early and transparent communication from CSDs to the wider Stakeholder community. It emphasizes the need for clear intentions and rationale at the pre-announcement stage to prevent information asymmetry and ensure Stakeholders are prepared for upcoming changes

- **Chapter 2 (Planning Phase)**

The critical importance of converting strategic intent into an executable roadmap is highlighted. It emphasizes the need for clear project scope, Stakeholder alignment and rigorous risk management to ensure the successful implementation of large-scale change initiatives led by a CSD

- **Chapter 3 (Design Phase in Market Change Initiatives)**

This chapter emphasizes the importance of translating high-level requirements into detailed system architecture, business processes and operational workflows. It highlights the need for Stakeholder collaboration, regulatory compliance and maintaining relevant risk controls to ensure the initiative aligns with strategic objectives and operational processes

- **Chapter 4 (Development of A Market Change Initiative)**

The next chapter focuses on translating ideas and requirements into operational form. This phase involves drafting new procedures, preparing updated rulebooks, developing communication packages, and finalizing training materials, ensuring all deliverables are ready for testing and implementation

- **Chapter 5 (Testing Phase)**

This chapter highlights the criticality of this stage in any change initiative, to ensure that all components, from software to procedures and communications, function as intended, meet regulatory expectations, and are understood by all Stakeholders

- **Chapter 6 (Transition and Go-Live Phase)**

The transition and go-live phase is a pivotal stage in an industry-wide change initiative led by a CSD. This chapter summarizes the key activities involved with systems going live and notes the requirement for coordination among Stakeholders to execute the cutover plan, manage risks, and ensure a seamless and resilient market transition

- **Chapter 7 (Post Implementation of Market Change Initiative)**

Lastly, this chapter emphasizes the importance of ongoing engagement with Stakeholders after go-live. It highlights the need for structured forums, tools, and transparency mechanisms to surface any unintended consequences, ensuring operational continuity, regulatory compliance and long-term trust

- **Chapter 8 (Conclusion)**

In summary, this paper brings together the Domestic CSDs Working Group's (WG) collective insights and best practices for managing Market Change initiatives involving external Stakeholders

- **Chapter 9 (Glossary of Terms)**

The paper concludes with an explanation of key terms

1 Pre-Announcement of Market Change

The Wider Stakeholder community, including foreign investors and intermediaries often relies on Local Stakeholders, i.e., direct local market participants (or agents) for local market access and market information, which creates a risk of information asymmetry during CSD-led Market Changes. This can arise in cases where the Wider Stakeholder group does not have direct access to, or relationships with, the CSD. Without structured early communication and conscious broad Stakeholder (both Local and Wider) consideration and communication, the Wider Stakeholder group can be uncertain, reactive and unprepared for the change when it happens. The intent of the CSD should be to aim to ensure transparency / communication with the broadest possible Stakeholder group possible.

At the pre-announcement stage, CSDs should clearly state their intentions and the rationale. At this stage, the Wider Stakeholder community expect transparent disclosure of the baseline reference information to enable them to engage proactively with their local agents and monitor developments.

The table below maps out the commonly experienced key Pre-Announcement Information gaps, their impact and what Stakeholders require to be properly informed.

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Rationale for Market Change	- Confusion or resistance - Where Local Stakeholders do not know or do not adequately motivate the Wider Stakeholder group, or the CSD does not communicate widely, confusion or resistance to the change impedes the quality and timeliness of information flow to Wider Stakeholders	- Clear problem statement - Clear rationale for the change including supporting data - CSD should disclose, to <u>all</u> Stakeholders, information that allows them to assess any potential risks (including legal risk) associated with the proposed change - Engage directly with market participants and relevant authorities when communicating proposed change
Scope and impact	Misalignment of planning, unpredictable costs, legal uncertainty	- Clear articulation of what is changing (and / or what is not) and who it affects, in terms of technical, legal, human resources etc. - Take all reasonable steps to identify and mitigate risks arising from potential conflicts of law across jurisdictions, as the case may be, particularly for non-domestic Stakeholders - CSD to also be aware that potential conflicts of laws may also arise in respect of location of given CSD, finality of settlement, particularly in the event of the insolvency of a participant

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Timeline	Missed milestones, resourcing issues	- Articulation of an estimated reasonable implementation horizon, considering also the expected inputs from Stakeholders, including authorities - Broad consultation is necessary for development of pragmatic and realistic project timelines. CSDs should indicate their initial views on this matter at this stage to trigger or solicit feedback
Regulatory Readiness	- Compliance and management risks - A statement on regulatory readiness signposts the following to investors: - The stage of internal planning - What to look out for in regulatory horizon scanning	- Status of approvals and dependencies and the timeframe required to get regulatory approvals (subject to the nature of the change) - Regulatory approval for significant change that could materially impact a CSDs business model or risk profile may need to be sought. In this situation, this should be communicated widely to all Stakeholders - Transparency - CSDs may be expected to evidence risk assessments, risk mitigation measures and analysis against existing regulation - CSDs may also be expected to subject any system/IT change to stringent testing by simulating stressed conditions before those systems are used for the first time, after making significant changes to the systems and after a major operational disruption has occurred - When appropriate, a CSD may involve in the design and conduct of these tests: key local market participants; critical service providers; other market infrastructures; any other institutions with which interdependencies have been identified
Participation Opportunities	- Low engagement leading to poor solution design - Uncertainty / reactivity - If the CSD solicits feedback they must	Clarity around when/how to give input. Foreign investors and intermediaries typically respond to consultations and submit

Gap	Impact / Risk	Suggested CSD Mitigating Actions
	summarize and publish responses and highlight resulting actions or decisions	recommendations through local market participants / agents. They want to know when opportunities to do this will be available ▪ Involve Stakeholders in working group activities / regular meetings related to the proposed changes in order to collect and analyse their views ▪ Provide documented feedback in order to permit to Stakeholders to anticipate the solution design
Communication Channels	▪ Information inequity	▪ Make information available to all Stakeholders at the same time and update any published materials as required as the planning progresses. Consider time zones, and varying Stakeholder types ▪ Use multiple trusted pathways — custodians, regulators, webinars, trade associations. Consider utilizing market associations, formal user committees or bespoke working groups when appropriate ▪ Multiple communication channels should be used (multilingual where appropriate): ▪ Newsflash ▪ Public notice via public channels ▪ Industry notice via industry channels ▪ Stakeholder meeting update – Minutes

Stakeholders expect CSDs to tailor their engagement approach based on the complexity of the Market Change.

The table below outlines examples of Market Change levels along with the minimum information requirements for Stakeholder communications and optional value-added artefacts recommended for each level of complexity.

Market Change Level	Examples	Must-Have Artefacts	Optional / Value-Add Artefacts
Simple (a process change that does not alter SLA, client rights or protections)	File format changes, custodian-only updates, improvements of operational processes	Stakeholder Notice	Q&A
Medium (a change to client obligation, SLA, Tariff, T&Cs, CSD system / infrastructure developments)	Partial settlement cycle changes, minor rule amendments, automation of some processes, reducing manual intervention	- Consultation on proposed changes - Explanatory memorandum - Feedback Summary	- Q&A - Bilateral meetings
Complex (a material change to CSD business model or infrastructure)	Full-scale CSD replacement, ISO 20022, T+1 migrations, settlement discipline	- Concept/White Paper/ Consultation document - Explanatory memorandum - Feedback Summary - Regulatory approval	- Survey - Q&A - Bilateral meetings - Industry meetings - Stakeholder map - Impact Risk Matrix

2 Planning Phase

The Planning phase is a pivotal stage in any large-scale Market Change initiative, especially one led by a CSD. This phase is needed to convert strategic intent into an executable roadmap, align Stakeholders and lay the foundation for a successful implementation. However, it also presents a range of inherent risks and challenges that, if not addressed proactively, can compromise the effectiveness of the initiative.

Key risks in this phase include unclear project scope and objectives, inadequate Stakeholder engagement, poorly defined requirements, unrealistic timelines and gaps in resource or budget planning. Without clear ownership and accountability, tasks may be duplicated or neglected, while uncontrolled change requests can result in scope creep and delay. Furthermore, insufficient attention to risk identification, communication planning and quality assurance increases the likelihood of disruptions during execution.

Given the complexity of some CSD initiated Market Changes, and the potential market-wide impact of these changes, effective planning is essential. This requires CSDs to establish SMART¹ objectives to ensure clear trackable and achievable action plans. These plans should define an internal Target Operating Model (TOM), develop a comprehensive Work Breakdown Structure¹ (WBS) and secure consensus on timelines, budgets, and quality benchmarks. With rigorous risk management and transparent communication frameworks in place, the planning phase can mitigate uncertainties and create a stable foundation for the initiative's success.

The table below maps out the commonly experienced Planning phase gaps, their impact and what Stakeholders require from CSDs as they begin to developing their baseline plans.

Gap	Risk / Impact	Suggested CSD Mitigating Actions
Project Scope & Objectives / SMART	Insufficient Stakeholder alignment on SMART objectives leading to delay in project	- Initiate and lead early Stakeholder workshops to agree on scope and SMART objectives - Define and enforce scope boundaries using structured templates and Stakeholder validation
Requirements Gathering	- Incomplete or misinterpreted requirements from Stakeholders leading to delays in planning - Lack of formal sign-off leading to legal and compliance risks - Misalignment between functional and non-functional needs leading to operational and financial risks	- Facilitate and document structured requirement sessions with all Stakeholder groups - The decisional process should be closely followed
Roadmap	- Unrealistic task sequencing or underestimated durations - Absence of milestone alignment across Stakeholders leading to unpredictable business plans	Produce, manage and communicate a master implementation roadmap including milestones and dependencies

¹ Refer Glossary for description / discussion of the SMART model, Target Operating Model (TOM) and Work Breakdown Structure (WBS).

Gap	Risk / Impact	Suggested CSD Mitigating Actions
		Share roadmap updates with all Stakeholders at regular intervals
Resource Planning (people management, technology, organization, partners & alliances, process, key performance indicators (KPIs))	- Inadequate or misallocated resources leading to additional cost, operational and legal/compliance risks. - Lack of tracking or contingency planning leading to operational, legal and financial risks.	- Coordinate with third-party vendors and Stakeholders to confirm external resource readiness - Maintain a RACI matrix to avoid duplication and ensure accountability - Communicate information relevant to Wider Stakeholders to enable Stakeholder planning and preparation
Risk Management & Communication Planning	- Unidentified or unassessed risks leading to failure of implementation, additional operational issues - Poor risk mitigation or escalation protocols leading to delay in implementation and additional costs - Communication breakdowns to and amongst Stakeholders leading to loss of support and interest	- Create Risk Register and Risk Matrix and facilitate regular external updates (in relation to relevant sections) - Prepare and implement a Communication Plan covering frequency, format, audience and communication channels
Quality Planning	- Undefined quality expectations or standards leading to compromise the project - Lack of Q&A checkpoints and accountability leading to loss of Stakeholder support / interest	- Define success criteria and checkpoints aligned to Stakeholder and regulatory expectations - Ensure scheduled reviews to monitor Q&A and provide updates regarding ongoing progress - Where possible, integrate early feedback loops to address any quality deviations proactively

Gap	Risk / Impact	Suggested CSD Mitigating Actions
Change Management Planning	- Scope changes introduced without proper governance leading to loss of Stakeholder support / interest - Delays due to late-stage requirement shifts	- Ensure that scope changes are effectively communicated to all Stakeholders - Assess the impact of any scope change established timelines by liaising with Market Readiness Teams
Integration and Tool Setup for Market Wide Acceptance Testing	- Missing or misaligned tools and platforms, leading to operational risk, additional cost, implementation delay - Late setup delaying project mobilization	- Ensure that all participants establish Market Readiness Teams and allow for Market Wide Acceptance Testing (MWAT) in their respective plans - Validate tool readiness and conduct tool onboarding sessions for all users
Coordination of Project Management Plan (PMP)	- Fragmented planning documents leading to poor quality monitoring / follow-up and implementation processes - Lack of formal Stakeholder buy-in leading to loss of Stakeholder support / interest	- Consolidate all planning outputs into a single and readily accessible PMP document. Hold regular user group meetings in order to manage / co-ordinate this - Facilitate 1 on 1 PMP walkthroughs and secure formal Stakeholder sign-off

3 Design Phase in Market Change Initiatives

The Design phase is a critical stage in the lifecycle of any significant Market Change initiative within a CSD. It sets the blueprint for implementation by translating high-level requirements into detailed system architecture, business processes and operational workflows. This phase ensures the Market Change initiative aligns with strategic objectives, regulatory obligations and the operational processes of all Stakeholders.

Market Changes at the CSD level may have a considerable impact for all Stakeholders. For this reason, it is important to have collaboration from, and participation by, Stakeholders at every level, including market operators, market participants (such as banks, custodians, clearing members and brokers) and regulators. Additionally, technology vendors and integration partners often play a crucial role in translating design specifications into system solutions, especially where new applications or changes to the existing ones are envisioned.

The table below maps out some commonly experienced Design phase gaps, their impact and what Stakeholders require, for consideration when designing a CSD-initiated Market Change.

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Stakeholder Alignment	▪ Misalignment on goals, onboarding approaches or rulebook interpretation leading to delays or inconsistent adoption	▪ Facilitate regular Stakeholder workshops to align on onboarding, rulebook interpretation, and business objectives ▪ Document agreements and circulate validated alignment summaries
Functional Design	▪ Incomplete business process flows or missing exception scenarios resulting in rework or disruptions	▪ Conduct detailed process walkthroughs and capture any exception scenarios raised by MRT representatives ▪ Validate workflows with MRT participants and include them in functional specs
Regulatory Compliance	▪ Late engagement or misinterpretation of regulatory/legal obligations leading to redesign or non-compliance	▪ Engage regulatory bodies and legal teams at the onset of the design phase
Technical Architecture	▪ Weak infrastructure, data models, or scalability leading to performance and integration challenges	▪ Define and communicate technical architecture principles upfront (scalability, security, maintainability) ▪ Work with vendors to validate technology choices against long-term objectives
Alignment with industry standards	▪ Non-alignment with standards like ISO 20022 or existing protocols leading to integration and compliance issues.	▪ Review and enforce alignment with international messaging standards (e.g., SWIFT, ISO 20022) ▪ Ensure that Stakeholders achieve backward compatibility with legacy systems where required

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Documentation Standards	Inconsistent documentation and version control issues resulting in confusion	- Enforce use of standard documentation templates; ensure clarity around version control - Apply same standards to documents prepared for Stakeholder information and communication - Establish a public repository where Wider Stakeholders can access relevant documents
Risk & Impact Assessment	Failure to identify key risks early leading to late-stage disruptions or reputational damage	Seek Stakeholder input when conducting and documenting a formal risk assessment to cover operational, financial and reputational risks
Change Governance	Undefined decision-making roles and lack of escalation protocols causing bottlenecks and unresolved issues	- Define governance structure including roles, responsibilities and decision gates and ensure all market participants are aware of and abide with the governance processes - Publish and manage escalation protocols for unresolved issues

4 Development of a Market Change Initiative

The Development phase of a Market Change initiative is where ideas and requirements begin to take operational form. Whether the change is business-driven (e.g., policy amendments, new market procedures, updated operating rules) or technical (e.g., system upgrades, message format changes), this phase translates design outputs into tangible materials, processes, or deliverables that can be tested, validated and deployed.

In the context of Market Changes, the development phase may involve drafting new operational procedures, preparing updated rulebooks or regulatory filings, developing participant communication packages or finalizing internal training materials. These artifacts often require iterative refinement through Stakeholder feedback and formal review cycles. Collaboration with legal, compliance and operations teams is especially important during this phase to ensure alignment with the broader CSD governance framework.

Where technical change is involved, this phase would also include software configuration, coding, integration development and preparation of updated documentation. In such cases, the development activities are typically governed by strict version control and quality assurance protocols to ensure traceability and regulatory auditability.

Regardless of the type of change, a key focus of the development phase is preparing for testing and implementation. Deliverables must be complete, reviewed, and ready for the next phase, with proper Stakeholder signoff, issue resolution and documentation of all assumptions and constraints.

This table maps out some commonly experienced Development phase gaps, their impact and the key mitigants, in order to best assist Stakeholders and minimise re-work in the later phases.

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Deliverable Preparation	Incomplete or inconsistent drafting of key deliverables (rulebooks, procedures, legal notices) can lead to confusion once published to Stakeholders	Validate all materials against functional and regulatory requirements prior to publication
Stakeholder Feedback Loop	- Delays or lack of feedback incorporation from Stakeholders or regulators - Misalignment on expectations or late-stage conflicts	- Establish review cycles with clear deadlines for external Stakeholder input i.e. MRT teams - Maintain, track and publish feedback logs provided by the respective MRT teams, with resolution status for transparency
Approval Governance	Missing sign-off milestones leading to scope creep or transition delays	Log formal approvals and track unresolved issues in a central (published) governance tracker
Regulatory Alignment	- Developed content diverges from regulatory expectations - Late-stage compliance rework	- Conduct legal and compliance reviews during early artifact development / engage wider Stakeholders as appropriate - Ensure all documents are reviewed against applicable rulebooks and policies
Participant Readiness	Project implementation documents or training / support materials not tailored to Stakeholder needs	Develop scenario-based internal and external training content, onboarding kits, FAQs, and guidance

Gap	Impact / Risk	Suggested CSD Mitigating Actions
	▪ Lack of clarity on changes or operational impact ▪ Low levels of Stakeholder readiness	▪ materials tailored to Stakeholder segments ▪ Conduct external Stakeholder workshops, readiness briefings (share readiness checklists and pre-transition Q&A sessions, schedule training sessions and track completion status)
Technical Development (if applicable)	▪ Integration issues with existing systems	▪ Coordinate integration testing frameworks early with development vendors
Change Risk Controls	▪ Design phase risks not carried through into development controls ▪ Gaps in mitigation ownership	▪ Request Stakeholders to document risk mitigation tasks as part of their development planning ▪ Aim to ensure Stakeholders assign owners and track closure of mitigation actions identified during MWAT

5 Testing Phase

The testing phase is a critical stage in any Market Change initiative of a CSD, whether technology-driven (e.g., new systems, upgrades, changes in message formats) or business-led (e.g., policy updates, rulebook amendments). This phase ensures all components - from software to procedures and communications - function as intended, meeting the required regulatory expectations and are understood by all Stakeholders.

CSD testing is typically structured in phases, each with a distinct focus. Following completion of CSD internal System Integration Testing (SIT) it is crucial for Stakeholders to be involved in subsequent testing phases, as shown in the following table:

Testing Phase	Purpose & Focus	Key Activities	Participants
User Acceptance Testing (UAT)	Confirm change solution meets user expectations and original requirements from operational or technical perspective. Covers functionality, usability and operational readiness	■ UI/UX² validation- Business rule implementation ■ Process adherence ■ Review of updated procedures/forms ■ Stakeholder sign-off	Various Stakeholders such as operations teams, end users, functional SMEs
Joint / Industry-Wide Testing	Assess readiness of external Stakeholders (custodians, brokers, etc.). Validate interoperability, real-world workflows, messaging compliance and collective go-live preparedness	■ Simulated transaction testing ■ ISO 20022 messaging validation ■ End-to-end settlement flow execution ■ Compliance scenarios and exception handling ■ Business continuity and disaster recovery (DR) solution	Various Stakeholders such as custodians, brokers, settlement agents, system vendors
Pilot Phase	Controlled go-live with a limited group to test production-like operations in real time. Focuses on end-user experience, operational support and readiness in a limited-risk environment	■ Live-like testing with selected Stakeholders ■ Help Desk and support readiness checks ■ Operational feedback capture ■ Issue identification before full deployment	Selected Stakeholders, support teams, operations teams

² UI/UX refers to User Interface (UI) and User Experience (UX) design

This table maps out some commonly experienced gaps that can arise in the Testing phase, their impact and suggested mitigating actions from the CSD in order to ensure a successful test outcome.

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Training & Knowledge Transfer	▪ Inconsistent or insufficient training across internal and external Stakeholders ▪ Limited understanding of workflow impacts, new functionalities, and compliance requirements ▪ Lack of hands-on exposure prior to testing	▪ Develop and distribute structured, role-specific training materials ▪ Lead training workshops and simulation exercises for both internal and external Stakeholders and incorporate post-training assessments/surveys to gauge level of understanding
Non-Functional Requirements (NFR) Testing	▪ Overlooked or under-tested non-functional parameters ▪ Inability to simulate production-like volumes, latency, or failover scenarios ▪ Lack of dedicated tools for performance/security testing	▪ Integrate NFR validation into the formal test strategy and planning documents ▪ Recommend that Stakeholders use appropriate test tools or environments to simulate load, security and DR conditions ▪ Where required, lead coordination of DR and penetration tests in collaboration with Stakeholders
Stakeholder Coordination	▪ Disparate readiness and misaligned objectives among Stakeholders ▪ Limited coordination windows for joint testing ▪ Poor communication around test schedules or environment availability	▪ Establish dedicated CSD-led coordination team for managing MWAT by the MRTs ▪ Publish centralized schedules, readiness checklists, and communication protocols
Test Environment Constraints	▪ Test systems not mirroring production (architecture, data volume, configuration). ▪ Shared environments impacting test independence and integrity	▪ Request that Stakeholders utilise and manage test environments that closely mirror production configurations ▪ Recommend that Stakeholders ensure the availability of masked or synthetic data for realistic test execution ▪ Remind Stakeholders to monitor and manage environment conflicts or availability issues
Testing Fatigue / Resource Constraints	▪ Multiple overlapping initiatives straining teams. ▪ Inadequate bandwidth for repeated cycles, re-tests, or follow-ups.	▪ When required, sequence CSD-led testing waves to minimize overlap with other market initiatives ▪ Ensure that sufficient CSD resources are allocated to support Stakeholder queries and test issue resolution

6 Transition and Go-Live Phase

The Transition and Go-Live phase in an industry-wide Market Change initiative led by a CSD is a pivotal point in ensuring the continuity and success of the implementation. During this phase, systems are going live and coordination amongst the Stakeholders is essential to execute the cut-over plan. Additionally contingency mechanisms need to be in place and be ready to be activated if necessary. While detailed planning and readiness activities are conducted in advance, this phase still presents unique risks, such as unclear responsibilities, system instability, unexpected technical issues and capacity overloads. Managing these risks through structured controls, readiness checks, fallback procedures and clear communication channels is essential for a seamless and resilient market transition.

This table maps out some commonly experienced gaps that can arise in the Transition and Go-Live phase, their impact and suggested CSD mitigating actions, to ensure that Stakeholders are ready for a CSD-led Market Change initiative.

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Unclear Roles and Responsibilities	▪ Misunderstanding of Stakeholder responsibilities during cutover ▪ Duplicate efforts or missed critical tasks	▪ Conduct targeted Stakeholder workshops and pre-transition calls to clarify roles and responsibilities ▪ Distribute a RACI matrix as part of the implementation plan
Internal System Failures	▪ Software bugs, infrastructure issues or system downtime during go-live	▪ Ensure Stakeholders complete pre-transition system testing (unit, integration, performance) ▪ Define and publish an SLA-driven implementation plan with system readiness milestones to all MRT ▪ Request that Stakeholders prepare rollback and data recovery procedures in case of failure
Unexpected Hiccups	▪ Ad-hoc issues that arise during cutover or shortly after go-live	▪ Advance publication of a detailed go-live checklist and ensure final pre-launch sanity checks with Stakeholders ▪ Mobilize a real-time incident response and triage team during transition and request that Stakeholders have the appropriate contingency teams in place
Increased Traffic and Technical Capabilities	▪ Performance degradation or system crashes due to elevated usage post-launch	▪ Encourage Stakeholders to conduct stress/load testing based on peak usage scenarios

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Stakeholder Readiness	- Stakeholder lack of clarity over who to contact or how to respond during transition events. - Variability in Stakeholder technical or operational preparedness.	- Circulate CSD escalation matrices and contact points in advance to all Stakeholders - Conduct mandatory pre-go-live readiness calls with each key Stakeholders to ensure readiness
Fallback and Contingency Planning	- No clear mechanism to postpone go-live or revert in case of failure - Uncoordinated issue response	- Define and publish criteria for go/no-go and fallback execution to all Stakeholders - Include predefined recovery playbooks in the Cutover Plan - Document and publish post-transition issue triage paths
Post-Migration Support and Monitoring	Unaddressed post go-live issues due to lack of ownership or delayed detection	- Assign post-launch support owners and monitor KPIs for stabilization - Capture lessons learned and plan formal post-implementation review workshops with key Stakeholders
Training Completion	Users untrained or unaware of system /process changes at go-live	- Monitor training completion status with Stakeholder declarations - Define and publish training KPIs (e.g., 95% trained) and request Stakeholders to enforce compliance prior to launch

7 Post-Implementation of Market Change Initiative

CSDs should not treat go-live as the end of the project. Stakeholders must be explicitly engaged post-implementation with structured forums, tools and transparency mechanisms that uncover any unintended consequences. Communication in this phase is essential for operational continuity, regulatory compliance and long-term trust.

Despite thorough planning and engagement during the implementation phase, unexpected changes often emerge after go-live. These may stem from assumptions made by the CSD, undocumented system behaviour or inadvertent modifications in peripheral processes. When such changes are not proactively communicated, they can create operational and legal risk for Stakeholders.

To mitigate risk and build trust, CSDs must validate actual system behaviour against what was both intended and communicated. They must proactively disclose any deviation from planned outcomes—whether operational, technical or procedural. The CSD must also allow a process for formal feedback from Stakeholders within a structured post-implementation review window.

The CSDs should establish a structured response approach that is proactive, transparent and inclusive of key Stakeholders. This includes putting the following communication approach in place:

- Setting up a defined post-implementation review period with frequent, time-bound checkpoints to surface any unexpected outcomes early. A formal post go-live communication protocol should be implemented, supported by a standing issue log or escalation tracker accessible to impacted Stakeholders
- The CSD should proactively reconfirm critical operational areas—such as account structures, ownership data fields, user permissions, transaction formatting and fee application logic against the baseline communicated pre-implementation
- Where discrepancies arise, the CSD must provide a clear explanation, outline remediation steps and share timelines for resolution

This table maps out some of the commonly experienced gaps that can arise in the Post-Implementation phase, their impact and suggested CSD mitigating actions, to enable Stakeholders to successfully complete the Market Change initiative.

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Communication & Transparency	▪ Unexpected system or process changes not proactively communicated post-go-live ▪ Lack of transparency eroding trust with Stakeholders	▪ Establish and execute a structured post-implementation communication plan ▪ Proactively validate and share actual system behaviour vs. communicated outcomes ▪ Maintain a live issue/escalation log accessible to Stakeholders
Post Go-Live Review Period	▪ Delayed detection of post-implementation issues due to lack of formal monitoring ▪ Missed feedback loops from Stakeholders	▪ Define a fixed post-implementation review window with scheduled checkpoints with MRTs ▪ Gather structured feedback from Stakeholders e.g. post implementation surveys ▪ Prioritize and action post go-live issues promptly

Gap	Impact / Risk	Suggested CSD Mitigating Actions
Account Administration Changes	Undocumented modifications to account formats, hierarchies or ownership linkages	- Validate live account structures against pre-go-live specifications - Report and rectify any discrepancies identified in account administration
Field and Logic Configuration	Changes in CSD system fields affecting ownership, reporting or matching logic	- Review and confirm integrity of depository logic fields post-implementation - Disclose any updates to Stakeholders and correct deviations where needed
User Access & Permissions	Unexpected shifts in access rights or edit permissions post-go-live	Audit user roles and permissions post-migration, immediately rectify any access inconsistencies and notify affected Stakeholders
Fees & Charges	Silent changes to fee structures or calculations affecting Stakeholder billing	Validate live fee logic against agreed rules, notify Stakeholders of changes and provide adjusted reconciliation files if needed
Messaging & Interfaces	Discrepancies in live interface formats or messaging behaviour (MT, ISO, APIs)	- Confirm that all messaging feeds and formats match design agreements - Issue a technical update bulletin for any variances found post go-live
Reconciliation & Reporting	Breaks in cash, positions, or balances due to misaligned internal/ external data	- Co-ordinate with Stakeholders to resolve any reconciliation gaps - Publish exception reports and engage in joint reviews as needed
Exception Handling	Thresholds, workflows or rejection protocols changing without warning	Review exception handling rules post-go-live, communicate any alterations and standardize escalation paths

8 Conclusion

This paper brings together the Domestic CSDs WG's collective insights and best practices for managing Market Change initiatives involving external Stakeholders. It is designed as a guide to help CSDs navigate each stage of these initiatives with the relevant Stakeholders —from initial communication through to post-implementation. By providing practical frameworks and suggestions, the WG aims to support CSDs in achieving significant Market Changes with minimal disruption, stronger risk management and improved outcomes for all Stakeholders, while promoting effective communication and collaboration throughout the Securities Services ecosystem.

9 Appendices

Glossary of Terms

The following table provides a list of the key terms and definitions utilized in this report:

Term	Definition
CSD	A Central Securities Depository (CSD) is a market infrastructure holding securities and enabling securities transactions to be processed by means of electronic book entry. The CSD typically operates a securities settlement system and provides central maintenance of securities accounts and/or notary functions. A CSD also provides central safekeeping and asset servicing (which may include the administration of corporate actions and redemptions) and plays an important role in ensuring the integrity of securities issues through reconciliation and similar controls which can also be mandated through local or regional regulations. The precise activities of a CSD can vary based on its jurisdiction and market practices. For the purposes of this paper, the term CSD is taken to mean Domestic CSD (being one that forms part of the national market infrastructure in the country where it is established).
Market Change	The term Market Change is intentionally used broadly in this document, as the paper is intended to have generic application. Market Change could include, for example, business-driven changes (e.g., policy amendments, new market procedures, updated operating rules) or technical changes (e.g., system upgrades, message format changes). These examples are not exhaustive.
MRT	Market Readiness Team. Participant team that is primarily responsible for ensuring the entity is prepared for the change and ready to go live. This team also serves as the main point of contact in all communications, ensuring that information is effectively gathered, processed and disseminated.
MWAT	Market Wide Acceptance Testing to ensure that readiness of all participants in the ecosystem. This is performed by the MRTs.
RACI	The responsibility assignment matrix, also known as a RACI matrix or linear responsibility chart, is a <u>project management</u> technique that describes the responsibilities of various Stakeholders in completing <u>tasks</u> or <u>deliverables</u> . The matrix assigns one of four responsibilities to each Stakeholder in executing a deliverable: Responsible, Accountable, Consulted and Informed .
SMART Objectives	Objectives that are Specific, Measurable, Achievable, Relevant, and Time Bound. The SMART model thus refers to a framework for setting effective goals per the above objectives. This acronym provides a structured way to define goals, making them clearer, more practical, and easier to track, thereby increasing the likelihood of successfully accomplishing them in various contexts, from business planning to personal development.
Stakeholder(s)	Generic use of the term to encompass all potential external Stakeholders. This , includes the following types: ▪ Wider Stakeholders (all Stakeholders including foreign investors and intermediaries) ▪ Local Stakeholders (i.e., direct local or domestic market participants or agents)
TOM	Target Operating Model. This is a strategic blueprint that defines an organization's ideal future state, outlining how its people, processes, technology, and structures will work together to achieve its business objectives and strategic vision. It bridges the gap between high-level strategy and operational execution by translating strategic goals into a detailed, actionable plan for how the organization should function to deliver value to customers.
WBS	Work Breakdown Structure. This is a project management tool that hierarchically decomposes a project's total scope into smaller, more manageable components called deliverables, work packages, and tasks. Its primary purpose is to provide a comprehensive framework for organizing, planning, and tracking all the work needed to complete a project, ensuring everyone understands the project's full scope and the tasks required to achieve it.

Institutions represented by Experts in the Working Group

- Americas' Central Securities Depositories Association (ACSDA)
- B3 – Brazilian Exchange and OTC
- Central Securities Clearing System, Nigeria
- Central Securities Depository, Ghana Limited
- Central Securities Depository Joint-Stock Company, Kazakhstan
- CMA Small Systems AB
- CMU OmniClear
- Datos Insights
- Depósito Central de Valores (DCV)
- Depozitarul Central S.A.
- Deutsche Bank AG
- Deutsche Börse Group
- Egyptian Central Securities Depository
- Euroclear
- Euronext N.V.
- FMDQ Group PLC
- Hong Kong Exchanges and Clearing Limited
- Macao Central Securities Depository and Clearing Limited
- Montran
- Myriad Group Technologies Ltd
- Nasdaq, Inc.
- NSDL Group
- Standard Chartered Bank
- The Stock Exchange of Thailand
- Thomas Murray
- UBS Group AG