

Meeting Minutes

Participants (in attendance in bold):

▪ Julia	McKenny	ISSA, CEO
▪ Julie	Huxford	ISSA, PMD
▪ Catherine	Tinavapi	Standard Chartered Bank
▪ Rakesh	Mehta	NSDL Group
▪ Lavinia	Gheorghe	Depozitarul Central S.A.
▪ Jiahua	Liu	Macao Central Securities Depository and Clearing
▪ Matthew	Pallett	Euroclear
▪ Piotr	Sokol	Deutsche Börse Group
▪ Palesa	Banda	Standard Bank
▪ Jim	Micklethwaite	Thomas Murray
▪ Hector	Lau	CMU OmniClear
▪ Adeyinka	Shonekan	CSCS
▪ Esther	Chen	Standard Chartered Bank
▪ Tarek	Khorshid	Egyptian Central Securities Depository
▪ Sohayla	Ezzat	Egyptian Central Securities Depository
▪ Ahmed	Marzouk	Egyptian Central Securities Depository

Meeting purpose

Monthly meeting of Domestic CSD WG sub-group to catch up on status / tracking on review of CSD questionnaires (including AFME, AGC) as applies to the topic of Remote Network Due-Diligence, with a particular emphasis on determination of the appropriate Questionnaire for CSDs.

Discussion

Industry Questionnaire Review and Collaboration:

Julia updated the group on her recent discussions with AFME (Alan Cameron) and AGC (Scott Markovitz), regarding the review and potential simplification of industry due diligence questionnaires, with the aim of avoiding duplication and leveraging common ground among associations.

- **AFME Questionnaire Review:** Julia reported that AFME, led by Alan Cameron, has started reviewing their due diligence questionnaire and is open to input from our WG, suggesting this could serve as a starting point for industry-wide improvements (Julie noted that Matthew, Euroclear, has been reviewing on our side for some time, aiming to shorten and simplify, so we will be well placed to respond promptly with our feedback once Alan reverts to us again)
- **AGC Involvement and Transition:** Julia explained that AGC is in a leadership transition, with Scott Markovitz reasonably new to the role, and that discussions are ongoing about the potential to integrate AGC components into the AFME questionnaire for greater industry alignment
- **Avoiding Duplication:** Julia emphasized the importance of avoiding duplication by collaborating across associations and suggested that a unified questionnaire structure could simplify processes for CSDs and other stakeholders
- **Next Steps and Timelines:** Julia noted that AFME's review is expected to be relatively slow, with updates anticipated in about a month or so; AGC will be contacted for further collaboration once their leadership transition is complete

Proposal for Centralized Technological Solution:

Julia, Catherine and Lavinia discussed the concept of a centralized technological conduit for questionnaire data, proposing a tech solution that would allow CSDs to update information and stakeholders to access it on demand.

- **Tech Conduit Concept:** Julia proposed a tech conduit where CSDs could maintain live updates to their questionnaire responses, reducing repetitive requests and enabling real-time access for stakeholders
- **Stakeholder Reactions:** While both AFME and ISSA are interested in the tech solution, they both indicated they would not take ownership, suggesting the need for a third-party service provider, with some potential candidates among current WG members
- **SWIFT Registry as a Model:** Lavinia suggested considering the SWIFT registry, which houses compliance and ownership data for financial entities, as a model for the proposed tech solution, noting its flexibility and technical structure
- **Technical Feasibility and AI Integration:** Julie and Julia discussed the potential for AI and existing technology to automate data extraction and updates, highlighting the benefits of a tech overlay for streamlining questionnaire management

Refinement of CSD-Specific Questionnaire:

The group debated the structure and content of the CSD-specific questionnaire, advocating for a streamlined approach that minimizes duplication and focuses on relevant, incremental questions for CSDs, as well as catering to the fact that the convergence of global regulations and market practices for financial entities has come a long way since some of these questionnaires were first developed, with much information now publicly available.

- **Current Questionnaire Limitations:** It was noted that the existing AFME CSD questionnaire is largely adapted from a general provider version and lacks sufficient tailoring for depositories, leading to unnecessary complexity. In cases, the only viable answer may be 'n/a' yet this is not an 'allowable' response, which speaks to the lack of specificity to the CSDs
- **Minimal and Incremental Approach:** The group agreed that questionnaires should be minimal, focusing only on incremental information not already provided to regulators, with links to public data where possible to avoid redundancy
- **Branching Logic and Applicability:** The importance of branching logic in questionnaires was mentioned, allowing respondents to skip irrelevant questions and ensuring that only applicable questions are answered
- **Principles for Refinement:** Julie proposed establishing a few high-level principles for the questionnaire, such as CSD specificity, avoidance of duplication, and technical flexibility, to guide the WGs review and refinement efforts
- **Global Regulatory Convergence:** Lavinia explained that regulations and standards for CSDs and other financial entities have become largely harmonized worldwide, reducing the need for extensive questionnaires to gather basic information

Action Items and Next Steps for Working Group:

The group's next steps include awaiting Matthew's progress on questionnaire refinement (Julie to check in with him post-meeting), drafting overarching principles to guide further review activities, and circulating updates and minutes to WG members.

- **Awaiting Matthew's Input:** Julie noted that Matthew had been expected to return with updates on the questionnaire by the end of March, and the group will review his work for further refinement

- Drafting Principles and Mission Statement: Julie committed to digesting meeting notes and drafting a set of overarching principles to guide the group's work, focusing on CSD specificity and technical solutions
- Collaboration and Communication: Julie will engage with Matthew and circulate any updates or drafts to the group, ensuring WG members are informed and able to contribute to the ongoing review process

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Matthew's Questionnaire Progress: Message Matthew to check on the status of his work on the questionnaire and when he expects to be back and circulate any updates to the group. (Julie)	Matthew (Julie to follow up)	Post-meeting
2.	Working Group Principles Draft: Digest the meeting notes and draft a set of overarching principles WG's approach to refining the questionnaire, to be shared with the group.	Julie	Mid-April
3.	Incorporation of Tech Overlay: Include consideration of a technical overlay (such as online completion and AI integration) in the draft of overarching principles for the group's work. (Julie)	Julie	Mid-April
4.	<i>(Held over from previous meeting – notwithstanding the comms between Julia & Alan Cameron, Matthew was to engage with AFME and let them know that we intend to have a document for their review within the next 2 months</i>	Matthew	Mid-March (Matthew to provide status update)
5.	(Residual action point from 27 January meeting). Julie to encourage APAC participation in subgroup.	Julie	Ongoing