

Domestic CSD Working Group

08 June 2026, On Teams

Meeting Minutes

Participants (in attendance in bold):

▪ Julia	McKenny	ISSA
▪ Julie	Huxford	ISSA
▪ Bruce	Butterill	Americas' Central Securities Depositories Association ACSDA
▪ Fraser	Moodie	Australian Securities Exchange ASX
▪ Michael	Thomson	Australian Securities Exchange ASX
▪ Renee	Service	Australian Securities Exchange ASX
▪ Sanjay	Srinivasan	Australian Securities Exchange ASX
▪ Ana Paula	Theodoro	B3 Brazilian Exchange and OTC
▪ Doris	Tio	BNY
▪ Magdalene	Tay	BNY
▪ Sareeka	Hegde	BNY
▪ Adeyinka	Shonekan	Central Securities Clearing System Plc
▪ John	Eze	Central Securities Clearing System Plc
▪ Olayemi Sehinde	Agbeleye	Central Securities Clearing System Plc
▪ Onome	Komolafe	Central Securities Clearing System Plc
▪ Shehu	Shantali	Central Securities Clearing System Plc
▪ Faustina	Coleman-Forson	Central Securities Depository Ghana Limited
▪ Mikhail	Grishko	Central Securities Depository Joint-Stock Company Kazakhstan
▪ Edward	Roncon	Citi
▪ Elly	van Gils	Citi
▪ Hendra	Raharja	Citi
▪ Krasimira	Rayanova	Citi
▪ Bulat	Nizamov	CMA Small Systems AB
▪ Farid	Akhmed Abu Bakr	CMA Small Systems AB
▪ Kenneth	Woo	CMU OmniClear Limited
▪ Vinod	Jain	Datos Insights
▪ Asta	Meiszus	Deposito Central de Valores (DCV)
▪ Javier Andres	Jara Traub	Deposito Central de Valores (DCV)
▪ Lavinia	Gheorghe	Depozitarul Central S.A.
▪ Mirela	Bratu	Depozitarul Central S.A.
▪ Louis	Jin	Deutsche Bank AG
▪ Ahmed	Marzouk	Egyptian Central Securities Depository
▪ Sohayla	Ezzat	Egyptian Central Securities Depository
▪ Tarek	Khorshid	Egyptian Central Securities Depository
▪ Matthew	Pallett	Euroclear
▪ Emmanuel	Alao	FMDQ Group PLC
▪ Alan	Chuen	Hong Kong Exchanges and Clearing Limited
▪ Bryan	Lau	Hong Kong Exchanges and Clearing Limited
▪ Carmen	Chia	Hong Kong Exchanges and Clearing Limited
▪ Jiahua	Liu	Macao Central Securities Depository and Clearing Limited
▪ Miguel	Espinoza	Montran
▪ Adam	Vine	MYRIAD Group Technologies Ltd
▪ Conor	Melaugh	MYRIAD Group Technologies Ltd
▪ Rebecca	Fisher	MYRIAD Group Technologies Ltd
▪ Magnus	Asgeirsson	Nasdaq Inc.
▪ Gemma	Campbell	New Zealand Clearing and Depository Corporation Limited
▪ Parag	Joshi	NSDL Group
▪ Ramesh	Iyer	NSDL Group

▪ Catherine	Tinavapi	Standard Chartered Bank
▪ Esther	Chen	Standard Chartered Bank
▪ Johnson	Samuel	Tata Group
▪ Shalini	Joshi	Tata Group
▪ Palesa	Banda	The Standard Bank of South Africa
▪ Jean-Remi	Lopez	The Value Exchange
▪ Jim	Micklethwaite	Thomas Murray
▪ Louise	Colfach	UBS Group AG
▪ Simon	Davis	UBS Group AG

Agenda

1. Welcome/introductions
2. EU AMLR presentation
3. Update re CSD DDQ subgroup workstream
4. Update re CSD Cross Border Survey
5. AOB

EU AMLR presentation (*Audrey Simon (Euroclear), Jill Moralee (Accenture)*)

Overview of EU AMLR and AMLA Regulations

Discussions covered the structure, scope, and expected impact of the new regulatory framework, including group-wide obligations, supervisory expectations, and evolving data requirements. The session also explored detailed customer due diligence requirements and areas of uncertainty where further regulatory clarification is anticipated.

Regulation Scope and Applicability: Jill explained that the AMLR is set to come into force in July 2027 and will apply directly across the EU, aiming for harmonization by extending obligations to a broader range of entities, including holding companies, parent undertakings, and certain non-financial entities. She highlighted that entities under Article 3 are directly in scope, while national regulators may propose additional entities, subject to EU Commission approval.

Role and Function of AMLA: Jill described the establishment of the AMLA, which began operations in early 2025, and its ongoing capacity-building efforts. AMLA will directly supervise certain high-risk entities and is actively gathering data to determine its supervisory scope, with a focus on harmonizing standards and enhancing cross-border regulatory cooperation.

Obligations for Holding Companies and Parent Undertakings: Jill detailed new requirements for holding companies and parent undertakings, noting that financial and non-financial mixed activity holding companies with EU subsidiaries will be considered obliged entities. The topmost EU entity in a group will bear responsibility for group-wide risk management, policy setting, and ensuring compliance across all subsidiaries, including those outside the EU.

Information Sharing and Compliance Challenges: Jill emphasized the importance of group-wide information sharing and risk assessments, noting that entities must mitigate any legal barriers to data sharing and notify national regulators of conflicts. In extreme cases, entities unable to comply may be required to 'descope' non-compliant subsidiaries from regulated activities.

Data Management and Regulatory Expectations: Jill highlighted the move towards data-driven compliance, with regulators expecting high-quality, auditable, and easily retrievable data (a shift away from static documentation). She advised WG participants to review their data management practices in preparation for more rigorous and standardized regulatory scrutiny.

Customer Due Diligence and KYC Requirements under AMLR

Audrey led a detailed discussion on the harmonized customer due diligence (CDD) and Know Your Customer (KYC) requirements under AMLR, including the development of regulatory technical standards (RTS), ongoing consultations, and specific challenges such as pooled accounts and recertification intervals.

Harmonization of CDD and KYC: Audrey explained that AMLR standardizes CDD and KYC requirements across the EU, specifying the data to be collected, verification processes, and the types of due diligence measures. The AMLA is tasked with developing RTS to clarify these requirements, with ongoing public consultations and opportunities for stakeholders to provide feedback.

Outstanding Issues and Stakeholder Feedback: Audrey summarized key concerns raised in consultations, including the lack of clarity on final RTS publication timelines, the need for sufficient implementation time, and the challenge of applying CDD to pooled accounts and collective investment undertakings. She noted that their team has actively participated in consultations and public hearings to advocate for practical clarifications.

Pooled Accounts and Underlying Client Identification: Audrey described the contentious requirement to identify and verify underlying clients in pooled or omnibus accounts, arguing that this duplicates existing due diligence and potentially creates large operational burdens, given the practical difficulty of accessing information on potentially thousands of underlying clients and the lack of direct relationships with them. She outlined their proposals to limit this requirement and exclude certain account types, emphasizing the need for clear definitions and alignment with correspondent banking principles. Audrey also noted that where no beneficial owner is identified, firms must verify senior managing officials (SMOs), which may significantly increase workload; feedback has been submitted requesting scope limitations.

Ongoing Due Diligence and Recertification: Audrey detailed new rules for periodic recertification of client information, with maximum intervals of one year for high-risk customers and five years for others. She noted that trigger events between recertifications require immediate review, and that their team is analyzing the latest RTS draft on ongoing monitoring to prepare further comments.

Expanded Definition of Business Relationship: Audrey discussed the broadened definition of 'business relationship' under AMLR, which now includes relationships without written contracts. She described their efforts to propose additional criteria and seek clarification from AMLA to ensure practical application, especially regarding issuer relationships and occasional transactions.

Regulatory Uncertainty and Timeline: Jill/Audrey confirmed that final RTS are expected by 10 July 2026, though uncertainty remains due to ongoing consultations and AMLA's evolving capacity (still recruiting); organisations should anticipate further guidance but avoid delaying preparation.

Questions and Clarifications on CDD Application for Depositories:

Catherine raised several questions regarding the application of CDD requirements to depositories in intermediated chains, with Audrey and Jill providing clarifications on liability, scope, and the current lack of specific guidance from national regulators.

Superfluous CDD at Depository Level: Catherine questioned whether requiring CDD at the depository level is redundant given that due diligence is already performed upstream. Audrey agreed this is a concern and noted their advocacy for clearer definitions and limitations to avoid unnecessary duplication.

Application to Segregated Accounts: Catherine asked if the requirements also apply to segregated depository accounts. Audrey clarified that while some information is collected, full due diligence is not typically repeated, and they are seeking further clarification from AMLA to ensure proportionality.

Liability and Enforcement in Intermediated Chains: Catherine inquired about liability and enforcement when CDD deficiencies occur in intermediated chains. Jill explained that each obliged entity is responsible for its own compliance under national supervision, and liability does not automatically cascade up or down the chain unless obligations are unmet at multiple levels.

Awaiting Regulator Guidance: Audrey and Jill confirmed that no specific guidance has yet been issued by national regulators regarding depositories, but Audrey offered to follow up with the European Banking Federation for any updates and report back to the group (**Action item**).

Update re CSD DDQ subgroup workstream

CSD DDQ Development: Catherine reported ongoing work to integrate and compare the AGC and AFME questionnaires, noting significant overlap and the need to justify any additional questions for depositories. Julie described the process of consolidating questions and ensuring traceability of content from various sources.

Principles Behind Questionnaires: Jim cautioned that the AGC and AFME questionnaires approach CSDs from fundamentally different perspectives—one based on direct relationships and the other on indirect custody frameworks. He emphasised that these conceptual differences may influence the wording and intent of questions, particularly in relation to risk assurance and counterparty evaluation, and will need to be considered when consolidating the questionnaires.

Next Steps for Subgroup: Julie confirmed that the subgroup will continue refining the questionnaire, with plans to reorganize content by CSD function and bring the draft back to the wider group for review in due course.

Update re CSD Cross Border Survey

Julie updated the group on the CSD cross-border survey, noting that a draft has been received from Barney at Value Exchange and is under review, with further input being sought to ensure the survey addresses cross-border elements effectively.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	AMLR Presentation Slides: Send the final version of the AMLR/AMLA presentation slides to Julie for circulation to the group	Julie (Audrey)	20 June 2026
2.	Depository CDD Regulatory Clarification: Ask the European Banking Federation (EBF) if they have heard anything specific from direct regulators regarding CDD requirements for depositories and report back to the group	Julie (Audrey)	20 June 2026
3.	CSD DDQ Development: Continue building and reorganizing the CSDD questionnaire spreadsheet by integrating AGC, AFME, and PFMI content, and prepare it for review by the wider group	Catherine, Julie, Matt	By next meeting
4.	CSD Cross-Border Survey Revision: Review the draft CSD cross-border survey with Julia and Barney to ensure sufficient focus on the cross-border element and finalize the survey for distribution	Julie	By next meeting