

Domestic CSD WG (CSD DDQ subgroup)

24 August 2026 Teams Call

Meeting Minutes

Participants (in attendance in bold):

▪ Julia	McKenny	ISSA, PMD
▪ Julie	Huxford	ISSA, PMD
▪ Fraser	Moodie	Australian Securities Exchange ASX
▪ Adeyinka	Shonekan	CSCS PLC
▪ Kenneth	Woo	CMU OmniClear Limited
▪ Lavinia	Gheorghe	Depozitarul Central S.A.
▪ Ahmed	Marzouk	Egyptian Central Securities Depository
▪ Sohayla	Ezzat	Egyptian Central Securities Depository
▪ Tarek	Khorshid	Egyptian Central Securities Depository
▪ Matthew	Pallett	Euroclear
▪ Jiahua	Liu	Macao Central Securities Depository and Clearing Limited
▪ Gemma	Campbell	NZX
▪ Ewan	Sturgeon	RBC
▪ Jim	Harris	RBC
▪ Catherine	Tinavapi	Standard Chartered Bank
▪ Esther	Chen	Standard Chartered Bank
▪ Palesa	Banda	Standard Bank
▪ Jim	Micklethwaite	Thomas Murray Network Management Ltd

Meeting purpose

Monthly meeting of Domestic CSD WG subgroup to catch up on status / tracking on review of CSD DDQ questionnaires (including AFME, AGC, PFMI), with a particular emphasis on determination of the appropriate (consolidated) Questionnaire for CSDs.

Discussion

Overview

This meeting focused on advancing the development of a consolidated due diligence questionnaire by reviewing the evolving requirements spreadsheet and continuing to resolve the outstanding working-group decisions before questionnaire generation can begin. The discussion centered on harmonizing multiple source questionnaires, refining requirements for central securities depository assessments, and determining how historical change, resilience, operational, and service-related topics should be handled. WG participants evaluated the relevance, sensitivity, and materiality of various requirement areas while balancing transparency, risk assessment value, and questionnaire efficiency. The session also addressed the remaining review workload and the process required to move from requirements consolidation to draft question generation.

Key updates

- **Questionnaire Consolidation Framework:** Julie explained that AGC, AFME, and PFMI CSD-related questionnaire content has been consolidated into a unified requirements register, with duplicate requirements grouped into common requirement families. It was confirmed that the PFMI principle mapping has been replaced with the full CSD PFMI questionnaire approach.
- **Expanded Scope for Non-CSD Functions:** Julie reported that some institutions operate beyond pure CSD functions and proposed building an (optional) 'Part 2' of the new questionnaire section to cover non-CSD elements. The rationale for this is because institutions such as the Canadian CDS (for example) may also operate settlement systems or other functions. The objective is for one institution to be able to complete the relevant CSD and non-CSD portions rather than being forced to use separate questionnaires.

- **Open Issues Review Process:** Julie recapped that around 30-plus open issues had been organized into eight key themes and explained that WG decisions are required before AI-generated questions can be produced. The WG agreed to continue resolving issues theme by theme, recording decisions so that consistent treatment can be applied across related requirements.
- **Historical Change Requirements:** By way of example as to the go-forward, Julie recapped on a prior decision concerning retrospective-change questions relating to account structures, naming conventions, terms, and rule books. The group previously agreed to retain these questions as mandatory with a 12-month lookback period and to make a note to split one requirement covering terms and conditions versus rule-book changes, given that they affect stakeholders differently.
- **Cash and Treasury Service Questions:** Jim M highlighted that several questions on treasury, FX, and cash management services are not applicable to all CSDs. The WG concluded that these requirements should be made conditional, applying only when a CSD provides cash-related services, with guidance to skip them otherwise, and to preserve traceability for future questionnaire design.
- **Purpose of Questionnaire Responses:** Matthew questioned whether some requirements were seeking assurance or simply requesting information already communicated elsewhere. Catherine and Julie explained that retained requirements should contribute to risk assessment rather than information gathering, and the group agreed that risk relevance should remain a key criterion when evaluating questionnaire content.
- **Resilience Deficiencies Requirement:** Lavinia and Matthew argued that mandatory disclosure of resilience-related deficiencies could expose sensitive vulnerabilities and provide limited assessment value. The group agreed to note concerns about commercial sensitivity and broad wording, with a preference to focus on resilience governance and processes rather than detailed deficiency disclosures.
- **Material Changes to Settlement Processes:** The group reviewed requirements asking whether material changes had occurred in settlement processes during the previous 12 months. Participants agreed that such changes are important for risk assessment, and the working assumption was to retain the requirement as mandatory while allowing supporting information to be referenced through existing public disclosures (including web links).
- **Corporate Actions Information Sources:** The group considered a requirement covering changes to corporate actions information sources and discussed their potential impact on participants. The consensus was to retain the requirement because source changes may affect users and should remain visible within the assessment process.
- **Cash Account Structures and Policies:** WG Participants reviewed requirements concerning cash account structures, naming conventions, FX policies, currency restrictions, and related services. Lavinia, Catherine, Jim, and Julie generally supported retaining these requirements where applicable because changes are often subject to governance, regulatory oversight, and participant impact. (As earlier, conditional on a CSD providing these services).
- **Participant Service Model and Management Structure:** Catherine questioned the risk-assessment value of participant service model changes, while Lavinia and Jim identified potential impacts on access, participation, technology adoption, and governance. The outcome was to retain the requirement as mandatory for now, flag it for possible duplication review, and ensure management-structure changes remain captured.
- **Project Timeline and Next Steps:** Julie reported that 19 questions had been reviewed to resolve the current issue set and that the remaining themes are somewhat smaller. The group agreed to continue weekly review sessions, noting that next week's meeting had been moved to Tuesday due to a UK holiday on the Monday.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Julie to send latest Working Draft of current spreadsheet & accompanying narrative to the 24 August meeting attendees once tidy ups had been made.	Julie	Done