

Domestic CSD WG (CSD DDQ subgroup)

1 September 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

Regular weekly 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

The meeting focused on reviewing and refining a due diligence questionnaire by assessing whether specific controls, operational metrics, profile information, and governance questions meaningfully contribute to risk evaluation. Participants worked through a consolidation exercise to determine which questions should be retained, removed, merged, or re-scoped based on their relevance to central securities depository risk, operational maturity, and control effectiveness. The discussion emphasized reducing duplication, eliminating low-value disclosures, and improving the quality and applicability of future questionnaire content.

Key updates

- **Reconciliation Metrics Review and Process Changes:** The group reviewed questions on unreconciled items increasing by more than 10% over the last 12 months and changes or enhancements regarding the process for reconciliation of breaks or outstanding items. The group concluded these reconciliation-break measures are primarily custodian-focused rather than depository-focused and elected to remove them from the depository questionnaire.
- **Manual Processing Assessment:** The group examined questions on increases or reductions in manual processing for participant instructions and reporting. Catherine and Ewan highlighted that manual processing changes may be relevant for less mature markets, leading to agreement to retain the topic but add guidance limiting applicability where markets are already fully automated and emphasizing material changes.

- **Proxy Voting and Tax Service Changes:** The group reviewed questions asking about enhancements to proxy voting and related services. The outcome was to retain the subject matter but recommend merging overlapping questions to reduce duplication and capture changes through consolidated responses.
- **Participant Profile Information:** The group evaluated requests for counts of domestic and foreign participants and associated assets under custody and concluded the information provides limited risk insight and agreed to exclude the question from mandatory due diligence requirements.
- **Employee Headcount Metrics:** Participants reviewed questions seeking employee totals across management, operations, client services, and related functions. The group agreed there is no meaningful benchmark or risk correlation for staffing levels, resulting in a recommendation to also exclude these questions.
- **Staff Turnover Disclosure:** The group discussed reporting staff turnover during the preceding 12 months, noting that turnover can be driven by many unrelated factors and may be misinterpreted, leading to agreement to exclude the metric.
- **Physical Security Controls:** The group reviewed questions covering premises security measures such as 24-hour security coverage, access controls, cameras, and alarm systems. The group agreed these controls remain relevant to safeguarding operational environments and should be retained.
- **ESG Remuneration Question:** The group assessed the question on whether board remuneration should be linked to achievement of ESG objectives and questioned its relevance as a risk indicator and suggested that any governance assessment should focus more broadly on overall board scorecards rather than remuneration-linked ESG targets.
- **Next Review Phase:** Julie summarized progress, noting that two major blocks of questionnaire items had been completed in the current session. The agreed next step is to clean up and recirculate the updated consolidation document before the next session, which will focus on sensitive disclosures including lawsuits, audit findings, and similar topics.
- **Project Timeline and Next Steps:** 22 of the total of 34 Issues have now been marked as resolved, with the remaining 12 to be dealt with in the next session or two. The group agreed to continue with the weekly review sessions.

Summary of Follow Up Actions

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