

Domestic CSD WG (CSD DDQ subgroup)

7 September 2026 Teams Call

Meeting Minutes

Participants (in attendance in bold):

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

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

This meeting continued a structured review of the DDQ, focusing on improving how sensitive disclosures, litigation matters, audit-related questions, and policy requirements are handled. The discussion centered on balancing transparency with confidentiality, reducing low-value questions, and creating a more consistent framework that reflects varying regulatory environments across jurisdictions. WG participants also examined how policy and compliance questions could be streamlined and better aligned to regulatory obligations rather than duplicating information already captured elsewhere. The overall objective remains to refine the questionnaire to improve relevance, reduce unnecessary burden, and ensure outputs remain meaningful for users assessing CSDs.

Key updates

- **Litigation Disclosure Review:** The group reviewed questions relating to lawsuits, litigation, and audit findings. It was concluded that most litigation-related questions should be removed because responses would often be confidential, publicly disclosed elsewhere, or offer limited value, with consensus ultimately moving toward deletion of all questions in the first reviewed block.
- **Audit Findings and Recommendations:** The group then discussed questions asking whether any audit recommendations had not been implemented. Participants noted that detailed audit findings could expose vulnerabilities and that existing external assurance reporting was a more appropriate source of information; the outcome was agreement to remove these questions and document supporting rationale.

- **Policy Review Framework:** Questions requesting regulatory review frequency and policy details for AML, KYC, sanctions, and related controls were then reviewed. The group agreed such information remains important but should be retained within a better-structured policy framework section using inventories, filtering logic, and jurisdiction-specific applicability rather than standalone detailed requests.
- **Regulatory Context First Approach:** Catherine and Matthew emphasized that questionnaire sections should begin with clear information on the applicable regulatory framework. The group supported revisiting questionnaire design once the revised DDQ generation gets underway so that organizations attest to regulatory requirements upfront, reducing the need for repeated downstream questions covering the same obligations.
- **Jurisdictional Applicability Challenges:** Lavinia explained that policy requirements vary significantly by jurisdiction and entity type, with some requirements mandatory in certain markets and optional in others. The outcome was recognition that future questionnaire design should better accommodate differences in regulatory scope and relevance.
- **Policy Existence Questions:** The group reviewed whistleblower, conflicts-of-interest, and similar policy questions. There were questions over the ability for these types of questions to meaningfully differentiate risk profiles, and the consensus was that many could be consolidated into a simple policy inventory or removed where they provide little additional value.
- **Material Change Definition:** Lavinia shared a formal definition for 'material change', that came from a proposal for a directive of the European Parliament and of the Council as regards the further development of capital market integration and supervision within the Union, as essentially one significant enough to influence investor interests or investment decisions. Julie indicated this definition could help standardize interpretation of materiality throughout the questionnaire and may be incorporated into future revisions. (Post meeting note – Lavinia has provided full details and Julie will add to a notes tab in the working spreadsheet).
- **Financial Crime Policy Changes:** Questions asking whether financial crime policies had materially changed in the last 12 months were reviewed, and the group concluded that changes alone provide limited insight, with stronger value coming from confirming compliance with current legal and regulatory requirements; deletion or redesign of these questions was favoured.
- **Procurement Code of Conduct Assessment:** The relevance of procurement and vendor-management policy questions for assessing depository risk was challenged, and the group agreed these questions appeared driven by generic due diligence practices rather than risks specific to securities market infrastructures, resulting in support for removal.
- **Data Breach Notification Requirements:** Data breach policy questions were then reviewed. The group agreed it remains important to confirm the existence of a breach-notification process and understand how and when affected clients would be informed, leading to support for retaining this topic while simplifying surrounding policy-change questions.
- **Data Protection Compliance Structure:** The group discussed questions about recent changes to data protection policies. There was agreement that compliance with applicable data protection legislation should be the primary test, with future questions framed around regulatory obligations and continued compliance rather than individual policy amendments.
- **Next Steps and Timeline:** Julie confirmed she will clean up the spreadsheet, document the agreed rationale, and circulate revised materials before the next session.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Julie to send latest Working Draft of current spreadsheet to the 7 September meeting attendees once tidy ups had been made.	Julie	Done