

Domestic CSD Working Group

14 October 2026, virtually on Teams

Meeting Minutes

Participants (in attendance in bold):

▪ Julia	McKenny	ISSA, CEO
▪ Julie	Huxford	ISSA, PMD
▪ Bruce	Butterill	ACSDA
▪ 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	CSCS
▪ John	Eze	CSCS
▪ Olayemi Sehinde	Agbeleye	CSCS
▪ Olufemi	Otenaike	CSCS
▪ Onome	Komolafe	CSCS
▪ Shehu	Shantali	CSCS
▪ Faustina	Coleman-Forson	Central Securities Depository Ghana Limited
▪ Mikhail	Grishko	CSD Kazakhstan
▪ Edward	Roncon	Citi
▪ Elly	van Gils	Citi
▪ Hendra	Raharja	Citi
▪ Krasimira	Rayanova	Citi
▪ 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
▪ Nigel	Rangel	HSBC Holdings Plc
▪ Oliver	Myall	HSBC Holdings Plc
▪ Jandi (John)	Oh	Korea Securities Depository KSD
▪ 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	NZX
▪ Parag	Joshi	NSDL Group
▪ Ramesh	Iyer	NSDL Group
▪ Jim	Harris	Royal Bank of Canada
▪ Ewan	Sturgeon	Royal Bank of Canada
▪ Serene	Cai	Singapore Exchange Limited
▪ Shawn	Ling	Singapore Exchange Limited
▪ Catherine	Tinavapi	Standard Chartered Bank
▪ Esther	Chen	Standard Chartered Bank
▪ Samuel	Johnson	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

- Intro / Welcome
- Domestic CSD Cross Border Survey Results
- CSD DDQ subgroup work - status update
- AOB

Welcome / Introduction

Julie opened the meeting and introduced Emma from the ValueExchange, who was presenting the results of the recent Cross Border Survey results.

Domestic CSD Cross Border Survey results

Emma presented Value Exchange's findings from a May–June survey of 25 CSDs, showing that foreign investor flows are growing but are constrained by liquidity, market access, tax, messaging, settlement, and other factors that CSDs cannot address alone.

- **Survey Scope:** Value Exchange surveyed 25 CSDs across Europe, Africa and the Middle East, Asia Pacific, and Latin America (there were no CSD responses from the United States or Canada). The findings were organized around the CSD landscape, attracting foreign investors, and the role of CSD links.
- **Investor Priorities:** Domestic institutional investors account for more than 40% of settlement activity globally and are the leading constituency in every surveyed region. Foreign portfolio investors average 32% globally and nearly 40% in Europe, while domestic retail investors exceed foreign investors in Latin America and Asia Pacific, meaning regional priorities differ.
- **Foreign Flow Growth:** Seventy-six percent of CSDs consider foreign investor growth highly important to them over the next three years. Foreign flows increased in every region over the prior three years by an average of approximately 4% annually, with stronger growth in Europe and Asia Pacific; 26% of CSDs reported growth above 10%.
- **Wider stakeholder importance:** While 74% of CSDs see themselves (and their exchange / CCP partners) as the most important stakeholder to increase foreign investment flows, regulators, central banks and global custodians are also seen as core stakeholders (by 67%, 59% and 59%) of respondents respectively. Emma noted with interest that this view diverges by region, with Latam CSDs viewing regulators as critical, European CSDs viewing themselves, African CSDs viewing both and APAC CSDs viewing global custodians as core. An important point was noted, in terms of whether the role of index providers is being underestimated, with only 5% seeing them as core.

- **Growth Constraints:** CSDs identified market liquidity and depth, country risk, index allocation, local tax complexity, foreign-exchange and funding restrictions, and investor requirements as major constraints. These factors are primarily controlled by regulators, central banks, index providers, or market participants, leaving CSDs with an advocacy and coordination role in addition to their technical responsibilities.
- **Transformation Programs:** All 25 surveyed CSDs expect to run transformation projects. Emma reported that 77% currently have platform-modernization programs, about two-thirds expect tokenized securities within three years, and every Asia-Pacific CSD surveyed expects to change its core platform before 2030, alongside pressure from T+1, extended trading hours, and messaging standardization.
- **Investor Access and Market Infrastructure:** Emma explained that improving foreign investor access requires coordinated action on liquidity, settlement efficiency, messaging standards, tax and registration requirements, and regional connectivity, while Julie emphasized using the findings to engage authorities and other stakeholders.
- **Regional Investor Sources:** North American investors are the main source of foreign capital in every region except Europe, making knowledge of U.S. pension-fund and fund-manager requirements relevant to CSDs (i.e. 40 Act / ERISA fund rules etc) along with the need to be closely connected to asset allocators across the US. Emma also noted that time-zone differences create funding and settlement challenges, while investors from neighboring markets account for only about 20–25% of volumes within CSD groups.
- **Liquidity And Settlement:** Market liquidity and depth were identified as the top obstacle in every region. CSDs can respond by concentrating local liquidity pools and reducing friction in multi-market connectivity. Settlement efficiency remains a common challenge; Asia-Pacific markets generally report very low fail rates under strict regimes, while European fail rates remain higher despite CSDR cash penalties.
- **Messaging Standardisation:** Messaging remains a significant cost and operational-risk driver, particularly in the more emerging markets. Outside Europe, fewer than half of CSDs use Swift or MT/MX messages, and more than 70% of Asia-Pacific messaging uses local formats. Emma identified harmonized post-trade processing and rules, including broader standards adoption, as a potential way to reduce costs and risks for global investors.
- **CSD Links:** CSD links are preferred slightly over standard custody access globally, with regional preferences varying: links are favoured in Europe, while standard custody models are more common in Latin America, Africa, and Asia Pacific. Links primarily support fixed income today, although equities are the leading priority for planned new links; regional links tend to outperform expectations, while results are weaker in Asia Pacific and Africa and the Middle East.
- **Local Barriers:** The existence of a technical link does not remove local investor-facing obstacles. Tax requirements, local registration, account opening, reporting, and operational processes continue to limit volumes; tax is especially prominent in Europe and Latin America. Emma said links must therefore be developed alongside broader reforms rather than treated as a standalone solution.
- **Regional Maturity Differences:** In response to Elly's question, Emma agreed that regional maturity and development differences help explain the results. Europe benefited from CSDR and T2S initiatives intended to encourage links, but remaining barriers—particularly tax and other local requirements—have limited further progress after easier opportunities were addressed.
- **Asian Link Structure:** Remi explained that many existing links between Asian infrastructures and international CSDs are dated and largely one-sided, historically designed to make local assets available to international investors. There is now movement toward bilateral and more robust links, but implementation is slow.
- **ICSD Capacity and Demand:** Remi added that expanding or making links bilateral depends not only on CSD willingness but also on client demand, market-specific interest, and the capacity and priorities of the international CSDs to onboard additional arrangements.
- **Survey Follow-Up and White Paper:** Julie and Catherine agreed that the group should digest the preliminary findings, submit consolidated questions, and decide how the data should shape next year's work and a possible joint ISSA–Value Exchange white paper.

- **Document Status:** Catherine asked whether the circulated preliminary deck should be treated as final and whether the group should drill into it before or after the white paper. Emma said Value Exchange had completed its analysis and could investigate specific areas further but otherwise intended to close the feedback loop and begin the white paper.

Next steps / WG Review: Julie asked participants to review the deck and send questions, comments, possible areas for deeper analysis, and potential policy or lobbying points. Catherine proposed allowing approximately one week for review, and Julie set the deadline for responses as the end of the following week.

- **Data Breakdown:** Elly asked whether ValueExchange could provide the markets represented by the surveyed CSDs and the respondent distribution by region. Emma confirmed that the information would be available, and Julie assigned ValueExchange an action to share it with the group, noting that it might not be suitable for publication.
- **Next Coordination:** Julie said they would circulate the minutes by the end of the week, consolidate feedback through email, discuss the webinar and publication plans with Barney, and reconvene after the review period. Value Exchange also offered to provide bilateral walkthroughs or follow-up discussions with anyone interested.

CSD DDQ subgroup work - status update

- **DDQ Subgroup Questionnaire Development:** The DDQ Subgroup has met weekly and completed the outstanding WG decision question resolution, with responses fed back in and AI being used to generate the draft consolidated questionnaire (currently at iteration 302 as information is being processed sequentially to produce a shorter, more focused first draft).
- **Stakeholder Engagement:** The group continues to consult AFME, AGC, and other relevant stakeholder organizations. A planned presentation to the World Federation of Custodians Forum was postponed because the meeting was cancelled, but it is expected to take place remotely at a later date.
- **Next Draft:** Julie did not yet have a draft to share with the WG but said work remained ongoing and that stakeholder engagement would continue so affected groups can review the questionnaire as it develops.

AOB

Nil

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Provide a list of the markets covered by the Cross Border Survey analysis	Emma / ValueExchange	By 23 October 2026
2.	WG participants to review the deck and send Julie any questions, comments, possible areas for deeper analysis, and potential policy or lobbying points.	All	By 23 October 2026