THE ValueExchange

Cross-border investments 2026.



Survey key findings

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About this report.

Community driven.

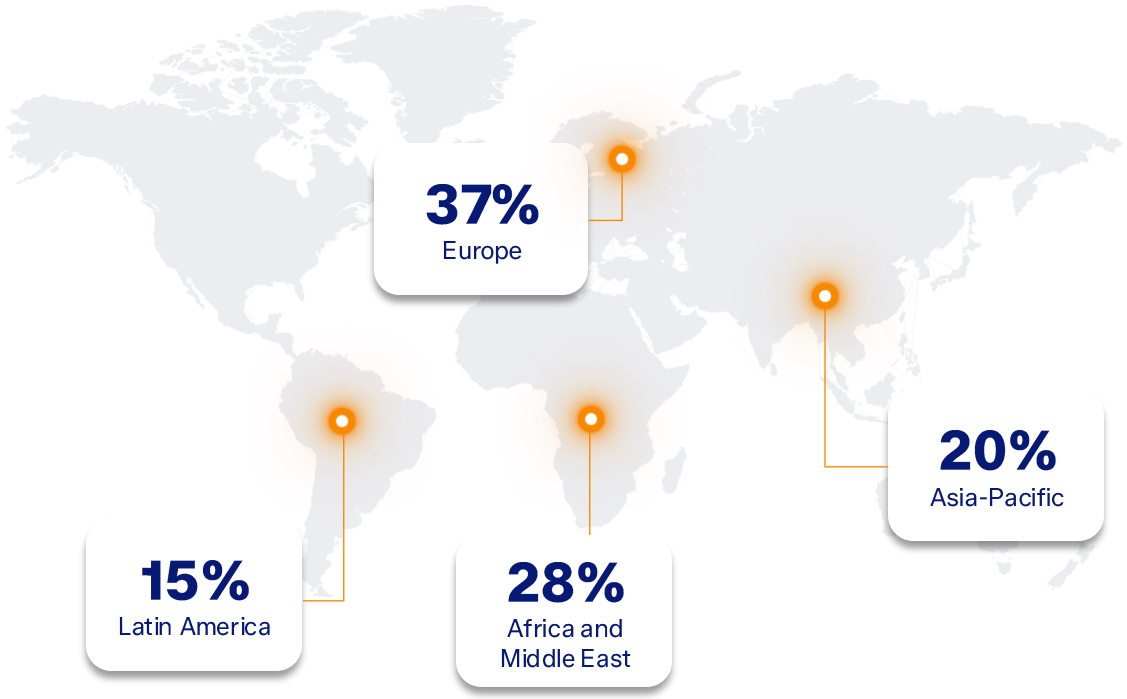
How and where are domestic CSDs transforming to deliver efficiencies and growth for foreign investors?

In Q3 2026, the ValueExchange and ISSA completed a market-wide survey **of 25 securities depositories** (CSDs), in order to define and prioritise the core problem statements that the global CSD community faces in attracting foreign investor flows.

This report summarises the statistical insights gained from those respondents.

Find out more

Who participated. Your voice.





Chapter 1

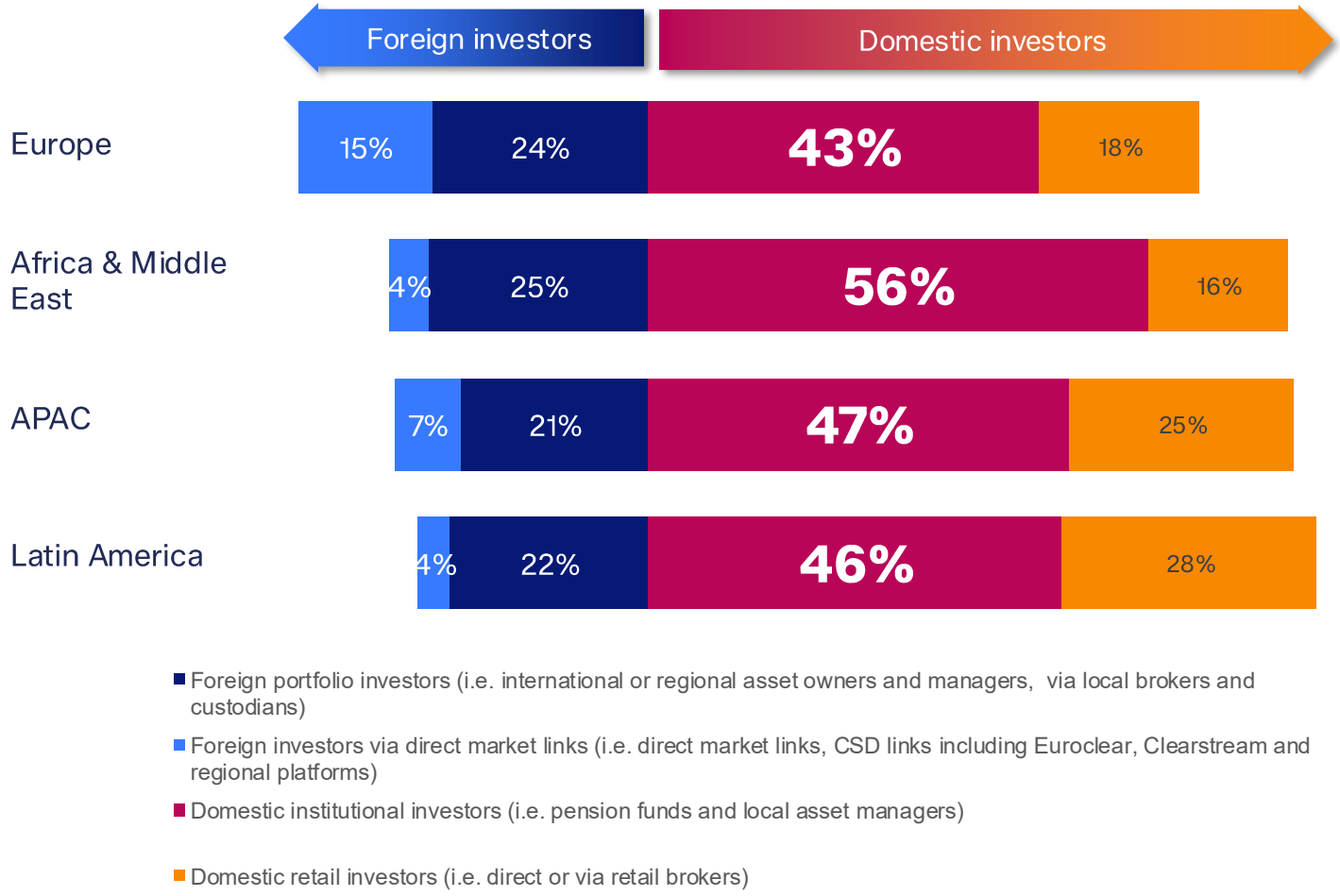
Today's CSD landscape.

Domestic, institutional investors are the centre of attention.

- Domestic institutional investors make up over 40% of settlement activity globally and are the #1 constituency for every market and region. This is who the markets are built for.
- Foreign portfolio investors make up 32% of settlement flows on average globally, scaling to almost 40% in European markets.
- Importantly, domestic retail is a larger constituency than foreign portfolio investors in Latam and APAC – meaning a foundational difference in roadmaps and prioritisation.

Percentage breakdown of settlement activity by region

Question: What is the approximate breakdown of settlement activity by the following sources of flows?

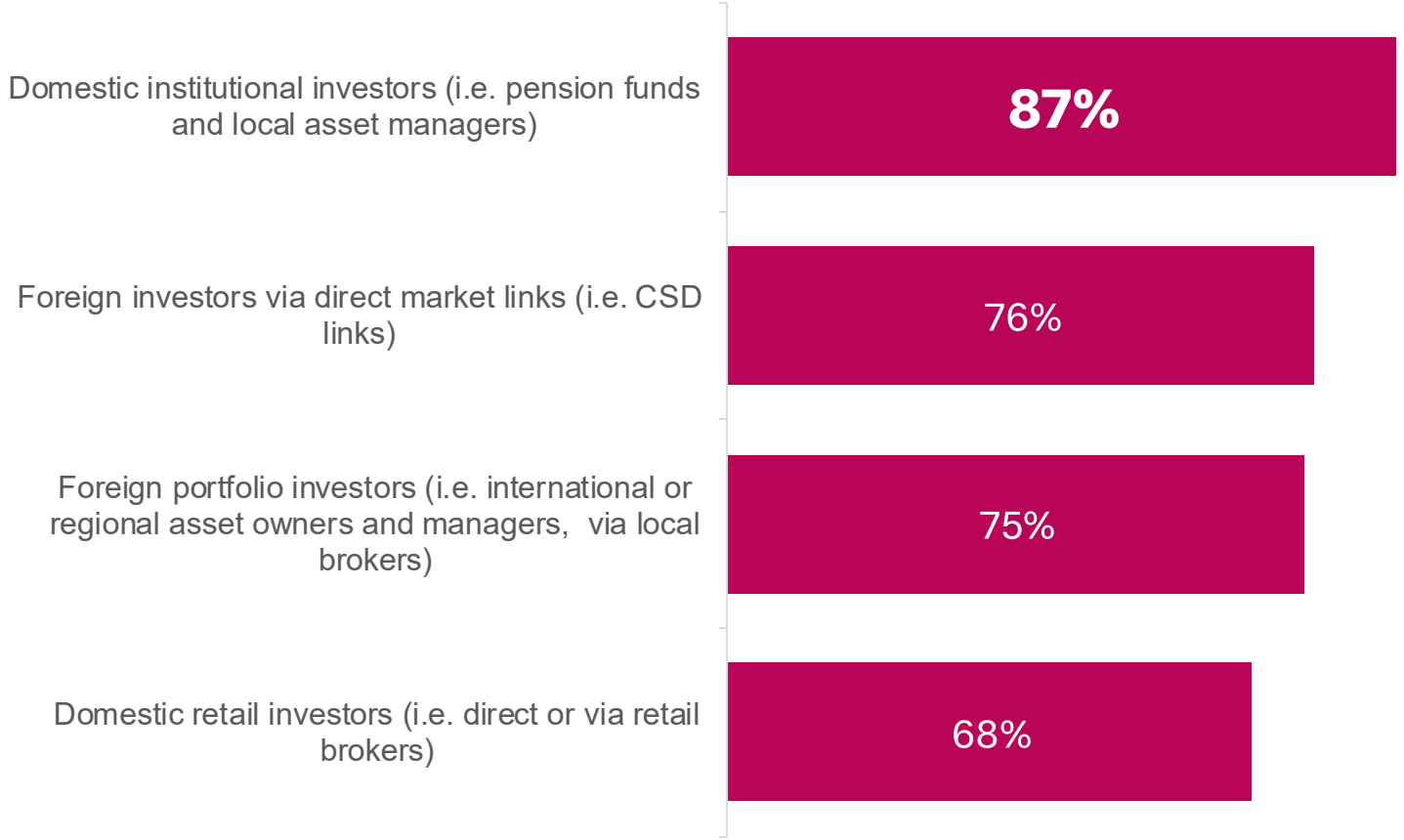


...and they are key to tomorrow's growth

- 76% of CSDs view foreign investor growth as highly important to them in the next 3 years.
- All forms of foreign investor access are equally important – CSD links or standard custody models.
- CSD market links are preferred in Europe, whilst standard custody models are preferred in Latam, Africa and APAC.

Percentage of CSDs by perceived importance of growing foreign investor flows

Question: How important is it to you and your market authorities (including regulators, central banks and infrastructures) to increase activity from each of the following investor types in the next 3-5 years?

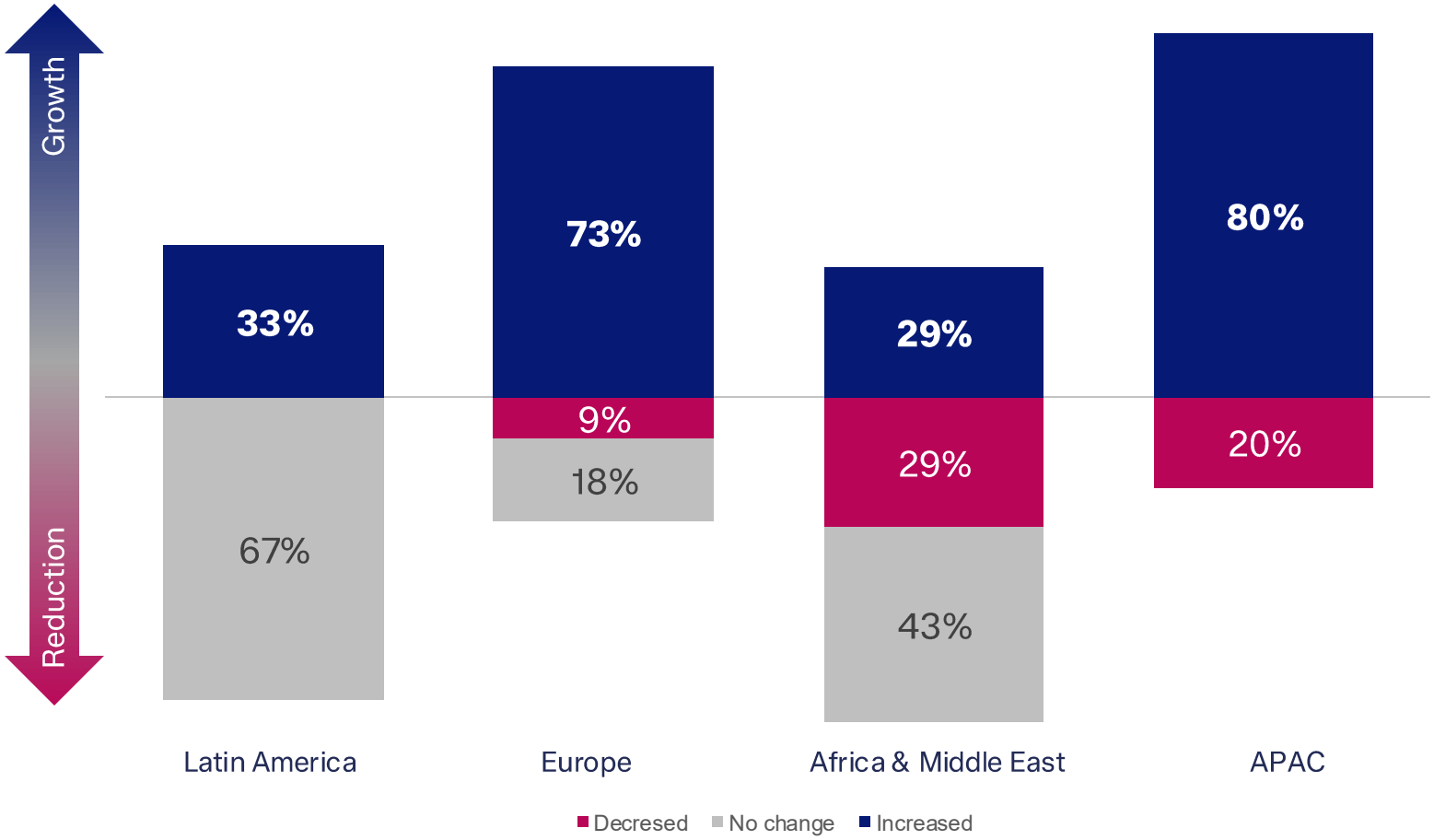


Foreign investor flows are growing across the world

- Every region has seen a net increase on foreign investor flows in the last 3 years, triggering an average of 4% growth YoY.
- Over 70% of CSDs in APAC and Europe have seen growth in the last 3 years – compared with much more marginal growth in Latam and Africa / Middle East.
- 26% of CSDs have seen growth rates of over 10%.

Percentage of CSDs experiencing foreign investor growth since 2023

Question: How have these foreign investor volumes changed over the last 3 years?

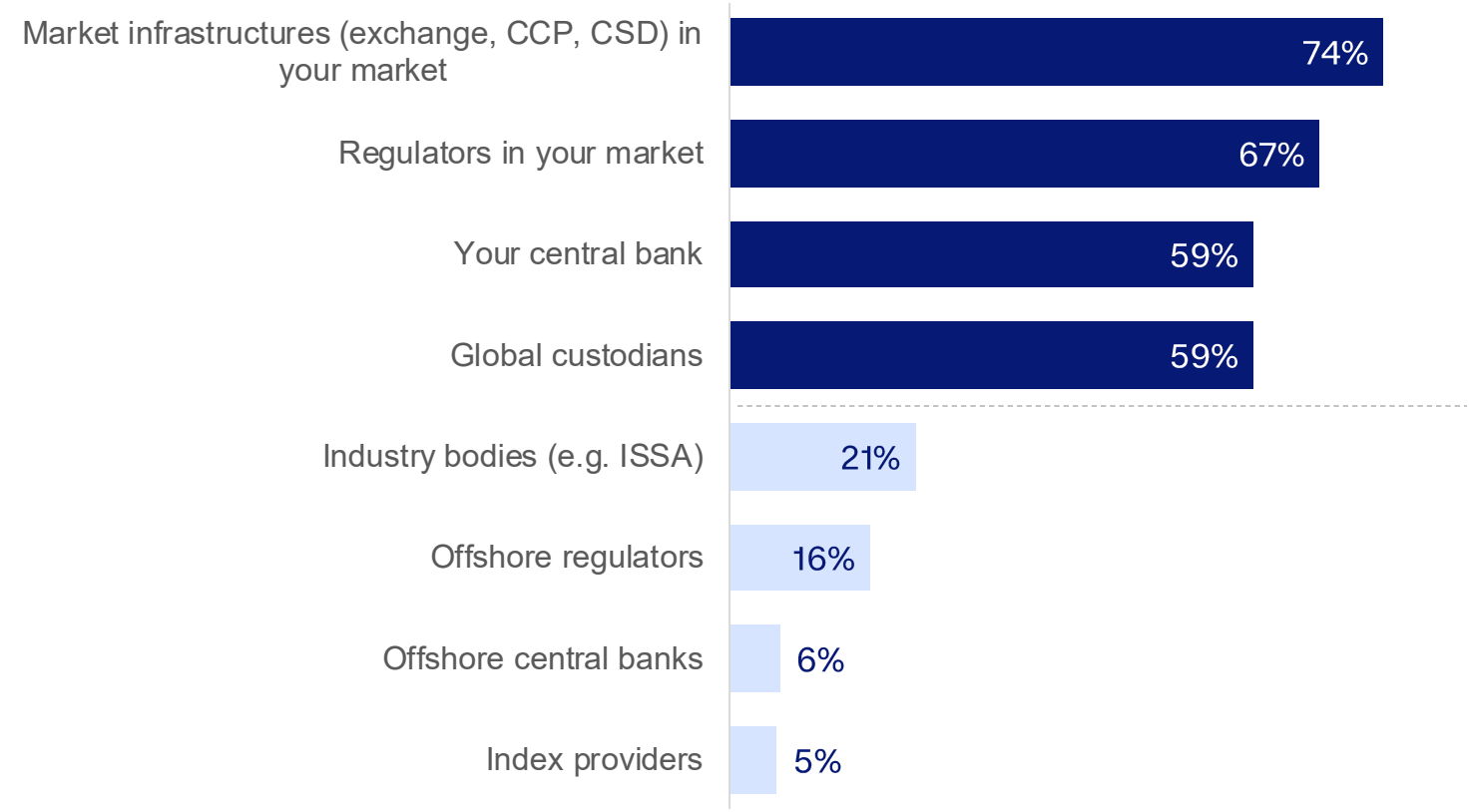


FMIs are the core enablers to investment flows – but they are part of a wider team

- 74% of CSDs see themselves (and their Exchange / CCP partners) as the most important stakeholder to increase foreign investment flows.
- But they are not alone. Regulators, central banks and global custodians are also seen as core stakeholders (by 67%, 59% and 59%) of respondents.
- Is the role of index providers being underestimated (with only 5% seeing them as core)?

Percentage of CSDs citing each organisation type as highly important in increasing foreign investor flows

Question: How important is each of these stakeholders in increasing foreign investment flows into your market? Where 1 is least important and 5 is most important.

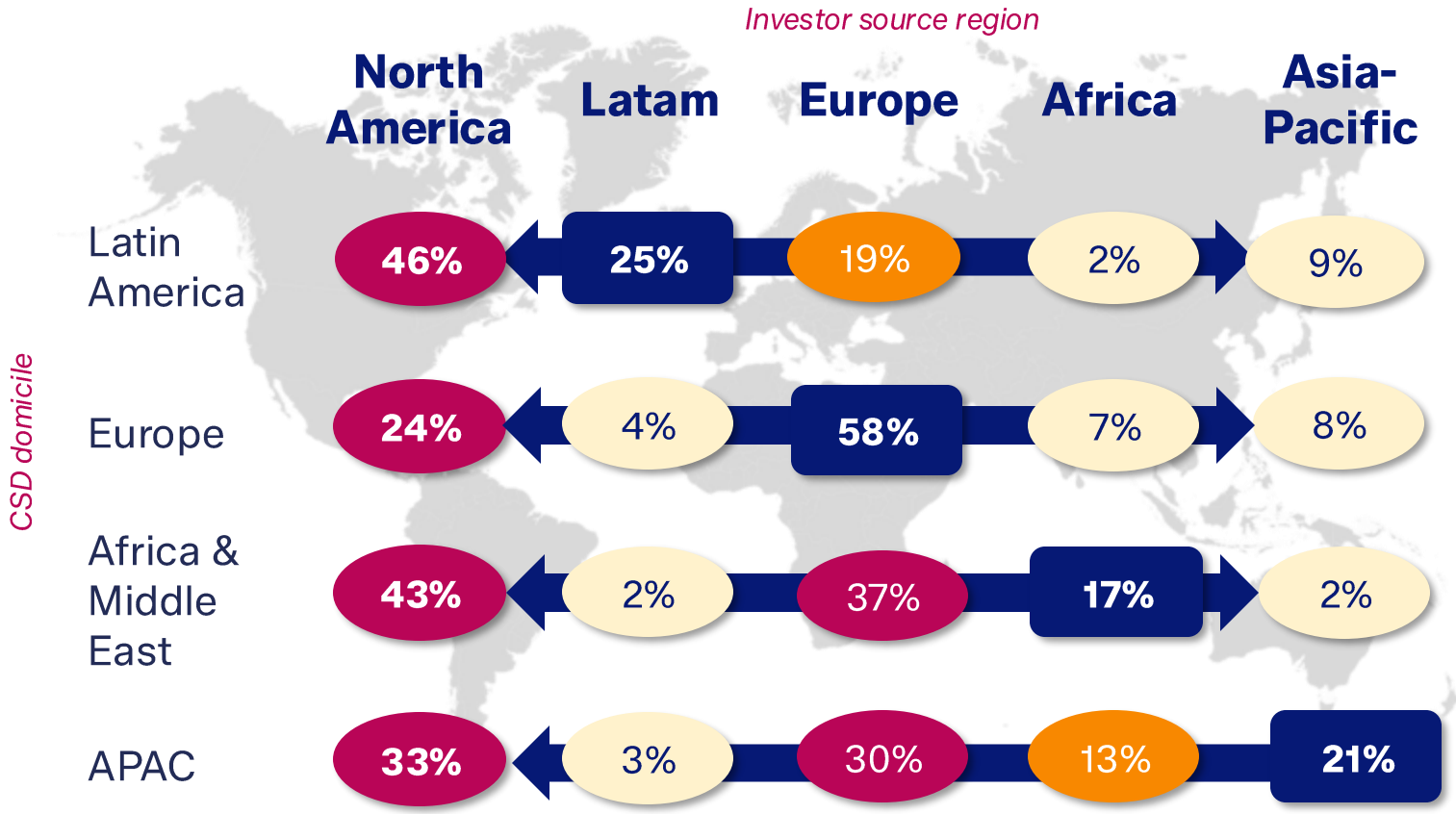


Regional investors: the untapped opportunity?

- North American investors are the primary source of foreign investments in every region except Europe. This means CSDs need to be closely familiar with 40 Act / ERISA fund rules, and be closely connected to asset allocators across the US.
- But the European markets should not be overlooked. For Africa and APAC, European investments are almost as significant as American ones, putting focus on UCITS and AIFMD rules.
- Regional investment flows (from neighbours within the CSD's home region) make up only 20-25% of total volumes. Is this the major market opportunity?

Percentage breakdown of foreign investor inflows, per CSD region

Question: What is the approximate distribution of the source markets of your foreign investor flows today?

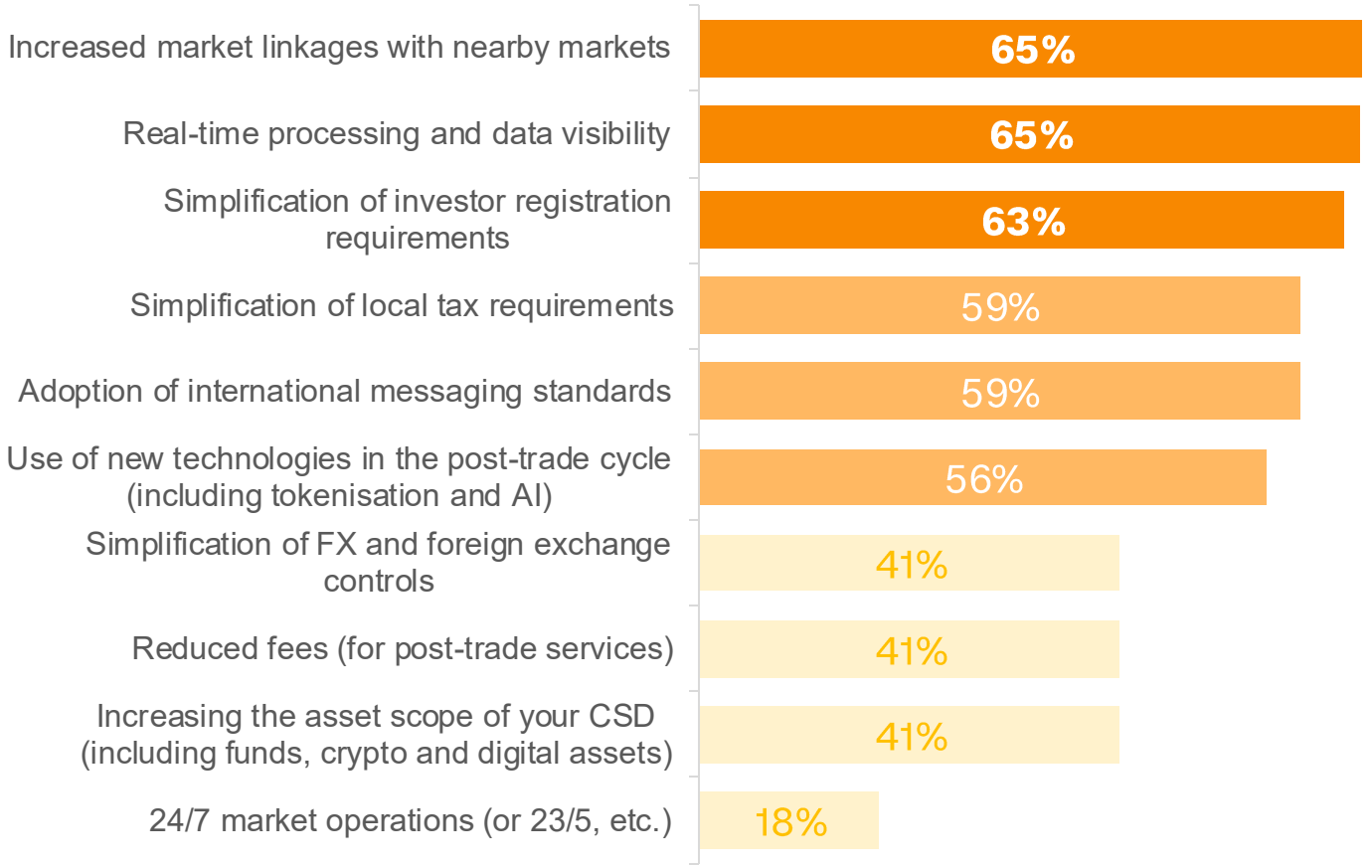


65% of CSDs see market linkages as their core avenue for growing foreign investor flows.

- 65% highly rank market linkages with **nearby** markets.
- This is on a par with real-time processing and data visibility: as participants move to always-on markets (compounded by T+1 and 23×5)
- Simplification of investor requirements, SWIFT message adoption and new technologies are all key for more than 50% of CSDs.
- All of these come before fee reductions. Do participants agree?

Percentage of CSDs prioritising each area as a trigger for foreign investor flows

Question: How do you prioritise the following potential changes by their importance in growing foreign investor flows into your market?

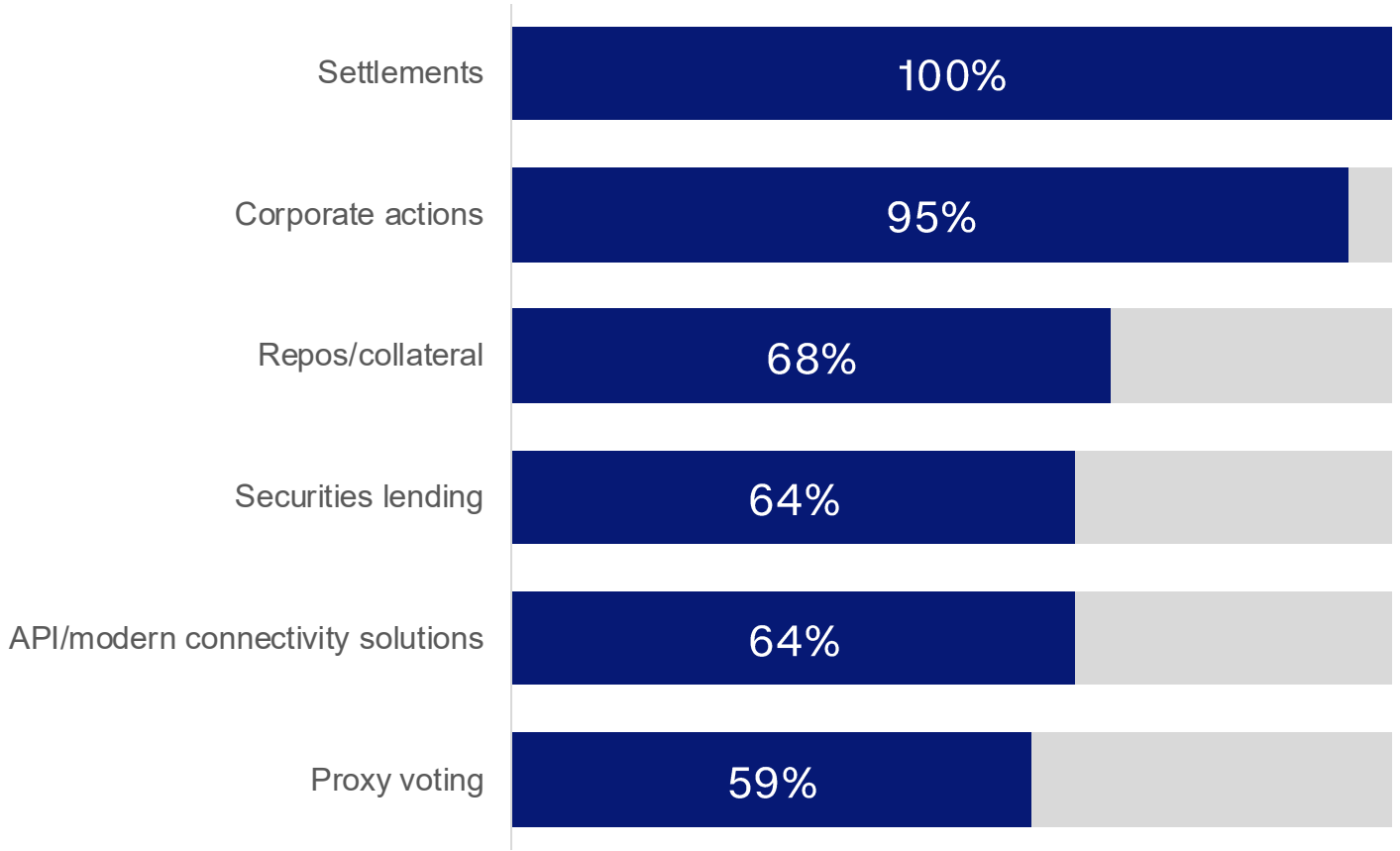


Levels of CSD-driven change are huge today

- Every one of the 25 CSDs in our study expects to run transformation projects in their settlement processing – with almost all also transforming their asset servicing.
- Repos and margining look set to transform at two-thirds of CSDs
- No one is expecting to do nothing

Percentage of CSDs with change projects planned (per activity) before 2030

Question: What change projects do you have underway or planned over the next 3 years?

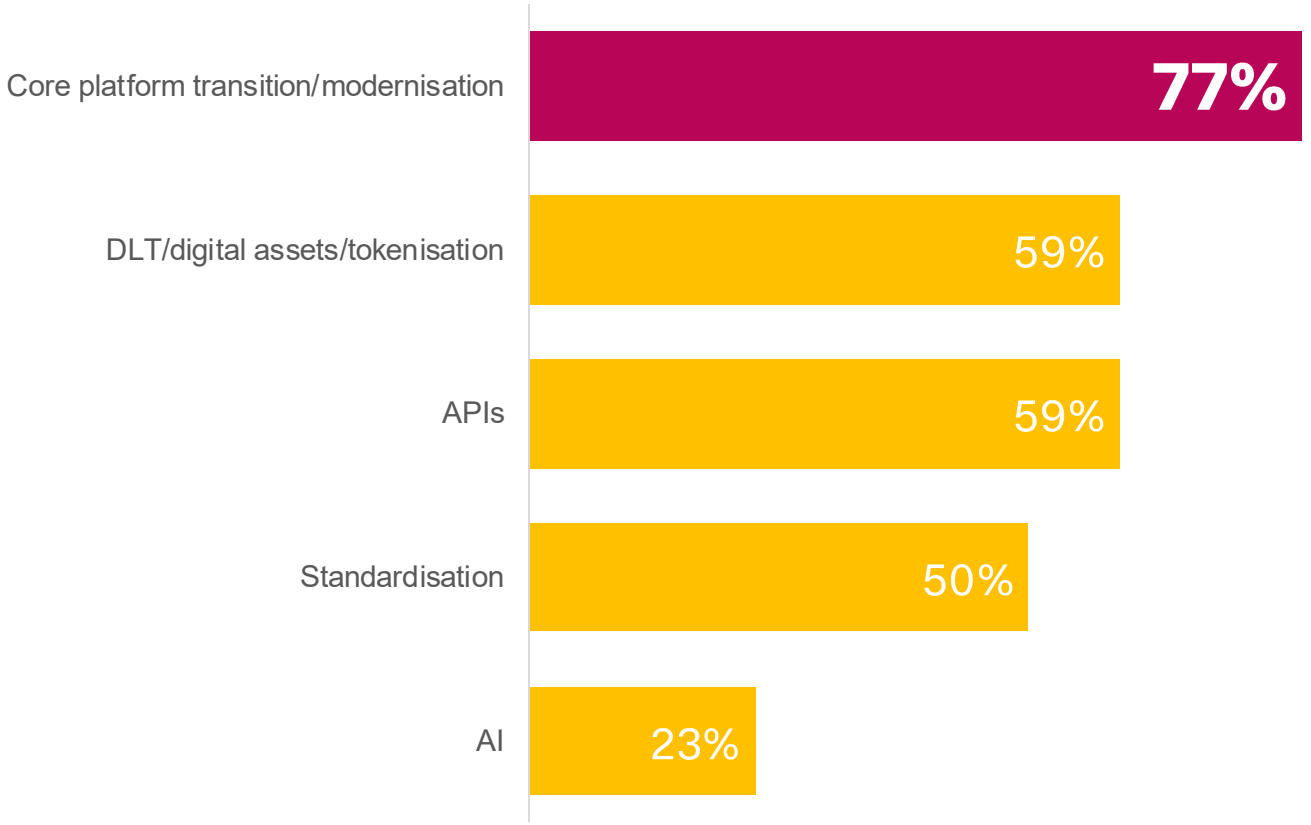


77% of CSDs are planning platform modernisations: creating a major industry risk point

- How and what shape does platform modernisation take?
- Almost two-thirds of CSDs expect to be tokenising securities in the next three years – 10% more than expect to standardise their messaging.

Percentage of CSDs with change projects planned (per area) before 2030

Question: What change projects do you have underway or planned over the next 3 years?

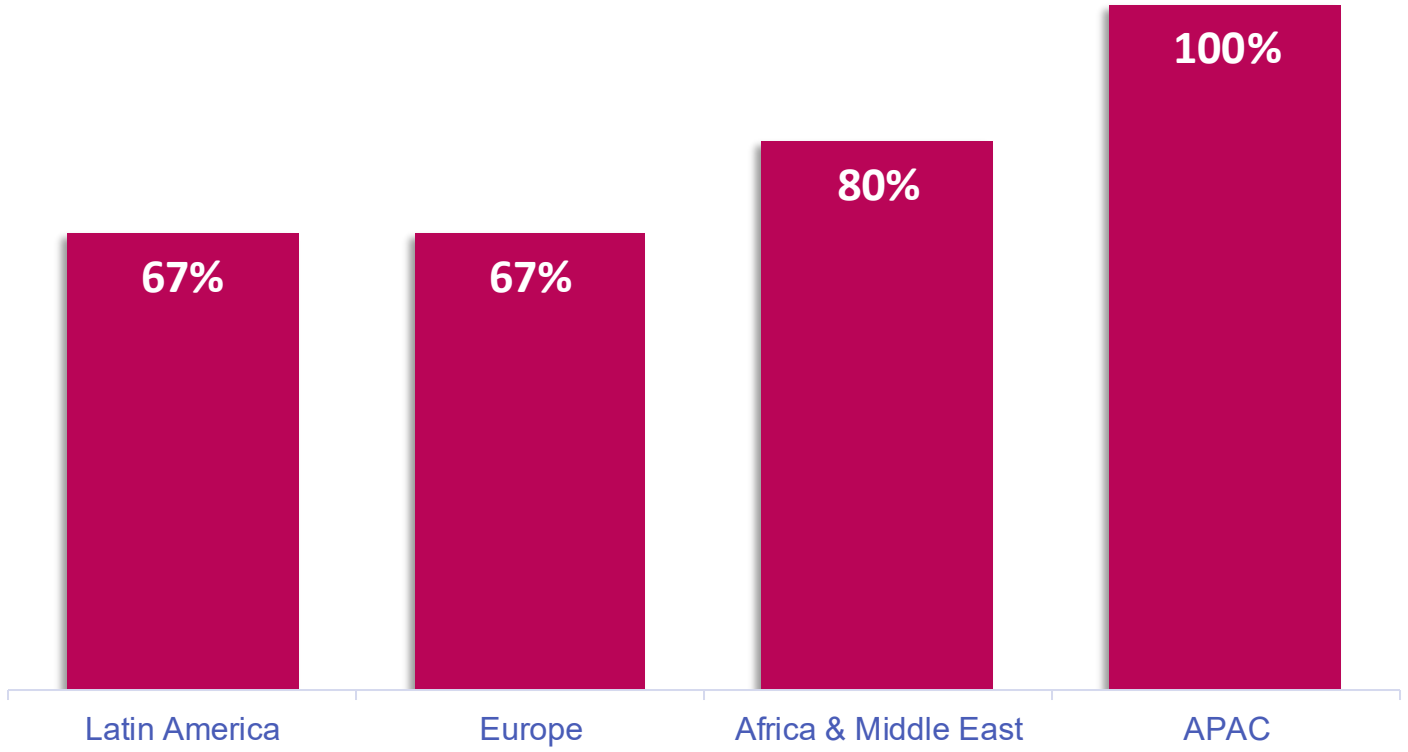


Every CSD in APAC is due to change its core platform before 2030

- After years of deferred transitions, is now the time for domestic CSDs in Asia?
- How to manage these transitions during the same window as 23×5 and T+1?

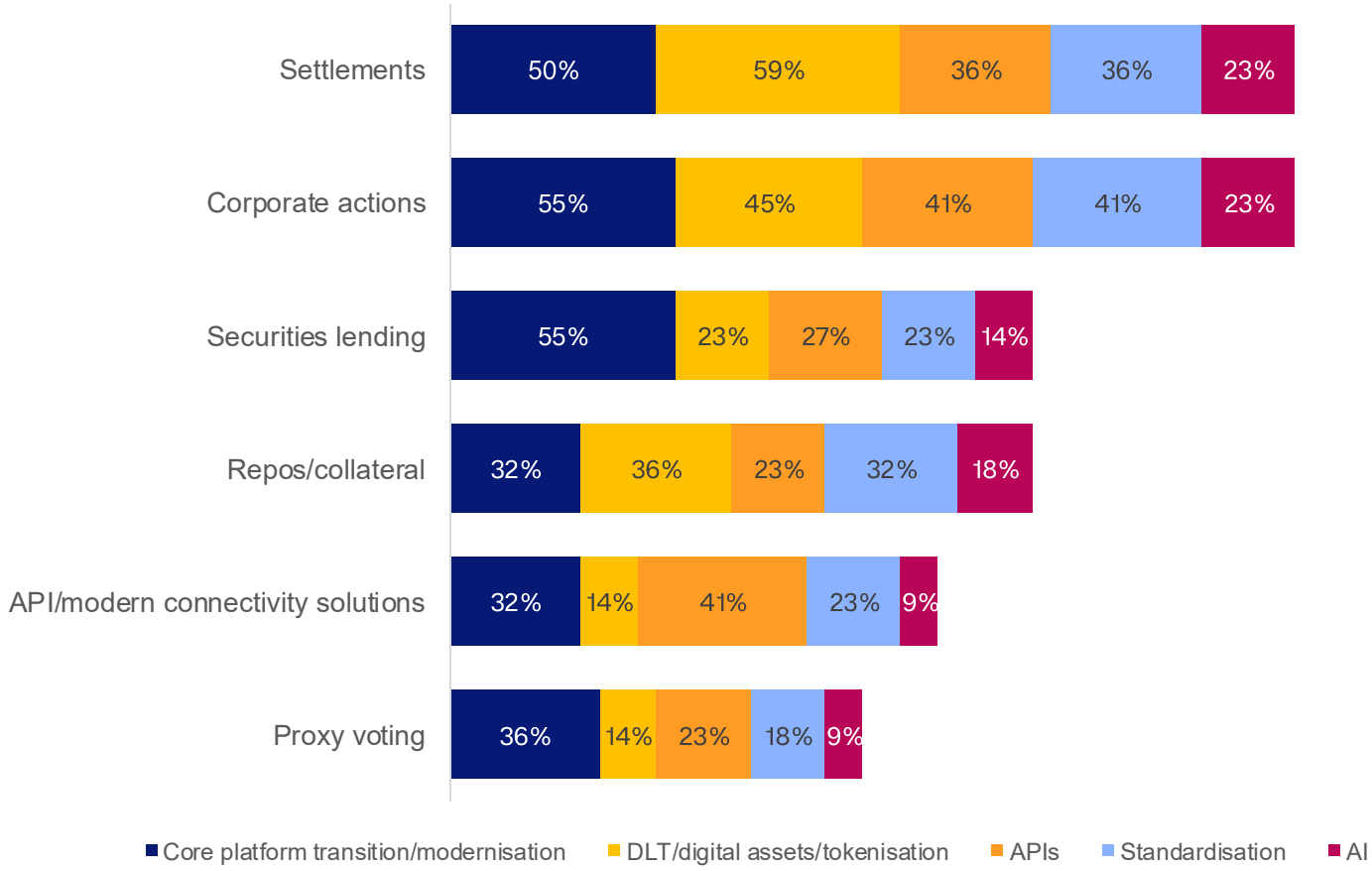
Percentage of CSDs with core platform transitions planned before 2030

Question: What change projects do you have underway or planned over the next 3 years?



Percentage of CSDs with change projects planned (per activity) before 2030

Question: What change projects do you have underway or planned over the next 3 years?





Chapter 2

How to appeal to foreign investors?

Liquidity is the problem. But not the only one

- In every region, market liquidity and depth is cited as the leading obstacle to foreign investor flows.
- But it is not alone.
- In APAC, the lack of index allocations is seen as equally important as liquidity.
- In Europe and Latam, local tax rules are just as important as market liquidity.
- Across the board, levels of agreement are very low on what the core issues are today.

% of CSDs citing each of the below issues as a top 3 challenge, holding back foreign investor flows

Question: What would you say are the top 3 challenges holding back inbound/foreign investor volumes from your market today?



Message standardisation is a major challenge and cost driver in emerging markets

- Outside of Europe less than half of CSDs use Swift MT or MX messages today.
- Over 70% of messaging in APAC is done using local formats.
- This means significant risk for foreign investors – as well as costs of facing multiple markets all at once.

Percentage breakdown of post-trade messaging formats by CSD region

Question: What messaging formats do you use today for instructions in your market?

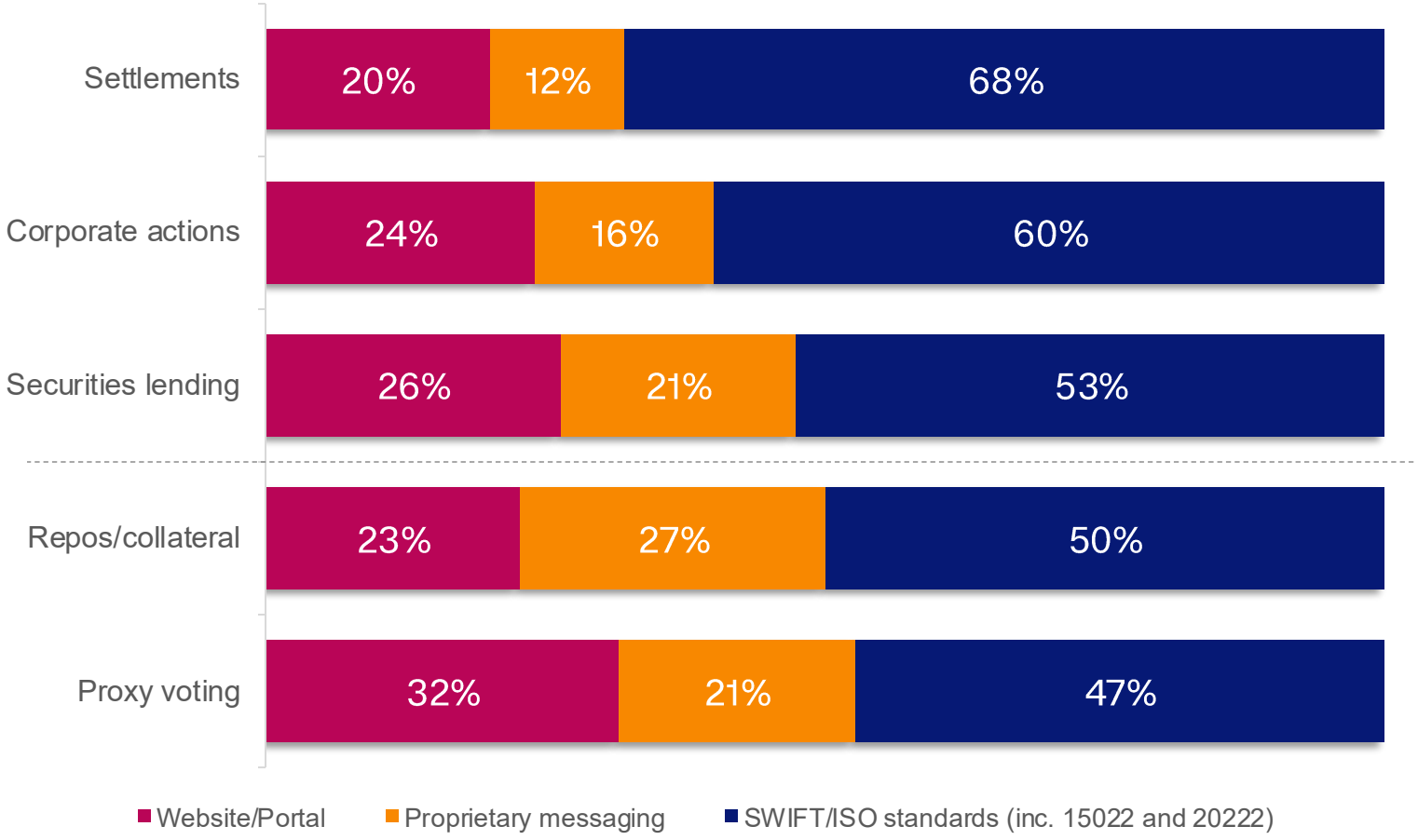


Over 50% of all securities financing and proxy voting messaging is localised

- Outside of Europe, the use of SWIFT for non-settlement messaging drops to 30% of messaging.
- This is a major area of opportunity for foreign markets – to remove risk and cost for global investors

Percentage breakdown of post-trade messaging formats by data type

Question: What messaging formats do you use today for instructions in your market?

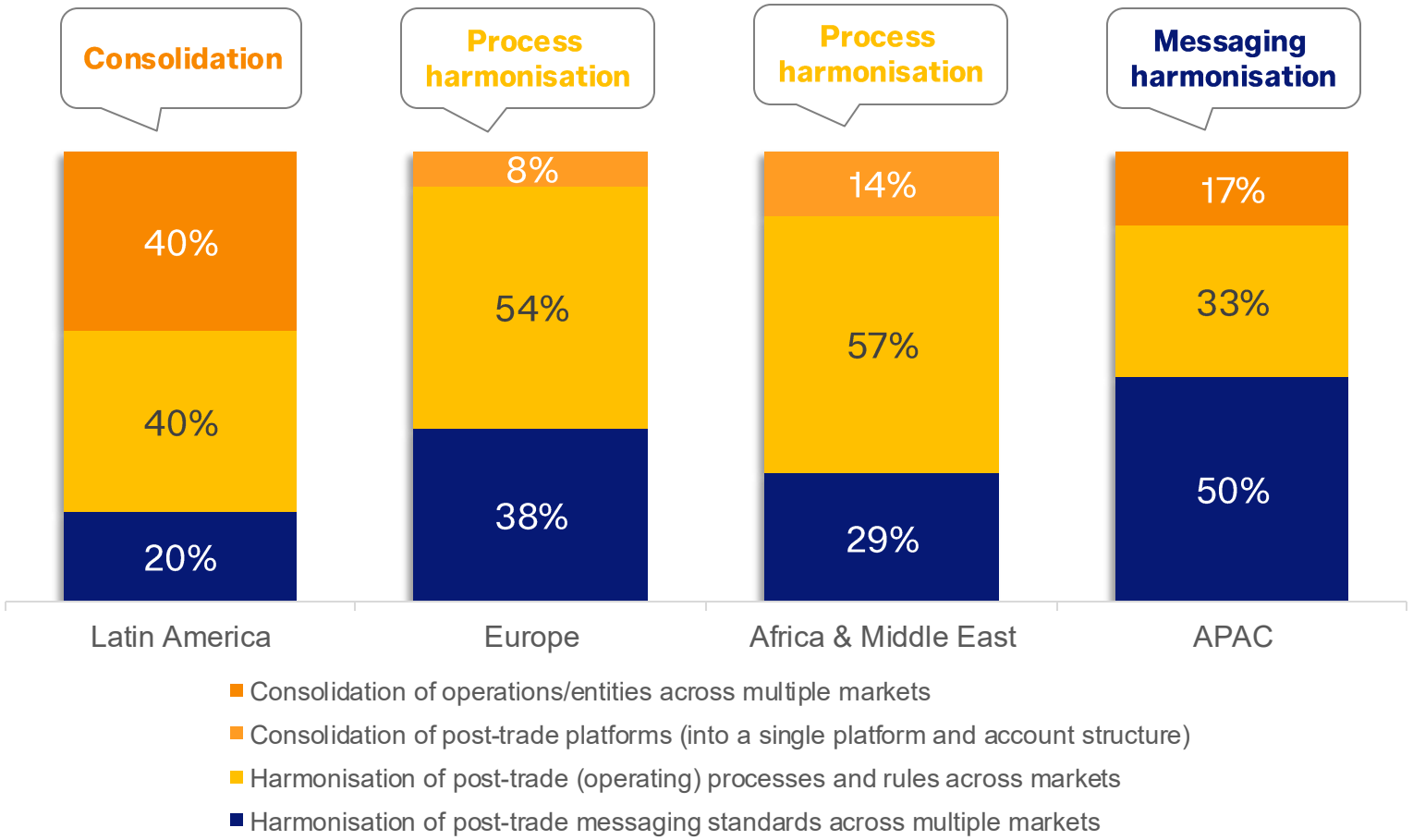


50% of CSDs believe that harmonisation of post-trade processes and rules would boost foreign investor flows

- Yet target models vary significantly by region, depending on current levels of market integration. Where markets are already connected, integration and consolidation are key.

Percentage of CSDs by preferred means of standardisation – as a driver of foreign investor flow

Question: What kind of standardisation do you believe would have the most positive impact on foreign investor flows into your market?

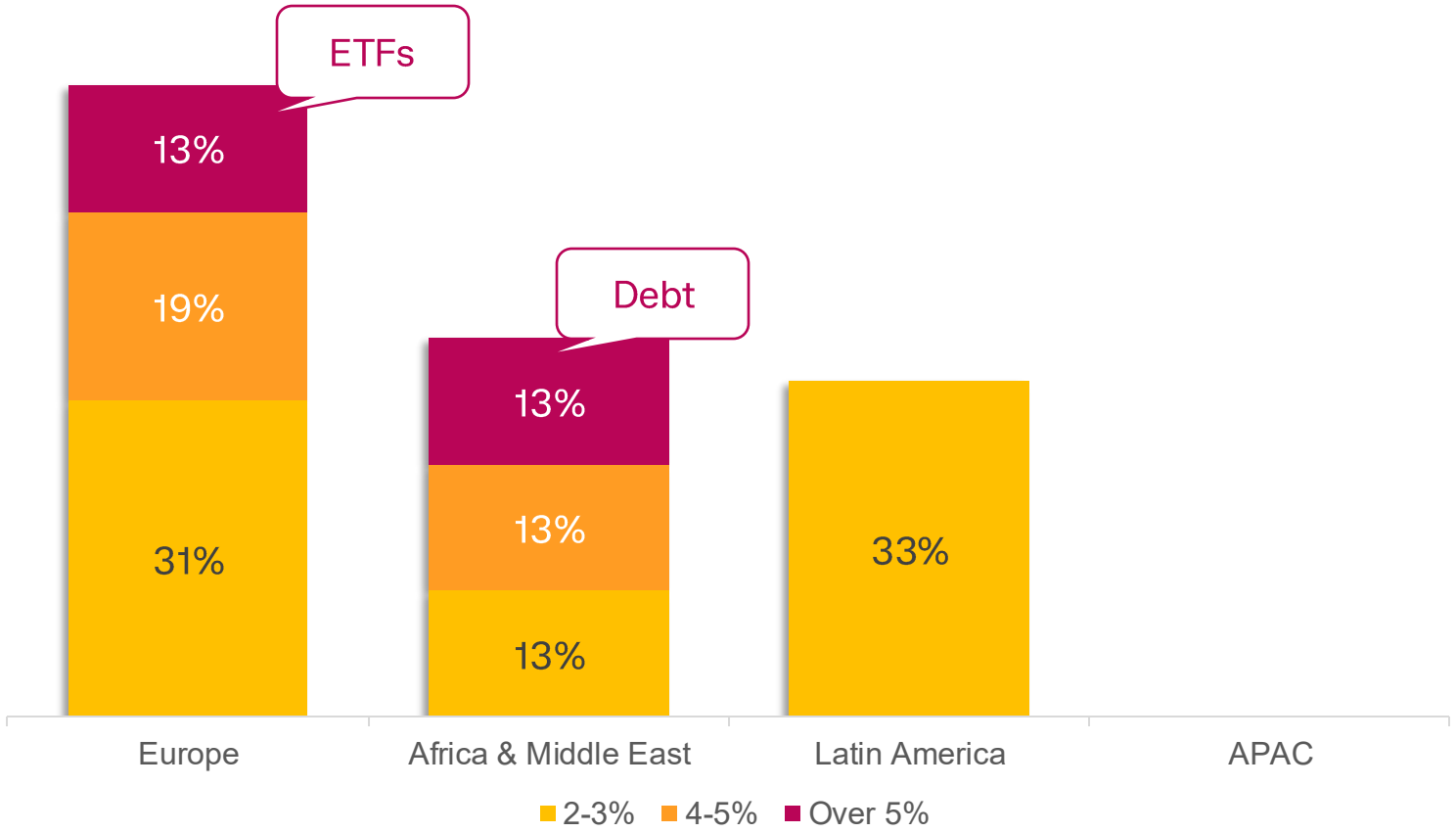


Yet settlement efficiency is a core challenge elsewhere.

- Africa and Europe have some of the highest levels of trade fails globally.
- Settlement efficiency is a core criteria for attracting foreign investors.
- But is Asia's model the most desirable? Zero fails are achieved through punitive regimes – which puts added pressure on the offshore market participants who are so desirable.

Percentage of CSDs by levels of trade fail rates, per region

Question: What is your current level of failed trades in your market (as a percentage of total settlement volumes) for each key asset class?



Average trade fail rates by CSD region and asset class

Question: What is your current level of failed trades in your market (as a percentage of total settlement volumes) for each key asset class?

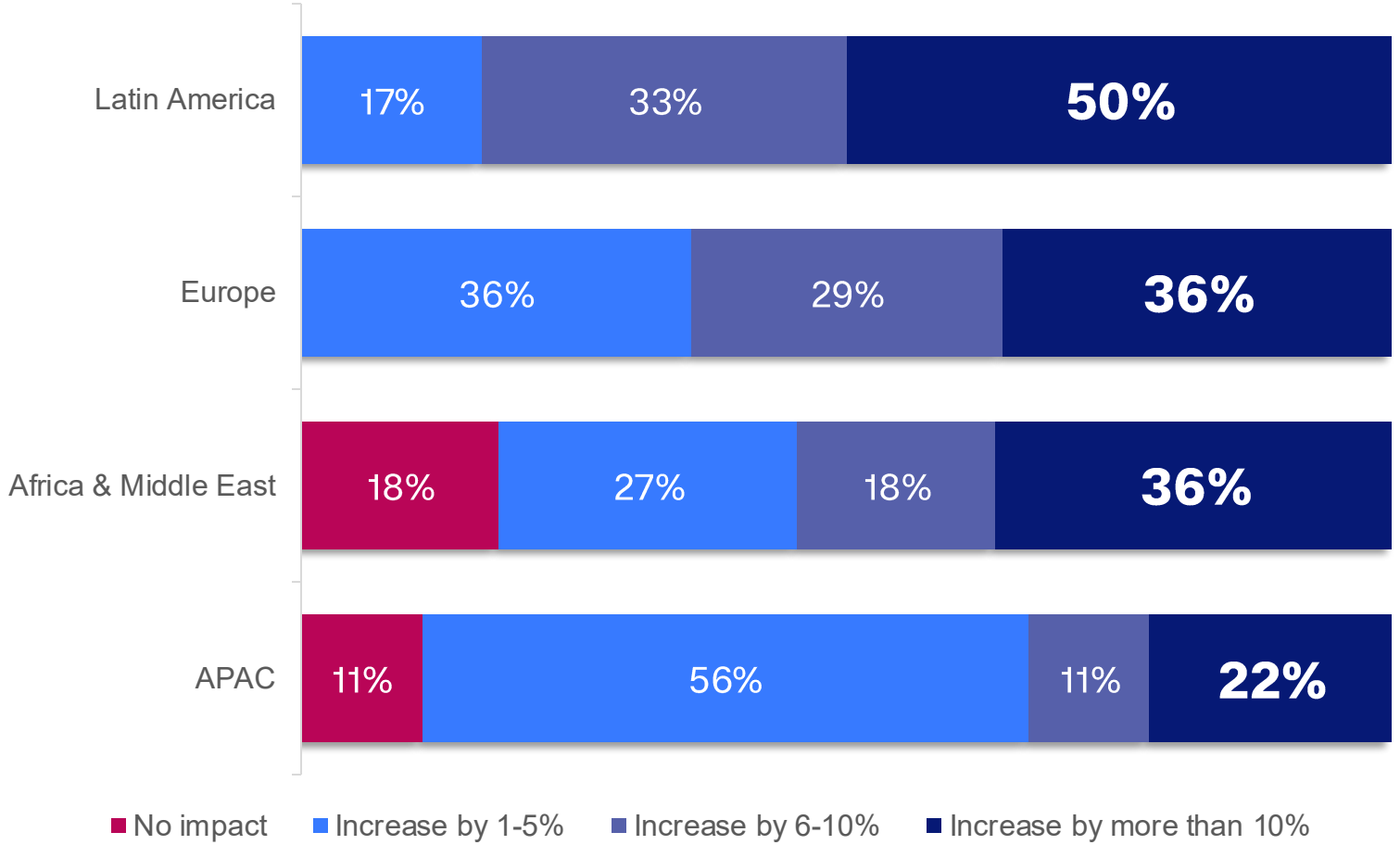
Asset Class (Avg fail rates)	Latin America	Europe	Africa & Middle East	APAC
Equities	1.2%	2.5%	1.5%	0.5%
Corporate bonds	1.2%	2.1%	1.6%	0.5%
Government bonds	1.2%	1.7%	1.8%	0.5%
ETFs/funds	0.5%	2.4%	0.9%	0.5%

Fixing these issues could be really impactful

- Almost two-thirds of CSDs expect an increase of more than 10% in investor flows if their key challenges are fixed.

Percentage of CSDs expecting each level of impact on foreign investor flows, as a result of fixing core issues today

Question: What impact would fixing each of your top 3 challenges have on your overall foreign investor flows?

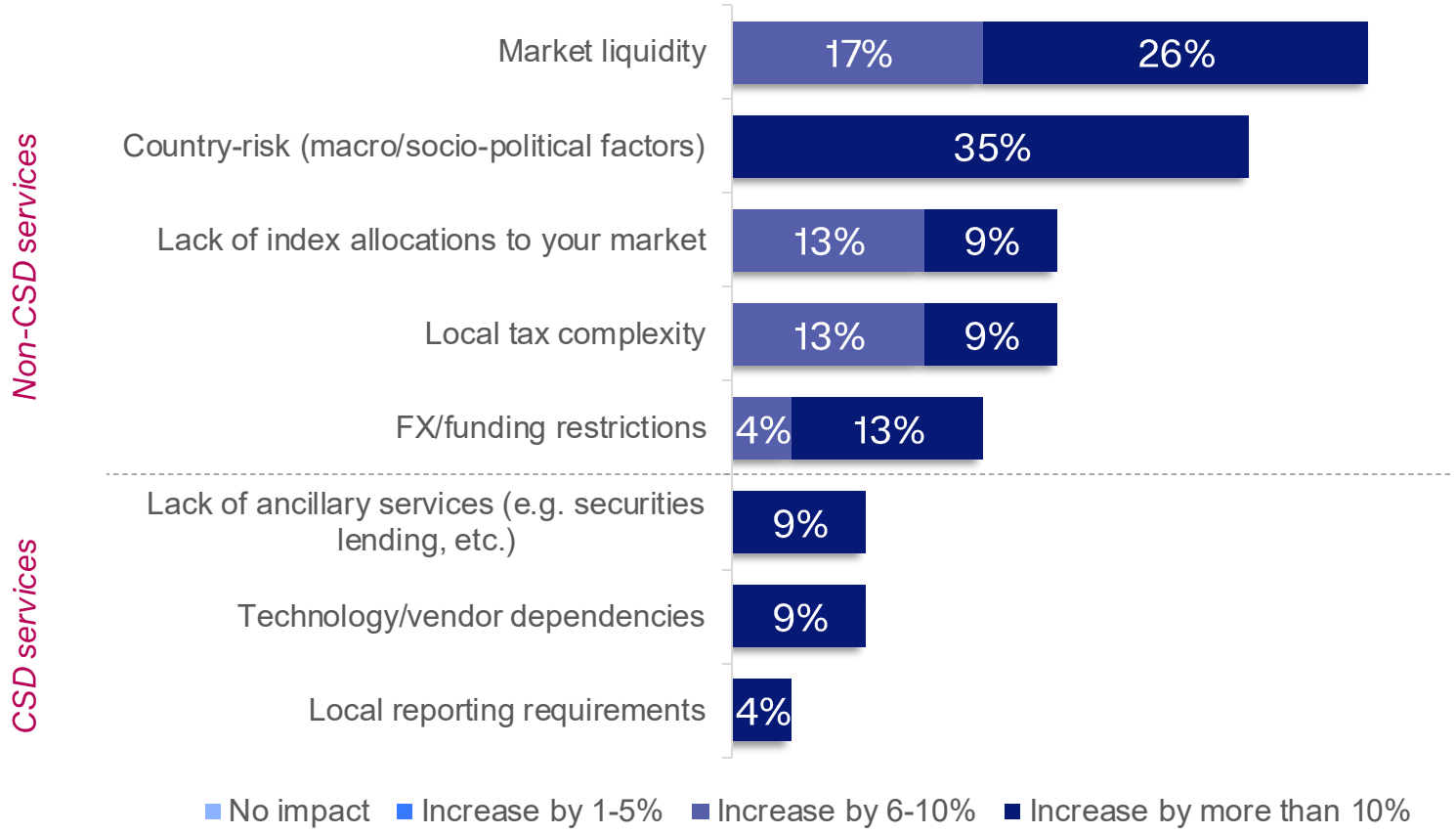


The challenge is that CSDs aren't in control of their own growth

- Almost all of the high-growth initiatives that CSDs identify are beyond the scope of most CSDs – further underlining the importance of the "team" effect (in previous slide)
- This puts CSDs in an advocacy and evangelism role, as much as in a technical delivery role

Percentage of CSDs expecting each level of impact on foreign investor flows, as a result of fixing each issue

Question: What impact would fixing each of your top 3 challenges have on your overall foreign investor flows?





Chapter 3

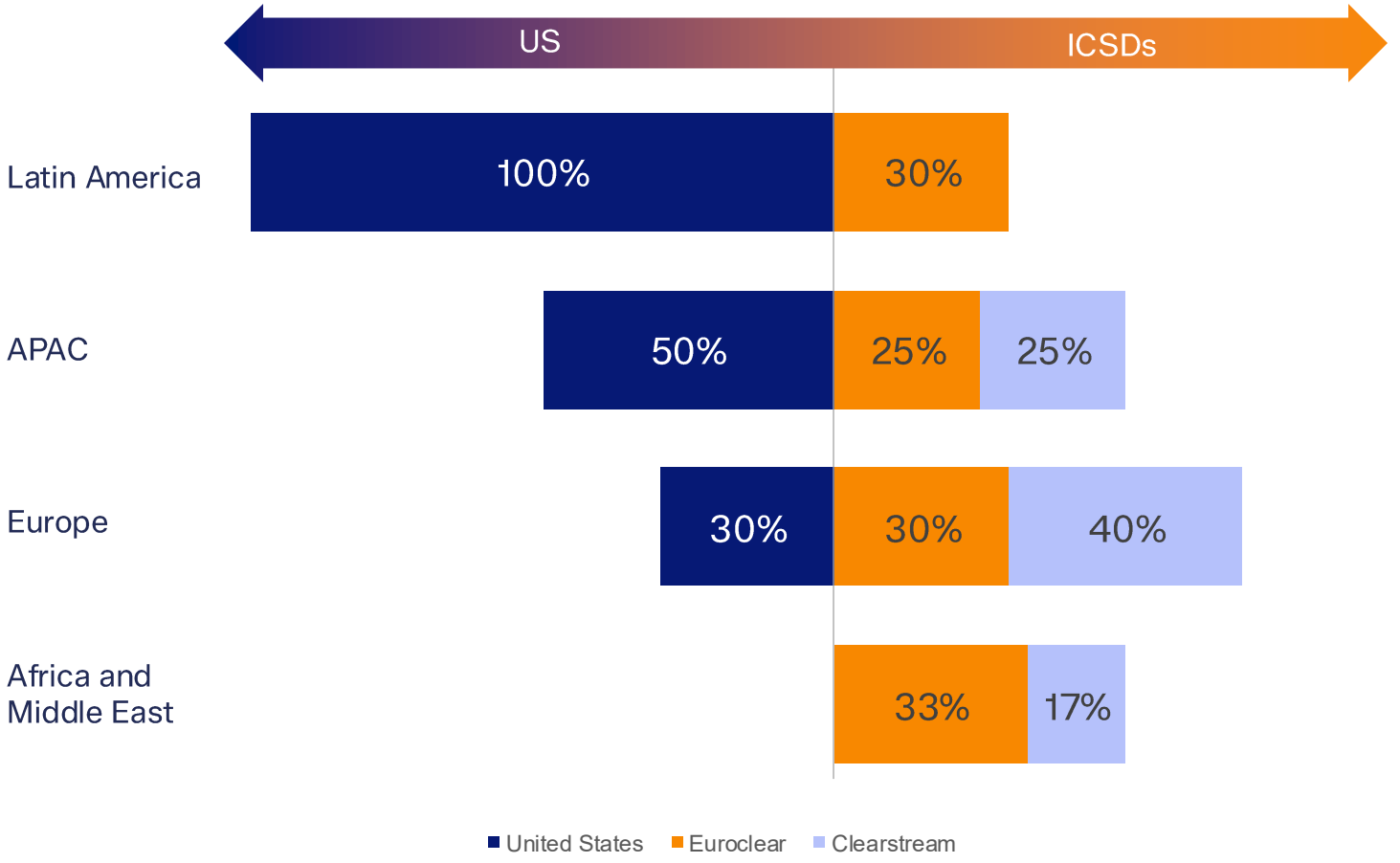
What role for CSD links?

CSD links are highly mature – but pointing in two directions

- All Latin American CSDs are linked to the US already.
- Up to 40% of European CSDs have CSD links.
- APAC and Africa are the two least mature regions for CSD links – for now.

% of respondents with CSD links to each market

Question: Please select the three markets with which you have the most significant cross-border market linkages today

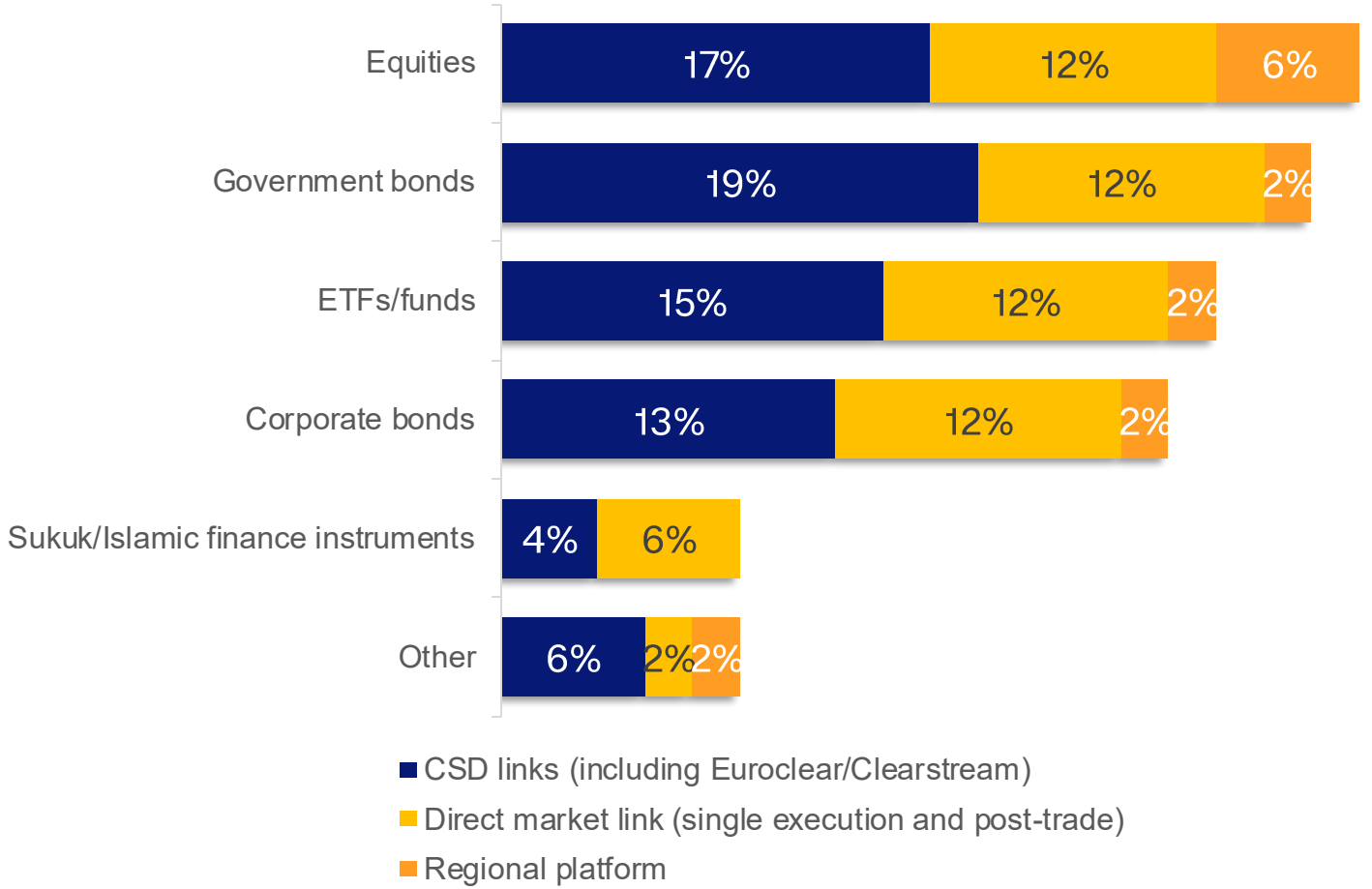


What are market links doing today?

- Overall, market links are serving the equities markets most of all (for 35% of CSDs).
- That said, CSD links are primarily fixed income.

% of CSDs with live links today, by type of link per asset class

Question: What cross-border market linkage models do you have in place today – and for which asset classes?

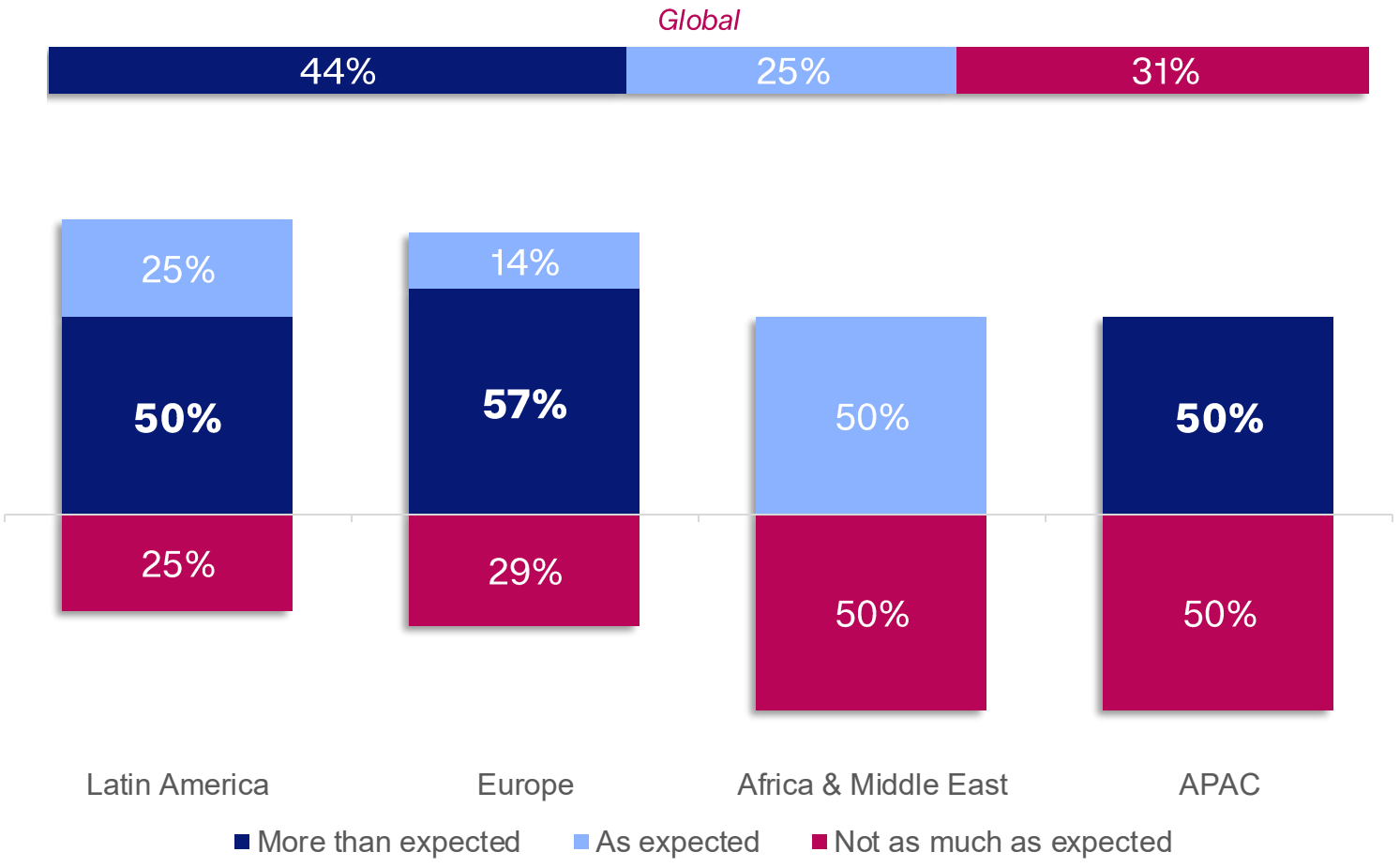


CSD links are delivering for 69% of CSDs, especially nearby

- Over 50% of CSDs note the volume expectations are met or exceeded. This holds true for Latin America and Europe where 75% and 71% of the respondents have had their expectations at least met respectively.
- The highest performing links are those to regional markets (50-60% seeing above expected returns), whilst ICSDs are 20-45% positive on a net basis.
- The highest level of unmet volume expectations is in the APAC and Africa and Middle East, with 50% of the respondents in each region.

Percentage of CSDs whose volume expectations from CSD links have been met or not met

Question: How would you compare these volumes to your original expected volumes (in the last 3 years)?

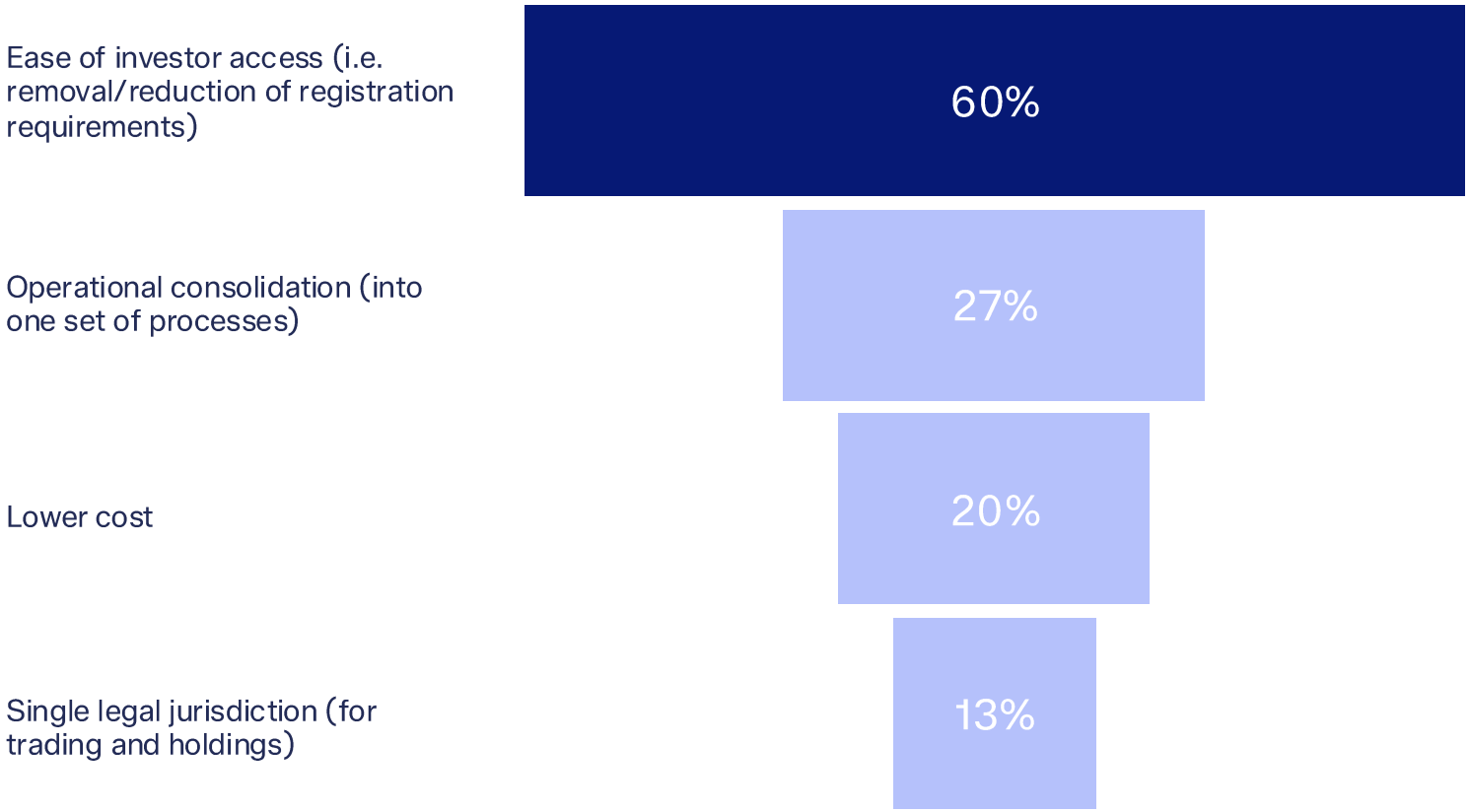


Why? CSD links enable investor access above all

- 50% say that ease of investor access is a core value of having market links compared to the standard custodian access model.
- About a fifth (22%) of the respondents point towards operational consolidation and lower cost as additional value of the market link.

Percentage of CSDs citing each core value as the main benefit of CSD market links

Question: What is the core value of the market link – compared to a standard global custodian access model?

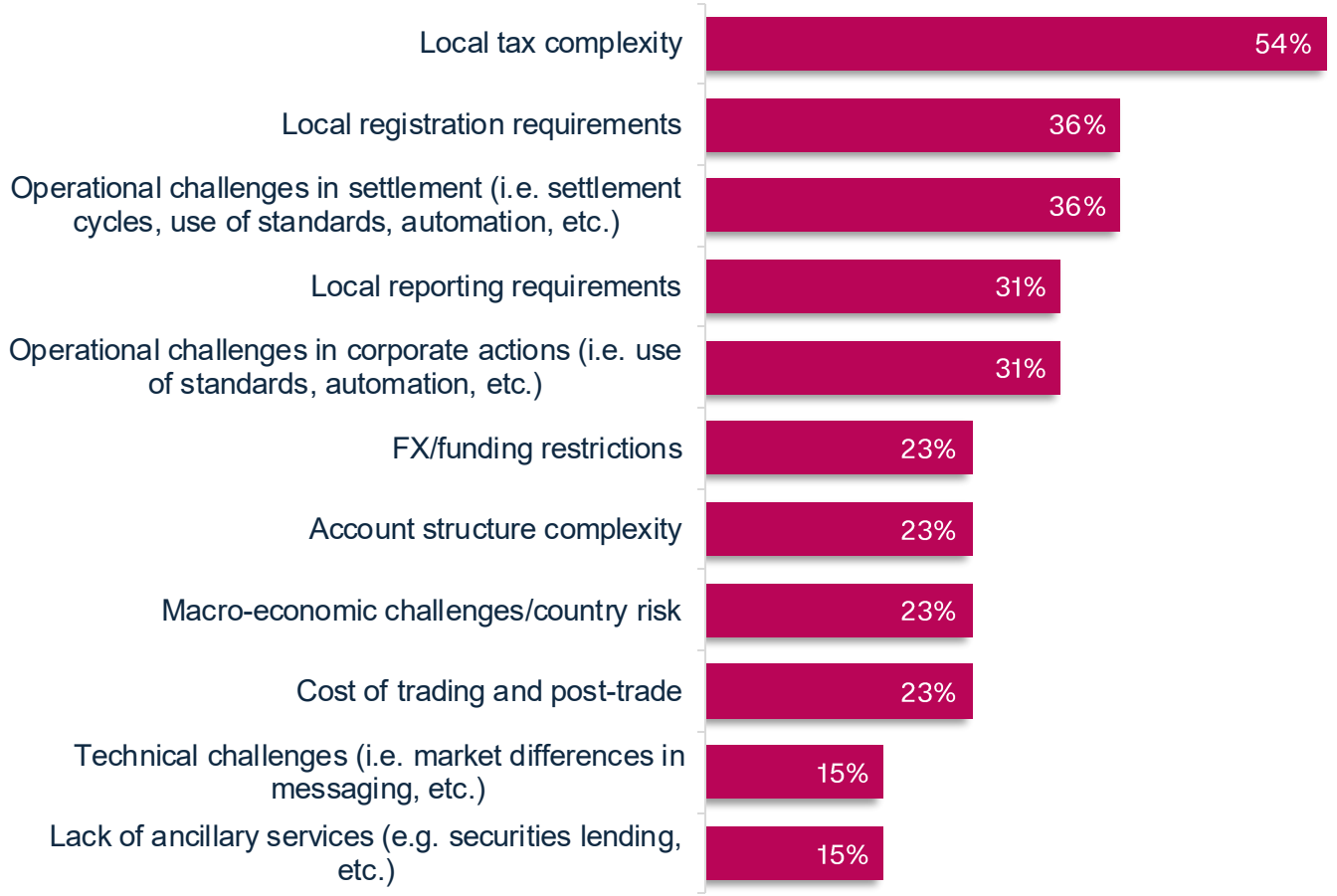


Yet local complexities remain – in tax, registration and reporting.

- The three challenges holding back volumes include: local tax complexity (54%); local registration requirements (36%); operational challenges (36%); emerged as the three challenges holding back volume.
- Local tax complexity being only true for Europe and Latin America with 57% and 50% respondents emphasising the latter respectively.

Percentage of CSDs citing each blockage as holding back volumes on CSD links

Question: What would you say are the top 3 challenges holding back volumes from these links today?

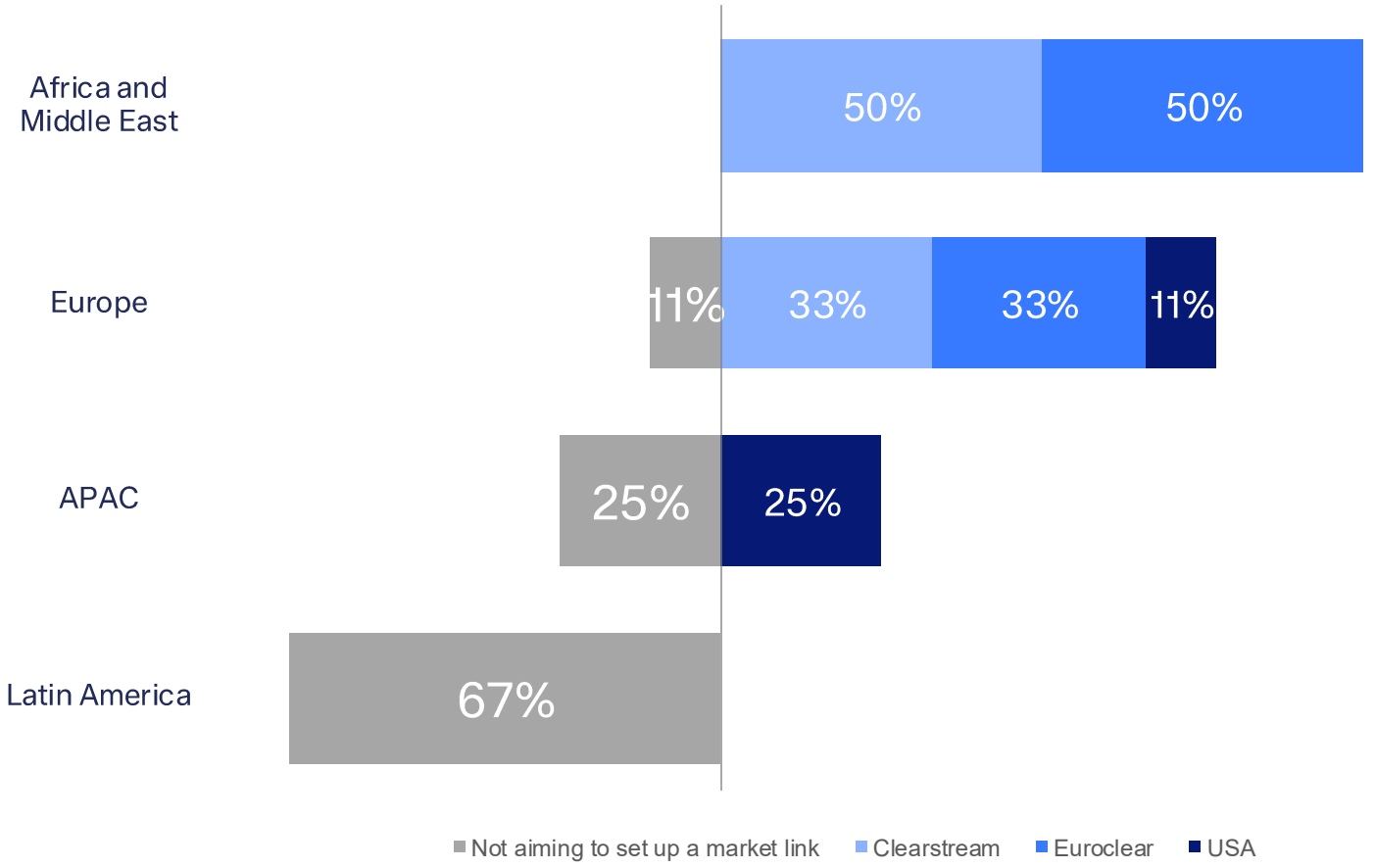


CSD links are expanding fast

- Africa and the Middle East are playing catch up – with significant plans to connect to the world's ICSDs.
- Europe and APAC are also connecting to the US – perhaps because of 23×5?
- Overall, 32 markets are being considered for new CSD links today across all CSDs – with UAE, Nigeria, Korea and China all seeing focus from multiple markets.

% of CSDs aiming to set up new CSD links by location

Question: Which markets would you prioritise for new market links?

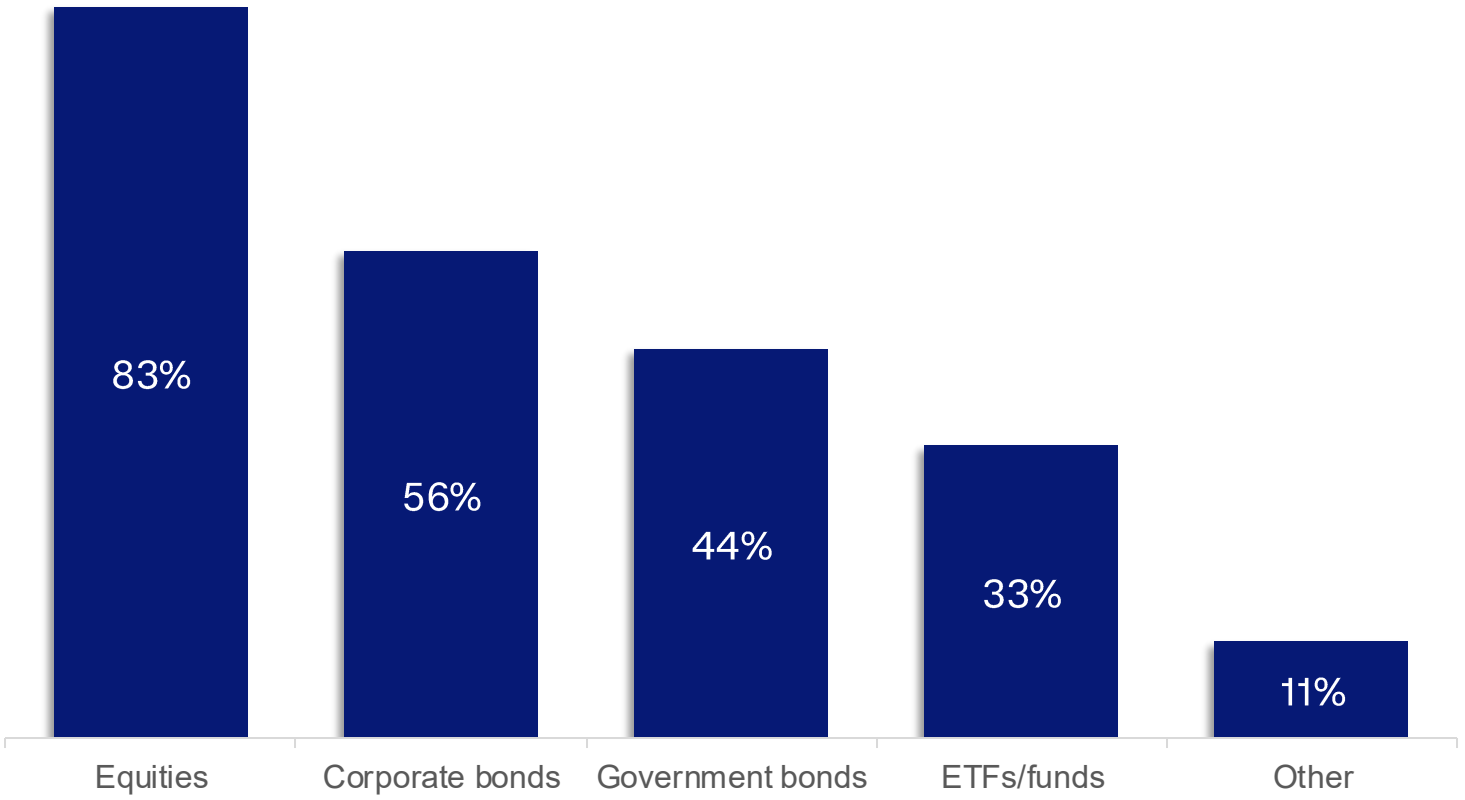


Equity markets are the top priority for new market links

- 83% prioritise equity markets for the new market links.
- Euroclear and Clearstream lead this sentiment with 61% and 56% leaning towards equity markets, respectively.

% of CSDs planning CSD links by asset class

Question: For each selected market, which markets would you prioritise for new market links – and for which asset classes?





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The ValueExchange.

How we empower changemakers.

Through impartial and data-driven insights, backed by unique industry experience and engagement.

We leverage our...

Unique industry data

Over 7 years of statistical data on key trends across global post-trade.

Hands-on experience

Decades of banking experience, practitioner's perspective on post-trade

Expert community

Engaged community >15,000 post-trade specialists, sharing perspectives

...to empower changemakers with:

Benchmarking KPIs

How your post-trade operations benchmark against the industry

Industry whitepapers

Industry-wide survey initiatives to support the case for transformation

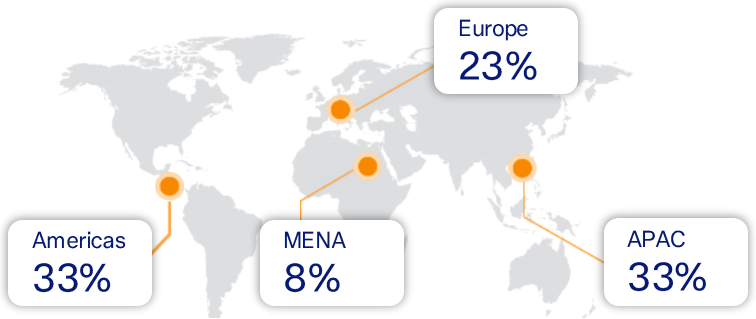
Market pulse

Specific, live updates on preparation for key market and regulatory developments

Our community.

We support over 15,000 experts across the global post-trade space.

Region



Segment

- Broker dealers 24%
- Banks 23%
- Investors 16%
- FMIs 13%
- Tech companies 13%
- Others 11%

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