

Risks within the Global Custody Chain ...

... having continually risen and attracted regulators' attention, ISSA has updated its earlier report on Global Custody Risk.

This Newsletter initiates the release of the new report, which covers the following aspects:

- Executive summary describing the principles of custody and key risks
- Diagrams of the investment and custody lifecycle, roles of the industry participants
- Asset and investor protection
 - Asset holding structures
 - Key asset safety principles
- Client onboarding process
- Various risk categories including causes / mitigants / countermeasures
 - Operational risk in service delivery
 - Credit risk
 - Liquidity risk
 - Information security risk
 - Information technology risk
 - Vendor and outsourcing risk
 - Regulatory risk and compliance risk
- Glossary of terms

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ISSA's new Report on «Inherent Risks within the Global Custody Chain»

In 1992, responding to increasing cross border investment, ISSA published a «Report on Global Custody Risks» with an objective of improving the understanding of custody services, leading to a better appreciation of risks. This report remains a popular publication today.

Given this continued interest and the increased level of regulatory focus on asset protection, ISSA has decided to update the document. The new report to be released on February 10, 2017 is intended to elaborate further on the custody chain and to capture the key changes within the industry. Custody services have grown significantly in complexity and in size as financial markets themselves have grown. The new report does not set out to be highly technical and granular, rather it has the objective of acting as an educational text, explaining in straightforward terms the key risks facing those that hold and service securities.

The report will be particularly attractive to securities market intermediaries and other stakeholders seeking to broaden their understanding of the securities services environment.

On this occasion the ISSA community thanks **Andy Smith** from BNY Mellon and the entire Working Group for their efforts and commitment.

As mentioned in our Newsletter of December 2016, this report is only available in the Closed User Group on ISSA's homepage. All ISSA Member institutions have access to this Closed User Group. A short introduction to this report can be found [here](#).

ISSA Membership is open to institutions active in the securities services industry and related trade associations. More information on ISSA Membership criteria can be obtained [here](#).

With best regards,
ISSA CEO Office