

ISSA

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Ms Kathleen Holemans, Euroclear Bank SA/NV
Mr Russell Callaway, Clearstream Banking S.A.

Zurich, May 12, 2011

ISMAG's Market Framework for Processing International Securities

Dear Kathleen
Dear Russell

As you are aware, ISSA published a set of global principles last year that aim at reducing risk, improving efficiency, minimizing ambiguity in communication, enabling straight-through processing, and generally promoting international harmonization of corporate actions and income distribution processes. Those principles were deliberately not aimed at a specific investment instrument type or market. They were drafted in response to a discomfort voiced by several industry expert bodies in the corporate action field in Europe and in the Americas. Their perception was that many groups in many markets were working towards the improvement of corporate actions processing, each one addressing a limited scope, while a globally agreed "big picture" was lacking. ISSA's ambition was to provide that global reference point and umbrella function.

Very recently, ISSA completed a follow-up document targeted specifically at the issuer and issuer agent community. We ask for their commitment as to the provision of corporate action data that is clear, unambiguous and suitable for immediate electronic onward processing using ISO communication standards.

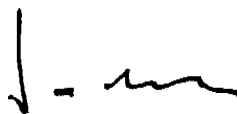
Against this background we congratulate the ISMAG on the completion of its International Securities Operational Market Practice Book ('MPB'), which conveys a very similar message. The comprehensive Market Framework, standard declarations for issuers and issuer agents by which they express their commitment to adhere to the MPB and a monitoring process along a series of well-defined KPIs, is in our view an exemplary practical application of the higher level ISSA principles to a specific market environment and instrument class.

The MPB recommendations are fully in line with our global principles. This should not be surprising given that the ISMAG initiative had been launched when ISSA's work started and we had kept a dialogue during the consultation stage of both projects. Indeed, in our documentation, we make reference to the ISMAG best practices as an important cross-industry effort to address a global problem. ISSA endorses the MPB and the Market Framework and encourages all issuers of international securities, and their agents, to work with the ICSDs towards the adoption of the recommendations for international securities primarily issued in ICSDs.

We hope that these remarks have been helpful, and we look forward to a continued interaction with ISMAG. Please do not hesitate to contact Peter Gnepf at our Secretariat (+ +41 44 235 7421) for further discussion.

Very truly yours,

International Securities
Services Association



Josef Landolt
Chairman



Peter Gnepf
Secretariat