

ISSA

Newsletter

January 2007

New ISSA Sponsor

In a review of ISSA's mandate conducted by the board at the end of last year, it was unanimously confirmed that ISSA should remain a cross-industry association but should strive to achieve a better balance among the various service provider categories. A broader membership base in the investment bank and asset manager segments is desirable. We are happy to report a first success: Franklin Templeton Investments accepted an invitation to join ISSA not only as a new member, but also as an additional sponsor. Jimmy D. Gambill, President of Franklin Templeton Services, LLC joined the ISSA board effective 1st January 2007. Mr Gambill has been with the Templeton organization since 1986 and is senior vice president and CEO – Finance and Administration of the Franklin, Templeton, and Mutual Series U.S.-registered funds. He serves on different boards of the Franklin Templeton Group and is a member of S.W.I.F.T. Securities Committee.

**FRANKLIN TEMPLETON INVESTMENTS
JOINS THE CIRCLE OF
ISSA SPONSORING MEMBERS**

Recent Membership Changes

Our membership currently stands at 96 institutions domiciled in 47 countries. Several new members joined our association during 2006. Welcome aboard to:

- Central Registry Agency Inc. (Turkey)
- Franklin Templeton Investments (USA)
- SWX Swiss Exchange (Switzerland)
- The National Depository Center (Russia)
- Xchanging Transaction Bank GmbH (Germany)

Three memberships were not renewed, two of which due to corporate reorganizations:

- Banco Bilbao Vizcaya Argentaria (Spain)
- Japan Securities Settlement and Custody Inc.
- SFE Clearing (Australia)

Intensifying Members' Involvement

In its review mentioned earlier, our board concluded that ISSA must strive to regain the active community involvement that was lost when the ISSA Handbook was suspended in 2005. ISSA should become more visible again and raise its voice more often, while avoiding to get entangled in political debates.

Compared with ISSA's early years, many of today's issues are much more complex. Adding value to any discussion requires ever more specialized knowledge. This raises the benchmark for any party if it wants to be heard and stand out from among the crowd. That said, ISSA has access within its membership to

the best experts on any issue of relevance to our association. Those resources ought to be tapped more often and more systematically - to the benefit of all members. The ISSA Secretariat was tasked to draft a proposal for the envisaged work mode and terms of reference. More information will follow in due time.

G30 Interoperability Group

G30 released its "Global Clearing & Settlement – a Plan of Action" in 2003. Ever since, many valuable work streams were launched around the world. However, most of those initiatives are not yet completed.

In our 2006 ISSA Symposium, the participating members supported a fresh start to advance those G30 Recommendations which have become known as the "interoperability recommendations" – numbers 1, 2, 3, and 8. ISSA pledged to take a coordinating role amongst a group of major stakeholders. A concept paper to solicit input and commitment for the way forward was distributed in November to a number of key organizations which had earlier on indicated their interest in contributing towards a concerted initiative.

A concrete work program will be drawn and agreed with all parties, provided that sufficient feedback is received and stakeholder commitment is pledged. Most goals addressed by the G30 recommendations are of a long-term nature and can only be achieved if the world's key infrastructure operators actively and collectively work towards implementation.

ISSA Funds Working Group

The ISSA Funds Working Group met several times in 2006, either physically or by way of conference calls. After a promising start, the pace slowed down as discussions quickly proved how diverging the different stakeholders' views are on many issues. To date, the group identified a number of "barriers" to more process efficiency. The challenge will be to agree on meaningful recommendations to overcome, or bypass, those barriers. At the same time, care must be taken to avoid overlaps or conflicts with valuable work sponsored and driven by EFAMA (European Fund and Asset Management Association) and others. Throughout 2006, close contacts between the secretariats of ISSA and the EFAMA Funds Processing Standardization Group proved valuable for both sides. This mutually beneficial relationship will continue.

Due to his new assignment with DTCC, Neil Henderson is no longer able to chair the ISSA Funds Working Group. His successor will be named as the group is reconstituted in the coming weeks.

Regional Meetings 2007

This year's Regional Meetings have been fixed as follows:

Europe: 2 July 2007 in Monte Carlo
Asia/Pacific: 2 November 2007 in Tokyo

Personal invitations will be mailed approximately four months prior to the event, but you may want to already now put down the date of the meeting in your area in your personal calendar.

Our European meeting immediately precedes the annual *Fund Forum International*, Europe's largest fund management event (3-6 July in Monte Carlo). The combination is intentional as we plan to invite a number of guests from the asset management industry to our meeting.

We advise you to make your travel and accommodation arrangements in Monte Carlo early.

Our regional meeting in Tokyo is the first ISSA event ever to be held in Japan. The ISSA board is grateful to JASDEC for having offered to host the meeting on behalf of our Japanese members.

REGIONAL MEETING EUROPE, MONTE CARLO
2 July 2007

REGIONAL MEETING ASIA/PACIFIC, TOKYO
2 NOVEMBER 2007

Membership Contribution 2007

The annual membership fee remains unchanged at USD 1,500 (respectively EUR 1,200). The invoices will be sent out in February.

Board and secretariat extend best wishes to all our members and friends for a successful New Year! We look forward to working together with you in 2007.

ISSA Secretariat

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