CURRENT ISSA WORKING GROUP ACTIVITIES

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Current ISSA Working Groups - Overview

Corporate Actions & Proxy Voting
- Jyi-chen chueh, Standard Chartered Bank, Co-Lead
- Christophe Delbrouk, Euroclear, Co-Lead

Customer Cyber (Fraud) Risks in Securities Services
- Andy Smith, BNY Mellon, Lead

Distributed Ledger Technology
- Urs Sauer, SIX Securities Services, Lead

Financial Crime Compliance Principles
- Mark Gem, Clearstream, Lead

Regulatory Impact on the Securities Services Chain
- Laurence Caron-Habib, BNPPSS, Lead
Corporate Actions & Proxy Voting – WG Status

Objectives
- Potential recommendations on minimizing variety of processes

Current Status
- Survey as basis for inventory delayed – manpower issue

Planned Milestones
- Restart WG calls, restructure co-lead (June 18)
- Publish and issue survey (Sep / Oct 18)
- Collect and analyse responses (ETA: 1Q19)
- Issue draft recommendations / guidelines (ETA: publish 2Q19)
- Plan phase 2 / additional scope registered securities (tbd)
Customer Cyber (Fraud) Risks – WG Status

Objectives
- Re-examine Custody Risks through a lens of heightened Cyber Risk
- Evaluate Cyber Risk Frameworks' applicability to Custody Risks
- Identify any gaps and recommend risk mitigation strategies

Current Status
- Working Group formed in January, Workshops and Group Meetings
- Interim findings distributed to ISSA Symposium Participants

Planned Milestones
- Progress work on initial draft report, including results from Symposium Breakout Group discussions: End July 2018
- Aim to have Working Group Report ready by Sibos (October 2018)
Distributed Ledger Technology – WG Status

Objectives
- Explore principles and developments to be followed by industry players in governance, info security and regulatory aspects
- Focus on conventional assets, exploring digital assets separately

Current Status
- Integrated CSD WG on DLT in ISSA's Working Group
- Report on DLT principles as pre-reading material for Symposium

Planned Milestones
- Amend and publish report (CUG Section) June / July 2018
- Establish new report on "Definition of Digital Assets and Required Services / Infrastructure", Publication Q3 2018
Financial Crime Compliance Principles – WG Status

Objectives
- Facilitate FCCP implementation by offering a platform to share best practices or concerns
- Content developed to promote the Principles is to be made broadly available in the public domain

Current Status
- Workshop March 2018 identified issues and allocated responsibilities
- No further FCCP DDQ; Investment funds to be included; best practices relating to payments in securities operations (e.g. avoid abuse)
- Discussions in Board / OC Meetings May 22/23, 2018

Planned Milestones
- Define best practices / guidance notes: Q3 2018
- Launch communication plan via various channels: Q3 / Q4 2018
Regulatory Impact on Securities Services Chain – WG Status

Objectives
- Report on regulatory developments since 2012 (original report)
- Inform on impacts of regulation on securities services

Current Status
- First report on developments issued to ISSA CUG in November 2017, and now freely available on ISSA's homepage
- Second report on evolution of traditional business models, developments of new solutions / challenges to be faced in final draft

Planned Milestones
- Release second report to ISSA CUG before summer holidays 2018
ISSA Member Participation in Working Groups

37 ISSA Member Firms* are participating in ISSA Working Groups

- 2 Member Firms participating in all 5 Working Groups
- 4 Member Firms participating in 4 Working Groups
- 5 Member Firms participating in 3 Working Groups
- 6 Member Firms participating in 2 Working Groups
- 20 Member Firms participating in 1 Working Group

81 Member Firms not participating in any Working Group

*) represented by 122 experts
Benefits of Participating in ISSA Working Groups

Benefits to ISSA Member Firms

- Keep current on industry developments
- Impact early shaping of specific topics
- Directly influence development of ISSA recommendations
- Networking with peers at a deeper level than in other forums
- Development opportunities for SMEs / future leaders

Benefits to ISSA and the Industry

Broader ISSA member participation brings:

- Depth to avoid manpower issues
- More diversity of background, experience and expertise
- Deeper dialogue / broader debate
- Higher quality ISSA deliverables with broader industry support