

ISSA



International Securities Services Association

THE GLOBAL NETWORK



May 2021 Edition

The International Securities Services Association (ISSA) is an international organization; whose members include influential securities services leaders, regulators and other industry stakeholders. As a result of this broad membership base, ISSA is able to foster international coordination and collaboration across the securities services industry.

One of ISSA`s key missions is to actively contribute to the development and promotion of forward-thinking solutions that create efficiencies and mitigate risk within the global Securities Services industry. Through its activities, ISSA facilitates and stimulates active communication among all industry stakeholders. This, in turn, leads to the provision of guidance and best practice which both assists industry participants and helps shape the future of the securities services market.

By joining ISSA, you too can benefit from having access to the latest knowledge and expertise. You can also participate in the development of solutions that are important to your business and become an integral part of a broader community of securities services industry specialists.

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ABOUT ISSA

ISSA THE INFLUENCER.

For more than 40 years, ISSA has made significant contributions to the development of the worldwide securities services industry by facilitating the interaction among market participants.

ISSA THE THOUGHT LEADER.

By means of its famous symposia and highly professional working groups, ISSA provides leadership in the formulation and promotion of best practices in the post trade securities arena.

ISSA THE MARKET FORCE.

With its member institutions servicing a significant portion of the world's total securities transactions and custody volume, ISSA represents a substantial combined market weight.

MISSION

DRIVE SOLUTIONS.

Actively contribute to developing and promoting forward-thinking solutions that create efficiencies and mitigate risk within the global securities services industry.

STRENGTHEN COOPERATION.

Bring together influential securities services leaders, regulators and other industry stakeholders to foster international coordination and collaboration across the securities services industry.

FACILITATE COMMUNICATION.

Facilitate and stimulate active communication among all industry stakeholders.

ORGANISATION

FOUNDATION.

In 1979, Citibank, Deutsche Bank and then Union Bank of Switzerland, by jointly organising a first meeting of senior securities services executives in Switzerland, laid the foundation of ISSA. The perceived need was to create an organisation able to disseminate information on the developments in the rapidly changing securities markets and to offer securities operations professionals a forum to exchange ideas and issues of interest.

ASSOCIATION.

ISSA is a neutral non-profit Association domiciled in Zurich (Switzerland). Currently, it has close to 120 members such as custodian banks, brokers, asset managers and various types of infrastructure institutions in around 50 countries.

SPONSORS.

ISSA is supported by 17 sponsoring members offering ideas and professional know-how to improve the value of the activities of the Association in line with its general objectives. In addition the sponsoring members share a significant portion of the annual budget.

EXECUTIVE BOARD.

ISSA is headed by an Executive Board composed of senior executives of the 16 sponsor firms plus the CEO, the Secretary and the Chairperson of the Operating Committee. The Board is responsible for the organisation and coordination of all activities of the Association and sets its agenda.

OPERATING COMMITTEE.

The Operating Committee is tasked to propose, launch and manage ISSA's work projects and to assist in organising and executing ISSA symposia and other ISSA events

CEO OFFICE.

The Executive Board and the Operating Committee are supported by the CEO Office. Its mandate is to execute the approved business plan, to maintain the communication channels, to organise events and to provide the corporate and membership administration.

EXECUTIVE BOARD MEMBERS

| | |
|-------------------------|--|
| Philip J. Brown | ISSA Chairman, Clearstream Banking S.A. |
| Vicky Kyproglou | ISSA Vice Chairman, UBS Business Solutions AG |
| Colin Parry | ISSA CEO |
| Karen Zeeb | ISSA Secretary |
| Jyi-chen Chueh | ISSA Chair Operating Committee, Standard Chartered Bank |
| Charles Cock | BNP Paribas Securities Services |
| Samir Pandiri | Broadridge Financial Solutions |
| Jeffrey Williams | Citigroup |
| Andrew Luscombe | Credit Suisse AG |
| Steven Hondelink | Deutsche Bank AG |
| Jason James Nabi | Euroclear SA/NV |
| James Fok | Hong Kong Exchanges and Clearing Ltd. |
| Alexis Vasquez Meissner | HSBC Securities Services |
| John Stewart | IHS Markit |
| Thomas Zeeb | SIX Securities & Exchanges |
| Margaret Harwood-Jones | Standard Chartered Bank |
| David Watson | SWIFT |
| Vivekanand Ramgopal | Tata Consultancy Services Limited |
| Caroline Butler | The Bank of New York Mellon Corporation |
| Andrew Gray | The Depository Trust & Clearing Corporation (DTCC) |

ACTIVITIES

ISSA SYMPOSIUM.

The ISSA symposium is held every other year and belongs with its well over 100 participants to the most important and prestigious global events within the securities services industry. It offers the relevant platform for facilitating interactions, opinion formation and know-how transfer among the market participants.

**The 20th ISSA symposium will take place at
Wolfsberg, Ermatingen, Switzerland, 18 – 21 January 2022.**

WORKING GROUPS.

ISSA maintains working groups exploring new ideas and developing models for improvements in the field of securities services. As a result, the working groups issue recommendations and assess their implementation. An overview of the currently active working groups is included in this documentation.

PUBLICATIONS.

- **Newsletters**

In order to keep ISSA's member base and interested parties informed on activities, the ISSA CEO Office publishes newsletters on a quarterly basis. They include periodic updates on the working group activities and thoughts on important industry activities with major impact on ISSA's constituency. In addition the CEO Office edits special newsletters covering specific topics.

- **Webpage**

ISSA's homepage www.issanet.org provides all relevant information of ISSA's activities including important links to sponsors, members and industry associations.

- **Articles and Interviews**

A selective number of external magazines will be used to disseminate ISSA's key activities and working group results.

ACHIEVEMENTS

CONTRIBUTION TO STANDARDIZATION.

- Format for physical Eurobond Certificates
- ISIN Code
- Corporate Action Types
- Clearstream - Euroclear Bridge

CONTRIBUTION TO G30 RECOMMENDATIONS.

- Wording and implementing the 1989 G30 Recommendations
- Extending G30 through the ISSA Recommendations 2000
- Drafting the «new» G30 Recommendations published in 2003
- Compliance monitoring on 5 selected G30 Recommendations

RAISING AWARENESS.

- Risk issues within securities services institutions
- Regulatory impact on the securities services chain

DISSEMINATING MARKET KNOWLEDGE.

- Publication of the ISSA Handbook containing all securities market profiles

DEFINING BEST PRACTICES.

- Mutual funds processing (with EFAMA)
- OTC Derivatives Valuation
- Corporate Actions and Proxy Voting processing
- Posting of Collateral
- Recording and monitoring Out-of-Network-Assets
- Financial Crime Compliance Principles
- Distributed Ledger Technology / Crypto-Assets

OFFERING PLATFORMS.

- Symposia, working groups etc.

WORKING GROUPS

The currently active ISSA working groups are:

DISTRIBUTED LEDGER TECHNOLOGY (DLT) – PRINCIPLES FOR INDUSTRY-WIDE ACCEPTANCE.

Following its publication of the report «Crypto-Assets: Moving from Theory to Practice» in November 2019, the Working Group has launched and closed an Industry Survey on the Adoption of DLT and Crypto-Assets. The first results were published in June 2020. Contributing firms have received their scorecards and access to the data set. The next steps are to continue to delve into the findings and publicise them more widely through a video, webinars and roundtables. Based on this further analysis the WG will decide the next topics to be analysed.

FINANCIAL CRIME COMPLIANCE PRINCIPLES FOR SECURITIES CUSTODY AND SETTLEMENT.

In August 2015, ISSA released 17 Principles which are recommended to be implemented by the global community of securities custodians and intermediaries in order to address the critical challenges posed by financial crime, particularly where omnibus and commingled account structures are used. The Working Group also aims to foster best practice across a broad spectrum of financial crime-related risks across the industry and it informs about these topics in its regular bulletins. The Working Group is currently focused on updating the ISSA FCCP Due Diligence Questionnaire and liaising with European regulators to socialize the FCC Principles to the mutual fund industry in Luxembourg, Ireland and elsewhere with the aim of relieving uneven application of the Principles.

CORPORATE ACTIONS AND PROXY VOTING.

The Working Group presently focuses on the creation of a guide aimed at bringing clarity into the beneficial owner disclosure process in various countries. Relevant data has been collected via survey among the CSD community. It is presently being analyzed. In addition, the Working Group has also started to focus towards industry trends in Proxy Voting.

CYBER RISKS IN SECURITIES SERVICES.

Cyber-attacks on the securities markets are increasing. Following its report published in 2018, the Working Group released a guidance paper at the beginning of August 2020. The paper outlines the actions to be taken and information required when various scenarios of incident events occur. ISSA's next efforts will be to identify the different cyber (and non-cyber but IT focused) risks that Securities Servicers face from Work from Home for prolonged periods which are unique to this industry.

RESOLUTION AND RECOVERY PLANNING.

Strategically Important Financial Institutions (SIFIs) and Financial Market Infrastructures (FMIs) are increasingly requesting information about the recovery plans that other SIFIs/ FMIs have in place. As the questions asked by each organization are not consistent, there are challenges to being able to respond effectively and efficiently. To assist our Members, ISSA has established a Working Group with the aim of developing a common questionnaire on Recovery and Resolution Planning that the industry can utilise where appropriate.

REGULATORY IMPACT ON THE SECURITIES SERVICES CHAIN.

Following three reports published so far on regulatory changes and their impact on stakeholders in the securities services industry, ISSA decided to update the August 2018 report in view of the regulatory developments having taken place since.

THE FUTURE OF SECURITIES SERVICES.

The ISSA Board has launched a special Working Group, composed of a selection of Board Members and their firms' strategists. The work will result in a draft Discussion Document presenting thoughts on the current state, key trends and challenges across the Capital Markets ecosystem as well as the expected implications for the Securities Services industry and its participants. The final section of the Document will synthesize the outcomes of the previous sections resulting in potential scenarios.

ISO20022 – SECURITIES INDUSTRY ADOPTION.

SWIFT is introducing ISO20022 standard payments messages over the next two years. The securities industry is one of the biggest (by value) users of the SWIFT payment messages. As an industry we need to agree if this alone generates the need to adopt ISO20022 within the securities industry or whether there is a business case for the adoption including the whole gamut of securities messages. The WG will work to decide whether a mandatory migration path and date should be established.

THE NEW NORM.

«Reset - Going forward to where we want to be, not back to where we were».

The aim of the Working Group is to propose alternative methods of working, new potential solutions and guidance on best practice to help institutions manage the current situation and come through it stronger.

ISSA will inform on the status of the various working groups by means of its website, periodical newsletters or special publications.

HOW TO BENEFIT AS ISSA MEMBER

COMMUNITY.

By joining ISSA as a member, your organisation becomes part of a globally networked community of peers and business partners involved in addressing common issues and developing best practice principles in the post-trade securities services field. The Membership Directory – available to all members – lists the contact details of over 100 member institutions around the globe.

CONTRIBUTION.

ISSA member organisations can delegate specialists to ISSA working groups that tackle prevailing topics within the securities industry. In addition, ISSA members are invited to provide feedback or to comment on specific questions related to the working group topics. This enables them to directly influence the development of solutions and to make recommendations which could subsequently be adopted by different market players and industry associations.

INSIGHT.

Via ISSA's Member Section all major working group reports that have been issued by the various ISSA working groups are automatically made available to members. These reports are considered an extremely valuable source of information and guidance across the global securities services industry.

EXCHANGE.

Every member has the opportunity to attend the biennial ISSA symposium. This flagship gathering is an excellent platform to exchange views and to obtain qualified well-founded, factual information.

HOW TO JOIN ISSA

WHO CAN JOIN ISSA?

Institutions such as banks, central securities depositories, clearing organisations, recognised stock exchanges, recognised dealers in financial instruments, asset managers, pension funds, insurance companies, carriers of financial data, associations of professionals of the finance industry, and any other categories subject to the approval of the ISSA Executive Board.

WHAT DOES IT COST?

The annual membership presently amounts to EUR 2'500 per institution. The attendance fee for the biennial symposium is levied separately.

HOW TO APPLY?

Membership application and further information on ISSA can be obtained from ISSA's webpage www.issanet.org category 'membership'.