During the ISSA Symposium the conference participants reviewed and discussed three sub topics covered by the ISSA WG on "Regulatory impact on the securities services chain" and presented their key findings and recommendations to the complete audience. The three sub topics were:

- Impact of regulatory changes on banking issues and the challenges/impact on custody and clearing
- Financial Market Infrastructure (FMI) issues and challenges arising from regulatory changes
- T2S challenges and unresolved issues

Subtopic 1

**Impact of regulatory changes on banking issues and the challenges/impact on custody and clearing**

1. Not yet fully covered are
   - Shadow Banking
   - Legislation still to be written (impact and timing), e.g. Dodd Frank 1073 regarding consumer protection
   - Financial Crimes Enforcement Network (FINCEN)

2. Follow up Methods
   - Keep document alive
   - Knowledge transfer
   - Shared solutions, utility, impact analysis, involve buy side
   - Expand user friendly Executive Summary
   - Webinar(s)

3. Follow up Topics:
   - Emerging markets, opportunities, risks & consequences

4. Complement the identified issues with the "bigger picture"

5. We should say what the problem is and address its mitigation

6. Asset safety – provide conceptual framework

7. Educate the regulators about our industry
   - Entire value chain
   - 1-2 topics of essence
   - Fix what is broken
   - Use simple and common language
   - Asset Safety should be focus of the regulators
   - Present at trade groups
Subtopic 2

Financial Market Infrastructure (FMI) issues and challenges arising from regulatory changes

1. Focus on "out of network" assets issue
2. Link CPSS IOSCO principles to WG2 report
3. Propose best approach to tiered participation principle
4. Standards on exotic instruments
5. Transformation of CSDs
   • Collateral Services
   • Massive efforts to convert to T2S
6. CSDs to opt for Message Translation Services
7. Increase partnering / collaboration among CSDs
8. Collateral management challenges
   • Should the CSDs control the collateral and take off of custodians?
   • ISSA paper and opinion on collateral going forward? Collateral key going forward.
9. CPSS IOSCO implementation support
   • ISSA could help the community by publishing guidelines, how to implement, etc.
   • Should WFC (World Forum of CSDs) do for themselves or are they too "young" and can use help? Perhaps in coordination / cooperation.
10. The evolving CCP landscape
    • Should CCPs be more represented from the ISSA membership?
    • ISSA paper on this notion of CCPs being the cure for all problems?

Subtopic 3

T2S challenges and unresolved issues

1. T2S to expand into pre-settlement (matching, allocation) and post-settlement (asset servicing) space in the medium to longer term?
2. Maintain the report of Working Group 1 (regulatory impacts) and update
3. Ability to link regulatory trends with scenarios we envisage coming along
4. Work on T+2 and beyond, providing a checklist for each market going into this environment