

ISSA



International Securities Services Association

Information on ISSA and its Core Activities

Event AMEDA Meeting

Bahrain

Tanya Knowles, Head of Project Innovation and Business Services

November 2014

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International Securities Services Association

History

Need and Idea

The idea of an association of securities services providers from all over the world was conceived in 1975 by the heads of Securities Services Citibank, New York, and Union Bank of Switzerland, Zurich.

Foundation

In 1979, Citibank, Deutsche Bank and Union Bank of Switzerland, by jointly organizing a first meeting of senior securities services executives in Switzerland, laid the foundation of ISSA.

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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 Collaboration

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.

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Sponsoring Institutions and Board Members

José Placido



John Van Verre



Hani Kablawi



Nick Rudenstine



Lee R. Waite



Mervyn Chiu



Phil Brown



Thomas Zeeb



Stephen Lomas



Alan Naughton



Andrew Gray



Chris Church



Pierre Yves Goemans



Vicky Kyroglou



Additional Board Members:

Josef Landolt (ISSA CEO)

Irene Mermigidis, Clearstream (Chair Operating Committee)

Urs Stähli (ISSA Secretary)

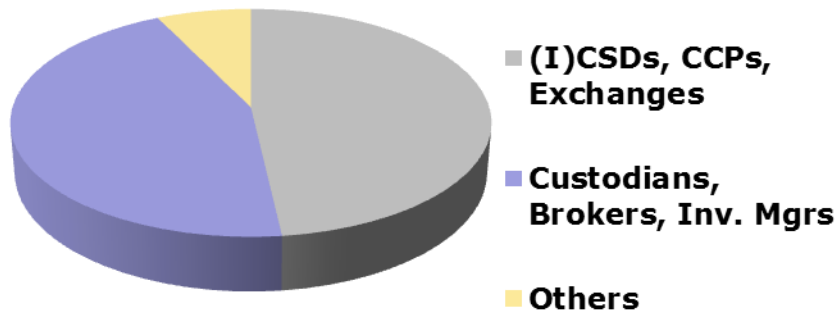
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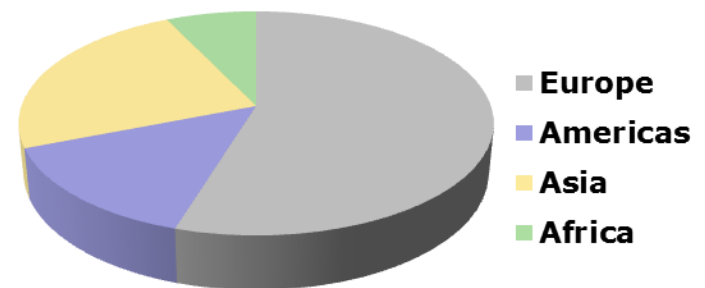
Members

October 2014: 87 ISSA Members from 43 Countries

Membership Types



Country Representation





International Securities Services Association

Achievements

Contribution to Standardization

- Physical Eurobond Format; ISIN; Corporate Action Types; Bridge CB / EOC

Contribution to G30 Recommendations

- Wording / implementing 1989 Recs; new G30 Recs in 2003; monitoring

Raising awareness

- Risk issues in CCPs / CSDs; impact of Euro on securities operations; regulatory impacts on securities services chain; risks in "Out of Network Assets"

Disseminating Market Knowledge

- Publication of ISSA Handbook and Updates

Defining Best Practices

- MuFu processing (with EFAMA); OTC Deriva Valuations; CA and Proxy Voting processing; posting of collateral

Offering Platforms

- ISSA Symposia; Working Groups; Thought Leadership Events; Roadshows

Recent Report «Global Principles for Corporate Actions and Proxy Voting»

Main Contents

- Survey in 33 markets
- Realities
- Recommendations

Recommendations for Next Steps

- Promote Principles actively with industry participants, particularly CSDs and Exchanges
- Promote regulatory change to require the digitization of CA information at source
- Take a firm stand on and actively promote the use of ISO formats for cross-border CA info exchange
- **The working group should repeat this survey annually**
- The working group should publish a case study highlighting benefits in successful markets



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Recent Report «Regulatory Impacts on the Securities Value Chain – Shadow Banking»

Main Contents

- General Description of Shadow Banking Initiatives
- Impacts on Securities Lending and Repos Transactions
- Impacts on Money Market Funds

Conclusions

- Further Shadow Banking developments to be expected in 2014
- Different speed and focus on a regional level
- Custodians (and Fund Depositories) to closely study the reforms to be able to make adjustments to accounting and disclosure policies and procedures
- The jury is out as to whether proposed Money Market Fund reforms will impact client product appetite and whether alternatives will benefit.



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Report on Shadow Banking

Developments of Regulatory Changes and
their Impact on ISSA Members

February 2014

Recent Report (ISSA and AGC) «Out of Network Assets – Challenges in Safekeeping and Supervisory Services»

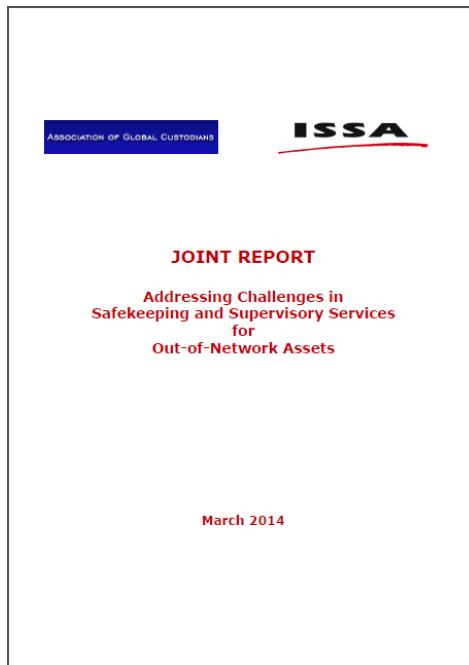
Main Contents

- Legal and practice framework
- Advancements of Market Infrastructures
- Possible approaches / recommendations to close gaps

Out of Network Assets dealt with

- Third-party Time Deposits
- Interests in Funds / Collective Investment Schemes and Private Equity Funds
- Bank Loans
- Derivatives
- Precious Metals

on legal nature / ownership, ownership interest and asset information, perfected security interests and title transfer arrangements.



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Recent Report «Collateral Management Best Practices»

Main Contents

- Background and Key Definitions Collateral Management
- 37 Best Practice Recommendations
- Regulatory Overview in EU; Future Trends

Best Practice Recommendations

- Collateral Protection (Collateral Segregation; Cash / Non-Cash Collateral; Cleared / Uncleared TRX)
- Operational Processes Associated with Default Management (Pre-Default; Post-Default)
- Customer Communication and Reporting (Message Automation; Pledge and Release Automation; Report Automation, Reconciliation)



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Report on Collateral Management

Best Practices of Collateral Management for
Cleared and BI-laterally Traded Products

March 2014

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Current Working Groups

Collateral Management Best Practices

Compliance and Transparency along the Securities Services Value Chain

Corporate Actions and Proxy Voting

ISSA Risk Guide 1992 - Revisited

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Communication

ISSA Homepage

www.issanet.org



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News

ISSA Symposium 17 – Registration deadline approaching

Created: Friday, 07 March 2014 10:52
Registration is open until 14 March 2014. Please make sure you see more details under ISSA Symposium

Video on Shadow Banking

Created: Friday, 07 March 2014 10:50
This ISSA Spotlight Video is now available online as announced

New board member

Created: Friday, 14 February 2014 15:41
Pierre Yves Goemans replaced Frederic Hannequart as reported

ISSA 17 coming up

Created: Friday, 07 February 2014 11:38
The renowned ISSA Symposium will take place from 20 to 23 October 2014 in London. The chosen theme is "Responding to the Regulatory Challenge". See more details under ISSA Symposium

New member

Created: Friday, 07 February 2014 10:46
As of the beginning of February 2014, Julius Baer & Co. Ltd.

ISSA Newsletters

on a quarterly basis
on an ad-hoc basis



International Securities Services Association

Message from the ISSA CEO
• Sibos in retrospect
• Compliance and Transparency along the Securities Services Value Chain

Message from the Chair of the ISSA Operating Committee

Governance Update

• Change in the Operating Committee
• Change in Membership

Sibos 2014 – Take aways

Statements by the following panelists:

• Markus H. Reutemann, Schroder (in search of Operational Alpha)

• Mark Jenks, DTCC (The Evolving Collateral Challenge)

• Andrew White, ASX (Transformation in Corporate Actions Processing)

• Ivona Sporka, KPMG (Global Financial Sector)

• Jesus Benito, Baccard (TSX: What's next?)

• Andrew White and Mark Jenks (in search of Collateral Management)

• Fabian Nadeau (SWIFT – Digitalisation Status Quo Challenge)

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Message from the ISSA CEO

Dear ISSA Members and interested parties

In this edition we put a special focus on important take aways from Sibos which was held from September 29 to October 2 in Boston. We are very grateful that a number of ISSA member experts have volunteered to share with you their views on current challenges they have expressed or their impressions gained during the sessions. In addition we inform you about the next steps we have initiated related to Compliance and Transparency along the Securities Services Value Chain.

Sibos 2014 was a great conference and we from the CEO office have used this platform to discuss our agenda with many current and potential ISSA members. We are very pleased that our intended activities, mainly through the working group activities and the way we communicate the results, get unanimous positive feedback and increase the interest to evaluate a membership in ISSA. In one Sibos session with influential industry leaders, ISSA was mentioned several times as the organization best positioned to work on challenges affecting all stakeholders of the value chain. We take such statements as a clear mandate to continue with our work in an efficient and effective way and we are grateful to count on all your professional support which is critically important.

Thoughts at Sibos have confirmed that transparency in the securities business is seen as one of the current topics. In his Sibos address, the Director of the Office of Foreign Assets Control (OFAC) made very clear statements about inefficiencies in the securities industry including the multi-use of (combined versus segregated accounts). He communicated his expectations but he also offered support from the regulatory side to discuss any best practice proposals from the industry. As we have informed you already, ISSA is committed to work on these issues with special efforts. After our Symposium we decided to start with a small group of experts to design a clear mandate to work on these issues in the first months of 2015. A dedicated workshop is scheduled to take place in the first week of November. The workshop results including our proposal for the next steps and the checklist will be discussed at the Board meeting in mid-November. The decisions and will serve as the basis for the detailed working group activities to be launched in January 2015. It is self-evident that all of these activities are in line with our commitment to consider different views across the value chain and geographic regions.

Last but by no means least, I would like to draw your attention to the message from our new Operating Committee Chair, Jane Battaglia. I thank her for her readiness to assume this additional responsibility.

With my best personal regards,
Josef Landolf, CEO ISSA

ISSA at Industry events



World Forum of CSDs

