

AECSD & AMEDA

Istanbul Summit 2024
2 – 4 October 2024

Who is ISSA and what ISSA Does

Who ISSA Is and what ISSA Does



ISSA is a leading Global Trade Association



We are dedicated to supporting the Securities Services Industry



Our members include Custodians, CSDs, technology and other related firms



Our vision is to shape the Future of Securities Services

Who ISSA Is and what ISSA Does

CONNECT

- Facilitate global interaction across different markets, regions and industry segments
- Bring together key industry stakeholders in Working Groups and the Symposium
- Connect with members and other industry bodies through webinars and conferences

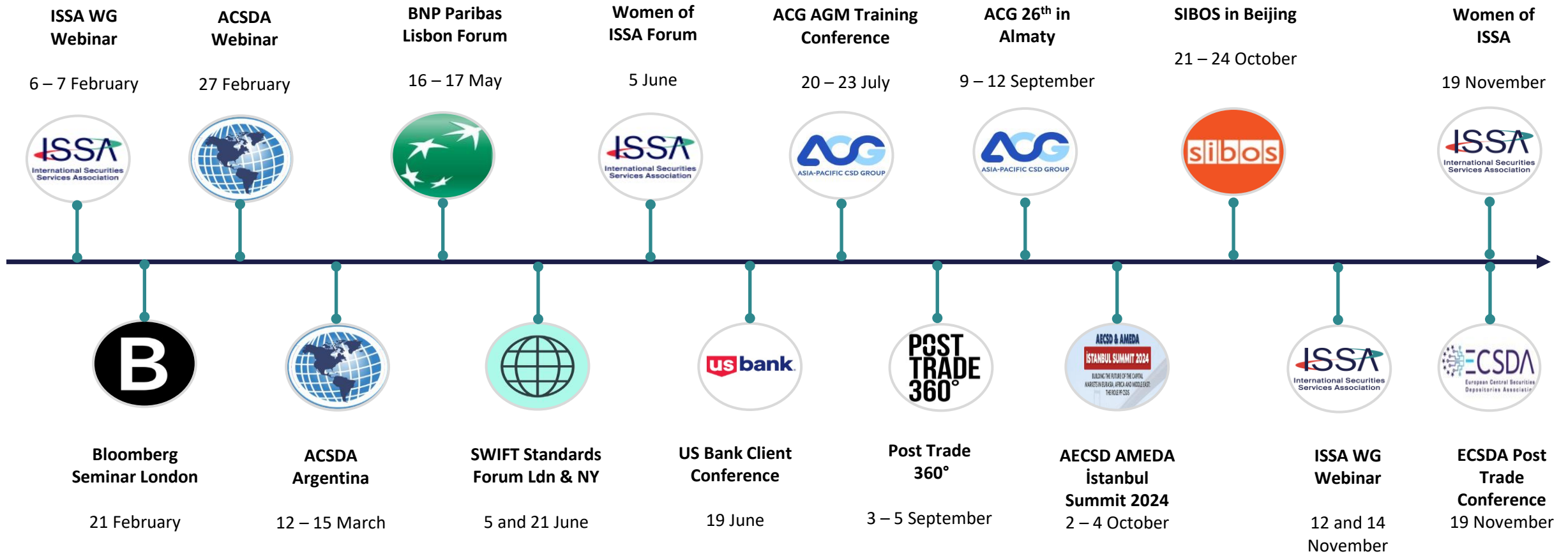
COLLABORATE

- Offer the opportunity for members and industry experts to come together to at our biennial Symposium
- Manage Working Groups to tackle key issues effecting the industry
- Listen to our members – we are a member led organisation

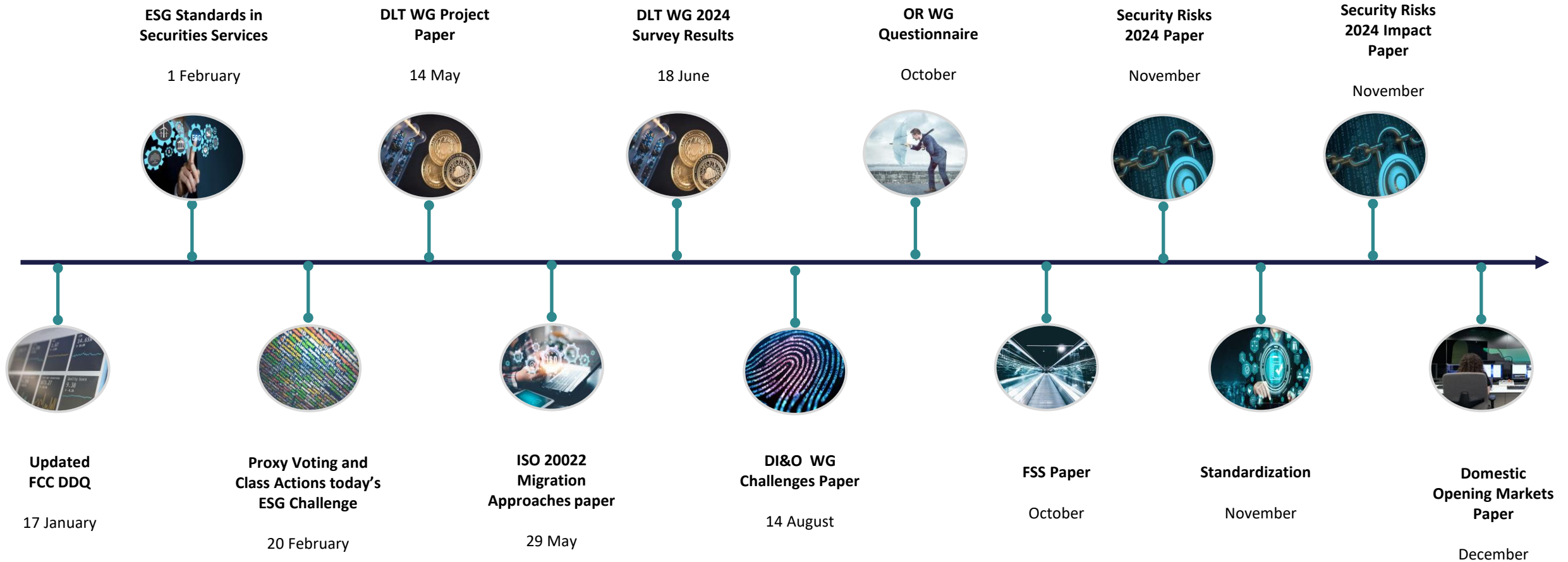
CHANGE

- Create a unique opportunity for debate of the key factors effecting the industry today to shape the future
- Provide best practice guidance through the publishing of papers, articles, surveys, videos and podcasts
- Offer education for all market participants

ISSA Events 2024



ISSA Publications 2024



WG Overview

Working Group Overview – Current Structure

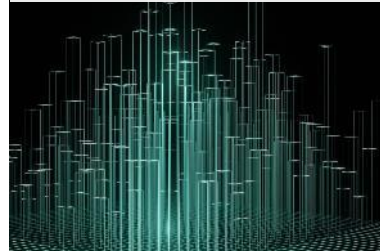
Asset Servicing



Digital Identity & Onboarding



Digitization



Distributed Ledger Technology



Domestic CSDs



Financial Crime Compliance



Future of Securities Services



Operational Resilience



Securities Services Risks 2024



Standardization



T+1 Impacts



Working Group Overview – Future Structure

Accelerated Settlement



Asset Servicing



Digital Identity & Onboarding



Domestic CSDs



Evolving Technology in
Securities Services



Financial Crime Compliance



Investor Solutions



Out of Network Assets

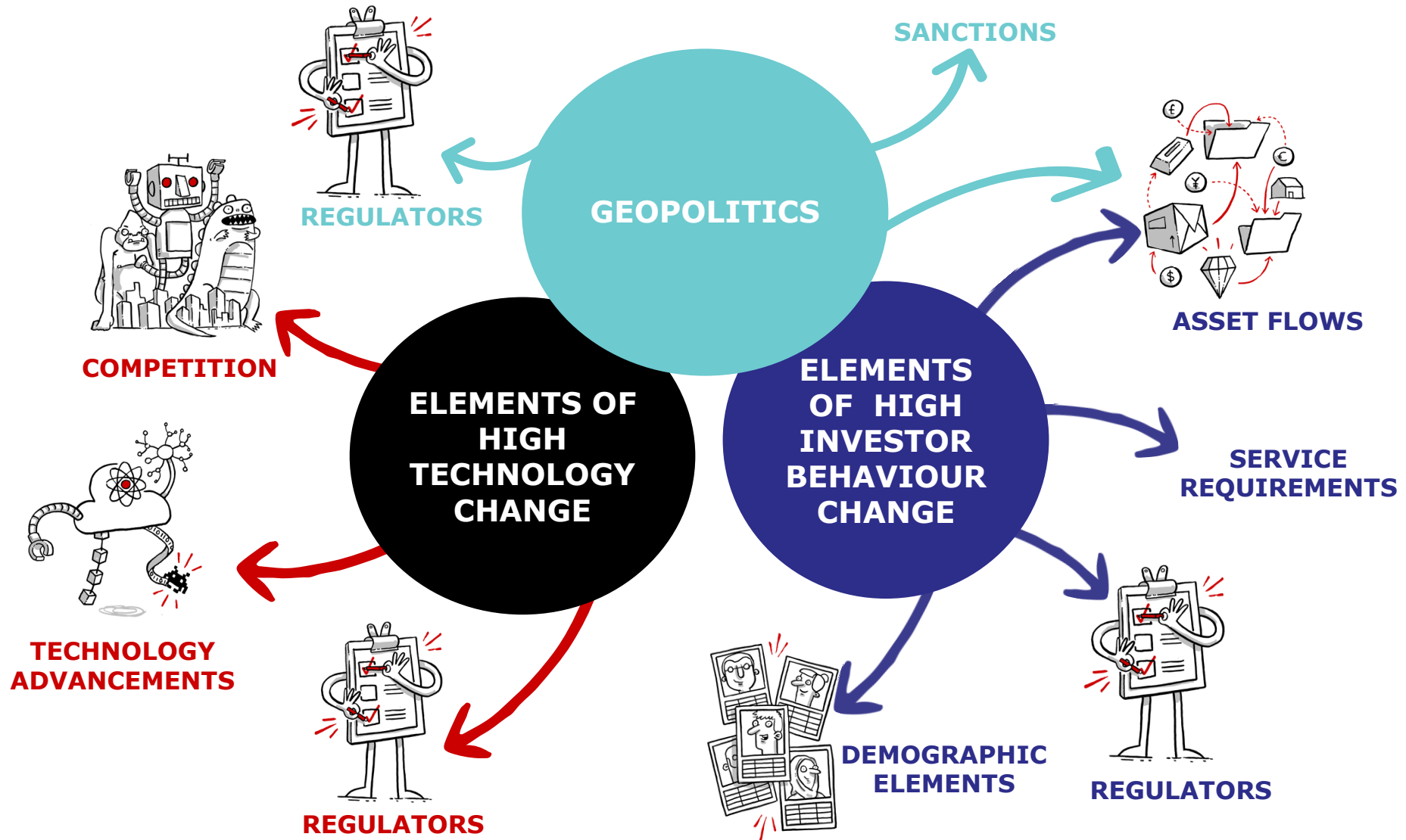


Sustainability for Securities
Services



Future of Securities Services

An Overview of the Major Forces in the Future of Securities Services



Key Trends Highlighted

Shift to passive and ESG – 8/10 - Continuing passive growth – ESG mixed reception globally

Shift into digital and alternative assets – 7/10 – Digital slow but occurring – Alts increasing

Financial deepening and globalisation – 7/10 – Deepening yes – globalisation headwinds

Increased adoption of new technology -10/10 – Omnipresent technological boom

Industry disruption by Big Tech - 4/10 – not as hypothesis but partnerships with incumbents

Increased data and associated use cases - 7/10 – slow but island of excellence forming

Emerging new risks – 9/10 – correctly identified and industry responded well

Increased sourcing and partnerships – 9/10 – partnership blooming across ecosystem

Loose monetary and expansionary fiscal policy – 1/10 - whoops

Uncertain regulation – 9/10 – lots of regulation across the globe

Accelerated Settlement – 0/10 – India, Americas North and South, exploring elsewhere

Securities Services Risk

Securities Services Risks are changing

Since the last report,
the industry has seen
ongoing change with:

new asset classes gaining investor popularity

significant developments in technology

fundamental operating model changes

regulations continuing to evolve

the impact of geopolitical events having materialized

ISSA Risk Categories

Operational Risk categories:

- Regulatory, Legal and Compliance Risk
- Client Risk
- Third-Party Provider Risk
- Asset Protection Risk
- Execution, Delivery and Process Management Risk
- Information Security and Data Protection Risk
- Information Technology Risk
- Digital Assets Risk

Other key risk categories:

- Credit Risk
- Liquidity Risk
- Systemic Risk
- Geopolitical Risk

Domestic CSDs Working Group

Best practices for Frontier and Emerging markets attracting foreign portfolio investment

-  Investment matters to a country
-  There needs to be a pull factor as many countries to choose from
-  Frontier and Emerging Investment is high risk and investment managers have their own challenges investing
-  Investors value stability – politically, legally and fiscally
-  “Whole country” effort with winners and probably losers
-  CSDs and FMI’s in a country should aim to attain IOSOC’s Principles for Financial Market Infrastructure
-  Externalities like “grey listing” impact investment
-  Hot money or dependable capital

Best practices for Frontier and Emerging markets attracting foreign portfolio investment

Considerations

- Market and regulatory environment
- Fiscal rules and double tax treaties, tax reclaims regime
- Anti-Money Laundering (AML) & Know Your Customer (KYC)
- Access to markets and banking services
- FX Convertibility
- Exchange Rules and Transparency
- Central Counter Party/Clearing House (CCP)
- Central Securities Depository (CSD)