

Update: G30 and ISSA

Josef Landolt, Chairman



www.issanet.org

ISSA's offer to G30

May 2003:

| G30 Recommendation | Assignment to ISSA |
|---|------------------------|
| 1. Eliminate paper | NO - tbd |
| 2. Messaging standards | YES |
| 3. Reference data standards | YES |
| 4. Synchronize timing between systems | NO - suggest BIS/IOSCO |
| 5. Automate institutional trade matching | NO |
| 6. Expand the use of central counterparties | YES |
| 7. Securities lending and borrowing | YES |
| 8. Asset servicing processes | YES |
| 9. Financial integrity of service providers | NO - suggest BIS/IOSCO |
| 10. Risk management practices of service users | NO - suggest BIS/IOSCO |
| 11. Finality | NO - suggest BIS/IOSCO |
| 12. Business continuity and disaster recovery | NO - tbd |
| 13. Failure of systemically important institution | NO - tbd |
| 14. Enforceability of contracts. | NO - suggest BIS/IOSCO |
| 15. Legal certainty | NO - suggest BIS/IOSCO |
| 16. Valuation and closeout netting | NO |
| 17. Experienced and senior board members | NO |
| 18. Fair access to clearing and settlement networks | YES |
| 19. Equitable attention to stakeholders' interests | NO - suggest BIS/IOSCO |
| 20. Consistent regulation of service providers | YES |

ISSA Recommendations 2000

1. Governance

2. Technology - core processing

3. Messaging and standards

4. Market practices

5. Settlement risk

6. Market linkages

7. Investor protection

8. Legal infrastructure



ISSA work to continue



ISSA work suspended

Quick survey on collaboration with ISSA

| | |
|--|-------------------------------------|
| AGC Association of Global Custodians | <input checked="" type="checkbox"/> |
| EACH European Association of Clearing Houses | <input checked="" type="checkbox"/> |
| CCP-12 | |
| ISLA Intl. Securities Lending Association | <input checked="" type="checkbox"/> |
| PASLA Pan-Asian Securities Lending Association | <input checked="" type="checkbox"/> |
| RMA Risk Management Association (SL&B Chapter) | |
| CPSS Secretariat | <input checked="" type="checkbox"/> |
| SIA Securities Industry Association | |
| ECSDA European CSD Association | |
| ACG Asia Pacific CSD Group | |

ISSA

INTERNATIONAL
SECURITIES
SERVICES
ASSOCIATION

G30 assignment to ISSA

April 2004:

2. Messaging standards

3. Reference data standards

6. Expand the use of central counterparties

7. Securities lending and borrowing

8. Asset servicing processes

G30 mandate to ISSA

1. to critically assess implementation progress

G30 mandate to ISSA

1. to critically assess implementation progress

2. to pursue concerns with relevant institutions

G30 mandate to ISSA

1. to critically assess implementation progress

2. to pursue concerns with relevant institutions

3. to refer continuing concerns to G30

G30 assignment to ISSA

2. Messaging standards

3. Reference data standards

6. Expand the use of central counterparties

7. Securities lending and borrowing

8. Asset servicing processes

ISSA

INTERNATIONAL
SECURITIES
SERVICES
ASSOCIATION

The G30 goals

Where we are:

- Inflated costs
- Significant operational risk
- Significant investor risk
- Manual handling
- Segmented markets
- Disparity in regulations
- Unequal access to markets
- Inconsistent regulatory oversight

Where we want to be:

- Lower cost
- Reduced operational risk
- Reduced investor risk
- STP
- Fully interoperable markets
- Harmonized regulations
- Fair market access
- Uniform, consistent oversight of market participants

Source: "G30 Leadership Goals & Key Priorities" (JPMorgan)

ISSA 12: "Roadmap to the Future"

Tuesday June 15

Wed. June 16

Thursday June 17

G30 Process

John Walsh
Francis Remacle
Josef Landolt

**WG Results and
Plenary Discussion**

Dominic Hobson
& WG Facilitators

**Roadmap to
the Future**

Interactive Discussion

Dominic Hobson
+ tbd (McKinsey)

Hague Convention
Dr Christophe Bernasconi

Basel II
Howard Stein

WG Introduction

Morning

Afternoon

ISSA Board Meeting

Opening Speech

Josef Landolt

Welcome Address

Stephan Zimmermann

Working Group Sessions

- 1) Trading
- 2) Clearing / Settlement
- 3) Asset Servicing

EU Expansion

Prof Dr Norbert Walter

**Roadmap to
International Clearing**

Joe Anastasio, CapCo
LCH.Clearnet
Eurex Clearing
SIS x-clear
NSCC

General Assembly

ISSA

INTERNATIONAL SECURITIES
SERVICES ASSOCIATION



ISSA

INTERNATIONAL
SECURITIES
SERVICES
ASSOCIATION

www.issanet.org