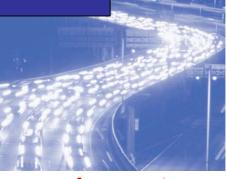
Update: G30 and ISSA

Josef Landolt, Chairman

ISSA INTERNATIONAL SECURITIES SERVICES ASSOCIATION



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

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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

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ISSA work to continue

ISSA work suspended

Quick survey on collaboration with ISSA

AGC	
Association of Global Custodians	
EACH	
European Association of Clearing Houses	
CCP-12	
ISLA	
Intl.Securities Lending Association	
PASLA	
Pan-Asian Securities Lending Association	
RMA	
Risk Management Association (SL&B Chapter)	
CPSS Secretariat	
SIA	
Securities Industry Association	
ECSDA	
European CSD Association	
ACG	
Asia Pacific CSD Group	

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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



1. to critically assess implementation progress

2. to pursue concerns with relevant institutions



1. to critically assess implementation progress

2. to pursue concerns with relevant institutions

3. to refer continuing concerns to G30

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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



The G30 goals

Where we are:

Where we want to be:

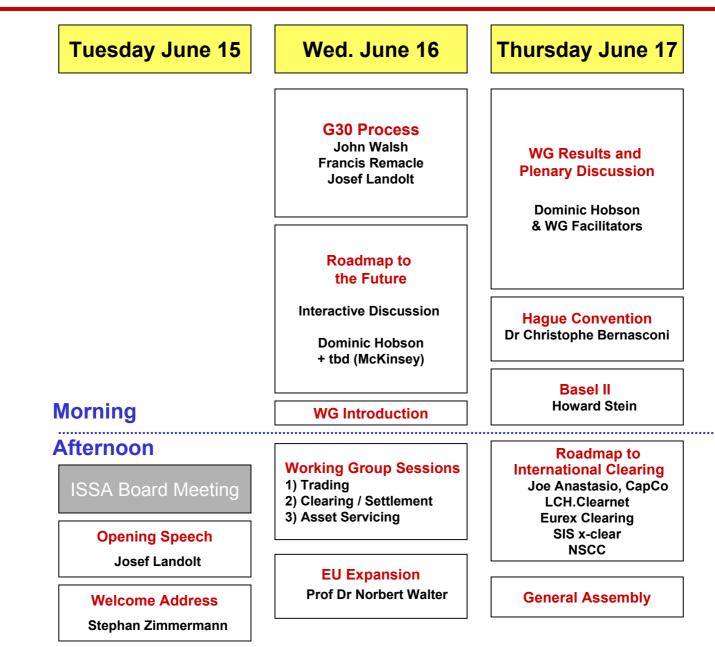
- Inflated costs
- Significant operational risk
- Significant investor risk
- Manual handling
- Segmented markets
- Disparity in regulations
- Unequal access to markets
- Inconsistent regulatory oversight

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

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

ISSA 12: "Roadmap to the Future"



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