





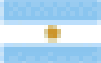







Working Committee

April 28, 2004

Members



-  **CETIP:** Rogerio Martins, José Carlos Cirillo
-  **CBLC:** Margarida Baptista
-  **DTCC:** Mary Ann Callahan
-  **DCV:** Francisco Guíñez
-  **Caja de Valores:** Luis María Corsiglia
-  **CDS:** Eduarda Matos
-  **S.D. Indeval:** Gerardo Mejía, Arturo Navarro, Gerardo Orendáin
-  **STRATE:** Monica Singer
-  **DECEVAL:** Jorge Hernán Jaramillo
-  **CAVALI:** Carmela Marrou

* Representation of 9 countries, with 10 members and 13 individuals.

Projects Review



- Internal Audit Comparative Study
- ACSDA Seminar 2004
- Depository Cross Border Linkages – FIAB
- Efficiency Indicators

Projects



● Internal Audit Methodology Study

- **Background:** There is a raising interest among some ACSDA members to analyze the activities related to internal auditing areas of each CSD's looking for some kind of self evaluation of its surveillance in accordance with the main activities carried out.
- **Objective:** To share main audit processes among the ACSDA Members in order to obtain an enriched document that can serve as a guideline to CSD's internal audit areas.
- **Activities:**
 - The WC Members have requested to its internal audit areas to enrich a first draft created by CAVALI and S.D. Indeval. (May 31)
 - The WC will prepare a new document to be presented to the Executive Committee for its approval. (June 30)
 - To distribute the document among all ACSDA members.
 - The results will be presented at the 2004 seminar.

Projects



● Internal Audit Methodology Study

■ Topics Suggested by some WC Members:

- Financial/Accounting
- Methodology
- Systems
- Corporate Governance
- Internal Control/Organizational
- Surveillance/Follow Up
- Risk Management
- Business Continuity Plan
- International Standards
- Money Laundering
- Fraud Detection and Prevention

Projects



● FIAB Model

- **Background:** FIAB has been working in an operative model for Stock Exchanges members of FIAB denominated “ORDER ROUTING AND CSD’S LINKAGES”. The WC has developed a first draft of the operative model for CSD’s linkages in accordance to FIAB’s guidelines.
- **Objective:** To establish business linkages in order to let foreign intermediaries negotiate securities of other markets without being direct participants of the local Stock Exchange or CSD’s.

Projects



● FIAB Model

■ Activities:

- The WC Members have been requested to review the first draft model to detail possible obstacles and to define its feasibility. (May 15)
- Some ACSDA Members have expressed their intention to participate in a first test linkage.
- The WC will generate a final version of the model to be distributed among all ACSDA Members. (May 30)
- Request to ACSDA Members who agreed with their Stock Exchange to participate in the possible implementation of this model, a check list of activities and necessary changes (legal, systems, operational) to be carried out in order to implement the model in their countries. (July 30)
- Provide FIAB with the final Model and the specifications for implementation in each country for its comments.

Projects



● ACSDA SEMINAR 2004

- **Background:** In the last Executive Committee Meeting the Members accepted the DECEVAL of Colombia proposal to organize the fall Seminar at Cartagena de Indias Colombia.

- **Activities:**
 - The WC has requested to its members to review DECEVAL's proposal of topics to be addressed in the Seminar and suggest new ones, as well as special guests. (May 31)
 - Present to the EC the enriched Seminar Agenda for its approval and tentative dates. (June 30)
 - Elaborate registration forms, the final approved agenda and the formal invitation to be distributed among all ACSDA Members.

Projects



● ACSDA SEMINAR 2004

■ Proposed Topics:

- Internal and external audit processes in CSD's.
- Central Counterparties (CCP): Development key elements, risk and corporate structure models, creation standards.
- Legal Risk: money laundering control and prevention.
- Government Debt administration in the CSD's: Analysis of CSD's market models.
- Technology: Technological integration processes among market participants.

Projects



● Efficiency Indicators

- **Background:** After the project reintroduction by the Executive Committee, the WC considered to use and improve the former survey developed by DCV (Chile).
- **Objective:** To collect the information from CSD's that did not participate in the first survey, and to achieve concrete benefits with the exchange and comparison of the operative, financial and technological information from each ACSDA member. All this, in order to establish a reference to compare the performance of our Institutions.
- **Activities:**
 - We have requested to the WC Members for suggestions about information and methodology that can improve the former survey. (May 31)
 - Incorporate suggestions into the former survey in order to distribute the improved survey among all ACSDA members. (June 30)
 - To set August 31 as deadline for ACSDA Members to fill out the survey.
 - From July to August, W.C. must define the new methodology for the evaluation of the information.
 - Results of the new survey, will be presented at the 2004 ACSDA Seminar.

Projects



● Efficiency Indicators

■ Suggestions made by some WC Members:

- To segregate all the CSD's services and data (i.e. deposit value and settlement info.) into different types of markets.
- To specify the kind of systems and equipments applied and the total technological investment (including future plans).
- To specify general processes and models of each CSD such as:
 - Settlement: DVP Model, No. of cycles, RTGS, etc.
 - Securities Registration: Level of dematerialization.
 - Contingency: DRP, Back-up sites, resilience models.
 - To establish an equation starting from fixed costs and plotting different values of tariffs and volumes for main services granted by each CSD's.



Working Committee

April 28, 2004