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WFC Newsletter

World Forum of CSDs

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LETTER FROM THE CHAIRMAN

Dear colleagues, friends, and family,

It was great to meet with all the delegates from the CSDs all over the world at WFC 2019, which was held in Marrakech, Morocco last April. I believe that the huge number of delegates to WFC 2019 reflects the delegates' willingness and desire to maintain the business of Clearing, Settlement and Deposit and furthermore to explore new services by seeking new initiatives and technologies.

It is my great honor to chair the WFC for the upcoming two years. My only wish is to best serve the interests of all member CSDs, who are like family members under the big roof of the WFC.

I have a dream: the dream of having our own Federation that consists of all CSDs in the world and presenting it as the legitimate representative to the other financial associations. During my service, I will tirelessly pursue the dream.

We, CSDs, have been playing an integral role in developing economies and have been realizing not-so-negligible profits despite the fact that most of us are non-profit. These positive aspects of ours, paradoxically, could make us attractive targets for rival financial parties, which add some urgency to the initiative of the Federation.

I firmly believe that the CSD business could prosper only with the cooperation and integration of all CSDs on the face of the earth. In that vein, during my two-year term, I will do my very best to present the memo of the CSD Federation regulation and seek its establishment. Through the memo, I will present the clear goals and regulations under which each and every CSD could provide competitive services in a most efficient and effective manner.

Now is the time for us to adapt ourselves to any new developments. With standardization in place, we could speak the same industry language, CSD language.

I am full of hope that my vision could be realized within the foreseeable future. I fully understand, however, that it is only possible with your support and cooperation.

In that sense, I hope that all of you will weigh in with helpful suggestions and constructive opinions in our journey toward the Federation.

I wish you good health and prosperity!



A handwritten signature in black ink, appearing to read 'Mohamed Abdel Salam'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Mohamed Abdel Salam
WFC Chairman
Chairman and Managing Director,
Misr for Central Clearing, Depository and Registry (MCDR)



RECENT EVENTS

RECENT EVENTS section highlights some of the key events that have taken place in the CSD industry during the last half of the year.

WFC 2019

The biannual World Forum of CSDs took place in April 8-12, 2019 in Marrakech, Morocco. Hosted by Maroclear, the conference invited delegates from all parts of the world for four days of panel discussions featuring the topics such as cybersecurity, fintech, and blockchain that are becoming increasingly more relevant to the CSD industry. Panels offered their valuable insight on each topic; participants joined in the two breakaway sessions on Day 2, where they discussed current and future challenges posed on the CSD business. A total of 307 participants including press, government officials, and stakeholders took part in the conference and enjoyed the insightful discussions and networking opportunities the conference had to offer.

On the final day of the conference, the Chairmanship of WFC was officially handed over from Mr. Byungrhae Lee, Chairman of Asia-Pacific CSD Group (ACG), to Mr. Mohamed Abdel Salam, Chairman of Africa & Middle East Depositories Association (AMEDA). It was on this day when the host city of the next WFC conference was announced. WFC 2021 will take place in Prague, Czech Republic, in May 17th to 21st, 2021.

WFC Board Meeting

In conjunction with the WFC 2019, the WFC Board held one of their biannual meetings on April 9 to discuss the various projects and initiatives. WFC Board members, observers from regional associations and securities market players (ISSA, AGC, SWIFT) attended the meeting. The leaders of the WFC initiatives shared updates of ongoing three projects: WFC Single Disclosure, WFC E-learning, and World CSD Fact Book, and discussed plans to encourage active participation to these projects that could ultimately enhance worldwide cooperation.

In addition, CSD-industry stakeholders from ISSA, AGC, SWIFT, and GLEIF shared the latest developments in the securities industry. The secretariats of the five regional associations of the WFC also presented the recent news and events in respective regions, and future plans for the latter half of the year.

The next meeting will be held during SIBOS 2019 in September in London, UK.



The World CSD Fact Book

The World CSD Fact Book is an initiative of the WFC Board to create a consolidated view of information pertaining to the CSD industry, which includes member CSDs of the five regional CSD associations, i.e. Asia-Pacific CSD Group (ACG), Americas' Central Securities Depositories Association (ACSDA), Association of Eurasian Central Securities Depositories (AECSD), Africa & Middle East Depositories Association (AMEDA), and European Central Securities Depositories Association (ECSDA).

The objective of World CSD Fact Book is to gather and present consolidated information/standardized data on the CSD industry worldwide. This information will provide a useful perspective and basis of comparison

for individual markets and CSDs. The World CSD Fact Book will help CSDs benchmark themselves to the CSD industry worldwide. There will be efficiency and considerable time saving by introducing the World CSD Fact Book.

The First Annual Survey to collect information for the World CSD Fact Book was sent to all WFC members through the respective regional CSD associations. There are 149 WFC Members (unique) of which 132 are CSDs. Of the 132 member CSDs, 92 CSDs have responded to the World CSD Fact Book survey. The regional association participation in this initial World CSD Fact Book survey was as follows:

Regional Association	Number of Member CSDs	CSDs who have responded (*)
ACG	27	17
ACSDA	29	17
AECSD	16	15
AMEDA	32	20
ECSDA	38	34

* 9 CSDs are members of more than one regional association.

First report of the World CSD Fact Book will be published shortly. Initial estimates of aggregate data reveal that the total custody value of all CSDs is \$146.76 trillion, which is an astounding figure.



REGIONAL ASSOCIATIONS OF THE WFC

REGIONAL ASSOCIATIONS OF THE WFC section includes updates from five regional associations of the WFC.

Asia-Pacific Central Securities Depository Group (ACG)



ACG 21st Cross-Training Seminar (CTS21)

The 21st ACG Cross Training Seminar was held in Yogyakarta, Indonesia in March 4-7, 2019. Hosted jointly by KSEI and KPEI, the seminar invited more than 100 participants from 34 ACG members who joined in sessions led by the six ACG Task Forces.

On Day 1, CDCPL hosted the morning session on Risk & Recovery Management Task Force, where participants discussed new risks arising from operational, strategic, and financial areas in the industry. In the afternoon, JASDEC hosted Exchange of Information Task Force session, where the presenters shared their new initiatives for attracting and promoting foreign investors. In the following Legal Task Force session hosted by CSDC, participants shared their respective account structure and its legal framework.

On Day 2, NSDL hosted Technical Task Force session regarding cybersecurity, and participants shared their experience in detection and response to these rising threats. TDCC hosted Investor Services Task Force session, where participants discussed new CSD services

aimed at enhancing investor rights. KSD hosted the final session on New Business Initiative Task Force, in which participants discussed evolving innovative technology such as fintech and big data analytics and how they can transform CSD services.

The seminar was met with enthusiastic response from the participants, who also enjoyed the kind hospitality that KSEI and KPEI had offered. CTS21 ended in great success, presenting wonderful opportunity for middle-level staff from each ACG member organization to share experiences and best practices, and gain insight from one another.



* All presentation materials from the sessions are available for download at the WFC e-learning platform (www.aecsd.org/en/e-learning).

ACG Regional Meeting in WFC 2019

On April 8, 2019, ACG members in Marrakech, Morocco for WFC2019 joined in ACG Regional Meeting to discuss future plans and activities of the Group. The ACG Secretariat informed the participants on the follow-up measures after the 22nd ACG Annual General Meeting that took place last November, such as promotion of Task Forces and the plan to accept associate membership.

In the meeting, the Secretariat also requested each ACG member to assign individual contact points for future communication regarding WFC initiatives. As the ACG

members' participation to WFC projects continues to remain relatively low, having a person in charge in each organization would facilitate effective participation and cooperation to the projects. In accordance with the announcement and the follow-up measures after the meeting, ACG Committee for WFC Initiatives was launched. As the very first mission, the Committee members have been requested to promote E-learning platform within their organizations and to sign up for E-learning newsletter to receive alerts once new material is uploaded on the website.

Americas' Central Securities Depositories Association (ACSDA)



ACSDA General Assembly 2019

ACSDA held its XXI General Assembly from March 20 to 22 2019 in Lima, Peru. This General Assembly commemorated the 20th anniversary of ACSDA, in the same city where it was founded in 1999. The event was organized by Cavali, the CSD of Peru and one of the founding members of ACSDA, in conjunction with the Lima Stock Exchange, their parent company.

On this occasion the new nine-member ACSDA Executive Committee was also elected for the period 2019-2021. Roberto Gonzalez from Indeval (Mexico), as President,

Javier Jara from DCV (Chile), as Vice-president and Olga Cantillo from Latinclear (Panama), as Treasurer, were re-elected to their positions for another two-year term. The other members of the Committee are: John Abel, DTCC (USA), Jorge Hernan Jaramillo, Bolsa de Valores de Colombia, Efraín Carvajal, Caja de Valores S.A. CVSA (Argentina), Martha Eugenia Coronado, Central de Valores Nacional CVN (Guatemala), Trevor Blake of Eastern Caribbean CSD (Saint Kitts and Nevis), and George Kormas, TMX/CDS (Canada).

General Assembly 2020

The ACSDA General Assembly in 2020 will take place in the beautiful country of the Dominican Republic for the first time in April 2020 and will be organized by CEVALDOM, the CSD of the Dominican Republic. We have begun our planning and the event will, as always, include presentations and panel discussions with industry experts speaking on a wide range of relevant topics for the industry.

ACSDA Executive Committee Planning Session

The ACSDA Executive Committee will hold a one-day in person planning session at the SWIFT offices in Miami on Monday, July 8. This meeting will include a review of current activities and establishing priorities for the Association over the next two years.

NASDAQ pays tribute to Olga Cantillo (ACSDA Executive Committee Member & Treasurer)

With the aim of promoting women's participation in the business world, NASDAQ interviewed Olga Cantillo, Executive Vice-president and General Manager of the Panama Stock Exchange, highlighting her role as a female leader in capital markets. ACSDA is proud that she is an active part of our association and that her work is being recognized internationally.

Principals for Financial Market Infrastructures

ACSDA recently completed its most ambitious undertaking in its 20-year history. Over a two-year period, with the financial support of the Inter-American Development Bank and expertise from ACSDA member CSDs we were able to aid 14 ACSDA member organizations in the completion of their Self-assessments, disclosure and development of remediation plans. ACSDA will continue to place focus on working with our members on PFMI education and compliance as we see this as an important role for the Association.

Association of Eurasian Central Securities Depositories (AECSD)



AECSD consists of 16 CSD members from 15 countries and five financial institutions hold observer status. In the beginning of 2019, an annual survey was conducted on the results of the past year and plans for 2019. The survey defined six key areas for the developments on the AECSD landscape: new financial instruments, cash settlement, collective investment funds servicing, corporate information and corporate actions, technological solutions and developments, and new links (markets).



On April 8th, AECSD held a regional meeting on the sidelines of the WFC 2019 Conference in Marrakesh attended by its members from Armenia, India, Kazakhstan, Korea, Russia and Turkey. The participants discussed the recent developments in their particular CSD activities and were updated on the scope of work of the AECSD and the preliminary results of developing the E-learning initiative. The meeting was concluded by a brainstorming session, providing members with an opportunity to underline issues of special interest to be raised during the upcoming AECSD Annual General Meeting.



The members present in Marrakech commended the Association's report; the report was also presented to the WFC Board Meeting with a particular stress on the E-learning platform (<https://aecsd.org/en/e-learning/>) that was relocated to the AECSD website in early 2019. The participants noted that the total amount of materials published via E-Learning platform had increased significantly (currently 63 materials compared to 11 in December 2018). Up to now, new user-friendly interface was implemented to the platform allowing for subscription and various search options along with increase in overall stability of the platform. Among current plans to further develop E-learning Initiative is to promote awareness about the resource and engagement in its work within WFC community and to introduce feedback mechanism for published materials.

On June 13, the AECSD Annual Academic Seminar held in Dushanbe, Tajikistan gathered more than 30



representatives from 9 countries (Armenia, Belorussia, Kazakhstan, Kyrgyzstan, Uzbekistan, Russia, Tajikistan, Turkey and Korea) who shared their insight on various emerging trends and promising new spheres including development of settlement services, cash settlements, electronic voting and electronic interaction channels, post-trading services, information services and repository.

The next upcoming major AECSD events are the International Conference and the Annual General Meeting planned for September 5-6, 2019 in Bishkek, Kyrgyzstan. The Conference 2019 will be dedicated to the discussion of various spheres of integration and entitled as "Integration Processes on Financial Markets: Eurasia and Global Economy". The event will be hosted in cooperation with the International Association of Exchanges (IAE, Eurasia) and include in its agenda a list of panel sessions along with the routine sessions of AECSD and IAE.



Africa & Middle East Depositories Association (AMEDA)



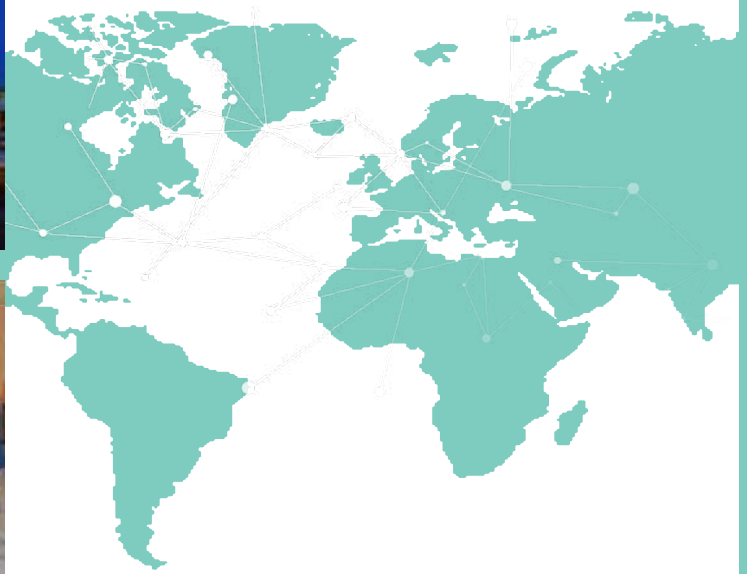
AMEDA successfully managed to host its second worldwide CSD conference the WFC2019 in the beautiful city of Marrakech during April 8 to 12, 2019 with a remarkable and strong presence of delegates over the past few years where total participants were 315 delegates from 60 nations worldwide.

Previously, AMEDA hosted its first CSD conference, CSD11, in Cape Town, South Africa in year 2011. The agenda topics were very precise to cover "The Changing Nature of the Financial Markets" and its related topics; a total of 51 elite panelists were invited to speak about the related topics such as innovative technologies and future outlook.

And for the first time, the AMEDA president Mr. Mohamed Abdel Salam urged all WFC members to seriously consider the establishment of a Federation that stands for all CSDs and formally addresses all other financial associations on behalf of all CSDs of the five regional associations.

AMEDA intends to host its second meeting where it will be both meeting and training next December in Oman. Training topics are already selected by members and the Omani organizers are working on finalizing speakers.





European Central Securities Depositories Association (ECSDA)



ECSDA has kept its schedule busy in 2019. To name a few events, the association held physical meetings for Risk Management, Corporate actions, Settlement, Policy and Compliance working groups, two Executive committee and Board meetings. Some members participated in the WFC Conference in April, which was then followed by ECSDA's Annual General Meeting in May, combined with internal ECSDA elections. We also help numerous discussions with the European authorities, most of them were related to the implementation of the Pan-European law on CSDs (i.e. CSD Regulation), harmonisation of corporate actions processing, European distribution for debt instruments and supporting the bank recovery and resolution.

The association's Annual General Meeting, which took place on 16 May 2019 in Bucharest, appointed the directors of the Board and those in their turn elected the ECSDA Executive Committee. The vote resulted in the re-election of Mathias Papenfuß as ECSDA's Chairman, Brigitte Daurelle and Indars Aščuks as Vice-Chairs and Georg Zinner as Treasurer; more detailed information can be found on ECSDA's website.

European CSDs are also deeply involved in the projects involving new technology - ECSDA hence is also

developing this expertise further (building upon the conference on ECSDA New CSD Technology organised last year). In 2019, ECSDA also became a member of the International Association of Trusted Blockchain Application providers (INATBA) created with help of the European Commission.

ECSDA is preparing its Annual conference on 20 November 2019. This year it will be focusing on evolving regulation, how CSDs can support more investments and growth as well as new CSD technology. We will be welcoming CSD's senior management, European policy makers and market participants. We would be also very pleased to welcome international colleagues from other CSDs globally willing to attend the conference. For more information, visit: <https://ecsd.eu/>.

The association is also pleased with its membership increase. In March, ECSDA welcomed Astana International Exchange (AIX) CSD - expected to become a leading international hub for financial services in the region - as its new associate member. ECSDA perceives AIX CSD's membership as a great example of where the European expertise can be supportive of the emerging markets and new infrastructure endeavour.



ABOUT THE WFC

On April 15, 2011, at the closing of the CSD11 conference in Cape Town, South Africa, the five regional CSD associations announced the formation of the World Forum of CSDs (WFC) in order to further enhance inter-association communications. The WFC provides a forum for regional CSD associations to exchange information, discuss issues of common interest and increase their influence and engagement on cross-regional and global developments. The Forum has a Board composed of 10 members, being the Chairs and Vice-Chairs of each of the five regional associations. Mr. Mohamed Abdel Salam of the Africa & Middle East Depositories Association (AMEDA) is the current WFC Chairman, while Mr. Byungrhae Lee of the Asia-Pacific Central Securities Depository Group (ACG) is the WFC Vice-Chairman.

For further information, visit worldcsds.wordpress.com.



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