



SECURITIES MARKET PRACTICE GROUP

SMPG

Americas Update
September 24th, 2014

Americas Regional Update

- Greater coordination among US industry groups discussing standards
 - ISDA, SIFMA AMF, LSTA, ISITC, USNG Securities Sub-Cmte
- Monitoring of domestic and global regulatory impacts
 - US initiated vs. impacting US global custodians and asset managers



Canada CCP Model Recommendation Update

- Bank of Canada recommendation to move to a CCP model for clearing of fixed income repo and cash trades
- Key aspects of the initiative include:
 - Trade instruction/clearing
 - Trade Novation matching status messaging
 - Settlement Management/Segregation at CDS
 - Trade reporting obligations



ISITC Market Practice Groups

- Settlements
- Corporate Actions
- Reconciliation
- Securities Lending
- Derivatives
- Reference Data and Standards
- Regulatory
- Middle Office



Settlements

- Business process focused to determine most appropriate messaging standard
- Work closely with SMPG SnR WG to incorporate US market practices into global recommendations
- Sub-groups of subject matter experts formed covering:
 - Collateral, NDFs, Security Finance/Repo and Securities Related Payments



Corporate Actions

- Market Practice
 - Finalized US Lottery Market Practice – SMPG reviewing
- ISO20022 and DTCC Transformation Project
 - Volumes – approx. 3 million Announcement messages per month over the SWIFT network
 - ISO 20022 message availability

ISO 20022 Message Group	Distributions	Redemptions	Reorganization
Announcements*	In Production (Nov 2011)	In Production (Nov 2011)	In Production (Nov 2011)
Entitlements & Allocations	In Production (Feb 2013)	2015	Target: 2016 - 2017
Instructions	Available in Test since Nov 2013	N/A	Target: 2016 - 2017

Reconciliation

- Improving Fail Management reporting
- Cash Statement/Forecasting Reporting
- Total Portfolio Value (TPV) market practice
- Additional product reporting on Statement of holdings
 - Collateral, Forward FXs



Derivatives WG

- Cleared FX/NDFs trade flow and messaging
- Listed Derivatives ticker symbol usage – Futures
- OTC clearing impacts – Dodd Frank
- OTC product coverage expansion – TRS

Securities Lending WG

- Fail reporting and confirmation needs of lending agents
- Holdings statement loan and pending loan positions
- Financial Transaction Tax impacts to Lending



Reference Data and Standards

- Standing Settlement Instruction (GC Direct) message modeling
- LEI messaging and operational impacts across trade lifecycle
- Batch Transmission market practice guide updates for ISO20022 messaging



Regulatory

- Focus of group to keep membership updated on various global regulatory initiatives
 - LEI on-boarding (GLEIS) updates
 - Financial Transaction Tax (FTT) updates
 - Foreign Account Tax Compliance Act (FACTA) updates
 - Basel Cmte on Banking Supervision (BCBS239) impacts



Middle Office

- Focus of group on issues related to post execution/pre-settlement functions
 - Impacts of T+2 and T2S on asset managers
 - Confirm/affirm process and messaging for local and central matching (ISO, FIX, Omgeo)

