



WFC Feedback and CSD Global Issues

*The Network Forum
Wednesday 21 June*

Today's Topics

🌐 2023 WFC Feedback

🌐 Global Issues Facing CSDs

🌐 Settlement Efficiency & Shortening the Settlement Cycle

🌐 DLT Technological Innovation

WFC Feedback

CSDs Engagement for a Sustainable Market

Outward Perspective:

- CSDs' role with stakeholders to support a more **ESG/sustainable friendly market**

Inward Perspective:

- A sustainable market needs a sustainable CSD that acts when possible to contain risks
- Avoids solutions made in isolation

DLT Pilots and lessons learned

Monetary Policy and CSD infrastructure's articulation through technology iterations


Main themes:

- Central bank Money vs Commercial bank Money
- Balancing innovation while securing operations that never fail

WFC Feedback

Decommissioning ISO 15022 in place of ISO 20022

Presented ECSDA ISO TF work: migration to ISO 20022:



	Current situation	2024	2025	2026	2027	2028	2029	2030	Later ?
Corporate actions	Mainly ISO15022	ECMS: ISO2022 mainly for NCBS	SCORE wave 2 (to be confirmed)					Discontinue ISO15022	
Market claims	ISO15022							Discontinue ISO15022	
General meetings	ISO20022 for SDR11 scope	ECMS: ISO2022 mainly for NCBS	SCORE wave 2 (to be confirmed)	Discontinue ISO15022					
Shareholder id	Mainly ISO20022								
Settlement & reco.	ISO15022 & ISO20022								No end date planned yet for ISO15022

Facilitating Flows to Emerging Markets

WFC showed us:

- An Increase of capital flows to emerging markets in past 10 years
- CSD links bring in capital and lowers debt financing cost
- Ways to support reconstruction projects and attract foreign investors

Global Issues with significant changes to CSDs environment

Settlement Efficiency & Settlement Cycle

U.S. & Canada moving to T+1 – May 2024 catalysed a global question with a unique European answer

The big question for Europe: **Higher settlement efficiency before a shorter cycle**

Each market should assess:

1. The effects of a misaligned cycle globally
 - Can Europe and other markets learn from the U.S. move?
 - What material affect will there be on securities traded and settled in Europe?
 2. A cost-benefit analysis for CSDs:
 - Technology is not an impediment
- **Where do we stand?**
 - ESMA Settlement Efficiency Workshop
 - European T+1 Taskforce

Global Issues

Innovation – Distributed Ledger Technology (DLT)

Exploring the role of DLT in CSD related services in pilot projects

Recent developments in the private and public sectors (FTX, CHESSESS etc)

Some Upsides and Downsides

DLT's possible role in emerging markets

Legal and Regulatory challenges

DLT Going Forward

Public and Private applications of DLT

Role of international bodies as standard setters

