



Americas Update

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Americas Regional Update



- Greater coordination among US industry groups discussing standards with other global associations
 - ISITC/USNG; SIFMA; AGC; ISDA, FIX Trading Community and others
 - Monitoring of domestic and global regulatory impacts as well as market infrastructure impacts on E2E post trade lifecycle including investment managers
- Coordination with Canada NMPG
- Coordination with Brazil NMPG

Brazil Update



- Brazilian Payment System
 - WG with representatives from all Brazilian market's FMIs, financial institutions associations and the National Treasury to study the current ISO 20022 payment business models and message catalogues vs. needs within the Brazilian market.
 - The work was finalized in October 2017 and the final paperwork is being analyzed internally by the Brazilian Central Bank as well as the next steps regarding this work.
- SELIC
 - Brazilian system for the registration and liquidation of government bonds. Since October 2015, SELIC is using the ISIN code to identify government bonds, beyond name and maturity date. All government bonds issued in Brazil now have an ISIN code.
- ANBIMA Exchange of Information between Investment Funds
 - Brazilian Regulatory Agency for Pension Funds decision to adopt the ISO20022 Securities Balance Accounting Report in November, 2016 helping to expand the implementation beyond previous custodian adoption initiated in 2015.
 - In April/2018, the Brazilian Regulatory Agency for Pension Funds released a letter to the public stating that participants should send the messages following the standardization rules established by ANBIMA and that all assets should be identified by the ISIN code.

Brazil Update



- B3 Central Bank (BM&F Bovespa and Cetip) ISO20022 adoption initiatives:
 - iMercado initiative to facilitate communication among market participants allowing the exchange of post trade information to be automated and standardized between the buy-side and the sell-side.
 - Meetings held to identify most important flows focused on Allocation, Nonresident Registration Form and Pre-Matching due to the benefits in the potential reduction of settlement cycle from T+3 to T+2. Noted the reduction of the settlement cycle is not a pre-condition to the production of iMercado.
 - The catalogues regarding these 3 flows are already published with 22 messages to date. All the messages were developed aligned to ISO20022 artifacts.
 - This project does not have a closed timeline published yet, but B3 intends to implement it until the T+2 migration.

Brazil Update



- B3 (BM&F Bovespa and Cetip) Clearing:
 - Post-Trade Integration Project (IPN) initiative to combine into a single integrated clearinghouse. The project was divided in two phases:
 - Phase 1, covering derivatives went live on August 2014
 - Phase 2, covering equities went live on August 2017
 - The protocol of the messages aligns to ISO20022 artifacts and some messages regarding administration, trade services management and business application header can be considered completely ISO20022.
 - Currently, the Clearing has more than 200 messages derived from the catalogue of ISO20022, or built using the ISO repository and following the standard.

Canada CCP Update



- Bank of Canada recommendation to move to a CCP model for clearing of fixed income repo and cash trades as a response to 2009, G20 commitments.
- Dealers and interdealers are currently participating (as of February 2012); the next phase is to roll out this offering to Buy-Side client participants.
- 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



- Working Groups include:
 - Corporate Actions
 - Derivatives
 - Margin & Collateral
 - Reconciliation & Reporting
 - Reference Data & Standards
 - Regulatory
 - Securities Lending
 - Settlements
- Forums include:
 - Broker Dealer; Custodian; Investment Manager; Middle Office; and Vendor/Utility
- Committees include:
 - Industry Engagements; and Marketing

Corporate Actions WG



- Collaboration with SMPG CA WG; Corp. Actions Maintenance WG; SIFMA CA Division and other industry associations and vendor/utility working groups
- Continue work with CA Tax Subgroup
- Examine regulatory changes that impact Corporate Actions
- Continue ISO 20022 DTCC transformation project
- Participate in annual change request process to improve the CA MT and MX messaging standard

Derivatives WG



- OTC Derivative Identifier Initiative – ISO Study Group; ISDA Symbology Group; SIFMA AMF Unique Identifier WG
- Consolidation of ISITC Listed Derivatives MP with SMPG document
- Expansion of cleared products focus – FX Options, CFDs, Repos, and other current non-mandated OTC products
- Implications of global regulatory and tax changes

Regulatory WG



- GSE (Fannie Mae/Freddie Mac) single security model
- MiFID II security and FX data element reporting outside of settlement requirements
 - ISIN reporting
 - Unbundled commissions – Net settlement inclusion vs. not
- US Dividend Equivalent – 871m
- GDPR protections on personal data
- Consolidated Audit Trail (CATs) reporting

Margin & Collateral WG



- Previous sub-group of Settlements WG split out to allow more in depth discussion on various regulatory jurisdiction margin rules impacts and readiness
 - Initial Margin and Variation margin instruction/segregation, confirmation, status and reporting
 - Cleared Margin and Collateral Trade Date and Trade Date + 1 margin business and messaging flows

Settlements WG



- 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:
 - Third Party Foreign Exchange and NDFs; Security Finance/Repo; Securities Related Payments; Time Deposits; and Bank Loans