



European Harmonisation - A Custodian View

EMIG – Prague April 2015

Passion to Perform



Agenda



1. Reducing Risk – how harmonisation reduces risk for Custodians and clients.
2. European SME replacing market SME's – the benefits of not having key man dependencies
3. Increased automation – risk mitigation, reduced costs = a standardised market
4. Meeting the demands of clients – achieving the right balance
5. Shaping the industry without Regulation

Reducing Risk



Announcements

1. One golden source, the Issuer CSD.
2. Official Corporate Action Event Reference – COAF
3. Standardising event types

Sequence of dates

1. Mandatory events & Mandatory reorganisations

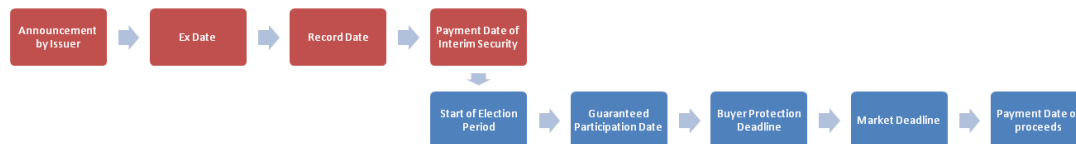


- Reduced market claims
- Faster payments



- Increase settlement = reduced transformations
- Faster payments

2. Distribution with options & Reorganisations with options



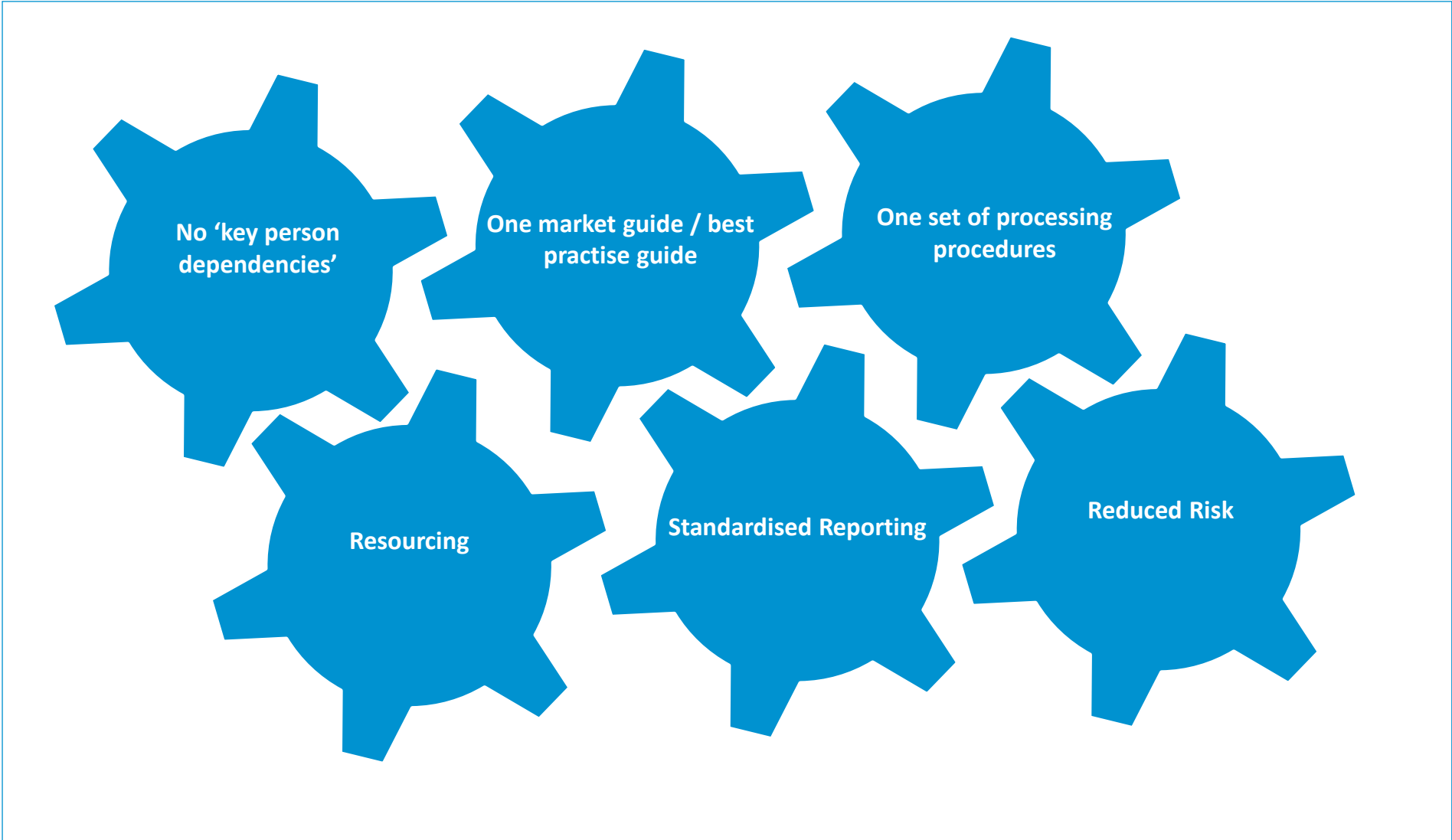
- Crystallised position as at buyer protection deadline means electing after final settlement has taken place – huge reduction on risk.

3. Voluntary events

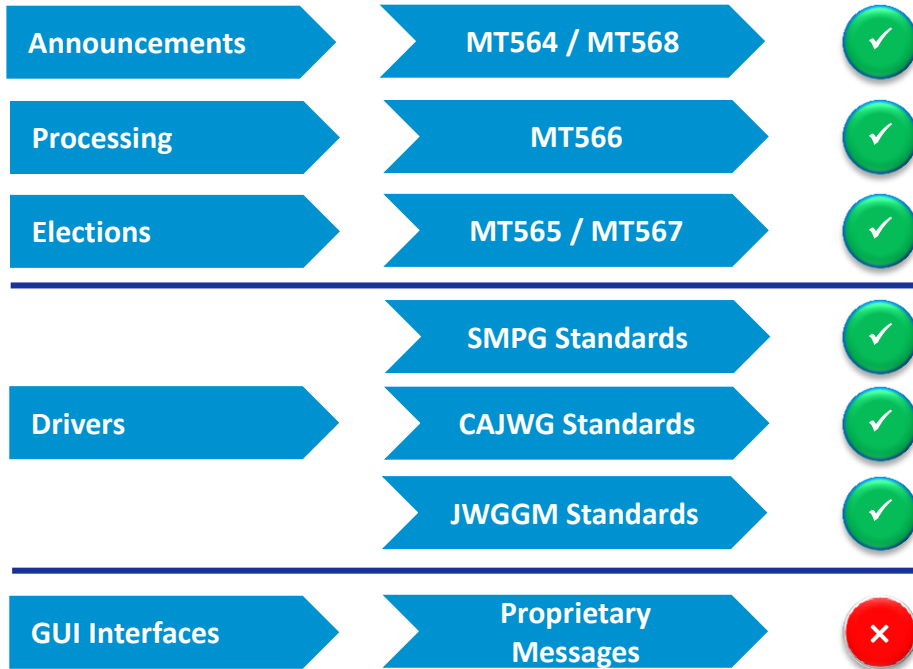


- Introduction of the Guaranteed Participation Date informs clients of the last day they can trade in order to participate in the event

European SME replacing market SME's

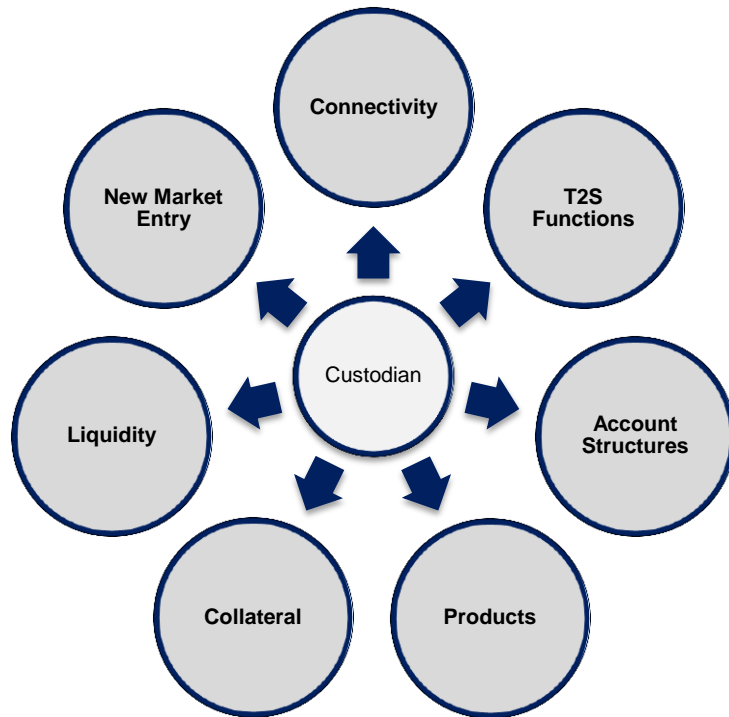


Increased automation



- One set of message standards across Europe.
- One method of electing across Europe
- One method of reporting of electing across Europe

Meeting the demands of clients



- Improved settlement instruction deadlines
- Improved corporate action instruction deadlines
- Access to collateral programs
- Improving liquidity
- One account for all markets
- One communication channel / access link

All of the above is possible if Europe were **harmonised**

Shaping the industry without Regulation / Directives

