

# Challenging the Assumptions About Corporate Actions -Rationalizing Industry's Efforts to Reduce Risk and Cost

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# How ACSDA is acting ?



- 2006 The Corporate Action Working Group was proposed and approved by the Executive Committee.
  - ✓ Raise awareness of the new group.
  - ✓ Involvement with Global Securities Market Practice Group.
- 2007 Survey members to understand Corporate Action landscape in each member's country and Issues faced.
  - ✓ The results were presented in different forums.
- 2008 Submit the ECSDA questionnaire among ACSDA members.
  - ✓ The results were consolidated and presented to the Executive Committee and ECSDA.



# How ACSDA is acting ?



• In 2009 ACSDA started its participation in the ISSA Working Group of Corporate Actions.

✓ The WG ISSA is comprised as follows:

▪ 6 Financial Institutions

❖ Citigroup

❖ Deutsche Bank

❖ Goldman Sachs

❖ JP Morgan

❖ UBS

❖ Clearstream

▪ SWIFT

▪ 3 Central Depositories

❖ JASDEC

❖ DTCC

❖ INDEVAL

▪ ISSA



# ISSA CAWG.....



Was designed to create a guiding document to homogenize, harmonize and standardize the operation of corporate actions.



# The ISSUE.....?



- 20 years with modest gains based in at least the follow reasons:
  - ✓ A broader range of players and functions impacting the process, some with little perceived incentive to change practices.
  - ✓ Greater complexity, fuelled by innovation on the part of issuers and their investment bankers making standardization difficult; and longer duration.
  - ✓ Less regulation across the spectrum of players, in most parts of the world.
  - ✓ A tendency for problems to have less visibility, and impact on fewer players directly - versus clearing and settlement with its credit, liquidity, and systemic risk components.
  - ✓ No crisis (as yet): partly because better settlement infrastructures have helped, partly because of historically manageable volumes that have, however, ramped up sharply in recent years.



# Current Situation



- 2009 was a year of global crisis.
- It was a year where the operational process does not have important problems.
- The main problem was that some Issuers paid late or not made.
- We can not continue like this , we must be proactive.





# The Objective.....?



- The goal is to achieve better end-to-end processes *and* greater process harmonization across markets.
  - ✓To synthesize existing and emerging global industry initiatives.
  - ✓To facilitate the alignment of efforts among the various industry groups.
  - ✓To highlight recommended practices being implemented or planned around the world.



# Tasks and activities for 2010.



- The first draft of “Global Corporate Actions Principles” was published on January 15.
  - ✓It was translated into Spanish.
  - ✓Both were deliver to all members for comments.
- Persons assigned by country provided comments to the document.
  - ✓Deadline for comment March 11 /2010.
- Also there is questionnaire and now we are reviewing feedback.
  - ✓Deadline for comment end of March /2010
- The final version will be deliver to the Executive Committee and all members.
- The document will be present in the ISSA Symposium on June 2010.





# Tasks and activities for 2010.



- ACSDA will continue with its participation in ISSA.
- Encourage to structure NMPG.
- The Co Leaders will continue representing ACSDA on international forums, such as:
  - ✓ The SMPG
  - ✓ XBRL World Group
- Organize a conference call to XBRL Co. to understand the concept.



# Questions & Answers

