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### **ISITC Releases New Market Practice Addressing Security Collateral Settlements**

Scottsdale, AZ – 14 June 2010 – ISITC (International Securities Association for Institutional Trade Communication), the industry trade group focused on standards in transaction processing and related communications, today announced the release of a Market Practice addressing settling security collateral instructions utilizing ISO15022 standards. The Market Practice, which focuses on the communication from the investment manager to the custodian bank, establishes the position of the ISITC Settlements Working Group regarding collateral settlements messaging.

Erica Choinski, Executive Sponsor of the ISITC Settlements Working Group, said, “We developed this Market Practice to address the disparate methods being used across the market for instructing collateral settlements. In order to address this inefficiency, we think it is vital for those operating in the market to align their methods, and we urge them to adopt the standards set out in this Market Practice.”

The Market Practice makes recommendations to use ISO15022 messages for the instruction of security collateral receipt and delivery initiations. It outlines the business elements to be included in initiation messages to settle securities collateral from a custody perspective for both broker-owned and client-owned collateral movements, as well as instructions for tri-party client-owned collateral segregation instructions. These instructions are designed to streamline and unify the collateral movement process so as to promote greater integration and cooperation among investment managers and custodian banks.

Firms today are faced with many challenges, including the possibility of new financial regulations and changing collateral requirements for the industry. As these new requirements grow in complexity and continue to change, having standards in place for messaging will be ever more important. Firms who undertake to adopt the standards set forth in the Market Practice will benefit from increased efficiency and cost savings.

“ISITC exists because eighteen years ago, members of the securities-trading community saw a need to establish industry standards to make processes more efficient and economical,” commented Gary Probert, Chair of ISITC. “This Market Practice is the latest ISITC effort to continue to institute and refine these standards to improve the industry’s workflow and processes. The value of ISITC’s Market Practices is in the collaboration of our member organizations, who are representative of the industry as a whole, and this Market Practice is no exception,” Mr. Probert continued.

For a copy of the Security Collateral Market Practice, please visit [http://www.isitc.org/market\\_practice/](http://www.isitc.org/market_practice/).

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#### **ABOUT ISITC**

Comprised of 1,500 individuals from 350 companies worldwide, ISITC provides members with the means to revolutionize the securities-trading process. ISITC brings together broker/dealers, custodians, investment managers, vendors/utilities and other industry professionals to develop proposed standards that are designed to enhance efficiencies in trade processing and related communications. Through collaboration, ISITC's members reduce inefficiencies, lower risk and build shareholder value while developing and promoting the global securities industry. For more information on ISITC, please visit our website: [www.isitc.org](http://www.isitc.org).