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ISITC Says It Will Focus on 3 Working Groups in 2008

BOSTON — The International Securities Association for Institutional Trade Communication (ISITC) will place greatest emphasis in 2008 on securities and investment industry operations improvement efforts by two of its working groups, the Investment Funds Working Group and the ISO 20022 Working Group, according to Genevy Dimitrion, Vice President of Product and Technology Solutions at **State Street Corporation** and newly installed chairman of the trade group.

“For the US market, ISO 20022 messages are a critical topic to address,” says Dimitrion. “It’s an opportunity to grow the organization and bring on new members to focus on investment funds [issues], and what our market practice groups are doing, looking at subscriptions and redemptions in the US market. We don’t have to start from scratch; we can leverage a lot of business processes as defined by Asia-Pacific and European markets, and assess if those are in line with how the US market works, and what adjustments are needed.”

In addition, ISITC’s Commission Management Working Group is working toward adoptions of new messaging codes for client commission arrangement (CCA) processing. This working group is also working to finalize market practice for trade reconciliations between participants, regarding commission payments, to develop a checklist for regulatory policies and internal compliance procedures, and to work with software vendors, investment managers and broker-dealers, according to Jan Snitzer, Executive Sponsor of the working group, and Vice President at **Loomis, Sayles & Company**.

ISITC’s newest working group, Market Practice — Payments, was formed in December 2007 because the association saw a need for more attention to payments issues in market practice, according to Norman Papazian, Executive Sponsor of the working group, and Vice President,

ISITC’s newest working group, Market Practice – Payments, will address messaging in support of securities lending and OTC derivatives.

SECURITIES MESSAGING STANDARDS

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Information Technology, Client Technology Services, at State Street. “This work had been contained in the settlements working group,” says Papazian. “Our group is addressing a market practice that is more encompassing, along the lines of standards for market practice documentation, which involves a lot more information for identification of the players.

“More specifically, we will address payments-related messaging in support of securities lending activity, OTC derivatives, securities in general and then corporate actions and foreign exchange,” he adds. “We see a lot of improvements in messaging for OTC derivatives, between investment managers and custodians, and the introduction of the use of FpML messaging in that space, but FpML isn’t covering payments information. So we’re looking to create market practices for messages for OTC derivatives flow.” Papazian expects the working group to issue practices in the third quarter of this year to implement in 2009.

All of ISITC’s new and ongoing working group efforts have great value to offer the organization’s participants, Dimitrion emphasizes. “The way the market and the economy are going re-emphasizes the work of our organization,” she says. “When firms get into cutting costs and [achieving] savings, the automation and straight-through processes that we focus on add a lot of benefits. This continues to drive us to work and build on our capabilities.” □