



Securities Services/Custody Master Class

An intensive which will furnish senior business management and relationship managers with the most recent securities services solutions and capabilities being expected by the international investment community.

1. Introduction to securities services/global custody

- The market and industry
- Users and providers
- Context of global custody and primary functions
- Role of the Sub Custodian
- Life cycle of a trade - the 7 linked phases of processing
- The communications chain - ICSDs, CSD's, etc.
- Trade settlement - demystifying the jargon
- Market practice: cut-off and value dates
- Safekeeping

2. Global custody – core services

What services do clients demand and expect from their global custodian

- Settlement
- Safekeeping
- Income collection
- Corporate actions
- Cash funding
- Tax management
- Reporting
- Banking facilities

3. Core services versus added-value products

- What services a global custodian needs to offer its clients
- Developing value-added capabilities
- Response to market demands/forces
- Differencing yourself from the competition
- Retaining the competitive edge
- Fragmenting the services
- Addressing client/global custodian pressure
- Pricing criteria

4. Corporate actions

- What are they?
- Why do they occur?
- Common types of corporate actions and examples
- Impact of corporate actions on derivative products
- The growing importance of proxy voting
- Importance of timing
- Industry initiatives

5. Global, regional, best in market, coverage

- Master custody agreements
- Sub-custody agreements
- Requests for Proposals (RFPs)
- Service Level Agreements (SLAs)
- Bundled or unbundled fees
- Pros & cons
- Sub-custodian network
 - The good with the bad
- Options available

6. Request for Proposal (RFP) & Service Level Agreements (SLAs) Master Class

Asses the pros and cons of the RFP process and understand the hurdles and series of formal evaluation methods.

Service provider comparisons: Citi, JP Morgan, State Street, HSBC & RBC Dexia

- The quality of basic services
- Personnel and support
- Levels of risk assumed
- Nature of guarantees and indemnities
- Full range of added value services
- Points of focus

7. Winning business through innovative Relationship Management

- Client buying criteria
- Get it right the first time
- Service excellence
- Expert advice
- Solutions versus product and service quality
- Getting to the decision maker
- Traditional versus modern relationship management
- SMART standard
- Exceeding client expectations
 - Quality
 - Price
 - Product
 - Location
 - Service
- How best to describe the solutions and services being offered
 - Negotiation versus selling
 - Linking 'features' to 'benefits'
 - Identifying potential cross-product/selling opportunities

8. Ultimate client expectations – “I want the answers to questions I have not even thought of yet”

- Relationship management – “One size does not fit all”
- Client retention versus business attraction
- Top 10 tips for long term client retention

- 10 things you need to know about your clients
- Recommendations, rules and requirements
- Using management information (MIS) effectively
- Managing and developing customer services operations
 - Identifying and training key relationship people
- Developing an effective relationships with senior management
 - Production and distribution of information
 - Escalation procedures

9. Operational risk - “NO EXCUSES”

The focus of this session will ensure delegates understand the specific risks associated with operations processes.

Factors influencing the importance of operational risk

- Market consolidation and margin squeeze
- The complexity and sophistication of IT systems
- Hidden risks posed by complex financial products

Identifying and classifying operational risk categories

- Fraud and theft
- Systems and operations
- Communications
- Documentation
- Improper business or market practices
- Suitability, disclosure and fiduciary
- Unauthorised activity
- Transaction capture, execution and maintenance

Analysing specific risks

- Technology
- People
- Process
- External/counterparty

Generic approaches

- Do nothing
- Insurance
- Risk profile mapping
- MIS
- Straight Through Processing (STP)
- Processes and controls
- Systems reconciliations

Case studies, exercises and short multiple-choice examinations will be included in components of the program. In-depth securities market profiles will be produced for markets covered in the case studies.