

AFME POST TRADE DUE DILIGENCE QUESTIONNAIRE

SAVE TIME AND MONEY

ALAN CAMERON
SECURITIES SERVICES

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Update on AFME Due Diligence Questionnaire (DDQ)

- DDQs are increasingly burdensome
- AFME Post Trade Board set-up a 'task force' to investigate
- AFME DDQ designed to make process more efficient
- AFME DDQ is comprehensive



We need widespread adoption



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Due Diligence Questionnaires (DDQs) are increasingly burdensome

- Increasing numbers
- Unclear scope
- Complicated by more complex service delivery models
- Haphazard format and order
- Poor and late responses
- Outcry of anguish at NeMa 2015



We cannot continue managing DDQs as we do today



AFME Post Trade Board set-up a 'task force' to investigate

- Major global custodians, investment banks and sub-custodians all joined
- Objective to create an industry standard DDQ for local market custodians for 2017 (in English) – now looking to address ICSDs and Global Custodians
- Constructive engagement from Thomas Murray
- Met throughout winter 2015 to end of 2016
- Aiming for 80/20

➤ **December 2016 final version available on AFME website**



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AFME DDQ designed to make process more efficient

- Freely available to all as 'word' document - supported by Thomas Murray and MYRIAD
- It is market specific not client specific
- Not about service levels, legal agreements, commercial terms
- 'Y/N plus' format – some matrices
- Focus on changes
- Will be reviewed September 2017



Please use – but do not amend or reorder instead add supplementary questions



AFME DDQ is comprehensive

- Credentials – all about the respondent's group
- Asset safety and custody (a) regulations, laws and market practices (b) accounts CSDS (c) control and reconciliation (d) physical holdings
- Risk mitigation (a) controls and audit (b) IT, DR, cyber security (c) BCP (d) financial crime (e) data
- Systems – (a) reporting (b) plans (c) protection
- Core services (a) settlements (b) asset servicing and taxation (c) SLAB (d) client services



Initial feedback is that 80/20 has been surpassed



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- Initial feedback is that 80/20 has been surpassed



Please review, use and provide feedback



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