Membership Matters

There was an update to the Membership Guidelines following the two resolutions passed unanimously.

• Resolution 4: The ANNA members approve an amendment to the ANNA Membership Guidelines on Voting on Resolutions that clarifies the position on the absence of members and those members holding Powers of Attorneys (PoAs) during a General Meeting. This means that if a member is not present at the time of vote casting, this can be due to physical temporary absence or no representation of the member in the room, the vote(s) held by the member including any POA being held, will be counted as an abstention.

• Resolution 3: At the start of each General Meeting, the total voting cards held (one per Jurisdiction) will be counted. Following this initial roll call, if the number of votes counted meets the quorum as set in ANNA’s membership Articles, a resolution can be passed. Any members not present at time of vote will be recorded as an abstention and will not be counted.

If a member holding POA is not present at the time of vote casting, this can be due to physical temporary absence or no representation of the member in the room, all votes held by the member will be counted as an abstention.

The Board also proposed an amendment to the ANNA membership guidelines that clarifies the position on the absence of members during a General Meeting at time of vote.

• Resolution 5: The ANNA members approve an amendment to the ANNA Membership Guidelines to include ISO 18774 alongside the existing ISO 6166 and ISO 10962 assignment responsibilities. The ANNA members approve the adoption of the ANNA Membership Guidelines May 2017 as presented by the ANNA Board.

Suspension of Partnership/Membership

• Resolution 4: Due to the inability to resolve the outstanding issues raised, the ANNA Membership authorises the ANNA Board to proceed with the suspension of their partnership/membership and to communicate this to the Nairobi Stock Exchange & Libyan Stock Market and their local market Regulator.

Financials

Resolutions related to the Financial Report 2016 as well as financial documentation were sent to the membership prior to the General Meeting. The ANNA Treasurer, Dr. Tarek Abdel Bary (TA), confirmed that part of the funds loaned from ANNA to the DSB, that is due to be paid back in 2018, partly relates to 2016 (EUR 780K) and the remaining part (EUR 70K) is to be accounted for in 2017 the resulting total being EUR 850K.

The exceeding budget for lawyer related costs is part of the loan given to the DSB.

The following Resolutions 1 to 3 were passed unanimously:

• Resolution 1*: The General Assembly accepts the audited financial figures of ANNA for the financial year 2016 with a balance sheet total of EUR 1,725,476 and a profit of EUR 83,204

• Resolution 2: The ANNA members accept the report issued by the external auditor KPMG, Belgium.

• Resolution 3: The ANNA members discharge the Board of Directors of ANNA of their duties.


Old Resolution: The General Assembly accepts the audited financial figures of ANNA for the
financial year 2016 with a balance sheet total of EUR 1.725.476 and a profit of EUR 83.204. **Amended Resolution**: The General Assembly accepts the audited financial figures of ANNA for the financial year 2016 with a balance sheet total of EUR 2.119.368 Euro, income statement with 1.725.476,66 Euro and a profit of EUR 83.204. The profit and loss account take in consideration a rebate of EUR 475.592,17 (EUR 5.226,28 per member) to ANNA members in accordance with article 28(C) of the by-laws.

**Financial Forecast 2018**

- **Resolution 2**: The members approve the financial forecast for ANNA for financial year 2018 as presented by the Board of Directors with:
  - A member’s contribution of EUR 4k per member.
  - Total revenue of EUR 858.5k
  - Total expenditures of EUR 780.4k
  - Total expected profit of EUR 78.1k

**Membership Compliance**

Members were reminded of their membership obligations and that areas of non-compliance are closely monitored by the Board. Concerns were raised by some NNAs that are unlikely to meet the CFI & FISN implementation deadline set by TF20 at the December 2016 EGM in Bangkok, Thailand. Despite this, amended Resolution 6 was unanimously passed:

- **Resolution 6**: The membership empowers the Board to develop a proposal for penalties associated with CFI/FISN implementation non-compliance.

- **Resolution 2 (EGM)**: The members approve the proposed measures for CFI / FISN non-compliant NNAs as proposed by the Board. These measures will apply retrospectively as well as on-going. These measures are:
  - Notify the NNA’s Regulator of non-compliance
  - Make public the names of non-compliant NNA’s on the ANNA website
  - Leverage IOSCO to send a letter to the non-compliant NNA in their jurisdiction.
  - ASB to step in to back fill CFI codes (first 2 characters only)
  - Request ASB Operators to check feasibility to generate FISN codes from existing ASB dataset where known gaps exist. If possible developing costs to be determined and agreed

**Applications for Partnerships**

CJSC “Central Depository” of Tajikistan applied for partnership. The Secretariat notified the membership that formal requirements have been met. Application was unanimously endorsed by the members.

**Applications for Membership**

Bolsa de Valores y Productos Asunción of Paraguay (Paraguay) and Bolsa de Valores de and Moçambique (Mozambique Stock Exchange) both gave presentations at the Chile EGM.

Both applications were unanimously endorsed by the members. The ANNA membership then comprised 92 full members.

**ANNA Service Bureau (ASB)**

Operator’s Report (Quality matters) – members were presented with ASB volume statistics as well as on the core ongoing quality issues on issuer and instrument data.
In the ASB TC Chair Report a presentation was given on 1) ANNA ISIN Record Lookup Service, 2) New ASB Pricing 3) New customer contracts. NNA’s were also reminded on the use of the new ASB 2015 CFI code indicator. The Board also recommended that each NNA inform their respective markets of their CFI & FISN migration timelines. The ESMA reference database (FIRDS) due to be launched on July 17, 2017 was not seen by the Operators to have an impact on ASB.

Elections
Board Member (x 1): As a result of one candidate being nominated for one seat, an open ballot was conducted according to the Membership Guidelines. Euroclear Bank, represented by Mr. Dan Kuhnel was elected for another 3-year-period (until end of 1st General Meeting in 2020). The mandate will continue to be exercised unremunerated.

ASB TC members (x 2): National Settlement Depository (NSD), Russia, represented by Ms Elena Ulianova was (re-)elected for another 3-year-period (until end of 1st General Meeting in 2020). KDD Central Securities Clearing Corporation, Slovenia, represented by Mr Iztok Klemenc was (re-)elected for another 3-year-period (until end of 1st General Meeting in 2020)

DSB – Derivative Services Bureau (OTC)
With regards to Governance and the DSB investors, it was outlined that external investors, i.e. non-NNA investors, were invited to invest but in the end did not step-up with any financial contributions. All opposing comments raised by the market An important element of ensuring the DSB transparency is through company Documents being publically available from Companies House, the UK business registration body.

On the technical side, it was reported that currently 83 organisations are participating in the UAT environment (User Acceptance Testing); 43 are testing FIX connectivity of which 17 are already live. Testing is free of charge. The DSB had launched several industry consultations throughout 2017 including fee model papers. Some members were not aware of these DSB consultations, in the future it was noted that the Secretariat will send out emails to all ANNA members to advising of new available material. Members may also subscribe to DSB News via a subscription pop-up on the ANNA website.

Status and implementation of ISO Standards
New structure TC68: An overview of the ISO TC68 restructure, implemented in April 2017, with two new subcommittees being created (SC8 Reference Data and SC9 Information Exchange both with extended scope) replacing the former SC4 and SC7 Subcommittees was given to the members.

ISO 6166 (ISIN) update
Reports now have to be sent to the responsible SC (Sub Committee) instead of the ISO Central Secretariat. The new process is not clear about what needs to be reported and what future changes will need to be enacted. ANNA will seek clarity from the SC8 Secretariat. Critical elements that must be reported are the assignment fee overview and potentially, additional proof to show cost-recovery basis compliance. It was noted that the request from ANNA to start the periodic 5 year revision of the ISO 6166 standard a little earlier was rejected at the SC8 meeting. This was due to, in part, the FIGI item being open for ballot at the time.

ISO 10962 (CFI)
Terms of Reference for the review of ISO 10962 Standard and the current status of
Discussions were outlined to the members. The DIS (Draft International Standard) will be sent to the SC8 Secretariat for format preparation before submission for voting. A new Study Group is also being formed to address the CFI as part of the Unique Product Identifier (UPI).

Reports from Working Groups and Task Forces
WG1 – Assisting Emerging Markets
Several aspects of the members and partners rights and obligations were covered in a written report that where highlighted in a presentation.

WG2 – ISIN Guidelines
Four conference calls were held during 2017 covering technical queries raised to the working group for ISIN guidelines consideration and inclusion. There were many topics discussed which subsequently resulted in a version update for NNA adoption. This also included ratification of the 1st version of the DSB guidelines

- Resolution 6: The ANNA members approve version 13 dated December 2017 of the ISIN Uniform Guidelines relating to ISO 6166 (8th edition) excluding Guideline items no. 7, 8 and 9. Each ANNA member will adopt the new guidelines in their respective jurisdiction as of December 1, 2017.

TF 20 - (Implementation of new standards; CFI, FISN)
Throughout the year the Board has put major focus on following up with NNAs on the implementation status and readiness for implementing the new 2015 version of CFI and FISN. The overall outcome was positive.

ISIN-LEI Link
- Resolution 5: The ANNA members agree to continue work with GLEIF on establishing the ISIN-LEI-Link on parameters presented at the Extraordinary General Meeting

Marketing activities & PR Update
Members were given an update on ANNA’s marketing activities. This outlined elements of the marketing campaign including its Goals, Website (DSB), Conferences/Activities throughout 2017 and external parties assisting ANNA with press interactions. Special focus was put on the use of social media platforms, in particular sharing updates through an online-forum such as LinkedIn. It was suggested that an overall questionnaire could be sent to local markets canvassing the overall satisfaction with ANNA etc.

Kristina Sutton
ANNA Executive Secretary