



## **Inside Perspectives: How ANNA is progressing during COVID-19 times**

During the past few pandemic-filled months, the implementation of business continuity plans has proved to have been of critical importance to organisations. COVID-19 has instigated periods of volatility for financial markets, meaning the National Numbering Agencies (the organisations in each country responsible for issuing International Securities Identification Numbers (ISIN)) have had to work tirelessly to maintain seamless support to their market participants. ANNA has also been kept busy during these unprecedented times, and we thought we should take this opportunity to give you a brief update on our recent priorities.

### **How have we kept things running?**

At ANNA, we are of the strong belief that we cannot remain stagnant and we need to continue to evolve and progress. Goals that were on the organisation's radar still need to be achieved. Actually, now we are in the new normal we are busier than ever because no one is travelling - productivity has increased.

### **What do our members and stakeholders need?**

In terms of our members, continued interaction and collaboration with external stakeholders, as well as our teams internally, is fundamental. We have let them know that we're still available and still listening to what is needed in order to evolve the service.

The current environment has also emphasised how important digitalisation has become. We have all been working in an ever-digital environment for the last couple of years. But even more so with this current situation, firms have realised that this has become a necessity. Digitalisation helps ensure that we have accessibility to appropriate tools needed to collaborate with our work colleagues in lieu of face-to-face meetings. It is key for ANNA and its members to continue to operate efficiently and have the right material for decision making. This includes fundamental aspects such as data accuracy and alignment, and making pools of information readily available. One positive aspect to have come out of the current situation is that everyone is much better prepared from a digitalisation standpoint or, at the very least, we now know what is needed in order for us to achieve our full capabilities.

### **What are the regulatory drivers?**

Of course, regulation remains key. ANNA has been working with other trade associations and industry stakeholders to look at the needs from the industry, from the standards that we're responsible for, and how we can assist and facilitate market participants to have the most comprehensive information they need in order to fulfill their regulatory obligations. There are a growing number of references within regulations that mention the use of the ISIN and LEI in partnership. In Europe these include:

- Securities Financing Transactions Regulation (SFTR) introducing requirements to improve transparency and monitor the risks associated with the securities financing transactions market;



- MiFID II - the cornerstone of the EU's regulation of financial markets for the improvement of protections for investors;
- European Market Infrastructure Regulation (EMIR) for the regulation of over-the-counter derivatives;
- Central Securities Depositories Regulation (CSDR) which aims to harmonise the authorisation and supervision of central security depositories; and
- Prospectus Regulation designed to reinforce investor protection by ensuring that all EU issued prospectuses provide clear and comprehensive information.

Outside of the EU, Canada in particular has harnessed the ISIN and LEI partnership through implementation of the Investment Industry Regulatory Organization of Canada (IIROC) Rules Notice 19-0071, Amendments Respecting Client Identifiers, Universal Market Integrity Rules (UMIR) and the Dealer Member Rules (DMR). Ultimately, there are impacts and consequences if the relevant reference data standards aren't available for those instruments that fall within the scope within the above regulations.

### **What's next?**

Going forward, the topic of standardisation will continue to be core to ANNA's mission. ANNA will continue to broadly encourage adoption of standards that relate to the identification, the description and the classification of financial and referential instruments, as well as complementary standards that work with the standards that the NNAs are responsible for to build additional benefit through those complementary efforts. For example, ANNA will continue to work on the linkage between the Legal Entity Identifier (LEI) and International Securities Identification Number (ISIN), which is a fundamental piece of the recently launched SFTR. By linking these two international standards together, there is a way of improving risk management and efficiency. ANNA is encouraging all national numbering agencies (of which 19 have already opted in to the initiative) to integrate the LEI standard into their ISIN record databases.

The identification of digital assets also holds a core plank in ANNA's strategy going forward. Markets are changing, and it is clear that with increased industry appetite for digital assets, it is integral that industry is provided with consistency, which in turn delivers improved efficiency, risk management and regulatory reporting capability. In that vein, ANNA's Technology Taskforce (TF-22) has now put forth recommendations regarding the role that ISINs should take in the harmonisation of standards for identifying digital assets.

As part of ANNA's mission, we will continue to engage with our members and support the broader financial markets and all stakeholders through continued support and promotion of international standards.

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