An aerial photograph of a city, likely Zurich, Switzerland, showing a river (Limmat) winding through the urban landscape. The city is densely packed with buildings, and a prominent church spire is visible. In the background, there are rolling hills and mountains under a clear blue sky. The text is overlaid on the center of the image.

Asset Services WG

A Call for Collaboration to Enhance Efficiency in Corporate Actions and Proxy Processes

ISSA Recommendation

- There is a solid business case to begin discussions leading to designing global principles and standards to guide national markets in implementing automated solutions for digitized event announcement data created “At Source”.
- This could lead to a significant increase in the speed and quality of the two-way flow of information and transactions between issuers and investors, maximizing the effectiveness and efficiency of corporate governance.
- While the benefits can lead to voluntary collaboration, there is a trend of regulation addressing this area.

How Do We Get There?

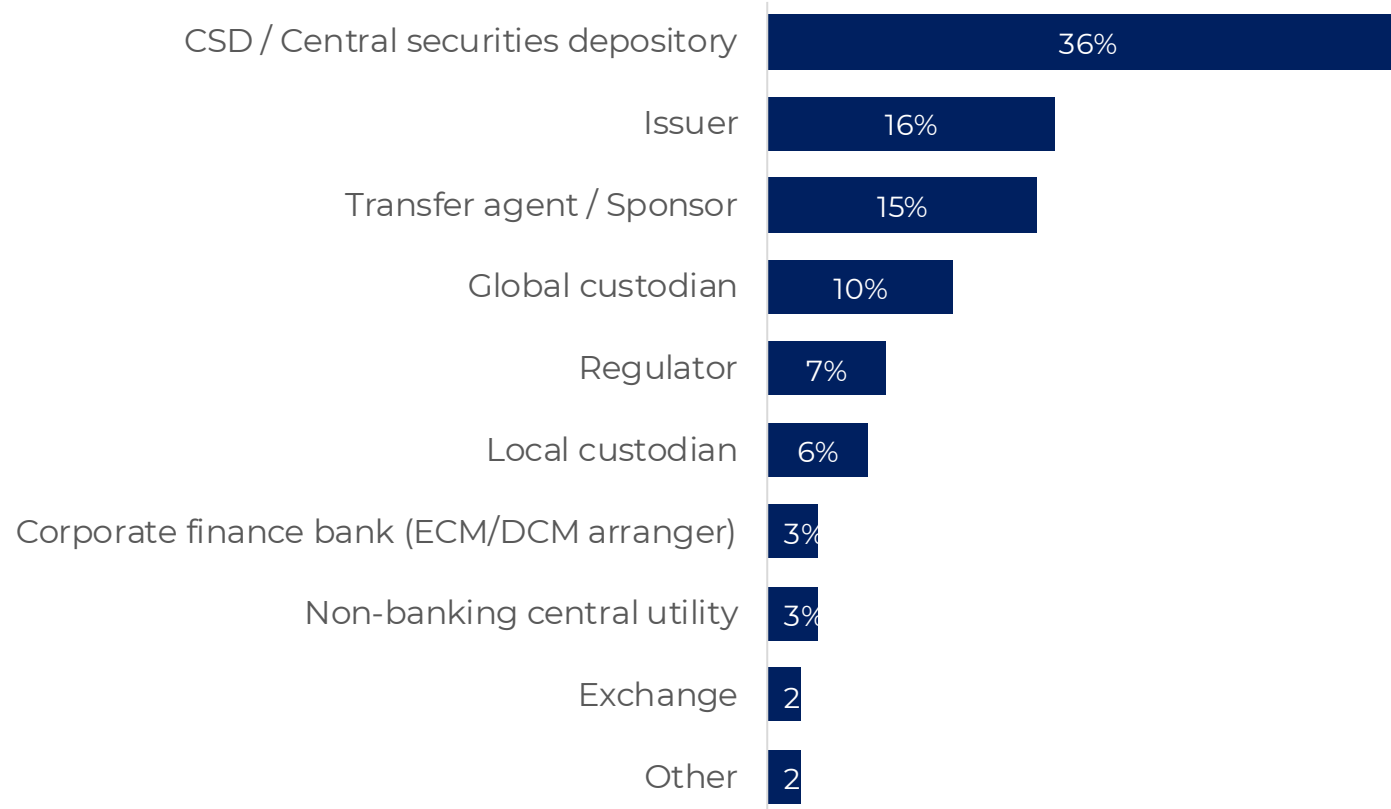
- Automation “At Source” to Create Scale
- Via Collaboration with Issuers/Agents
- National Market Task Forces

ISSA/Value Exchange/Broadridge Research Key Findings

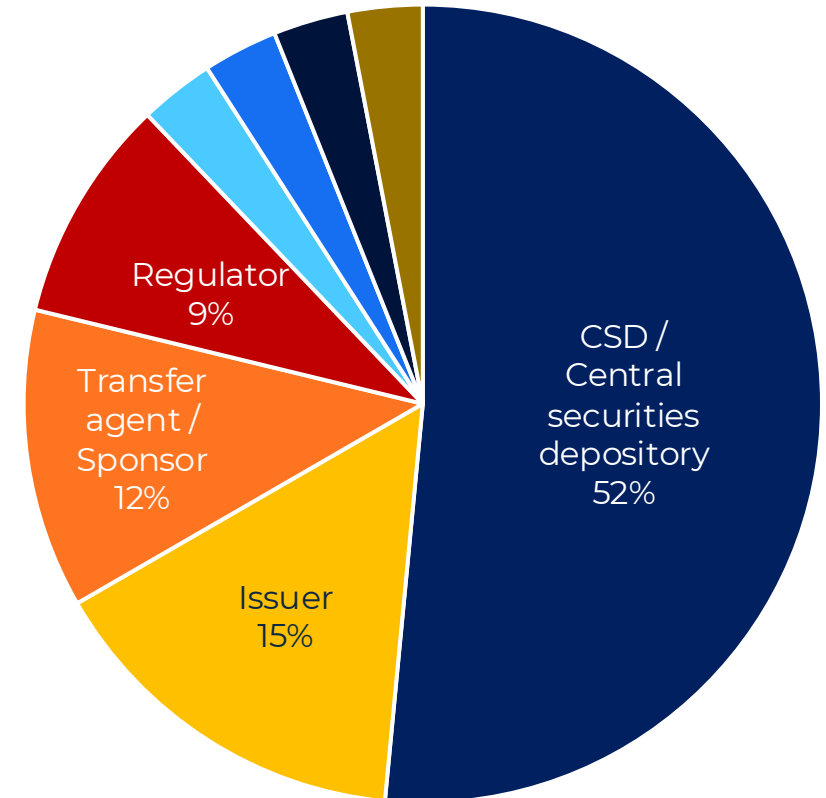
- Volumes
- Automation Budgets
- STP levels
- Error rates
- Issuer Needs
- Investor Needs
- Common Ground: Improve Corporate Governance

36% of firms believe CSDs should be responsible for golden copy event data – and CSDs agree

% of respondents naming each party as ideally being responsible for creation, maintenance and liability of golden copy asset servicing event data

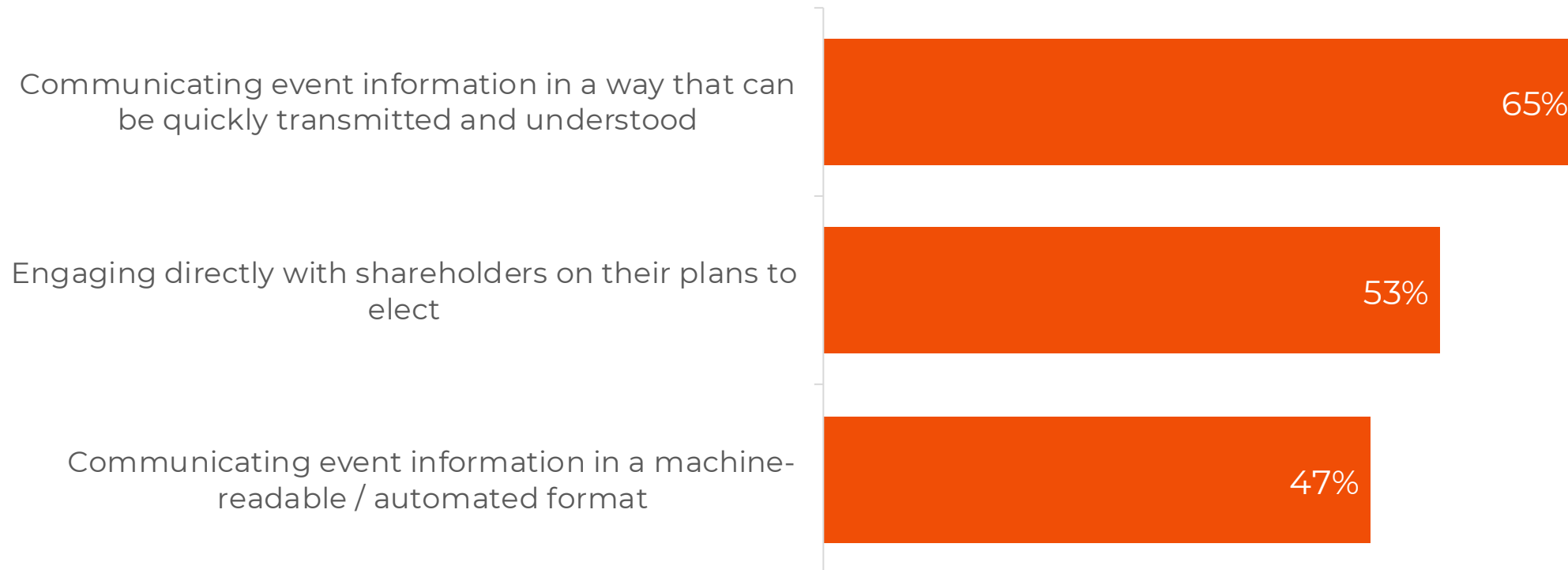


% of CSDs naming each party as responsible



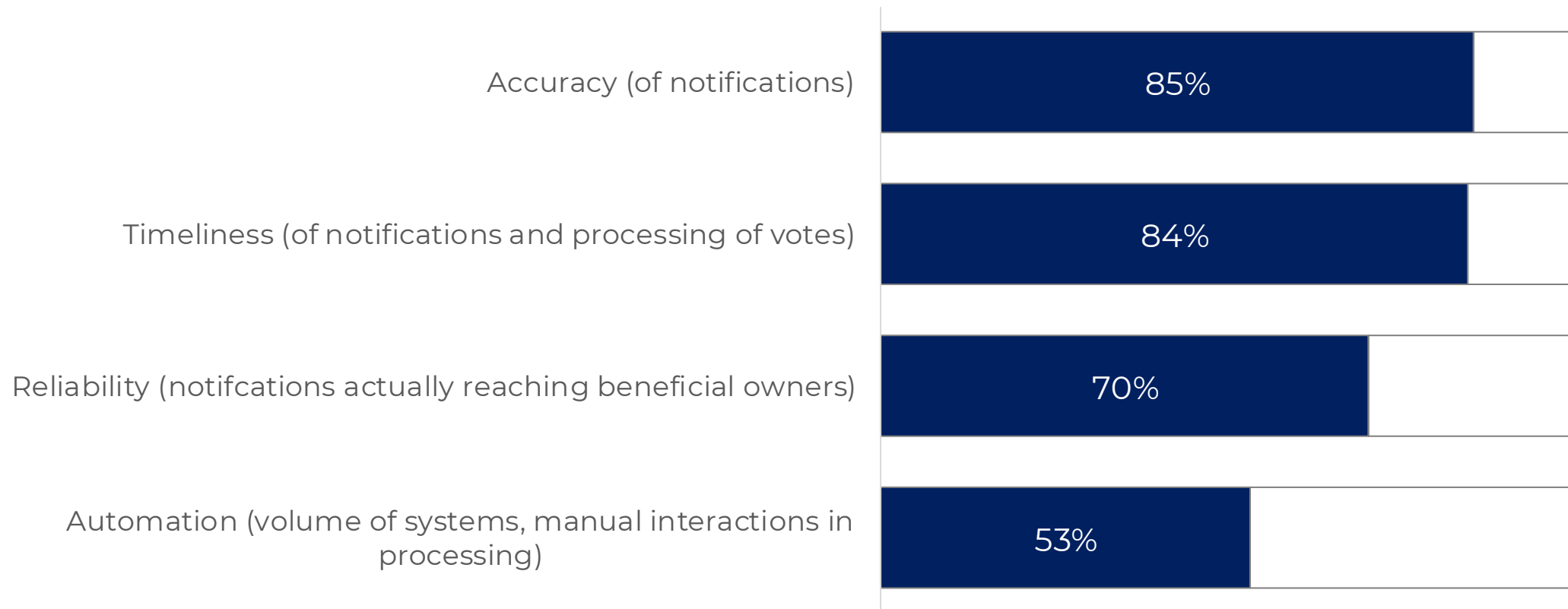
Speed and ease of communication is critical for 65% of issuers – ahead of automation

% of issuers citing each outcome as highly important



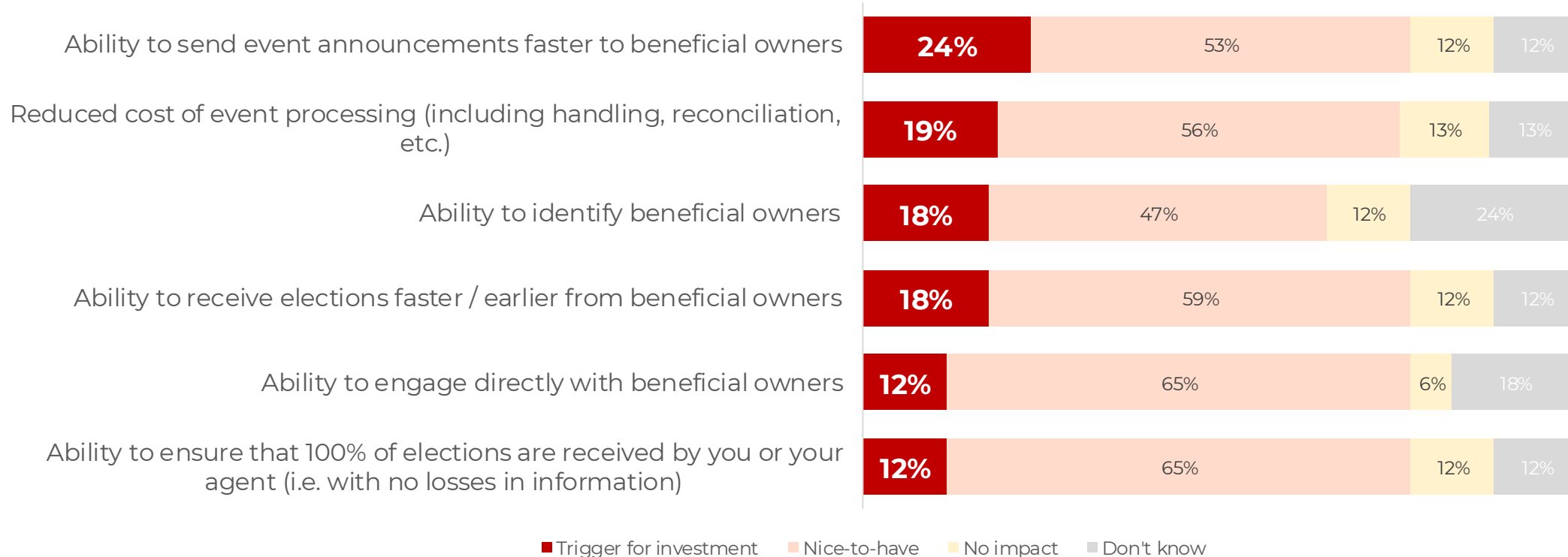
Issuers believe they are delivering accuracy and timeliness – but 53% know that they are not enabling automation

% of issuers scoring each process as very efficient today



What would trigger investment in automation? Faster communications would get 24% of issuers to invest

Key triggers in driving investment into machine readable event notifications to shareholders (% of respondents citing each)



“At Source” Initiative Case Studies

- Austria
- Australia
- Denmark
- Japan
- Mexico
- Norway
- Singapore
- South Africa
- Switzerland
- United States

Key Benefits of “At Source” Initiatives

- Timely and accurate Corporate Action announcements
- Significant Improvement in STP rates
- Improved speed, accuracy and overall efficiency
- Significant reduction in operational risks
- Removal of redundant duplicative processes and the resulting interpretation risk
- Reduced costs
- Improvement in customer communications/reduced query volumes

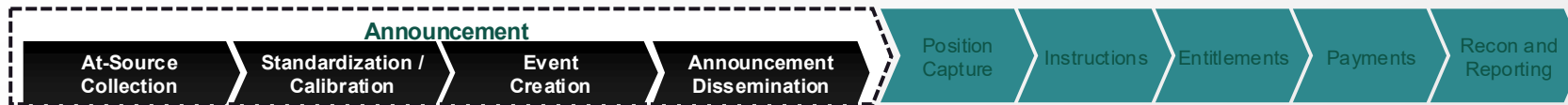
Issuers May Want to Start With Proxy Announcements

CORPORATE ACTION ANNOUNCEMENTS | COSTLY , INEFFICIENT , AND RISKY

Announcements Vision

Our focus is on transforming how corporate action announcements are created at source – introducing standardized, data-driven creation that establishes a reliable foundation for the corporate action lifecycle.

Corporate Actions Lifecycle



\$10B

The announcement process contains significant avoidable cost – driven by more than 13M unique interactions per event.

Announcement data underpins every downstream process, yet inconsistent data quality continues to drive operational complexity, risk, and cost across the industry.

Industry Drivers & Factors

Challenges in Standards are Leading to Fragmentation

- ▶ ISO 20022 is only adopted by DTC participants, not by the entire marketplace, thus downstream consumers must scrub data and reconcile from multiple sources

Data Quality Significantly Impacts Costs

- ▶ \$10 B of avoidable industry costs due to data fragmentation and lack of golden source data
- ▶ 60% of firms are paying over \$2 M in corporate action errors

Source: Value Exchange

CSDs are Leading Global Transformation

- ▶ Across multiple markets, CSD-led initiatives demonstrate how collaboration with issuer, agent and intermediaries can accelerate the adoption of standardized practices and lead to the source of “truth”.

Clear Announcement Data Enables DLT Automation

- ▶ Without a clean corporate action announcement and event data, we won't be able to realize the benefits of programmable smart contracts

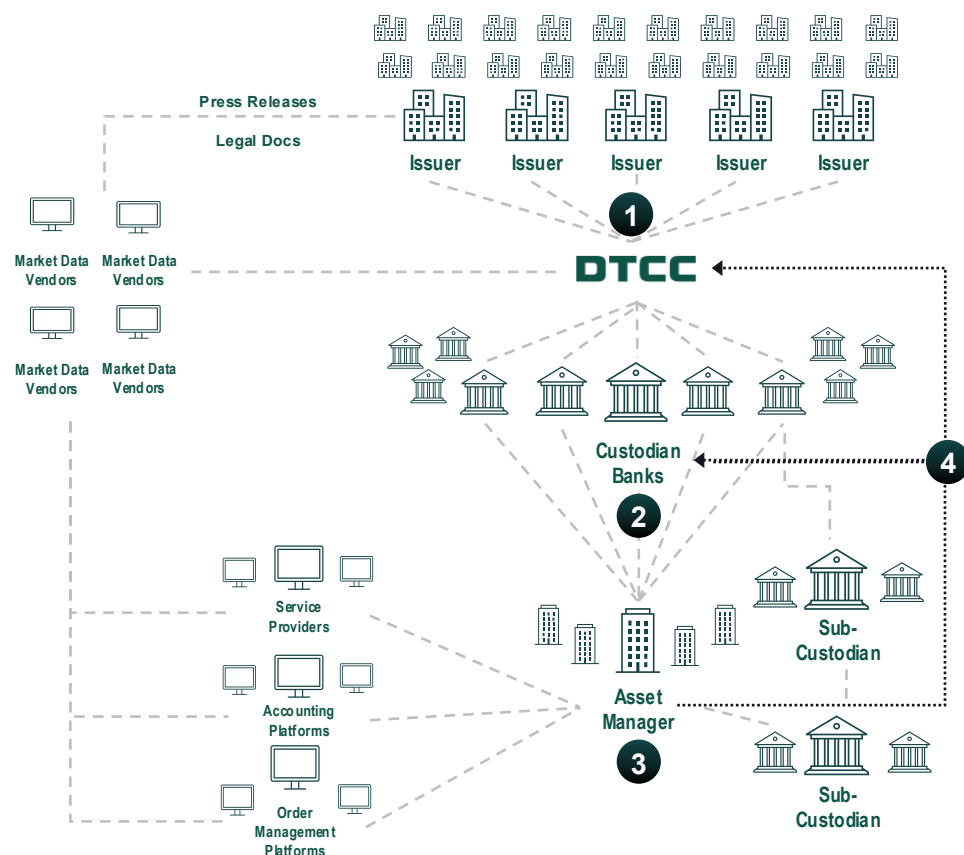
AI – Threat or Advantage?

- ▶ AI will enable DTCC to process CA announcements more effectively but is not the entire solution; standards, adherence to and enforcement of, are still the emphasis.

ANNOUNCEMENTS | CURRENT STATE: NONSTANDARDIZED CREATION & FRAGMENTED PROPAGATION

Without a common structure or validation point, announcement data must be repeatedly interpreted, reconciled, and redistributed across the ecosystem – driving operational effort, cost, and risk at every step.

Challenges with how Announcements are Propagated Throughout the Ecosystem



1. Issuers/Agents do not **conform to a standard announcement format** and DTC accepts announcements via emails, PDFs, and CSVs
2. DTC Participants **reconcile our data with multiple source** (e.g., market data) and may not distribute the data in ISO 2022 **which results in fragmentation**
3. Asset managers need to **reconcile all the announcements across their custodians / vendors that were fragmented in step 2**. Small to medium end users are less sophisticated with **more manual processes**
4. Errors are **communicated via phone or email** to the service provider and ultimately get reported to DTC, who in turn contacts the agent for clarification or guidance. Resolution of errors is then processed back down the same inefficient chain.

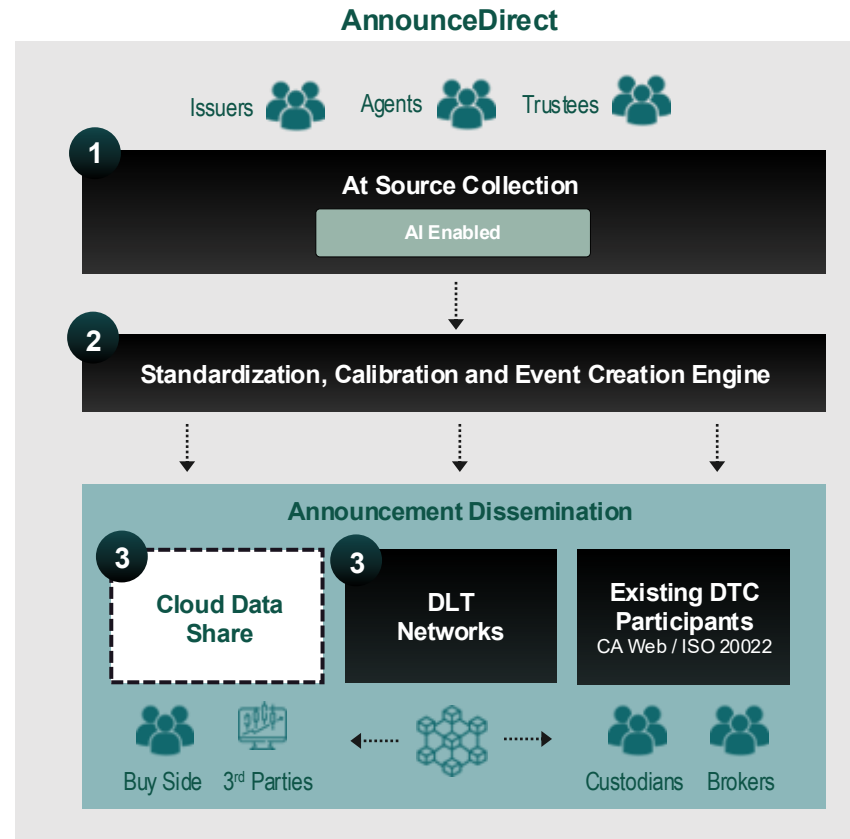
There are 60,000+ issuers, 250 participants, and 10,000+ beneficiaries represented in the above diagram

ANNOUNCEDIRECT | TARGET STATE ANNOUNCEMENT MODEL

Standardizing announcements requires more than a new interface – it requires re-engineering how event data is captured, validated and distributed across the industry.

- 1. At Source Announcement Collection**
 Captures announcements at creation, replacing fragmented and unstructured intake with a consistent entry point for issuers and agent-submitted data.
- 2. Standardization, Calibration and Event Creation**
 Applies validation and calibration logic to transform announcement inputs into consistent, processable event record, mapped to ISO 20022 for downstream consumption and routing.
 Reducing interpretation and rework while improving consistency and scalability of event processing
- 3. Announcement Dissemination**
 Delivers validated data through multiple channels, enabling downstream participants to consume consistent event information through multiple formats

 - **Cloud Data Share**
 Enabling access to event data via formats like Rest APIs, Messages, GUI
 - **DLT Networks**
 DLT based ISO 20022 distribution that will power on-chain corporate action processing



Our vision is to transform point-to-point fragmented distribution of corporate actions & reference data into a cloud-based data sharing process enabling investors, custodians, and service provider platforms a concurrent view of all event data.

ANNOUNCEDIRECT | ROADMAP AND NEXT PHASES



Current Progress: Advancing Through Focused Readiness Activities Ahead of Initial Release

- Technology build underway, moving into PSE (UAT testing), where the first event group that will be supported is redemptions
- Direct agent testing and feedback loops to refine functionality
- Monthly engagement sessions to demonstrate capabilities and share progress



Initial Release: Q4 2026

- **Launch Scope:** Controlled rollout to a defined population of agents
- **Event Coverage:** Redemption Events, supporting Full & Partial Call, Default Final Payments, Full Pre-Refunding.
- **Data Submission Methods:** Standard form, file upload, direct UI input
- **Core Capabilities:** Create & modify events, cancellations, optional maker/check agent workflow, document upload, work queues and event status visibility



Future Phase: Sequenced Expansion of Services

- **Next Priority – Reorganizations:** Focus on higher-complexity event types that benefit most from structured creation, validation, and early data quality controls.
- **Subsequent Phase – Distributions:** Extension to broader distribution events, leveraging the same operating model and submission capabilities introduced in earlier phases.
- **Ongoing Capability Expansion:** Continued extension of supported event types, submission methods, and workflow capabilities over time, informed by agent and client experience.