

Western Hemisphere Payments and Securities Clearance and Settlement Initiative



Strategy Guidelines for Future Activities (June 2003)

1. ORIGIN AND FOUNDATIONS

Payments and securities clearance and settlement systems are essential components of a nation's financial infrastructure and underpin the successful operation of modern integrated financial markets. System failures can result in major disruptions to the smooth operation of these markets, while system weaknesses directly expose market participants to financial risk. This risk must be properly understood and managed in order to protect the financial markets and underlying economies from contagion.

Payments and securities clearance and settlement systems in the Western Hemisphere vary widely in their efficiency, reliability and complexity. Some countries have developed modern electronic payments systems for large value transfers, while others have made considerable progress in establishing efficient clearing and settlement systems for securities. However, many countries have not yet moved away from traditional and potential insecure payments and securities clearance and settlement systems. So, there is substantial room for upgrading the existing arrangements and moving towards systems that are consistent with international standards and best practices.

Such efforts coincide with high-level government support of financial infrastructure reform in the Western Hemisphere. The Joint Ministerial Statement issued by the Summit of the Americas Second Western Hemisphere Finance Ministers' Meeting (Chile, November 1997), mentioned as one of the action points to strengthen financial markets and called "on the World Bank Group, in conjunction with the International Organization of Securities Regulators (IOSCO), the IADB and other interested parties, to compare existing clearance and settlement systems of Latin American and Caribbean countries to standards of the Bank for International Settlements and to the framework outlined in the IOSCO paper, *Clearing and Settlement in Emerging Markets*", and, based on this review, the Ministers called "on national and regional authorities to implement changes which promote efficient and secure clearance and settlement systems consistent with those standards."

As a result, the World Bank launched in January 1999 the *Western Hemisphere Payments and Securities Clearance and Settlement Initiative (WHI)*. The World Bank leads this Initiative in partnership with the Centro de Estudios Monetarios Latinoamericanos (CEMLA) which, being an institution jointly owned by regional central banks, is well positioned to provide secretariat support for cooperative efforts like the WHI.

2. OBJECTIVES AND CURRENT FEATURES OF THE INITIATIVE

2.1 Objectives

The objective of the WHI is to strengthen existing payments and securities clearance and settlement systems in the Western Hemisphere and build institutional capacity to sustain their continued development. This is being accomplished by:

- Developing a common framework for the analysis of payments and securities clearance and settlement systems in the Hemisphere.
- Designing and implementing specific technical assistance projects to help entities in the countries to upgrade their clearance and settlement systems to international standards and best practices.
- Hosting regional workshops to raise awareness on the issue and disseminate international standards, best practices and experiences of other countries.
- Working towards the establishment of regional or sub-regional committees for addressing clearance and settlement issues on a continuous basis.

The WHI is taking a new approach to the assessment of payment systems. First, the Initiative has stressed since its outset the importance of having a **coordinated assessment of both payments and securities clearance and settlement systems**. In addition, the Initiative seeks and provides an opportunity for the active participation of representatives from within the countries in the Region. Thus, country representatives in conjunction with international specialists, designed the project during a preparatory workshop held in Mexico City in January 1999, with participation of experts from central banks, securities commissions and international organizations.. From the outset, it was recognized that success in each country would depend on the degree of local and regional ownership.

The WHI is a coordinated effort, and is being supported by institutions inside and outside the Region. Besides the World Bank and CEMLA, other institutions are supportive and heavily involved in the project, such as the Council of Securities Regulators of the Americas (COSRA) and an International Advisory Council (IAC). The IAC comprises highly experienced institutions in issues related to the clearance and settlement of payments and securities, was created within the project. Its main role is to provide a measure of high level quality control and general advice and guidance relating to all Initiative activities.

Finally, a longer-term aim of the project is to create an ongoing cooperative process inside the Region for discussion of related topics. To realize this objective, the Initiative is supporting the creation of working groups/committees, which might work under the umbrella of a Hemispheric Council on Payments and Securities Settlement Systems (HCPSS). As an intermediate step, in December 1999 several members of COSRA created a working party to address common issues relating to securities clearance and settlement. The central banks of Latin America and the Caribbean (LAC) and CEMLA are working towards the establishment of a working group to deal with payments clearance and settlement issues.

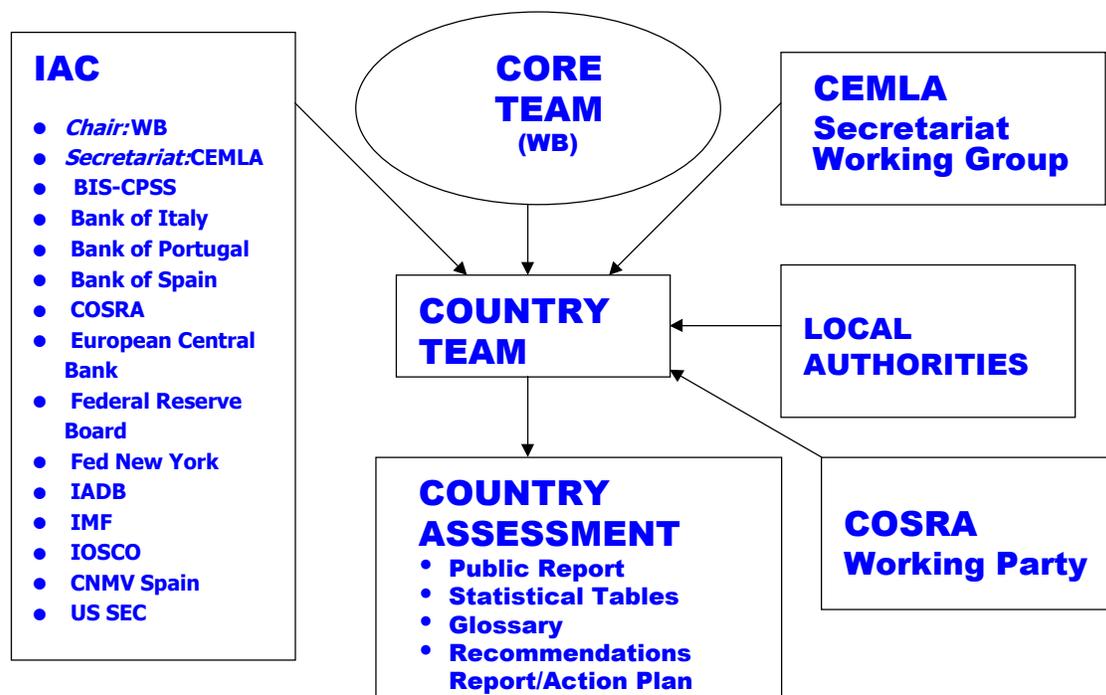
To sum up, the main pillars of the Initiative’s strategy are: 1) Coordinated approach for assessing both securities and payment clearing and settlement systems; 2) country ownership of the deliverables; 3) cooperation with a broad spectrum of relevant international organizations with expertise in payments issues; and 4) continuous consultation and collaboration with the authorities within the region on both payments (central banks) and securities (securities regulators) issues.

2.2 Organization and Structure

The main pillars described above are reflected in the Initiative’s organizational structure, which is depicted in Figure 1.

FIGURE I

ORGANIZATION OF THE INITIATIVE



A core team has been formed within the World Bank to manage the project. The core team comprises senior economists and payment system specialists from both the Regional Department (Latin America and Caribbean Department, LAC)¹ and the central Financial Sector Operations

¹ As of June 2003, Mr. Fernando Montes-Negret and Mr. Mario Guadamillas.

and Policy Department, OPD². The core team is directly responsible for the implementation of the project. Among its main activities are: 1) Developing a common framework for undertaking the studies; 2) coordinating with CEMLA; 3) organizing country studies by staffing the international team and working out relations with local authorities; 4) leading field activities and finalizing deliverables; 5) informing the International Advisory Council about the Initiative and organizing its meetings; and 6) disseminating information about the project inside and outside the World Bank.

CEMLA has been acting as the Secretariat for the Initiative³ and is committed to making the process sustainable through its extension to all the countries in the Hemisphere. The Initiative, with this purpose in mind, has helped strengthen CEMLA's in-house expertise. The endeavors of the working groups in coordination with CEMLA will maintain the infrastructure created under the Initiative and will provide a permanent forum for the countries in the Region to discuss, coordinate and add a collective impetus to the work in the area of payments and securities clearance and settlement systems.

CEMLA activities include: administration of the Initiative web page⁴ in Spanish and English; management of the network of communications within and outside of the project with participants and interested parties; administration of the relevant documentation, in Spanish, English and Portuguese; participation and assistance in country studies, and early preparation of country missions; support for conferences on WHI-relevant topics, organized on its own or sponsored by the Initiative, and work on the establishment of a Hemispheric Committee on Payments and Securities Clearance and Settlement. CEMLA has received support from the Secretariat of the Committee for Payments and Settlement Systems (CPSS) of the Bank for International Settlements in the area of training and secretariat know-how, and is benefiting from that institution's wide experience.

An International Advisory Council (IAC), comprised of experts in the field from several institutions, was established in March 1999. In addition to representatives from the World Bank and CEMLA, this Council includes members from the CPSS, Bank of Italy, Bank of Portugal, Bank of Spain, Board of Governors of the Federal Reserve System, Council of Securities Regulators of the Americas (COSRA), de Nederlandsche Bank, European Central Bank, Federal Reserve Bank of New York, Inter-American Development Bank, International Monetary Fund, International Organization of Securities Regulators (IOSCO), Securities Commission of Spain, Swiss National Bank and the U.S. Securities Commission (SEC). The IAC has been designed as an integral part of the Western Hemisphere project structure and its major objectives are to: 1) Bring to bear international and national expertise on the strategy and content of the Initiative (policy and practice) from institutions with diverse experience; 2) provide advice and guidance on specific payments and securities clearance and settlement issues; 3) help identify appropriate resources for technical assistance and for project support; 4) assure consistency with the most up-to-date thinking on payments and securities clearance and settlement; and 5) provide advice and ideas to encourage the development of a Hemispheric Council on Payments and Securities Settlement Systems.

Given the above objectives, the IAC provides three types of roles--expert review, support and facilitation. The expert review role refers to those activities of the WHI which require IAC members' technical advice. The support role refers to the technical, logistical and resource support for programs and activities that are held within the context of the WHI. The facilitating

² As of June 2003, Mr. Robert Keppler and Mr. Massimo Cirasino.

³ As of June 2003 Mr. Kenneth Coates and Mr. José Antonio Garcia.

⁴ <http://www.ipho-whpi.org> for the Initiative and <http://www.cemla.org> for the Center.

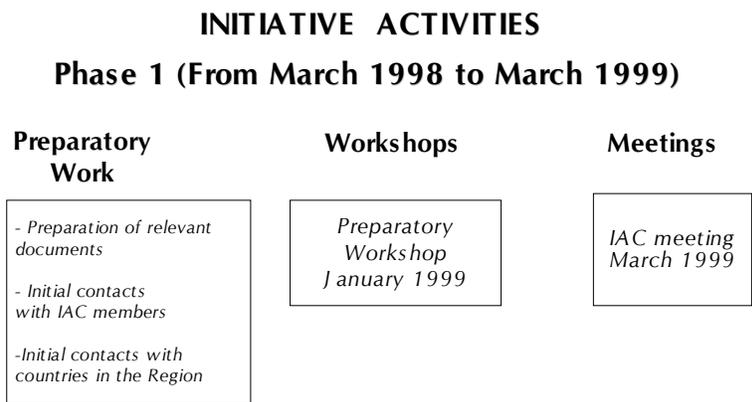
role refers to the work of the IAC to further the reform in clearance and settlement systems and to support programs and activities that are not directly related to the work of the WHI, but seen as important for the overall success of the project. In practice, IAC institutions have played a crucial role in staffing country teams with senior payments and securities specialists. In this sense, a key role has been played by the CPSS Secretariat and the European Central Bank in reaching out to other central banks that are not directly represented in the IAC.

A comprehensive review process by specialists in payments and securities clearance and settlement, including via the International Advisory Council and the Bank's internal review, is the backbone of the quality control process for the project and is focused on ensuring high quality outputs.

The organizational features of the project, including, in particular, the partnership with CEMLA and the role of the IAC, help avoid duplication of efforts by various international organizations in the field, enhance coordination, maximize impact, and leverage available expert resources internationally and within the region. In particular, it is clear that the organizational arrangements embedded in the Initiative represents its main strength as it allows access to relevant senior professionals from highly experienced and well regarded institutions.

2.3 Initiative Activities

The WHI committed, in a first stage, to coordinate together with CEMLA a series of 10 initial country assessments in a period of three years. The country assessments, in order of actual and planned completion, are: Peru⁵, Argentina, Chile, Trinidad and Tobago, El Salvador⁶, Organization of Eastern Caribbean States (OECS), Brazil, Colombia, Mexico and Costa Rica (pilot experience).



Following these introductory Phase I activities, the Initiative in Phase II has undertaken a number of activities to respond to the Western Hemisphere Finance Ministers' request. These include:

- The preparation of public reports containing a systematic in-depth description of each country's payments clearance and settlement systems.

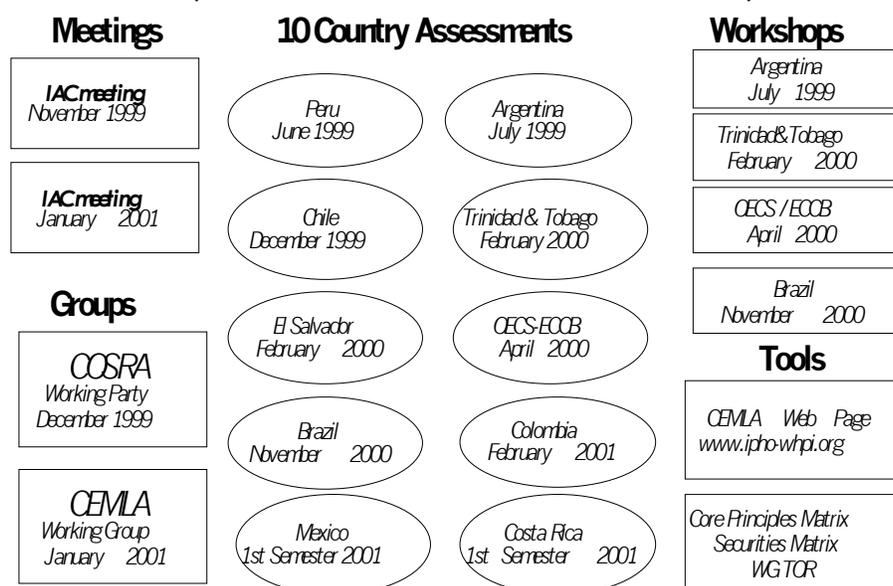
⁵ The Peru report was a basic input for the FSAP mission held in October 2000 in the area of payments and securities clearance and settlement systems.

⁶ In the case of El Salvador, the WHI work was integrated within the broader FSAP.

- The delivery of recommendations reports to country authorities on a confidential basis, covering practical and strategic suggestions for exploiting improvement opportunities including: 1) short-term improvements, in streamlining rules, procedures and organization of payments operations; and 2) long-term improvements, to ensure that the national payments, clearance and settlement mechanisms satisfy the evolving needs of all sectors of an economy (individuals, retail, industrial and commercial, government, financial markets and international sector) for payments and securities related services.
- The organization of IAC meetings to review country studies and provide input for future work and guidance to the Initiative.
- The development of a common methodology for assessing payments and securities clearance and settlement systems. The Initiative has also developed tools for use in undertaking the country studies that incorporate emerging international standards and best practices.
- The organization of workshops focusing on issues of particular interest to practitioners in the Hemisphere.
- The creation of a web page to present the outputs of the Initiative and other information of interest in the payments and securities systems area.
- The promotion of working groups to ensure continuity to the project. This effort is conducted together with CEMLA and COSRA.
- The response to specific requests for technical assistance or project preparation advice by officials in the countries.

INITIATIVE ACTIVITIES

Phase 2 (From March 1999 to June 2001)



In sum, as of June 2003, The WHI undertook a series of 18 country assessments. The country assessments, in order of completion, are: Peru, Argentina, Chile, Trinidad and Tobago, El

Salvador⁷, Organization of Eastern Caribbean States (OECS), Brazil, Colombia, Mexico⁸, Costa Rica, Barbados,⁹ The Bahamas,¹⁰ Jamaica, Ecuador, Venezuela, Netherlands Antilles, Dominican Republic, and Honduras¹¹.

2.4 Country Assessments

The core of the Initiative activities are the country assessments. The experience of the first country study helped to develop an effective approach covering preparation, implementation and production of high quality final deliverables. The ideal process to prepare a country study is now known and includes several essential steps:

- ◆ Appointment of the Task Leader and, possibly, the Co-task leader of the international team.
- ◆ Contacts with local authorities (central banks and securities commissions) to discuss the scope and timing of the mission and the country needs in order to have an appropriate team composition. Experience has shown that this activity can benefit from a short advance visit to the country.
- ◆ Staffing of international and local teams.
- ◆ Collection of available information and preparation of the first draft of the public report by local authorities.
- ◆ Finalization of the agenda for the in-depth country work.
- ◆ Undertaking the in-country work. In some occasions workshops are organized during the in-country work to raise awareness on payments and securities settlement issues by taking advantage of the presence of international experts in the country.
- ◆ Post-country work to finalize the main deliverables: the Public Report and the Recommendation Reports.

2.5 Public reports

In order to obtain comprehensive and high quality public reports, it is essential to undertake effective preparatory work. This should cover the timely completion of a preliminary draft; standardization of the report structure to the extent possible, nomination of the local experts that will work full time with the international team, preliminary contact by local staff with institutions to be interviewed during the study and commitment by senior central bank and securities officials.

The Initiative has developed a common outline for structuring the public reports.¹² This is aimed at facilitating cross-country comparisons through the use of a single and integrated approach covering both payments and securities matters. The outline is based on previously well accepted models such as the “Red Books” of the CPSS, the “Blue Books” of the European System of Central Banks and the ISSA reports. The Public Report’s Table of Contents is shown in Box 1.

⁷ In the case of El Salvador, the WHI work was integrated with the FSAP.

⁸ In the case of Mexico, the WHI work was integrated with the FSAP.

⁹ In the context of a World Bank technical assistance project.

¹⁰ In the context of a World Bank technical assistance project.

¹¹ In the context of a World Bank technical assistance project.

¹² As in other similar cases, the WHI Public Reports are now known as “yellow books” from the color of their cover page.

BOX 1
WESTERN HEMISPHERE PAYMENTS AND SECURITIES CLEARANCE AND SETTLEMENT INITIATIVE

PAYMENTS AND SECURITIES CLEARANCE AND SETTLEMENT SYSTEMS
Table of Contents

1. Economic and Financial Market Overview
2. Institutional Aspects
3. Payment Media Used by Non-Financial Entities
4. Payments: Interbank Exchange and Settlement Circuits
5. Securities: Instruments, Market Structure and Trading
6. Clearance and Settlement Circuits for Corporate Securities
7. Clearance and Settlement Circuits for Government Securities
8. The Role of the Central Bank in Clearance and Settlement Systems
9. Supervision of Securities Clearance and Settlement Systems

The WHI Reports have introduced some new elements as compared with other reports in the field. Besides the more comprehensive description of securities settlement systems and related issues, the reports present an introductory chapter with an overview of the economic and financial situation of the country, a brief description of banking supervision and money laundering issues in the Institutional chapter (2), and a focus on cash management and government payments in chapter (3). Two Statistical Annexes are attached to the public report; the first series of tables (A) are statistics on payments and securities clearance and settlement and are completed following a standard model. In some situations the actual tables incorporated in the reports might differ slightly from the model due to data availability constraints. The second series (B) are more general statistics related to the financial sector.

2.6 Recommendation reports

Recommendation reports are prepared by the international team and delivered to the country authorities (central bank and securities regulator) on a confidential basis. During their preparation they are constantly discussed with country representatives and, generally, preliminary reports are presented to the top management of the central bank and the securities regulator at the end of the in-country field work.

The scope of the reports is comprehensive and the systems are assessed taking into account different aspects (legal, risk management, regulatory, IT, efficiency, etc.). The recommendations aim at resolving any identified weaknesses and at exploiting any identified improvement opportunities in the current arrangements. The overall objective being more secure, efficient payments and securities clearance and settlement systems in the country, capable of satisfying the needs of the local and regional markets.

Systems are assessed against emerging international standards and best practices. In particular, payments systems have been assessed for compliance with the BIS Core Principles for

Systemically Important Payment Systems.¹³ In this sense the WHI benefited from the direct participation of members of the CPSS Task Force, that elaborated the Core Principles, in the international teams. Specific tools (available in the web page of the Initiative as working papers) were prepared to guide the assessments and are based on international standards. Comprehensive matrices have been developed and are used to summarize key findings and cover key features and functions of both payments and securities matters. Tentative terms of reference for the establishment of a domestic payments council have been prepared and adapted to each country's particular situation.

The recommendation reports include action plans for the further reform of the payments and securities settlement systems, where appropriate. In some cases, follow-up country visits have also been undertaken to discuss the way in which the recommendations might be implemented.

2.7 Success Factors

The WHI has helped to create momentum for the implementation of payments and securities settlement reform throughout the region. The workshops and in-country work have raised the exposure of local institutions to the international debate on relevant issues. For example, the BIS Core Principles for Systemically Important Payments Systems have been used and discussed extensively during the country assessments. In addition, one of the meetings of the BIS Task Force was held in Buenos Aires in July 1999 during the visit of the international team to Argentina. On the securities side, the activity of the COSRA working party and the development of an ad hoc methodology for country assessments based on international standards (see above) has facilitated the use and acceptance of a standardized approach.

In addition, the Peru and Argentina public reports are the first documents of this kind to be published in the Latin America and Caribbean region and, finally, comprehensive reforms for both payments and securities settlement systems are being started in some of the countries (e.g., in Trinidad and Tobago) while in others some of the recommendations provided by the international teams are being implemented (e.g., Argentina and Peru).¹⁴

The WHI is addressing the key issues of systemic risk, safety and soundness, and efficiency in a systematic way. Drawing on best international practices, including through the IAC's advice, the Initiative is accelerating the improvement of an essential part of the financial sector infrastructure in the Latin America and Caribbean countries through a well structured cooperative international effort that leverages international expertise in a cost effective manner. Through the active participation of central banks, securities regulators and the private sector, the Initiative is also bringing together a critical mass of local regional policy and operational experts and is thus facilitating harmonized and practical improvement in all significant aspects of payments and securities clearance and settlement systems in the region, as well as in the critically important oversight capability by country authorities over such systems.

The Initiative will undertake three types of activities in the following months: 1) Complete the remaining country assessments; 2) strengthen the infrastructure of the Initiative to facilitate its

¹³ <http://www.bis.org/publ/cpss34e.htm> . The assessments could only be made against the draft version of the Core Principles which was published in their final form in early 2001.

¹⁴ In the case of Trinidad and Tobago, the project reform will be a joint effort of both the Central Bank of Trinidad and Tobago and the T&T Securities and Exchange Commission, an achievement that might be considered a best practice in the payments field and is not encountered in any of the countries engaging in the payments reform.

sustainability; and 3) attend to specific requests for technical assistance from participating countries in the Region.

3. NEXT STEPS AND FUTURE STRUCTURE OF THE INITIATIVE

The Initiative through the several activities performed has been well received within the LAC region. It has become a regional forum to discuss relevant issues in the field of payments and securities clearance and settlement and has been able to create additional demand by some countries not included in the first group of ten.

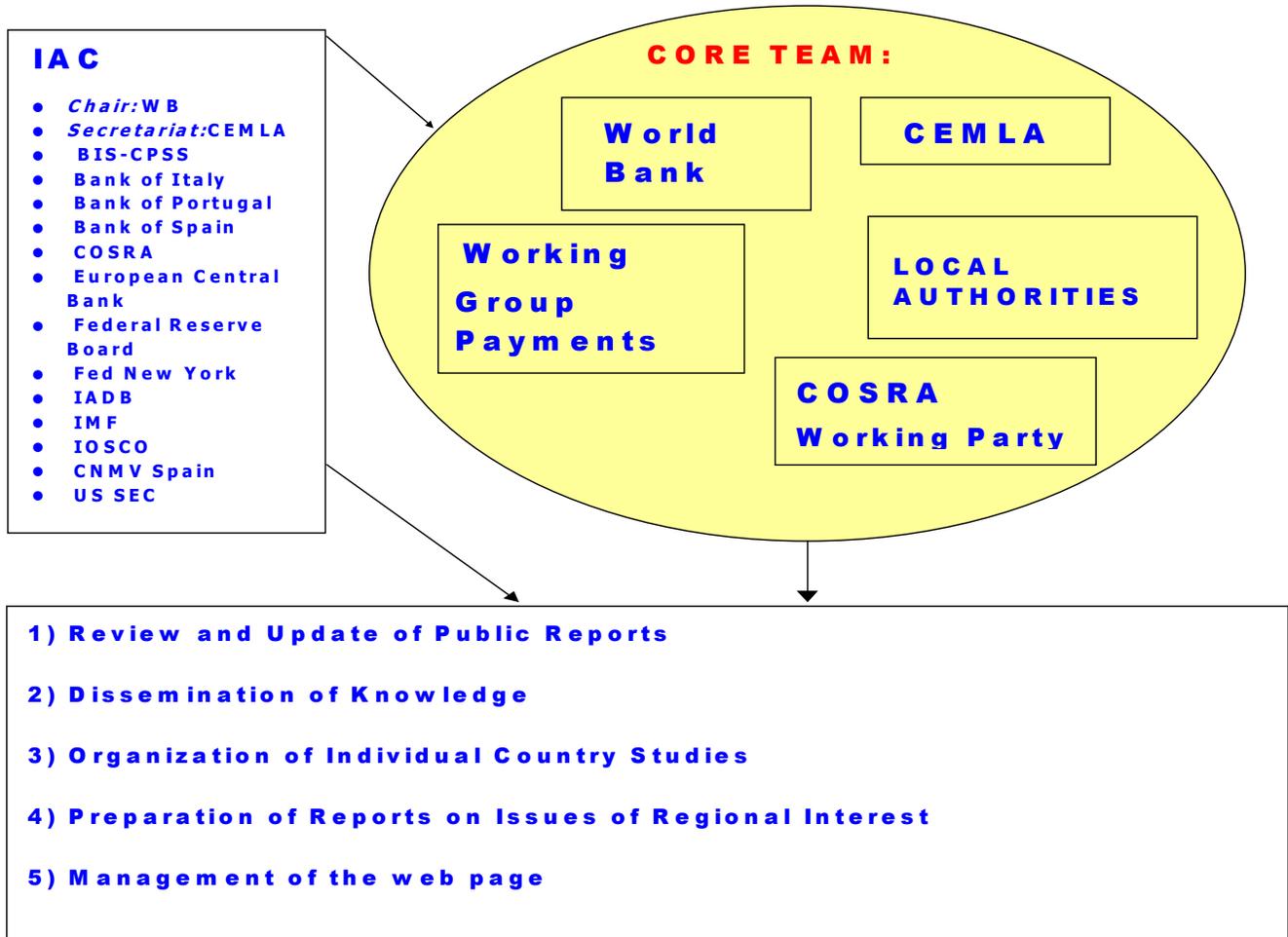
Consequently, the continuation of the Initiative and its extension to other countries in the Region are seen as useful tools to support reform efforts of hemispheric payments and securities settlement systems. Furthermore, the direction of the international debate in the area supports the efforts to give continuity to the work of the Initiative. In particular, the process of definition of international standards for payments and securities settlement systems is in a very advanced stage, as it is clear by the publication of the final version of the CPSS report on Core Principles for Systemically Important Payment Systems and the draft of the CPSS-IOSCO Recommendations for Securities Settlement Systems. In addition, the co-operative framework for the assessment of the compliance of domestic payment and settlement systems with standards is being improved. Standard setting bodies, such as the BIS and the IOSCO, and international financial institutions, such as the World Bank and the IMF, are closely co-ordinating their efforts in this field.

The experience matured in the first years is making possible the transition to new organizational arrangements within the Initiative in the next stage, depicted in Figure II. In the new scheme, the World Bank's role evolves from leadership to support of the Initiative's activities.. This will represent the achievement of one of the initial objectives of the WHI, namely the creation of capacity within the region to give continuity to the effort.

The established Working Groups on Payment Systems Issues of Latin America and the Caribbean (constituted by regional central banks) and on Securities Clearance and Settlement Issues (constituted within COSRA) appear to be the appropriate fora to give continuity to the discussions on progress and experiences in implementing standards, to perform an educational effort to help raise the general level of awareness of standards among market participants, to promote seminars and cross-country studies. The experience of similar Committees in other regions areas, such as the Payment Systems and Settlement Committee of the System of European Central Banks also shows that this kind of organizational arrangements are essential in the identification of specific regional priorities in the process of improving safety and efficiency of local market infrastructures.

FIGURE II

NEW ORGANIZATION OF THE INITIATIVE



In the new phase the Core Team will comprise CEMLA, as Secretariat of the Initiative, the Working Groups on Payments (central banks) and Securities (COSRA) regional local authorities (central banks and securities commissions) and the World Bank (in its new supporting role).

The IAC will continue to operate within the Initiative as per its current terms of reference. Although in the new environment, the role for the IAC appears doomed to shrink, it is proposed that the IAC maintain its current structure at least until completion of all remaining country studies in the LAC region, which would represent the fulfillment of the mandate by the Finance Ministers. In a next step the IAC could assume a different role and even change its composition (for example with the direct involvement only of international institutions/bodies (WB, IMF, IADB, IOSCO, CPSS/BIS, etc.).

The main tasks of each of the institutions/bodies in the new phase will be the following:

CEMLA

- Acting as Secretariat of the Core Team;
- Acting as Secretariat of the Working Group for Payments;
- Participating in and Supporting to (financially and logistically) country missions
- Participating in the revision and update of Country Public Reports;
- Participating in the meeting of the Working Groups (Payments and Securities);
- Participating in other for a of international cooperation to ensure consistency of Initiative's activities with the methodology and organizational arrangements evolving at the international level and to avoid duplication of efforts;
- Organizing the "Payments Week" (see details in the Activities Section below);
- Participating in the preparation of a report on Comparative Statistical Tables;
- Managing the Initiative's web-page;
- Promoting events to disseminate the knowledge on the issue in the Region.

World Bank

- Participation in country missions;
- Supporting the revision and update of Country Public Reports;
- Training to CEMLA;
- Organizing the IAC meeting and supporting CEMLA in the organization of the "Payments Week";
- Participation to working group meetings;
- Preparing the report on Comparative Statistical Tables;
- Revising the content of the web-page and providing relevant documentation and information to it.

IAC

- Participating in and supporting to country missions;
- Providing quality control to the country public reports and recommendation reports;

- Examining initiatives promoted in countries already assessed in compliance with recommendations and suggestions received;
- Providing a network of contact points to which requests of information or also of advice on specific issues may be addressed by the teams involved in the assessment of countries of the Region;
- Supporting the revision and update of Country Public Reports;
- Supporting the “Payments Week” and other events to disseminate the knowledge on the issue in the Region;
- Supporting the activities of the Working Groups.

Working Groups

- General Supporting all the activities performed in the context of the Initiative;
- Participating in the preparation of the report on Comparative Statistical Tables;
- Preparing reports on issues of regional interest.

Local Authorities in the Region (central banks and securities commissions)

- Participating in the country missions, in some case assuming a leadership role for the international team.

3.2 Action Plan (July 2003-July 2004)

Every year CEMLA, with support from the other institutions involved in the Initiative, will prepare a detailed plan of activities During the period July 2003-July 2004, the action plan will include the following activities:

- The fifth edition of the “Payments Week” in Spring 2004, which includes the meeting of the IAC, a workshop on payments and securities settlement issues and the meeting of the Working Group on Payments Issues.
- Two country missions comprising, on average, six experts from the Working Groups of Payments and Securities (one or two in charge of the technical coordination), CEMLA (one), World Bank (two) and IAC (at least one). Countries to be visited in the next rounds include: Guatemala and Uruguay, which have requested support from the Initiative.
- Revision and Update of the first country public reports published by the Initiative in 2000.
- Any Follow up of the country missions required to move forward the payments and securities settlement reform in a given country. This activity will generate directly from a specific request of country authorities to CEMLA and/or the World Bank.
- Meeting of the Working Group on Payments Issues.
- Preparation of at least two reports by the Working Group on Payments Issues on matters of relevance to the region.
- Management of the web-page (CEMLA).
- Participation to the meetings of the COSRA Working Party.
- Publication of a report on Comparative Statistical Tables.
- Continue with the publication series: “Payments and Securities Settlement Research Series.

Coordination between the Initiative and the IMF/World Bank Financial Sector Assessment Programs

The International Monetary Fund and the World Bank are carrying out specific Financial Sector Assessment Programs (FSAPs) to identify vulnerabilities and risks in the financial sector. The FSAPs include a specific section on systemically important payment systems, which are assessed with the CPSS core principles and, in some cases, also evaluate the soundness and reliability of securities settlement systems. Recognizing the potential overlapping of FSAPs with the Initiative, a coordination between the two efforts has been sought and achieved since the launch of the Initiative. In particular, the WHI mission to El Salvador and Mexico coincided with the FSAP missions while in other cases, the FSAP work has served as input to the WHI mission (e.g. Colombia) or viceversa (e.g. Argentina). The coordination will continue in the future to avoid any duplications. It needs to be noted, however, that generally the scope of the WHI mission is broader than that of FSAPs in the areas of payments and securities clearance and settlement.