

Chairman's Report 2010

Dear ANNA members and partners,

The financial year ending December 31, 2010 saw continuing profound changes in the financial business environment. As the global economies struggled to emerge from the tumult of recent years, there has been an increased appreciation from all areas of the globe for the role of market regulation to be increased and improved. This will allow for a more stable framework for building a sustainable platform for economic growth. As many global economies continue their slow climb out of recession, the role of ISO standards grows in terms of visibility and focus from both the regulatory and financial sectors.

As these times of uncertainty continue, ANNA also continues to face its own challenges – which have continued to be the main areas of focus of the Board and membership as a whole. Below I will recap some of the key elements the ANNA Board and the ANNA membership focused on during the course of 2010.

A significant amount of effort continued towards maintaining an adequate level of dialogue and cooperation with members of the ISO Central Secretariat. A prime objective remained focused on the finalisation and execution of the Registration Authority Agreement for the ISO 6166 (ISIN standard). The Board had arrived at a version that we felt confident could be executed with ISO but due to a change of views at the level of the ISO Governing Council, the process had to be re-started with a new template being submitted to ANNA for consideration. This set the process back some stages as the negotiations on the content had to be undertaken again. Work on this matter continued through the course of 2010 without successful conclusion.

Discussions with the Belgian Tax Authorities were also a key area of focus due to the potential financial impact associated for ANNA. This prompted the Board to invite the ANNA auditor – Mr George Arcelin – to the Paris AGM to present the current status and his views to the membership. Although we have yet to receive a final ruling from the Tax Authorities, we continue to remain focused on discussions that continue with them.

A further focus in the course of 2010 was in respect of the ANNA Service Bureau contract and services provided by the ASB Operators. During the course of 2010, the ANNA Board actioned the termination clause in the Agreement to allow a re-negotiation of the terms and conditions to take place with the current ASB Operators. In addition, the Board also commissioned the services of an external provider to assist in identifying other potential candidates to operate the ASB. Both processes continued in parallel during the second half of 2010 – with the Board making tangible progress on both work streams.

Other items worth mentioning included work on determining ANNA's business model for 2011 onwards, follow up with non-compliant NNAs, continued monitoring of the EU Commission's investigations into ISIN licensing practices, and involvement in the progressing work on the Issuer and Guarantor (IGI) and newly derived Legal Entity Identifier (LEI) standards.

The Board were again pleased to see the membership composition of the Association continue to increase. The ANNA membership was pleased to welcome the following countries as new members of the Association:

- Bahrain Stock Exchange
- Central Depository Bangladesh
- Centrální depozitář cenných papírů (Czech Republic)
- Vietnam Securities Depository

Additionally, the following countries were endorsed by the ANNA Membership and accepted as new ANNA partners:

- Barbados Central Securities Depository
- National Bank of Georgia
- Comissão do Mercado de Capitais (Angola)
- Mongolian Securities Clearing House and Central Depository Co. Ltd
- Securities Board of Nepal

As a result, the ANNA membership now stands at 82 full members and 30 partners representing 122 countries (two ANNA partners are representing several countries).

In June 2010, one of the ANNA Board seats was up for election. In this case, there was only one eligible candidate for consideration following the conclusion of the nomination period – the London Stock Exchange. Due to this fact, the London Stock Exchange, now represented by Mrs Emma Kalliomaki, was elected for a period of 3 years.

As we all continue to deal with the associated aftermath of the financial crisis, many firms and many countries will face challenges related to their short, medium and long term strategies. Whilst the ANNA Board has an agreed view of the strategic direction for ANNA – several influencing factors remain open. At this stage we can only speculate on what might be the outcome and with that, the associated impacts on the Association – but the Board remains committed to ensuring the correct path is followed for the benefit of ANNA and its membership.

I would like to conclude with a special mention of the retirement of Mr Terry Allison – the ANNA Vice Chairman for many years, who represented the London Stock Exchange whilst he was part of ANNA. Terry dedicated a lot of time and made a significant contribution over the years to ANNA and its members. I would like to personally thank Terry for all of his efforts over the years and wish him well in his retirement.

I look forward to working with the ANNA membership and the ANNA Board during the course of 2011.

Yours sincerely

Dan Kuhnel
ANNA Chairman