

## ...While S&P, Thomas Murray Prepare CSD Service

Standard & Poor's and Thomas Murray Group, the London-based consultancy specializing in global custody and investment services, have finalized the questionnaire for the inaugural Depository Review and Risk Evaluation Service, which is slated for completion by the end of the next quarter. The questionnaire, called Workbook, will be sent to all equity and fixed-income depositories worldwide. The depository review is intended as an annual program, covering about 135 depositories and is in response to increases in institutional investor demand for risk information regarding CSD systems, noted a Thomas Murray spokesman.

Demand is being driven by the Securities and Exchange Commission's Rule 17f-7, which came into effect last summer. It requires U.S. fund managers to consider the safety of assets during the settlement process and in on-going safe custody, the spokesman said. The Workbook will be sent to two depository member banks in each market, in addition to the CSD's, explained the spokesman. A detailed assessment of risk exposure and operational procedures will be assembled, he added, with the depository data verified against the member bank responses. The questions cover areas such as when is a security transfer binding, how are disputes settled and what rights a CSD has over the assets it holds.

The Workbook has been prepared by a group consisting of representatives from Thomas Murray, S&P, ABN AMRO, The Bank of New York, BNP Paribas, Citibank, Goldman Sachs, Mellon Trust, Merrill Lynch and State street.

