

FROM WHERE WE STAND:
**THE SOCIAL GOOD
OF MARKET
UTILITIES**

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From Where We Stand: The Social Good of Market Utilities — Video Transcript

Murray Pozmanter: I think you saw the markets very shaken in 2008 and in 2009, and confidence in all of the existing institutions really eroded. As people began to look at ways out of the financial crisis, as regulations changed, as people became more focused on risk management, I think people became a lot more aware of the role that DTCC plays in the market. We have various market participants. We have banks, we have dealers, we have the investing public, and I think the role that we play is to sort of sit between all of those and ensure that the markets function smoothly, that there is the proper amount of risk management and oversight that's laid over the daily activity that occurs in the market.

DTCC is helping spearhead the use of new technologies to strengthen the financial system.

MP: Whereas in the past you might have looked at advancements in technology as possibly disintermediating parts of the financial market's infrastructure, I think now the consensus is we play a very valuable role. People are looking to us to be the thought leaders and to show how that technology can be brought to the market.

DTCC is collaborating with the industry to develop solutions that will reduce risk and ensure market safety and soundness.

MP: I think that one of the things that's unique about DTCC is the way we're able to collaborate with the industry and develop consensus around new ideas that we're working on. And some of these ideas originate within DTCC, and some of them originate through our collaboration with the industry. One that's recently been spoken about quite a bit is the move to take the markets from a T + 3 settlement cycle to a T + 2 settlement cycle. And while that's something that will not be very apparent to the end investor, that's something that takes a large amount of risk out of the system.

Market utilities are providing a social good that can help restore trust and confidence in the financial markets.

MP: When you think about the social good that's performed or perceived in financial market infrastructure, I think a lot of it may still be behind the scenes to the end investor or the average person who opens a brokerage account. But I think the stability we bring to the markets on a daily basis, the way we interact with our stakeholders, the way we interact with our regulators helps to create the environment where trust can start to rebuild in the financial markets.

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