

# asset servicing times

The primary source of global asset servicing news and analysis

Issue 193 27 June 2018

## Data Insight

Dov Goldman and Richard Saville of Opus discuss the future of data and regulation

## Legacy Systems

Should legacy systems be replaced?

## Conference Report

Find out what happened at this year's FundForum event

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## FCA to take action on unintended MiFID II and PRIIPs consequences

The Financial Conduct Authority (FCA) is set to take action on unintended second Markets in Financial Instruments Directive (MiFID II) and the Packaged Retail and Insurance-based Investment Products (PRIIPs) consequences, it was revealed at this year's FCA asset management conference in London.

Andrew Bailey CEO at FCA, outlined the priorities for the sector and business leaders, while other stakeholders discussed key trends, challenges and developments facing the industry.

According to FCA, asset managers have a crucial role to play in providing the future financial wellbeing of millions of savers. Their vision is for a dynamic, competitive and

innovative sector where firms compete on the value that they deliver for investors.

Bailey and other senior FCA executives discussed their vision for asset managers as agents to their investors, as market participants uphold integrity as stewards of their investors. Meanwhile, workshop sessions also took place, which were hosted by FCA specialists, covering topics of interest to business leaders and practitioners alike.

Alex Dorfmann, director of product management at SIX, commented: "The fact that the FCA is reviewing how these requirements have affected the industry nearly six months on from implementation

is a very positive step, as it will bring greater clarity to work on PRIIPs and MiFID II, which asset managers are still carrying out."

"Bailey's comments are a key example of why it is crucial to be able to respond to any recommended changes and clarifications that come from the regulators. For asset managers, this means adopting flexible compliance systems that can be easily adjusted in the face of new or unexpected developments."

He added: "Embracing a more strategic approach to investor protection and aligning compliance efforts will allow asset managers to react, not only to the FCA's concerns, but to any future recommendations made from other local regulators across Europe."

# asset servicing times

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## News Round-Up

KDPW has reduced the issuance and renewal fees of legal entity indentifiers, effective 1 July

p6



## News Round-Up

SIX chooses Clearstream Banking as partner to consolidate its fund processing activities

p7



## Conference Report

Hot topics at this year's FundForum conference included robotic process automation, AI and the uncertainties around Brexit

p21



## Legacy Systems

Industry players discuss whether or not legacy systems should be replaced and the effects that technology is having on the industry

p23



## Data Insight

Dov Goldman and Richard Saville of Opus discuss the future of data and regulation for the US, the UK and the rest of Europe

p25



## Industry Appointments

Comings and goings at BNP Paribas, BNY Mellon, Cinnober and more

p34

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## KDPW reduces LEI issuance and renewal fees

The fees for the issuance and renewal of legal entity identifiers (LEIs) in KDPW will be reduced by 20 percent on average as of next month on 1 July.

KDPW is the only Polish institution authorised to issue LEIs in the global LEI system. The issuance of LEIs forms a part of the portfolio of KDPW Group services, which support the operation and development of the Polish financial market.

The LEI is a globally unique identifier of entities operating on the financial markets. KDPW manages a database of more than 14.9 thousand LEIs issued to companies in Poland and beyond.

The obligation of legal entities to obtain and use an LEI is imposed by European regulators, which include the European Market Infrastructure Regulation (EMIR), REMIT, the second Markets in

Financial Instruments Directive (MiFID II)/Markets in Financial Instruments Regulation (MiFIR), Central Securities Depositories Regulation (CSDR) and Securities Financing Transactions Regulation (SFTR).

Under these regulations, the implementation of the LEI standard is expected to improve the transparency and safety of the financial markets.

Additionally, the obligation to hold an LEI applies to all legal entities and individuals carrying out business activities if they trade in derivatives.

The derivatives are required to be reported to trade repositories. It is expected that the LEI obligation will soon cover a broader range of entities including those trading on the cash markets as well as issuers.

## Northern Trust HFS partners with DFIN for ArcReporting

Northern Trust Hedge Fund Services (NTHFS) has teamed up with Donnelley Financial Solutions (DFIN) to utilise ArcReporting to automate the creation, review, and output of financial statements for clients. DFIN's ArcReporting software solution is designed to manage the increasing challenges and mitigate the risks associated with producing financial reports.

Under the agreement, ArcReporting provides a streamlined approach to data aggregation and processing of year-end financial statements for NTHFS clients. The solution also includes enhanced systematic controls such as consistency validations across multiple sets of financial statements, audit trails for changes, and version controls.

Jeff Boyd, head of NTHFS, North America, said: "Northern Trust continually looks for ways to enhance our processes and add value for our clients. With DFIN's ArcReporting, we are able to automate financial reporting for our clients. This provides us with a more controlled process and enables our clients to further focus their attention on content specific aspects of financial reporting."

Eric Johnson, president of global investment markets at DFIN, commented: "We are very excited to partner with NTHFS to automate their shareholder report creation process."

He added: "ArcReporting promotes consistency through content sharing and automation, and gives customers confidence that their calculations and content are accurate and uniform. Our solution helps create a more efficient process allowing Northern Trust to produce financial statements."

## Raiffeisen Bank International and Kompany partner

Kompany and Raiffeisen Bank International (RBI) signed a contract for the development and implementation of a group-wide next-generation business know-your-customer (KYC) solution.



## SIX opts for Clearstream as fund processing partner

The Zurich-based Swiss financial infrastructure provider, SIX has chosen Clearstream Banking as a partner to consolidate its fund processing activities.

Deutsche Börse Group added that Clearstream's investment fund processing infrastructure, Vestima, enables processing of all types of funds—from mutual funds to hedge funds—on a single platform.

Thomas Zeeb, head of securities and exchanges, and member of the executive board at SIX, said: "partnering with an organisation that places the same focus on operational integrity and efficiency

as SIX [was a] critical requirement for it when conducting a review of its primary fund provider."

Philippe Seyll, co-CEO of Clearstream Banking, commented: "This collaboration will create high operational synergies in investment fund processing for both sides. SIX will profit from our one-stop-shop portal as well as robust and proven infrastructure."

He added: "This will enable SIX to foster efficiencies for underlying clients and scale their investment fund businesses. We are looking forward to working together with SIX in the future."

The contract covers the development and implementation of a group-wide business KYC solution.

According to RBI, customers benefit from a fully compliant, lean and efficient KYC process, an addition to RBI's financial technology partnership programme, Elevator Lab.

The KYC solution was developed by integrating services into a complete cloud-based platform, with new value-added functionalities such as real-time, automated and cross-border commercial register checks.

Customers no longer have to provide original documents in the KYC process, if the required company information can be accessed via official and authoritative sources.

Johann Strobl, CEO of RBI, said: "Our aim was to lower the time and costs involved in achieving regulatory compliance. Cooperating with kompany helps us to reach this goal by streamlining the process through the use of cutting-edge technology. This gives us a competitive advantage in terms of better serving our business customers."

Russell Perry, kompany founder and CEO commented: "As the leading regulation technology platform for real-time and audit-proof company information, we have created a next generation blueprint for business KYC in the financial industry.

RBI was a great partner during the Elevator Lab and we are now looking forward to working with RBI on the further automation of its compliance processes."

## Opus integrates BitSight Security Ratings Data

Opus has integrated cyber-risk security ratings from BitSight with its Hiperos 3PM information security platform.

According to Opus, the combination equips enterprises to thoroughly and objectively identify, assess and monitor the information security risk of all third parties, such as contractors, vendors and suppliers, while also efficiently scaling their vendor risk management programmes.

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## deVere expands Italy division

DeVere Group has expanded its deVere Italia brand by opening offices for the first time in Rome.

The new office will be run by Mark Croucher. Croucher will report to deVere Italia area manager, Colin Eldridge, and senior area manager of deVere Switzerland, Italy and Austria, Paul Dodds.

Croucher has more than 30 years of experience in financial services. He previously held senior positions at Towry Law International and Holborn Assets in South Africa, and RL360 in the Middle East.

The announcement of deVere's launch in Rome, follows the firm opening an office in Munich in April, Madrid in May last year, the Austrian capital in August, and in Portugal's Algarve in October.

Plans are also being made to expand existing bases in France, Spain and Switzerland within the next few months.

Commenting on the launch and appointment, Colin Eldridge said: "With client demand for our cross

border financial experience increasing throughout Italy, and particularly in the Rome area, the time is right to launch an office in the Italian capital."

He added: "Brexit is, we believe, directly responsible for much of this increasing demand in Italy and elsewhere in Europe as more and more people and corporations head to the continent, with many of them keen to seek advice on certain specialist financial products ahead of the official Brexit deadline next March."

"We will be using our considerable resources to meet this growing client demand across Europe by expats, international investors and high net worth and local mass affluent individuals. We're thrilled that a professional of Croucher's immense experience and expertise is heading our base in Rome."

Commenting on his new role, Croucher said: "I am delighted to be joining the deVere Group with its enviable reputation for its client-centric culture at this exciting time. I look forward to helping expats and locals across Italy fulfil their long term financial goals."

BitSight Security Ratings can be used as part of both the third-party onboarding and monitoring process and supporting evidence when conducting due diligence on a third or fourth party. It also assesses the effectiveness of its information security controls and underwrites cyber insurance policies, benchmark performance, and conducts mergers and acquisitions due diligence.

In a recent study by Opus and the Ponemon Institute, 56 percent of companies have experienced a third-party data breach in the past year, while just 17 percent feel their organisations are highly effective at mitigating third party risks. When it comes to fourth parties, some 12 percent say they're effective at mitigating these risks.

Lee Kirschbaum, senior vice president and head of product, marketing and alliances at Opus, said: "Opus is extremely pleased to announce our partnership with BitSight. The relationship provides our clients with best-in-class security intelligence to better assess and address their third-party information security risks."

He added: "With the integration of BitSight, we can provide clients with the right combination of data, technology and best practices to significantly guard companies against data breaches. We're excited to partner with BitSight to help our customers proactively protect their businesses."

Rick Hedeman, director of strategic partnerships at BitSight, commented: "This partnership gives customers the quantitative data needed to effectively identify, prioritise and act on threats facing their third-party ecosystem."

He added: "Through this integration, customers can weave BitSight Security Ratings data into a comprehensive and holistic programme to address pressing third-party risks and minimise risk to their organisations."

## Bottomline Technologies updates Universal Aggregator

Bottomline Technologies has updated its cloud-based aggregation platform, Universal Aggregator, strengthening its payments



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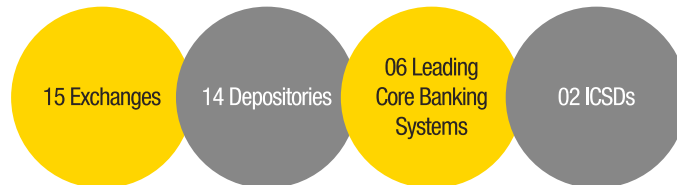
Intellect OneMARKETS offers a robust, scalable and comprehensive 360-degree digital platform that supports straight-through processing, direct market access, and high speed execution across a variety of asset classes and market segments with seamless interfaces to local and international market infrastructure providers like exchanges, central counter-parties, custodians, and central securities depositories. It minimizes pre and post trade operational risk by digitizing asset servicing functions across front, mid and back offices

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capabilities for banks, non-banks and payment service providers.

Bottomline Technologies' Universal Aggregator service enables banks to comply with changing regulation, to harness new processing avenues, remain competitive and grow their businesses. The firm has also been formally recognised by the Bank of England as a faster payments aggregator. The latest service to be integrated is a direct connection into the Bank of England's real-time gross settlement system, CHAPS.

Gareth Priest, vice president of customer growth and development at Bottomline Technologies, said: "We strive to deliver innovation and customer choice in the world of payments and financial messaging. We are committed to integrating new settlement services as soon as they become available."

He added: "With shifting payment paradigms at play, it's all about open-API access, instant payment initiation and mitigating security risks. It's great to see the momentum of aggregation technology building, where financial institutions of every size and across every region are able to better secure their position and become true payment enablers."

## Gen II Fund Services exceeds \$200 bn AUM

Gen II Fund Service has now surpassed the \$200 billion mark of assets under management. Gen II now services over 110 fund sponsors spanning the private equity, credit, real estate and infrastructure asset classes, including many of the industry's most established private equity firms along with private equity's premier emerging managers.

Steven Millner, Gen II managing principal, said: "Achieving this milestone is a direct result of the commitment of our entire team to deliver for our clients at the highest levels of service. Gen II's clients value our partnership approach to relationships, deep industry knowledge and sole focus on private equity fund administration."

"Our clients gain exceptional value from our dedication to industry-best performance and significant reinvestments in our business."

Norman Leben, Gen II managing principal, added: "Gen II has become the administrator of choice for sponsors seeking a truly focused, long-term business partner that can evidence the increasingly important operational infrastructure required by both the sponsor and limited partner community."

## CGI launches CGI Open Finance

CGI has launched CGI Open Finance, a solution for digital banking.

CGI Open Finance has been designed to assist banks in an application programming interface (API), as well as to address the challenges of open banking. According to CGI, the new solution will help clients develop new value propositions and revenue streams.

CGI Open Finance's capabilities include secure APIs and building blocks for the management of tactics, techniques and procedures, as it includes an enrolment portal and consent management.

It also offers a continuous integration platform for quality control, automated build and API testing, smart security, access to an API store, as well as billing and monetisation options.

CGI Open Finance is compliant with the Revised Payment Service Directive (PSD2) for European financial institutions and, in the UK, compliance with the Open Banking Implementation Entity initiative in line with the Competition and Markets Authority. Its interfaces and non-functional requirements have been defined based on PSD2 requirements and leverage the power of APIs to open up the value chain for banks.

Frederik Evrard, vice-president of CGI in Luxembourg, said: "CGI Open Finance is modelled on our successful partnership with a leading multinational, which was looking to design, develop and launch a new API-based bank."

He added: "We are excited about the opportunities it offers our clients. By incorporating the latest technology and architecture with CGI's deep banking expertise in open banking and the open API

economy, we believe CGI Open Finance can transform the industry."

## Finastra's instant payment solution on Microsoft Azure

Finastra's European instant payments solution is now on Microsoft Azure, Microsoft's cloud platform.

The solution enables financial institutions and third-party providers to process single euro payments area (SEPA) credit transfer (CT) instant payments in the cloud, via The European Banking Association's Clearing's pan-European instant payments service, RT1.

According to Finastra, the move will help to accelerate the adoption of instant payments in Europe.

Powered by Fusion Global PayPlus, Finastra's payment hub technology is hosted and managed on Microsoft's cloud platform. The payment hub also offers rapid time-to-market, security, and scalability of cloud provisioning.

The partnership was announced at EBAday in Munich.

Vinay Prabhakar, head of market strategy and payments at Finastra, said: "We are bringing financial institutions and third-party providers—and, by extension, their consumer and corporate clients—our European instant payments solution in an easily consumable and cost-effective cloud-based package."

He added: "Finastra's mission is to create an open platform for collaboration and innovation in financial services, and support for instant payments is a core component of our approach."

Janet Lewis, vice president of worldwide financial services at Microsoft, commented: "We are pleased that European payment service providers will now be able to access Finastra's instant payments solution in a manner that reduces cost of ownership and simplifies solution update—all while ensuring the specific security, privacy and compliance needs of instant payments are met."



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## Nasdaq joins the Systematic Internaliser Registry Data Group

Nasdaq has joined the Systematic Internaliser (SI) Registry, which provides a hub for SIs to register financial instruments in a centralised database through their approved publication arrangements (APA).

The second Markets in Financial Instruments Directive II (MiFID II) requires that industry participants identify whether trading counterparties are SIs for the financial instrument that they are trading, so that they can determine which counterparty must report the trade.

To help, SI Registry data assists trading firms to meet their post-trade transparency obligations and allows buy-side firms to identify upfront whether they, or their selected brokers, will be required to report the trade.

The date on which it becomes mandatory for financial firms to comply with the SI regime is 1 September 2018.

Nasdaq joins the existing participants, Bloomberg, Deutsche Boerse, NEX Regulatory Reporting, TRADEcho, Tradeweb and Trax. The announcement was made by The SmartStream Reference Data Utility.

The SI Registry has been in operation since 3 January 2018 for participating

APA and contributing SIs and the addition of Nasdaq to the group extends the coverage to more than 60 SIs, with further SIs registering regularly.

The service is open to all APAs and SIs on equivalent terms and has been supported by The European Securities and Markets Authority.

Fredrik Ekström, vice president and head of Nordic fixed income at Nasdaq, said: “One of the key ambitions on MiFID II is to promote transparency and investor protection. The ability to provide markets with accurate and complete data, regardless of trading type, is an important component in this ambition, and one that Nasdaq is happy to support by joining the SI Registry.”

David Bullen at Systematic Internaliser Registry Data Group, commented: “It’s very rewarding to see key industry players pulling together to close this gap in the market infrastructure introduced by MiFID II.”

He added: “Nasdaq is an important addition to the group adding geographic reach and taking us closer to complete coverage. The SI Registry serves as a ‘golden source’ of SI status to help market participants meet their regulatory reporting obligations.”

## Minium and Exactpro partner

Minium and Exactpro Systems Limited (Exactpro) have partnered.

Exactpro a Cinnober Group company, offers real-time risk management and post-trade processing service for clearers and prime brokers, delivered as a software as a service.

It will also provide independent software testing of Minium’s risk management and post-trade processing systems.

Exactpro tests for market infrastructures and systems that process wholesale financial products across asset classes. This includes trading systems, risk management, market surveillance, securities data distribution and post-trade platforms.

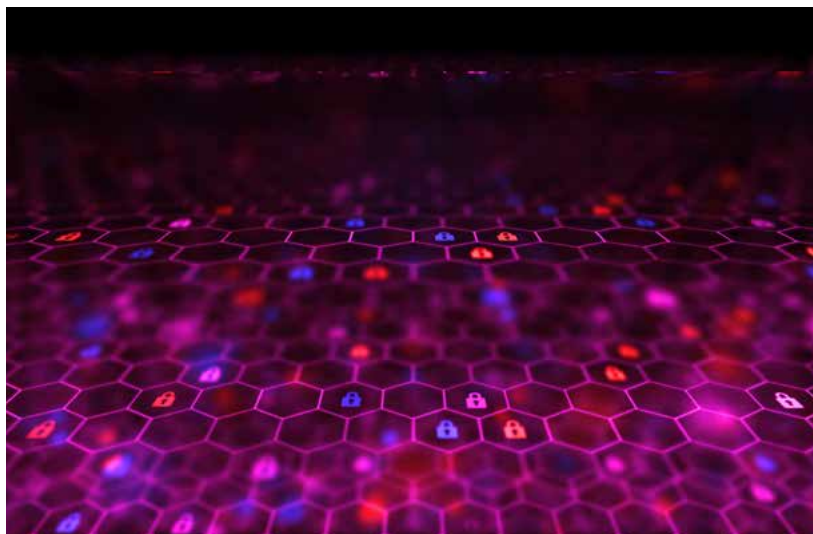
According to Exactpro, its clients benefit from robust testing services and an independent assessment of their software.

Patrick Tessier, COO of Minium Financial Technology, said: “Minium is breaking new ground in the world of post-trade and risk management. This partnership with Exactpro demonstrates our determination to be different from traditional vendors—we will offer transparency to our clients who will be able to have the confidence of Exactpro’s independent seal of approval.”

Alexey Zverev, co-CEO of Exactpro, commented: “Working alongside Minium’s technology team on this innovative new service, we will utilise a set of bespoke tools we have for automated functional and load testing. This includes ClearTH, our solution for automated testing of complex post-trade systems, which is designed to run several scenarios, organise the test steps in batches, and align the test schedule with the system schedule.”

He added: “ClearTH is used by mission-critical post-trade infrastructures around the world, including the T2S project and it will help us to prove to Minium’s clients that their software is of impeccable quality.”

Veronica Augustsson, CEO of Cinnober Group, said: “We are proud to partner with the highly



## INGOT Coin and GMEX start blockchain ecosystem

INGOT Coin has partnered with GMEX Group (GMEX) to start INGOT coin's blockchain-based all-inclusive ecosystem.

GMEX will provide Fusion, its centralised and blockchain-based global exchange trading platform with INGOT Coin to develop a full, and first of its kind, ecosystem in multiple asset classes including equities, debt, derivatives, commodities, cryptocurrencies and digital assets.

The ecosystem includes centralised and blockchain-enabled integrated services, including digital wallet storage and real-time settlement management to facilitate secure custody of crypto assets.

It will also include the ability to tokenise traditional assets, such as securities and will provide an exchange with real-time clearing to allow margin trading without a central counterparty.

Working with INGOT Brokers, an affiliate company of INGOT Coin, under the same umbrella of INGOT Group, GMEX will develop the components of INGOT Coin.

A demonstrable minimum viable product (MVP) of the INGOT Coin

ecosystem will be soon available for the community to access.

Iman Mutalq, founder of INGOT Coin, said: "GMEX is an extremely vital partner for us here at INGOT Coin, as we believe they strive to keep up with the latest technological advancement and always provide turnkey solutions to business and firms in different industries."

She added: "Our partnership with GMEX has just started and is in no means limited to the development of INGOT Coin, we are actually joining our forces to change the future of Blockchain and cryptocurrencies."

Hirander Misra, chairman and CEO of GMEX Group, commented: "The INGOT Coin ecosystem is the first of its kind combining networks through collaboration."

He added: "INGOT Coin links the crypto universe to the traditional financial industry covering the complete vertical and horizontal value chain from trading and broking, exchange execution, clearing, settlement, custody and digital banking enabled by a combination of blockchain and centralised solutions and services."

regarded specialist firm Exactpro in order to further strengthen the quality assurance process. We look forward to working with Exactpro to ensure our clients get the highest level of reliability."

## RSRCHXchange: MiFID II is driving standards for research unbundling

Research unbundling is expanding to the US and Asia, and is mostly seen as positive for end investors, although bad for brokers, according to a new survey carried out by RSRCHXchange.

The poll conducted by Survation, on behalf of RSRCHXchange, surveyed research unbundling, which came into effect on 3 January 2018 across Europe as part of the second Markets in Financial Instruments Directive (MiFID II).

The 2018 survey reveals a consensus view that unbundling is going global. Some 83 percent of respondents in the US think unbundling will take effect within the next four years and 53 percent of respondents in Asia expect it to take effect within two years.

The smallest firms said change will come through regulation, whereas those in the largest firms stated it will be global compliance policies that will be the root cause of the global proliferation.

The survey found that attitudes to unbundling in Europe are generally negative but most respondents said it is positive for end investors, although negative for research providers and mixed for asset managers themselves.

Some 78 percent of respondents within Europe thought unbundling was bad for brokers, whereas 53 percent felt it was good for investors.

The survey was conducted in Q2 2018 and asked 418 respondents from over 30 countries, representing over 350 firms with over \$30 trillion of assets under management in aggregate. The third in a series from RSRCHXchange, the survey followed on from similar polls carried out in Q2 2017 and Q4 2016.



## Saxo Bank and Nasdaq join forces

Saxo Bank and Nasdaq have partnered to launch a new digital investment portfolio within SaxoSelect, based on Nasdaq Dorsey Wright (DW) research.

Nasdaq DW is a provider of investment research, tools and solutions that help investors manage complexity.

The new portfolio, named Nasdaq DW Global Momentum, offers clients investment in a portfolio of 30-40 quality stocks based on the "relative strength" ranking.

The portfolio focuses on developed and emerging markets stocks and excludes the US.

SaxoSelect is a digital and automated trading and investment service that enables clients of Saxo Bank to invest in pre-selected portfolios.

In SaxoSelect, clients have full visibility over each of the stocks in their portfolio, they will own the actual stocks selected by Nasdaq.

Positions are followed in real time in a transparent investment environment directly through the SaxoTraderGO platform. The portfolio will be

automatically rebalanced in guidance with Nasdaq's research.

Kim Fournais, CEO and founder of Saxo Bank, said: "By combining our unique trading technology with Nasdaq's expertise in investment management, we create a strong alternative to more traditional asset management solutions at a very competitive price."

He added: "Our SaxoSelect offering is underpinned by the belief that technology will profoundly change the asset management industry. Access to technology, demand for transparency, and focus on performance will change the way individuals manage their savings."

Jay Gragnani, head of research and client engagement at Nasdaq DW, commented: "The investment landscape continues to change with developments in technology and this has helped firms to develop scale by combining the complementary strengths of different participants."

He added: "Our collaboration with Saxo Bank turns our investment strategy into a cost-effective and transparent portfolio offering that can be utilised by a wide range of investors and bring greater transparency and access to markets."

Jeremy Davies, co-founder of RSRCHXchange, said: "In our third survey, we wanted to explore the globalisation of unbundling, especially now that it is live in Europe. With over 80 percent of US respondents expecting unbundling to impact their local market within four years, unbundling will be trending for years to come."

He added: "As it stands today, more than 100 of our client firms are based in the US and so are more than 20 percent of the 350 plus research providers using our RSRCHX platform."

Vicky Sanders, co-founder of RSRCHXchange, commented: "Our survey was conducted just months after MiFID II came into effect, the biggest change to the research space in decades."

"It's clear that its impact has already been felt in this short time but that there is more the industry needs to do to adhere to the rules and adapt to these changes."

## SIA becomes first network to be certified by ECB

SIA has become the first network to be certified by the European Central Bank (ECB) and European centralised banks.

According to SIA, the certificate will guarantee European banks and other payment service providers (PSPs) connection to TARGET Instant Payment Settlement (TIPS), the new pan-European service for settlement of instant payments in central bank money.

TIPS will be in operation from November 2018.

SIAnet is currently the only access network to the two pan-European instant payment platforms EBA Clearing's RT1 and the Eurosystem's TIPS, after having passed all the Eurosystem tests regarding aspects of security, performance, reliability and governance.

Consequently, European banks and other PSPs can participate, through the SIA network, in the pilot phase of the TIPS service.

The infrastructure already handles instant payments at European level through the connection to EBA Clearing's RT1 system.



## Bitcoin ‘not a security’ says SEC chairman

Bitcoin is “not a security” and the Securities and Exchange Commission (SEC) will not change the definition of a security for the benefit of cryptocurrencies, according to SEC chairman, Jay Clayton.

Clayton said in an interview that the SEC was “not going to do any violence to the traditional definition of ‘security’ that has worked for a long time”.

He also said that the SEC would not change its rules for initial coin offerings, underscoring that tokens or digital assets used in that fundraising process are securities.

Nigel Green, founder and CEO of deVere Group said that this was evidence of the cryptocurrency sector becoming “increasingly mainstream”.

He added that the SEC was giving a “steadfast yet proactive approach on bitcoin and other cryptocurrencies. The SEC is right to insist that the digital coins, such as bitcoin, which are a replacement

for sovereign currencies, such as the dollar, sterling, yen and euro, are not securities. Similarly, I believe the SEC is also right that the tokens—which [Clayton] did not name—that act as digital assets are securities”.

“This clarification by the SEC removes some of the uncertainty that has been swirling around the crypto sector and serves to strengthen the overall proposition of many of the major cryptocurrencies.”

Green concluded: “The SEC’s invaluable and far-sighted work in this area once again highlights how many governments, central banks, and regulators around the world are all now recognising the scale and potential of Bitcoin and other cryptocurrencies.”

“The SEC’s clarity will have a positive impact on the cryptocurrency sector.”

“The agency’s stance will rightly target what needs to be targeted and allow the legitimate digital coins to prosper.”

Nicola Cordone, deputy CEO of SIA, said: “The certification awarded by the Eurosystem testifies to the excellence of SIANet, which meets all the requirements of reliability, speed and solidity necessary for instant payments.”

He added: “Furthermore, it confirms the important role of SIA as primary technology provider in the area of network services, also with a view to the creation of the Eurosystem Single Market Infrastructure Gateway in 2021.”

## Arkéa Investment Services selects NeoXam

Arkéa Investment Services (Arkéa IS) has selected NeoXam to provide its front-to-middle office portfolio management system for its affiliates, Federal Finance Gestion and Schelcher Prince Gestion.

NeoXam Tracker 3 will allow Arkéa IS to manage its complete asset management process as well as support its growth.

NeoXam Tracker 3 will also enable Arkéa IS to concentrate all of its activities on one single platform to simplify and harmonise its information system.

Arkéa IS will manage all the requirements of institutional portfolio managers and mutual funds.

According to Arkéa IS, this tool will help Arkéa IS to better deal with regulatory constraints and benefit from a state of the art solution to further increase the quality of its services.

Sébastien Barbe, head of the Arkéa IS management board, said: “We were seeking a solution that would provide us with a much more comprehensive, automated way of managing our portfolios.”

He added: “For us, NeoXam Tracker 3 fits the bill—its functionality means that we can follow trading positions through the whole process, from electronic order management to matching the portfolio with third parties administrators.

We are confident that the NeoXam Tracker 3 platform will help us to attract more asset managers.”



Serge Delpla, CEO at NeoXam, commented: “We have worked with the wider Arkéa team for many years now using NeoXam GP3”.

“We are therefore delighted to further support their asset management business with NeoXam Tracker 3.”

He added: “This solution will enable Arkéa IS to continue its growth and development, and to better assist its clients by offering a higher service quality. NeoXam Tracker 3 will provide a straight-through processing solution to Arkéa IS.”

## InvestCloud acquires rplan

InvestCloud, a global financial technology firm, has acquired London-based rplan Limited.

The acquisition, settled at \$20 million, will see rplan’s capabilities made available to InvestCloud’s global client base.

InvestCloud’s acquisition will extend its direct-to-consumer (D2C) offering for institutional asset managers.

According to InvestCloud, this acquisition enhances InvestCloud’s digital client engagement capabilities.

The digital platform combines financial applications and application programming interfaces. Rplan is the latest firm to be added since the launch of Freetrade in the UK.

John Wise, chairman and CEO of InvestCloud, said: “Institutional asset management is an important and growing segment for InvestCloud.”

“The writing is on the wall: asset managers are trending toward multi-channel financial distribution that includes D2C solutions.”

He added: “Embracing D2C is a smart play for asset managers given the success of companies like Vanguard. InvestCloud D2C and other digital product channels will be combined with rplan product strengths. They truly complement the InvestCloud Digital Platform and will bolster our successes in this space.”

Andy Creak, director of rplan, commented: “InvestCloud has been extremely successful in the Americas, supplying the largest financial institutions in the US and Canada.”

He added: “rplan has the most advanced D2C solution in the UK”.

“We look forward to combining the InvestCloud platform and financial resources with our own solution and know-how to dominate the D2C market globally.”

## S3 to offer real-time short interest analytics to Nasdaq

S3 Partners, a New York-based financial technology and analytics firm, is to provide Nasdaq-listed companies with direct access to its range of financial analytics.

The company said that the analytics includes a real-time short interest forecasts on a per share, percentage-of-float, and notional basis.

The analytics also gives explanations of how short selling, short covering, long selling, and potential short squeezes drive and affect investor behaviour.

It also gives accurate finance rates and comparative analyses of short interest trends and finance rates for industry peers.

S3 said as part of this offering it is also available to consult directly with Nasdaq-listed companies about selling trends that the firm’s research desk is seeing in specific securities.

## Apex announces acquisition of Ipes

Fund administrator Apex and Genstar Capital have acquired Ipes, another fund administrator.

This acquisition will boost Apex’s private equity capabilities and depositary services across Europe, adding \$165 billion in assets under administration to the group’s portfolio.

Additionally, this will position Apex as the fifth largest fund administrator globally, and the acquisition of Ipes from pan-European private equity firm, Silverfleet Capital, will

further strengthen the breadth of service and expertise in the European market.

Peter Hughes, founder and CEO of Apex Fund Services, commented: “Our focused growth strategy is designed to build out the global Apex portfolio of services and increase our expert resource across key markets.”

“Throughout this growth we remain steadfast and committed to upholding the hallmarks of the Apex brand—offering flexibility in the solutions we offer, exceptional locally delivered customer service, and wrapping that framework around best-in-class technologies.”

Chris Merry, chief executive of Ipes, said: “At Ipes, we understand the importance of staying at the forefront of industry and regulatory developments in order to meet the evolving needs of today’s clients.”

“With this in mind, Apex and Genstar were natural partners for us and one that mirrored our commitment to innovation and exceptional customer service.”

He added: “We pride ourselves on our dedication to providing a robust set of capabilities to clients worldwide, and we’re thrilled that Apex’s broad global reach will enable us to build out our client offerings with a number of new solutions”.

“We’re confident this partnership will bring a wealth of benefits to both Ipes clients and Apex clients in Europe and across the world.”

Tony Salewski, managing director of Genstar Capital, said: “We are excited to continue supporting Apex in driving growth through strategic acquisitions of high-quality businesses like Ipes.” **AST**

## asset servicing times

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# Embrace change

Hot topics at this year's FundForum conference included artificial intelligence and Brexit

*Maddie Saghir reports*

At such an interesting time in the asset servicing industry, in terms of emerging digital technologies such as robotic process automation (RPA) and artificial intelligence (AI), there is certainly room for many different approaches and opinions, making this year's FundForum Berlin conference extremely fascinating.

Despite the variety of attitudes towards technology, the key message that gleaned from the conference seemed to be to embrace change.

While some delegates at the conference seemed to be wary and untrusting of technologies such as AI, feeling concerned that it is going to take jobs from the human, some viewed it as a positive because of the removal of repetitive and monotonous jobs—it seems that it depends on how you look at the situation.

Reinforcing this message, one speaker from a panel discussing technology said that the industry should “embrace change”.

The panel discussed a new perspective on big picture digital transformation to drive business growth and maximise efficiency.

The panellist added: “I have learnt so much about different ways of doing things. The attitude to change and the attitude to embracing change is fundamental to how some of the innovative companies operate.”

“This is not just about technology; it is about methods. Embrace the change and move towards a future that is certainly possible driven by technology. I recognise that certain industries are not willing to make those kinds of decisions just yet.”

“You can learn an awful lot from other industries but what I have learnt is that change is good.”

The panellists also discussed how to drive the value out of new technologies while still building day-to-day business, and were asked whether or not companies should spend a huge amount of money on new technology.

One speaker remarked: “Only 6 percent of companies have made financial impact from their digital investments,” and encouraged delegates to “look through the technology into the capability.”

The speaker advised: “Good companies are listening to the clients, looking at trends, channel insights, and tapping into social media. And, all of these aspects are possible with new technologies.”

Meanwhile, in another panel, one panellist said that RPA should be seen as an opportunity and not a threat.

The speaker commented: “Robots are seen as a threat, and this is not always the case. It does require a different mindset in general and a change in personale. Some people are really happy with their robots, but this requires a change in mindset—see it is an opportunity and not a threat.”

Specifically, the panel discussed the best practise in how machine learning and robotics is transforming key back-office processes.

It was noted that with increasing pressure on margins due to a never ending regulatory avalanche, as well as strong competition from disruptive new entrants, financial institutions need to reinvent themselves, be smarter in the way they work and turn their labour cost-cutting strategies into process efficiency strategies.

In this context, the emergence of RPA and digital labour represent significant opportunities for market players in the future.

Beginning the session, the moderator asked the panel if there were any characteristics of process that the panellists were specifically looking for.

One member of the panel replied: “From a technologist point of view, selection needs to come with the business, and it should be business led in terms of understanding value. Understanding factors such as scale, risk, and compliance is important. In this process, a business can start small and simple and then think about bringing it up from there.”

On day two of the panel, Daron Pearce, CEO of Europe, the Middle East and Africa asset servicing at BNY Mellon, reflected on some of the key themes and messages from the day prior in his chairman's state of industry address.

Pearce said: “The message for me was if you don't embrace technology then your business will fail. Many organisations now are investing in that technology and embracing it to enhance their business models in order to improve investment performance and to

create the right investment products for their clients, and to improve their client experience, so those components in using technology are going to enable organisations to win.”

The second Markets in Financial Instruments Directive (MiFID II) was a particularly popular topic on the second day of the conference.

Over the last six months post-implementation of MiFID II, most asset managers “thought that they had done ok” but asked themselves how they could improve in the future, said one speaker in a panel.

The panel session opened with the moderator asking the panel, how do you value, measure, monetise, and research data?

One speaker suggested: “It became very apparent that the industry was too challenged by MiFID II. The data management side of things is a significant challenge for those in the industry. MiFID II was delivered to deliver transparency costs amongst other things.”

However, costs are escalating day by day and that isn't good for competition in the long run, one speaker noted.

Discussing costs, a panellist said: “The industry is highly dysfunctional and when you start to acknowledge what you have to pay it then becomes quickly obvious to think about how to change this industry into one that has a sense of efficiency about it.”

“If it is efficient then you can lower costs. Approach to this is going to have to be one of innovation. We are going to have to change the landscape.”

The panel were also asked where they were seeing changes, to which one speaker said there has been a rush to try and make those changes as fast as possible.

Nobody has been totally keen to see change take place, and nobody really wants to be transparent about anything at all. Thankfully that has now changed—it forces people to look for solutions, the panellist said.

Another panellist warned: “Mistakes will be made. Most people are making best efforts. Compliance is a big challenge. Undoubtedly, MiFID III is coming, we don't know when or what it will look like.”

Meanwhile, in another panel, panellists discussed German market distribution six months on post-implementation of MiFID II and Packaged Retail and Insurance-based Investment Products (PRIIPs).

An issue surrounding this was that many foreign asset management funds were stuck with not being able to sell their funds outside of Germany, one speaker noted.

One member of the panel said: “Banks develop a distribution strategy and there are smaller international fund providers who still struggle

with providing the right data. In the end we have a good set up. The regulator ultimately wants to have more transparency.”

Another speaker added: “Regulation pushes us heavily into an automation because all of the reporting that we are obliged to do that needs to be automated, and that is one of the big achievements of regulation.”

However, advice doesn't come without cost, one panellist warned.

Elaborating, the panellist explained: “The most important factor is to have correct and clear data. MiFID II pushed the trend regarding service free models and so this is why we have seen a cloud trend.”

“My advice and hope is that there will be a focus on products that are really relevant to the market so that we do not as a whole industry end up with a large mass of data processes.”

In another panel, one panellist argued that MiFID II is the “most fundamental regulatory change in its existence. Asset managers are in the spotlight and the expectations of the level that they operate on is much higher”.

The panel discussed how COO's deal with implementing transformation across single and multiple technologies and businesses. They also discussed the best practices in dealing with the responsibility and oversight of implementing transformation to enable future growth and agility.

Some of the main challenges revolve around digital, with one panellist arguing that the industry is still grappling with the challenges around it.

“They are trying to work out how to interface with the customer in a heavily regulated environment”, the panellist added.

Another panellist saw challenges being mainly cultural, arguing that delivering transformation is a difficult and complex task. “Cultural change is an extremely difficult challenge to overcome”, the panellist said.

One member of the audience asked: “What does a world class COO look like in five to 10 years?”

“The role of COO in asset management industry has shifted to understanding who our clients are and what they expect from us. Indeed, there has already been a quantum shift. There will be a lot more around the ability to build relationships”, one panellist replied.

One speaker concluded: “We [the industry] need to combine the old with the new. For example, in wealth management there is fantastic amount of financial technology happening. However, we still need old skills. Having that personal agility and that narrative is going to be very important to the future.” **AST**

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## Out with the old and in with the new?

Industry players discuss whether or not legacy systems should be replaced and the effects that technology is having on the industry

*Maddie Saghir reports*

A legacy system is defined as an outdated computer system that an organisation may use instead of an available upgraded version, which also covers application software and programming languages. But, that is not to say that legacy systems are necessarily old. Legacy systems can refer to lack of vendor support or a system's incapacity to meet organisational requirements, and to a certain extent, most organisations have legacy systems. Generally, a legacy system is incompatible with newly purchased systems, and they are sometimes considered to be high maintenance. As well as this, they require modifications and intricate patching.

Jon Trinder, fund services product manager at Linedata, explains: "The majority of buy-side firms are still using legacy IT systems. In our recent annual global asset management survey, 42.5 percent of respondents said that 'improving legacy systems' was one of the key areas where respondents would be allocating their IT spend over the coming 12 months."

Some organisations may continue using legacy systems perhaps believing that if something is working adequately then there is no need to fix or change it, as well as this, a redesign can be costly.

According to Bob Garrison, managing director and CIO of The Depository Trust & Clearing Corporation (DTCC), there have been major investments in technology over the past four decades, which have transformed the financial markets and removed a lot of manual processes and paper.

Garrison continued: "That said, market participants have typically tended to build proprietary IT systems with minimal involvement from third-party vendors. While this was the preferred model and suited firms well for many years, the industry is now at a point where legacy systems have become outdated, with some reaching

end of life. As a result, many firms are now considering how to best leverage new technologies like cloud and distributed ledger technology (DLT)."

Steve Mann, chief marketing officer at Arachnys, explains: "Buy-side firms retrenched from IT spending as a result of the financial crisis. This resulted in firms focusing on maintaining their legacy systems and processes. There is now accelerated investment in technologies that, for the most part, are cloud-based."

There are many reasons for moving away from legacy systems, Mann says: "Organisations typically have a lot of legacy systems, many written in different languages with vastly different maintenance needs, resulting in a technical Tower of Babel."

Mann continued: "On top of this, innovation typically grinds to a halt because the teams are busy maintaining existing functionality as opposed to creating this from scratch. They've incurred too much technical debt, which can be solved by consolidating solutions and capabilities on a single or a limited number of platforms. Every product that an IT team deploys must be done faster, cheaper, and of a higher quality and at scale."

Firms may have specific processes in which they use to avoid significant costs when replacing legacy systems, but is it better to build or buy?

"There are no hard and fast rules on this", Garrison says, "at times it is better to build, and other times it might be better to buy. The critical exercise here is to develop a business case. New technology may solve certain problems, but not always. In some cases, the solution may lie in changing the current processes, however, this can only be determined once a business case has been set out and agreed."

According to Tom Wooders, head of clearing and wealth solutions at GPP, bigger buy-side firms are more likely to outsource only aspects

of their business whereas smaller or emerging firms are more likely to wholesale outsource.

Wooders explains: "In both cases there are significant barriers to building from scratch; there are off the shelf solutions, often specialised, that leverage more than five years' development effort. Additionally, platforms offer the benefit of mutualised access to new functional enhancements where their application is market-generic."

In order for organisations to align legacy systems to meet new and more sophisticated demands from regulators and clients, several options can help with the alignment, including an investment book of records, solution offering risk reduction, and enterprise data warehouse, according to Trinder.

They could also help by standardising reporting requirements, he added.

According to Carmine Lengua, market strategist at FactSet, firms are growing more comfortable with buying/licensing software, and even hardware/infrastructure, as evidenced by the success of the various cloud offerings available today.

"One of the biggest pieces of advice we can offer is to ensure that all new systems are built to scale, built to grow, built to integrate and evolve", Lengua advised.

With all of the new technologies, some firms may be at a disadvantage compared to those using automated advanced technological systems.

When asked whether or not firms are at a disadvantage, Paul Roberts, CEO of Milestone Group, said: "Yes, however, the emergence of new and sophisticated technologies is allowing firms with legacy systems to access new possibilities."

"This involves winding back the demands on those legacy systems to what they were originally designed to do, and then integrating more advanced technologies to undertake the tasks and functions in a fully automated fashion that operate in concert with those underlying platforms, replicating capabilities that might otherwise require full replacement of legacy platforms."

He added: "This is an exciting option but will not be applicable in all circumstances where technical or labour market limitations or end of life issues make this cost prohibitive."

In terms of technology, there could well be a future risk of too much reliance on technologies such as artificial intelligence (AI) and machine learning.

For Cillian Leonowicz, head of digital and client solutions consulting at Fenargo, new exponential technologies, such as the cognitive technologies, have the ability to fundamentally alter the operational context and market dynamic as we know it. Leonowicz, continued: "For example, if a fund's unit can be stored, traded and managed on a

blockchain with the buying of these units dictated by AI and machine learning, then the operation of today will look a lot different to that of the future."

He added: "We will, of course, still need humans; the question is how many and for what part of the new lean and interconnected value chain."

The impact of technology and the way in which the industry is reacting to that is bound to cause changes and perhaps new enhancements in the industry.

Meanwhile, Trinder said: "AI and machine learning models achieve higher accuracy on specified tasks compared to humans. They allow technology to perform tasks that are repetitive and monotonous."

"Our clients say they want it to a point to increase efficiency, but they still want to have a human involved whilst trust is established, they do not want to lose accountability and transparency."

Predicting what the industry will look like in five years, Wooders said: "The pace of automation is likely to increase significantly and technology will be a key focus for buy-side firms looking to gain a competitive edge."

Lengua, commented: "For asset servicing providers looking to add real value to investment businesses, partnerships with new types of companies, such as nimble financial technology firms, will provide innovative solutions, which can be scaled quickly."

"However, for the most important back-office functions, traditional systems with a high level of human input will remain key."

For Roberts, the next five years will use more modern and flexible investment technologies, which will lead to the emergence of new and different operating models that will unify market participants and allow buy-side firms to access advanced technologies without the need for a traditional build versus buy decision.

"It will also challenge existing operating model design and redefine the boundaries and thinking around insourced and outsourced functions. It will protect investment firms against future technology cycles that expose them to the legacy system challenges being faced today", says Roberts.

Lengua said: "In five years, we will see an increase in uptake of various AI and automation technologies. We will continue to watch the march toward transparency as demanded by both regulatory bodies and an increasingly engaged and educated clientele."

He concludes: "We will see consolidation of vendors, but also increasing openness. Developments like blockchain technology may aid in this process by serving as a framework for sharing information in a secure and immutable manner." **AST**



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## Whole lot o' data going on

Dov Goldman and Richard Saville from Opus discuss the future of data and regulation for the US, the UK and the rest of Europe

*Jenna Lomax reports*

**GDPR went live just a couple of weeks ago. What were some of the last-minute compliance burdens associated with adhering to GDPR? And what concerns remain?**

**Dov Goldman:** We have seen already that a big concern for organisations is that their marketing efforts are very vulnerable to the General Data Protection Regulation (GDPR). A lot of organisations are asking those on their contact list to opt in and continue to remain in contact. We're doing this at Opus and I think that is an intelligent step because a big part of the regulation is very much aimed at direct marketing efforts.

**Richard Saville:** There is an industry concern amongst companies who are worried about fines if they don't get it right, and they are worried they will annoy their clients if they keep sending out stacks of consent requests to those who may have even forgotten who they're doing business with—that's a massive challenge.

If you have customer information that you've gathered through legitimate business, and you have an established relationship with them, you do not have to request re-consent. But there still seems to be massive confusion.

Having said that, part of the process is the issue of consent on record. If a regulator came in and they wanted to see evidence of that consent, most firms would struggle to show that they've got that clearly on record. It's about getting the house in order in terms of those data records. If an organisation is making a reasonable effort to clean that up, they will not be fined.

The regulator is clearly saying it's time that people who have bought a thousand emails from a market database cannot use that information to market products. GDPR is all about enhancing people's protection regarding their own personal data.

**How will companies be forced to evaluate their use of customer data. Do you think there will be any teething problems in the first few weeks and months after the go live?**

**Saville:** The UK regulators have been magnificent in publishing guidance, but they've only been doing that for the last couple of months. So, a lot of businesses have been sitting there waiting for the regulator to tell them what they have to do. It's only now that people are beginning to realise what the true implications are. I don't think the regulator can come down too hard when they've taken two years to get their act together. I think most companies only just about understand what GDPR actually is and they don't necessarily know where to go to get the right information.





*Google hits for GDPR exceeded the hits for Beyonce. That's the size of the interest and reflects the uncertainty and questions that people have. It's out-Googled Beyonce*

Richard Saville



I heard that recently, Google hits for GDPR exceeded the hits for Beyonce. That's the size of the interest and reflects the uncertainty and questions that people have. It's out-Googled Beyonce.

**Do you see any indication that an equivalent of GDPR may be exercised in the US?**

**Goldman:** The US culturally has a relaxed view on privacy, compared to people in the EU—and the UK. Data breaches are nothing new, but in recent months it has reached a different level of consciousness and punctured everybody's fantasy that they have any level of privacy. I don't see extra GDPR-like regulation for data in the current political climate we have here in the US. But I do see a cultural shift on the way. That recent awareness is the beginning.

**What should companies be working on in the coming months with GDPR? And do you think regulators will be lenient in the first month?**

**Goldman:** Inherently, technology can be changed very fast but human behaviour cannot be modified at the same speed. Companies need to train people on accountability and data subject rights. A problem with GDPR is some organisations don't think they're responsible to this regulation, though most are trying hard to see this as important in their business going forward.

When considering companies that have a lot of data, there's a growing percentage of that data that's being processed by third parties. So, this question of 'where is my data?', is now a concern of businesses worried about that entire 'extended enterprise'.

**Saville:** The regulation is explicit. Companies need to understand what data is being held and what it's being used for. A lot of companies are getting their head around their internal processes but they haven't yet addressed the amount of data that is out there with third party processes.

**Goldman:** You cannot assess the GDPR compliance of a third party you don't know about. Identifying all third parties is the first step in building a picture of the risk, though that can be extremely difficult when some businesses have more than 200,000 third parties. Opus has built a solution that our customers can use to 'filter' their third

parties and to help them focus on the relationships that require real work in terms of GDPR.

**What else are you doing at Opus in terms of best practices for ensuring GDPR compliance?**

**Saville:** The Information Commissioner Office (ICO) has published a series of guidelines.

The ICO guidelines include security of processing, understanding legal reason for processing, and the ability to provide individuals with information about their data.

Opus has taken that guidance and mapped it to the regulation. We have a questionnaire and when our clients' third parties have completed that questionnaire our application will calculate their control effectiveness, and it will calculate the risk from a data privacy perspective.

**Companies face big fines—a reported 4 percent of annual revenue if they are not compliant—what are the other consequences of non-compliance?**

**Saville:** The big one is reputational risk. If you're dealing with a company that has a very clear data policy notice, who are very open and transparent about what data they're collecting, or what they're going to use it for, you're more likely to want to work with them. The whole premise of GDPR is to give a better consumer experience and to protect the individual.

The fact that the data protection officer now reports to the CEO of the company speaks volumes. The fact that you've got this massive potential fine is great ammunition for the data protection officer when talking and persuading their CEO when they're designing new privacy systems within applications.

Data protection officers are now front and center in many organisations. That can only be a positive.

**Goldman:** Up until now, many companies had people deep in the bowels of their technology organisation—the 'high priest' of data who tended to manage millions of records about individuals. What

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*The role of AI in many processes is still very much up in the air. Machine learning, with all these new tools, is a vaguely defined area. The industry has so much data to process right now*

”

Dov Goldman

GDPR and everything surrounding it has begun to do is to shine some light on those people and their efforts. Customers want to do business with companies that are going to care about their rights as a data subject. It will help companies create a responsible image, an added element to a company's ratings.

**What are the trends within regulation, data privacy and information security at the moment with the increasing introduction of technology and artificial intelligence (AI)? Is AI helping or hindering?**

**Goldman:** It's hard to consider that at the moment—it's almost like the Wild West, we're the pioneers. The role of AI in many processes is still very much up in the air. Machine learning, with all these new tools, is a vaguely defined area. The industry has so much data to process right now.

My intuition is that the regulators are not yet smart enough about this topic. AI is serving a role in a lot of processes. The one that is affecting our lives the most is fraud detection. It's very visible, the industry has heavily applied AI to fraud detection.

Having said that it's a little early to know how AI is really going to affect things. People are really not that yet sure how these machine tools will affect compliance or non-compliance with the regulation.

**Saville:** Our data is being used without our knowledge. A recent article I read suggested that we are now waking up to how easily available our data is. The article was saying that we're getting to a point in understanding how machines could potentially control our lives, and if we don't wake up to that fact and regulate it to ensure safeguards, 50 years from now, we might not be having these conversations.

I'm excited that people are beginning to see this as an important topic—the new attitude is 'all this information is dangerous, so let's regulate it'. More regulation will mean more ethical uses of big data in the future.

**What emerging trends and approaches are you currently seeing in the industry, especially looking forward to 2019?**

**Saville:** What I am looking forward to is more standardisation. Standard ISO 27001 for example, already covers some GDPR

requirements. I would like to see a recognised certification for information security management that encompasses data privacy and uses that certification to show compliance with the regulation.

Having a common standard for data privacy would be fantastic. GDPR may be an initial instrument towards seeing that change.

**Goldman:** The goal of certification is to help to show that a corporation has achieved a cultural shift enabling them to think in the right ways. It is a necessary element to building compliance with any kind of regulation.

You need information security management programmes in place and certifications will show you have done the work. **AST**

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### Comings and goings at BNP Paribas, BNY Mellon, Cinnober and more

**BNP Paribas has appointed Diana Senanayake as head of Singapore for BNP Paribas securities services.**

Senanayake will lead the Singapore team, with a focus on continuing to build out best-in-class operations for clients, while deepening relationships with new and existing clients.

Prior to BNP Paribas, Senanayake was managing director for global client coverage at RBC Investor & Treasury Services in Luxembourg.

She brings with her experience from the financial services across Europe and Asia.

Senanayake will report to Philippe Benoit and Pierre Veyres, BNP Paribas CEO for Singapore. In her new role, Senanayake has replaced Mostapha Tahiri, who was appointed head of institutional investors and digital transformation for the Asia Pacific region in 2017.

Benoit, BNP Paribas Securities Services' head of Asia Pacific, said: "Senanayake's appointment comes as our custody business marks ten years operating in Asia Pacific."

"During this time we have grown significantly and established a robust client franchise, which Senanayake will help to develop and continually improve."

He added: "Senanayake is an accomplished people leader and this, combined with her demonstrated client focus, means our business will be well-positioned for future growth."

**BNY Mellon has appointed Stephan Koschmieder as head of business development for the Germany, Austria and Central and Eastern Europe region.**

In this newly created role, Stephan Koschmieder will focus primarily on growing BNY Mellon's custody, depositary and fund accounting services.



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Koschmieder is based in Frankfurt and will report to Dennis Presburg, head of asset servicing business development for Northern Europe.

Prior to 11 years at Euroclear, where he was director and unit head of sales and relationship management, Koschmieder had client development roles with financial software companies such as CQG and GL Trade, as well as with Standard & Poor's Investor Services in the area of financial advisory and portfolio management.

Koschmieder's appointment follows the recent announcement of Katherine Starks joining BNY Mellon as head of its asset servicing business in Germany, Austria, Switzerland and Central Eastern Europe region.

Dennis Presburg said: "Koschmieder has a strong track record working with banks and other institutional investors in Germany, Austria and other central and eastern European markets."

He added: "Koschmieder's appointment underscores our commitment to providing an exceptional client experience and supports our growth ambitions across the region. The German market is a key strategic priority for BNY Mellon and we are committed to adding local strength and long-term stability to our client-facing team in Germany."

## **Cinnober has appointed Peter Lenardos as the new CFO for the Cinnober Group.**

Lenardos will be based in both Cinnober's London and Stockholm offices.

The change in management comes after current CFO Ninni Pramdell announced her intentions to leave the company for other opportunities. Lenardos has experience in the financial sector as both an investment banker and research analyst.

Since April this year, Lenardos has been senior financial advisor to Cinnober, and previously held the position as a managing director in the Royal Bank of Canada's (RBC) London office. He has also held other financial and management positions in both the US and European finance industries.

Veronica Augustsson, CEO of Cinnober Group, said: "Lenardos has unique experience, knowledge and a broad network within the international finance industry. He brings a lot of value to our business, both for the investor community as well as the customer base."

She added: "Coupled with his deep financial and accounting skills, this means that he is well suited to take on the role of the group's new CFO and we are very pleased to have him join the management team."

Augustsson concluded: "I would like to thank Ninni Pramdell for her time at the company. She has contributed strongly to a further developed and well-functioning financial and accounting function. We wish her all the best in her future challenges."

## **Saxo Bank has appointed Eric Krueger to the newly created position of global head of client services, effective from July 2018.**

Krueger will report directly to Damian Bunce, CCO of Saxo Bank A/S.

Krueger will be responsible for managing and developing Saxo Bank's client relationships and the infrastructure serving those clients.

He will also lead Saxo Bank's global client services organisation to further strengthen Saxo Bank's client service.

Krueger joins Saxo Bank with 20 years of experience in the financial industry with knowledge of programme trading, electronic trading and sales trading.

Before joining Saxo Bank Krueger spent nine years at Barclays where he most recently served as managing director and head of cash execution sales for the Europe, Middle East and Africa region.

Before joining Barclays in 2009, he also worked at Merrill Lynch for 11 years in various leadership positions focusing on programme trading and electronic trading.

Damian Bunce, CCO of Saxo Bank, commented: "We want to further strengthen the service we offer to clients and deploy the next generation of tools and we are very delighted to welcome someone of Krueger's calibre to work on that."

He added: "As a result of twenty years of leading client focused businesses, Krueger has developed an extensive understanding of client service, experience and knowledge in the field and I am confident that he will add real value to our clients."

Commenting on his new role, Krueger said: "I look forward to participating in the growth of Saxo Bank. Saxo Bank leads the industry when it comes to the combination of products, platforms, pricing and crucially, Saxo has always coupled its unique digital offering with strong client services."

"This combination is rare and I look forward to help driving our client offering to an even higher level."

## **BNP Paribas has appointed several new executive members to its senior management team.**

Jean-Yves Fillion, CEO of BNP Paribas US, and CEO of CIB Americas, will be chairman of CIB Americas and continues to serve as CEO of BNP Paribas US.

In these two roles, Fillion will be responsible for the bank's regional corporate strategy and will sponsor the bank's relationships.

Fillion has been with BNP Paribas for 33 years, 26 of which he spent in the US between Chicago, Los Angeles and New York.





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Bob Hawley, deputy CEO of CIB Americas becomes CEO of CIB Americas. Reporting to Fillion regionally and to Yann Gérardin, head of corporate and institutional banking, globally, Hawley will continue to serve as head of the institutional platform Americas and head of global markets Americas.

Hawley will also be responsible for the Brazilian CIB platform. He has been with BNP Paribas since 1997 in increasing roles within CIB in Tokyo, Hong Kong, London and New York.

Pierre Veyres has been appointed as deputy head of CIB Americas and head of the corporate platform Americas.

Reporting to Hawley, Veyres will be responsible for leading the group's strategy to grow the corporate franchise and will be a member of the CIB Americas executive committee.

Veyres will oversee the CIB platforms in Latin America and Canada. Veyres joins the Americas team from Asia Pacific (APAC), where he has served as the CEO of the BNP Paribas Singapore branch as well as the head of territory for Singapore and head of CIB Southeast Asia since October 2013.

Philippe Ricard has been appointed COO of CIB Americas.

Ricard, who has been in the region since 2017, is replacing Bruno d'Illiers, who is moving to a new role with the Bank in Paris.

Ricard will report to Hawley and will continue to serve as COO of BNP Paribas US for which he reports to Fillion.

Since joining the group in 1989, Ricard has held a wide range of leadership positions across BNP Paribas' key regions and businesses, most recently as global head of asset and fund services within BNP Paribas Securities Services.

Sonja Volpe will be appointed as country head of Canada.

Volpe brings more than 17 years of experience, covering Canadian financial institutions and public sector clients. She first joined BNP Paribas in 2015 as head of financial institutions coverage in Canada, developing the bank's institutional client franchise in the region.

Volpe will develop Canada as an operational platform in the region.

Thalès Gabay has been hired as head of asset and liability management Treasury (ALMT) for CIB Americas. Gabay is replacing Jonathan Light who is retiring.

Gabay most recently served as head of ALMT for APAC, following a tenure as head of ALMT for the Latin America region.

Amanda Rajkumar has been appointed head of human resources for BNP Paribas US and CIB Americas.

Emmanuelle Bury has been hired chief conduct and control officer (CCCO) for BNP Paribas US and CIB Americas.

Bury comes from BNP Paribas Paris where she was the global COO for the ALMT group. She will be joining the CIB Americas executive committee.

All appointments are effective from June except Sonja Volpe, Ricard and Veyres, who will join later in the year.

Yann Gérardin, head of corporate and institutional banking, said: "BNP Paribas has experienced solid growth over the past few years, and now, backed by the bank's commitment to invest substantial capital and resources in our Americas platform, we are poised to elevate our business to the next level."

He added: "A key factor in our success remains our continued focus on our clients: supporting their needs globally and providing them with strategic guidance. To support this mission we are investing in our leadership, which includes these appointments."

The firm also appointed Stanislas Beneteau to the newly-created position of regional head of the financial intermediaries and corporates client line (FI&C) for the UK, the Middle East and South Africa.

In this role, Beneteau will be responsible for the go-to-market strategy, financials and client solutions for all FI&C clients in the UK and Middle East and South Asia region.

This includes the development and management of products such as global custody, local custody and clearing, broker dealer outsourcing and collateral valuation services.

Beneteau will report locally to Patrick Hayes, regional head of the UK, the Middle East and South Africa, and functionally to Bruno Campenon, global head of the FI&C client line.

Beneteau joins BNP Paribas Securities Services from Deutsche Bank where he worked for eight years, most recently holding the position of global head of sales of investor services. Prior to this, Beneteau spent nine years at J.P. Morgan.

Jean-Yves Fillion, CEO of BNP Paribas US and chairman of CIB Americas, commented: "BNP Paribas is at a pivotal moment for the Americas platform".

"As the competitive landscape evolves, our business is well-positioned to continue our strong progress toward becoming one of the top European banks in the region."

He added: "We have a tremendous opportunity in front of us in both our wholesale and retail businesses as a unified region with a global offering that differentiates the bank in the marketplace. I am excited for what the bank will achieve in the years ahead."

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