

CONTENTS

HSBC launches escrow services in Vietnam

HSBC Securities Services (HSS) has launched escrow services in Vietnam.

page2

Wells Fargo acquire LaCrosse

Wells Fargo & Company has announced an agreement to acquire LaCrosse Global Fund Services.

page3

Country focus

Canada has managed to weather financial storms coming from the south and across the Atlantic.

page5

Industry training

All the leading industry courses over the coming months.

page8

Industry events

Dates for your diary, opportunities to learn and network

page9

People moves

Find out the latest hires, and who is getting promoted within the industry.

page10

Post trade model battle heats up

EUROPE 12.09.2011

As the competition for market share among European exchanges continues to heat up, two competing models are emerging in the provision of post-trade services to trading partners. Interoperability – the practice of diverse and disparate organisations working together – and the vertical silo model, when the exchange owns and, arguably, controls clearing houses.

Chi-X Europe, a major European exchange with some 20 per cent market share for total turnover, will be the first to offer four-way clearing interoperability to all its trading partners. EMCF, EuroCCP, LCH.Clearnet and Six x-clear will collaborate to offer a full clearing choice by January 2012. The initiative to provide trading partners with choice of clearing facility has been three years in development.

“[Getting all the parties to agree] was a diplomatic minefield because there are so many vested interests involved, however, the horizontal model is the one that

we very strongly believe in and where the big dominance struggle over clearing and settling trades is going to be in the next few years,” said Belinda Keheyann, director of marketing for Chi-X Europe.

The London Stock Exchange (LSE) and Deutsche Boerse are moving towards the vertical silo model as the two exchanges lose market share to alternative trading platforms like Chi-X Europe. The London Stock Exchange recently announced a majority bid for LCH.Clearnet while Deutsche Boerse and NYSE Euronext continue to make their way through regulatory approvals towards a merger.

However, regulators are likely to separate clearing services from the combined Deutsche Boerse and NYSE Euronext entity over competition concerns. Meanwhile, a European Commission draft document is circulating in Brussels outlining rules that prevent member states from blocking access of investment firms and market

readmore p2

Citi bags Sandalwood mandate

Citi Global Transaction Services (GTS) has been selected to provide fund of hedge funds administration and custody services to Sandalwood Securities. Citi GTS's funds of hedge funds service includes fully automated global order fulfillment, custody and cash management, workflow flexibility and transparency and back office services.

readmore p2

UBS re-establishes Fund Services in UK

UBS Fund Services has announced it is re-establishing a business development presence in the UK and aims to position Fund Services Dublin as a multi-product and multi-jurisdiction hub.

readmore p2

Ten markets, ten cultures, one bank.

S|E|B

Post trade model battle heats up

Continued from page 1

operators to central counterparty and clearing and settlement systems, according to Reuters. "Access should be granted on the same "non-discriminatory" basis as for local users,"

And just as exchanges are consolidating to compete in the global market place, so too are CCPs expected to follow suit.

"In Europe we have currently over 10 CCPs and we expect the number to get smaller, not bigger," she says.

Citi bags Sandalwood mandate

Continued from page 1

"After a thorough review of service providers, two of the key factors driving our decision to select Citi were the quality of the professionals we met and Citi's commitment to developing technology solutions" said Ken Chapple, CFO at Sandalwood Securities.

"Transparency is a key commitment we make to our investors and their advisors. Citi's investor services platform – and integrated Fund of Fund Solution – provides us with direct, Web-based access to our investor reporting and portfolios and, as a result, additional transparency to our processes," he adds.

UBS re-establishes Fund Services in UK

Continued from page 1

To lead this effort, Gavin Byrnes has been hired to focus on sales activity in the area of alternative asset administration as well as Irish domiciled investment vehicles as part of UBS's Global Asset Management business group based in London.

This announcement follows UBS's launch of new Fund Services offices in the Asia-Pacific region.

Byrnes will co-operate closely with UBS's business development and client relationship management locations in Dublin, Luxembourg, Americas, Switzerland and Hong Kong and also help to promote UBS's global integrated offering by leveraging cross-selling opportunities in prime brokerage and asset Servicing.

Byrnes previously headed sales and product development at SEB Fund Services in Luxembourg, a role he held since 2007.

Nedgroup appoints Citi for TS

Citi has announced its Global Transaction Services unit is selected by Nedgroup Investments for the manager's new Irish Ucits fund.

The mandate includes trustee and custody services, fund administration, transfer and foreign exchange solutions.

"In supporting [Nedgroup Investments with their new Ucits fund], we'll leverage our local market expertise as well as our global capabilities across Securities Funds and Services in order to create a tailored program," said Richard Ernesti, global head of investor client sales management at Citi.

BNP Paribas tops fund administration survey

BNP Paribas shot up from last to first place reflecting a major shift in the way clients view fund accounting services, according to this year's R&M Consultants Fund Accounting Survey.

J.P. Morgan also saw a dramatic increase, ending in second place when last year it was in the second to last position.

"This year's results reflect a remarkable sea change in the way the leading banks with fund accounting services are viewed by their clients," said Richard Hogsflesh, managing director of R&M Consultants. "The changes seem to reflect concerns in handling of derivatives and the banks which have performed best are outshining their rivals in this area of expertise."

All other participants saw their scores decline, HSBC was third, and State Street and Northern Trust followed in the top five.

Rwanda's modernisation paying off for exchange

After modernising its payment and settlement system, The Rwanda Stock Exchange (RSE) has reached another milestone when the country's largest commercial bank listed on the exchange.

"These are exciting moments not just for the Bank of Kigali but most importantly for the young stock exchange as participation as an investor is quick and straight forward, not materially different than what you would expect from London, Singapore or New York," said Bank of Kigali chairman, Lado Gurgendize.

This second domestic listing on the nascent market comes after the move to two day settlement on shares or bonds, made possible by the implementation of the Rwanda Integrated Payment and Processing System (RIPPS) by the Central Bank of Rwanda.

"The effect of this development will be to make the securities market more efficient by increasing transaction speed thereby making the secu-

rities traded on the RSE faster to transfer and convert into cash than before," wrote RSE.

The Rwanda Integrated Payment and Processing System implement by the exchange, just seven months in operation, is comprised of Real Time Gross Settlement (RTGS), the Automated Clearing House (ACH), the Automated Transfer System (ATS) and the Central Securities Depository (CSD).

Before the new settlement cycle was adopted in August, equities took five days and bonds took three days to settle.

Penson merges FCM and BD business

Penson Worldwide has announced the successful integration of its broker-dealer and US futures businesses, which will combine the operations of Dallas-based Penson Financial Services and Chicago-based Penson futures.

This will facilitate more efficient use of capital and increased operating efficiencies. No other changes in management, marketing, resources or offices are contemplated, the firm said.

The move is part of a major strategy review announced after disappointing earnings in the second quarter.

Other key changes expected include the sale of one of Penson's UK operations and the expansion of its outsourcing agreement with Broadridge in Canada.

HSS launches escrow services in Vietnam

HSBC Securities Services (HSS) has launched escrow services in Vietnam to support corporations and institutions making inbound and outbound investments in the country.

As long term capital inflows from foreign entities into Vietnam are increasing, there are a growing number of transactions that require an escrow agent to facilitate the settlement of the underlying transaction whilst protecting the interests of both buyers and sellers.

HSBC in Vietnam can now support a wide range of commercial transactions that need cash to be held in escrow for corporate and institutional clients seeking to make investments in Vietnam and Vietnamese companies seeking investments from foreign partners or those seeking to make investments overseas.

"Given the increasing investment activity in Vietnam, HSBC is pleased to have launched escrow services in this key market to help clients

Corporate and Investment Banking

Standard Bank offers a sophisticated range of safekeeping, clearing and related services to local and foreign institutional investors in the South African and 12 sub-Saharan markets. For information e-mail transacts@standardbank.co.za

Moving Forward



mitigate transaction risk. This new service further strengthens HSBC's position as a leading provider of securities services in Vietnam," says Vinith Rao, HSS head in Vietnam.

This service can be bundled with any FX conversion services that a transaction may require. "The launch of escrow services in Vietnam is part of our strategy to provide the full range of services that our clients need to facilitate the increasing level of debt raising and acquisition activity across the Asia Pacific region and globally," says Sebastian Leotta, global co-head of corporate trust and loan agency, HSS.

Wells Fargo to acquire LaCrosse

Wells Fargo & Company has announced an agreement to acquire LaCrosse Global Fund Services, an independently managed hedge fund administration and middle-office service provider, from Cargill, pending regulatory approval in several jurisdictions. The Structured Product Services division within Wells Fargo Corporate Trust Services (CTS) is sponsoring the transaction.

Upon closing, this acquisition will provide Wells Fargo and CTS with a complete service offering to the hedge fund administration market as LaCrosse's robust platform and technology performs not only traditional fund administration services, but also operational support, derivatives processing, bank debt processing and cash/collateral management. CTS' market reputation and complementary services combined with LaCrosse's experience and full-service platform will form a compelling offering to the hedge fund industry.

"Corporate Trust Services is excited to expand its hedge fund administration business and integrate with LaCrosse's platform," said Brian Bartlett, head of Corporate Trust Services at Wells Fargo. "CTS and LaCrosse have very similar cultures based on controlled growth, service excellence, back office competence, and employee/team loyalty."

"Wells Fargo is very excited to welcome the Co-CEO's of LaCrosse, Stuart Feffer and Christopher Kundro, along with the rest of their team worldwide," said Doc Walther, head of Structured Product Services at Wells Fargo. "This integration provides us with a huge opportunity to leverage our strong corporate trust market reputation with LaCrosse's experience and expertise, and offers our clients a full suite of hedge fund administration services."

Wells Fargo will maintain the global footprint currently offered by LaCrosse, with operating centers and offices in New York, Minneapolis, London, Dublin, Singapore, Buenos Aires and Jersey (Channel Islands). Current clients of LaCrosse can expect complete continuity of services, as management, service teams and systems will be transferred to and maintained by Wells Fargo. Following completion of the acquisition, LaCrosse clients will also be able to make use of the full range of services offered by Wells Fargo, including custody, cash management, trust, paying agent, and other related banking services. Barclays Capital served as an advisor to Cargill in this transaction.

State Street launches derivatives clearing service

State Street Corporation has expanded its futures commission merchant (FCM) activities to include the launch of its swaps clearing platform, enhancing its comprehensive, end-to-end derivatives solution that includes servicing, custody and accounting, collateral management, valuation, and risk and analytics.

As the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) is implemented, the majority of swap contracts currently traded Over the Counter (OTC) directly between two parties will migrate to a centrally cleared environment through established Central Clearing Counterparties (CCPs). Parties to these trades will be required to work through an FCM that acts as intermediary between its clients and the CCP. The new regulations will also impose collateral requirements and real time reporting requirements designed to reduce counterparty credit risk and bolster market transparency.

"As the derivatives markets evolve, we are increasingly aware of the need for full-service clearing and other services to help clients realize the benefits of the new derivatives regime, through enhanced transparency, more open execution platforms and central clearing," said Clifford Lewis, executive vice president and head of State Street's eExchange business. "State Street is in a unique position to leverage our award-winning technology platform and strong client service to benefit our clients in an un-conflicted way."

State Street's clearing capabilities are integrated with its existing servicing offering, forming a global end-to-end solution that reduces operational risk through automation of the many stages of derivatives processing including cash and securities flows between the middle and back offices, client reporting, valuations, and the reconciliation of positions. This solution provides clients with a single source for the reporting of both clearing and processing related activities. State Street Global Markets, the investment research and trading arm of State Street, is an FCM and currently clears futures and options on futures transactions for clients.

"State Street is committed to providing flexible, customisable solutions to help our clients navigate an increasingly complex global market," said Jeff Conway, executive vice president and head of Investment Manager Services at State Street. "State Street's new derivatives clearing capabilities are a key component of our derivatives offering, which now includes clearing, end-to-end OTC and exchange traded derivatives servicing, collateral management, and independent valuation, providing our clients the option of either a complete solution for derivatives or a component-based approach tailored to their specific needs."

The derivatives clearing offering combines the expertise of eExchange, a division of State Street Global Markets, and State Street Global Services. eExchange delivers advanced trading solutions for foreign exchange, futures, US treasuries, and the subscription and redemption of money mar-

ket funds and exchange traded funds and State Street Global Services provides asset owners and managers with a wide range of support, from core custody, accounting, fund administration and shareholder recordkeeping to complete investment operations outsourcing solutions and servicing for complex alternative assets like OTC derivatives, private equity and real estate.

Northern Trust to expand capabilities in Asia-Pacific

Northern Trust has announced plans to provide index equity portfolio management to institutional clients from its Hong Kong office. The expansion plans, intended to bring Northern Trust's asset management services closer to clients in the Asia-Pacific region, are enabled by a Type 9 license granted this week by the Hong Kong Securities and Futures Commission.

"This is a positive step in our continued expansion in the Asia-Pacific region and in line with our strategy to bring our people and services closer to our clients around the world," said Kevin Hardy, Northern Trust, managing director of asset management in Asia-Pacific and country head for Hong Kong. "The addition of not only index equity portfolio management capability but also an Asian dealing desk to our Hong Kong office continues our development of a sustainable and scalable global model for asset management, serving Northern Trust clients in every geographic region."

To lead the development of its expanded asset management capabilities in Hong Kong, Northern Trust has made two key appointments: Patrick Dwyer, senior portfolio manager in the global index equity team, and Craig Annakin, who joined Northern Trust as head of Asian Dealing, responsible for setting up the new Asian dealing desk.

Dwyer will be responsible for the management of international index portfolios. He joins the office with a broad range of experience in managing index mandates including developed, emerging and frontier markets, as well as currency and future overlays. Dwyer transferred from Northern Trust's Chicago office in March and has been involved in setting up the portfolio management capability and hiring.

Annakin joined Northern Trust in May from Deutsche Asset Management in Singapore, where he headed up operations for the Asia region's dealing desks. In addition to his Asian responsibilities, he had a global role on strategic, performance and process outlook of the global footprint, including New York and Frankfurt. Since joining he has been integral in establishing Northern Trust's global equity dealing technology for the Asia region.

"We are pleased to bring new talent and new capabilities to our Hong Kong office, building on momentum from recent growth of client assets and relationships with sophisticated investors in the region," said Wayne Bowers, Northern Trust, Chief Executive Officer of asset management for EMEA and APAC. "By building up our team locally, we can ensure that our investment solutions truly respond to the specific challenges of our large and sophisticated clients in the Asia-Pacific region."

Financial software solutions that deliver

transfer agency | financial messaging | life insurance | investment | pensions | private wealth & portfolio administration | ebusiness

Reduced costs, greater efficiency, improved speed to market and better service to your clients

Bravura Solutions is a leading global supplier of transfer agency and wealth management software applications and professional services. We have over 20 years of experience and support more than 180 financial institutions globally. We stand at the forefront of our industry; setting the benchmark for innovative, quality technology applications, service and support.

For further information please email info@bravurasolutions.com

bravurasolutions.com





Canada

Known for its prudent regulation, Canada has managed to weather financial storms coming from the south and across the Atlantic. And custodian banks have been front and centre while riding out the turmoil.

ANNA REITMAN REPORTS

Just as the Canadian economy was recovering, with an interest rate hike expected in September, the country's neighbour had a sclerotic political debt fit and global markets took a dive over sovereign debt concerns in Europe.

This, after Canada's economy had registered a surprising contraction in May, by 0.3 per cent, leading to disappointing GDP figures in the second quarter this year. The Spring decline was largely attributed to a "confluence of negative factors", according to RBC economists, such as natural disasters like forest fires and flooding, and disruptions in industrial production.

In turn, economic growth has been revised downwards across the board. RBC has pegged growth this year at 2.7 per cent compared to a previous forecast of 3.2 per cent.

"Although we expect to see stronger growth in the quarters ahead, the financial market instability and persistent uncertainty surrounding the pace of global growth will keep the [Bank of Canada] side-lined," wrote RBC in a recent report. Most analysts now predict that interest rates will remain on hold until 2012.

Notwithstanding, Canada remains a top safety investment destination. Pimco founder, managing director and co-CIO, Bill Gross, recently advised investors to look at countries with "cleaner dirty shirts" such as Canada.

The labour market is also recovering from the financial crisis with growing strength. A recent survey by PayScale found that wages in Canada in Q2 2011 are up more than 1.5 per cent since the bottom in 2009.

Before the recession hit in late 2008, wages were growing in Canada at a healthy rate of three to four per cent year-over-year in 2007 and 2008. When wages finally tumbled in 2009, they did so for a brief three quarters. As the recession began to ease up, earnings for Canadian workers recovered swiftly. Incomes for Canadians showed significant improvement starting in Q2 of 2010.

In terms of Canada's competitive position internationally, the World Economic Forum's 2010/11 Global Competitiveness Index ranks the country 10th of 139 economies overall and 12th for financial market development. Notably, the country is the top ranking for soundness of banks, second for availability of financial services and eighth for financing through the local equity market.

Regulatory environment

It's certainly no secret that the country is internationally recognised for prudent regulation in the financial services sector, particularly important in the wake of the financial crisis and while investors continue to recoil over sovereign debt issues plaguing Europe.

Canada is the only G20 country without a national securities regulator, instead it remains under the jurisdiction of the 13 provinces and territories

The regulatory environment itself is something that is distinctly Canadian. Canada is the only G20 country, for example, without a national securities regulator, instead it remains under the jurisdiction of the 13 provinces and territories. Politicians under a conservative government has been pushing to change this and the Canadian Securities Transition Office (CSTO) was established to implement and develop a plan in anticipation.

Some provinces are leading the charge to prevent this transition of power to the federal government; in Alberta and Quebec, courts have already said the Constitution forbids national regulation in that area and Manitoba is also strongly opposed. The Supreme Court of Canada heard arguments in mid-April and a decision is pending. Currently, a passport system between provinces is used to ease the administrative burden of filing in multiple provincial jurisdictions. Some banks, like Toronto-Dominion and major asset managers, like the Ontario Teachers' Pension Fund, are supportive of federal coordination, which would further simplify the fragmented provincially-based regime, according to the Globe and Mail.

Financial institutions, however, are regulated nationally, by the Office of the Superintendent of Financial Institutions (OSFI), while a host of other industry and regulatory bodies cover multiple jurisdictions with differing requirements – such as the Canadian Depository for Securities or the Investment Funds Institute of Canada.

Custody market

Investors are not expressing any particular concern over any of the jurisdictional challenges and continue to retain confidence in the safety of the Canadian market, while also requiring expert guidance in the regulatory landscape. As a result, custodians find themselves uniquely positioned to meet the needs of institutional in-

vestors facing significant pressure from clients, boards and other stakeholders for increased transparency, risk management and performance tracking.

Though Canada's custody market is growing in absolute terms, in relative terms growth in assets under administration (AUA) may be slowing. At the end of December 2010, the custody market had some CAD\$3.5 trillion AUA at the end of last year (pension funds accounting for almost 40 per cent) compared to CAD\$3.2 trillion at the end of 2009 and CAD\$2.9 trillion at the end June 2009, according to data from Investor Economics.

Looking at these figures over the three half-year periods from June 2009 to December 2010 indicates some volatility, says Juhaina Kabir, an analyst at Investor Economics. "In terms of annual growth in relative terms, it looks like there is a slowdown in that time, but the June 2011 figures are not complete yet," she says.

In other words, it is difficult to identify which way any trend is going until more data becomes available in the coming months, although any wild swings are unlikely.

There are a relatively small number of players in the custody market with four major national providers – CIBC Mellon, Northern Trust, RBC Dexia and State Street – and a small number of regional operations, such as National Bank and Desjardins in Quebec.

CIBC Mellon is the only asset servicing provider (ASP) to focus exclusively on the Canadian market, says Claire Johnson, head of marketing and product. "The custody business is about scale – particularly the ability to build global scale, but at the same time tailored to the specific needs of a given client in a given market,

"Clients' needs are evolving and asset servicing providers are changing to meet these needs by deploying a variety of new solutions...for example, through our parent BNY Mellon's Derivatives360 solution, clients can obtain an entire derivatives servicing solution – including trade execution, lifecycle management, collateral management, valuations, accounting and more. Or, clients can pick and choose to outsource individual components of their derivatives needs," Johnson says.

The driver of clients' changing needs has much to do with anticipated global and national regulatory changes. Canada's regulatory environment is evolving at a rapid pace, notes Johnson, and the onus is on ASPs to provide detailed, accurate information to support clients as they prepare to comply.

In other words, investors want more services, safely, at the lowest price. That might be nothing new, but certainly the competition for clients keeps heating up in a risk averse economic climate.

In turn, custodians are pushed further into the asset servicing space. Whereas institutional investors used to identify the custodian role as back-office, today that perception is changing and custodians are expanding capabilities to include "middle-office" services, which CIBC Mellon defines as including post-trade-execution support, trade matching, trade settlement and reconciliation, performance and risk analytics, as well as various other reporting capabilities..

"The market is demanding this change," Johnson says. "As clients are focusing on their core investment strategies and the market is pushing for more transparent and sophisticated reporting, clients are looking for both expert support and value-added services...asset servicing providers are expected to deliver on a wide range of client needs – from quickly opening new markets, to delivering detailed accounting for investments, to safeguarding client assets."

Moreover, the very notion of "value" changes over time. "What was emerging last year becomes more and more of a commodity this year," Johnson notes. "I can say that CIBC Mellon's move into this space has helped us grow significantly – we surpassed CAD\$1 trillion in assets under administration in 2011. We are also winning mandates in the alternative investment space, ETFs and in hedge fund servicing."

Clearing services

Just as investors are demanding more of their services providers, so too are custodians looking to their providers for greater transparency, risk management and efficiency.

Evans: What custodians are talking to us about is increased usage of messaging, electronic communication of information on settlement activity

Clearing and Depository Services (CDS) – which processes all exchange and alternative platform trades, money market transactions as well as provides entitlement processing for the securities it holds – reports that custodians are focused on the importance of expanded electronic communications.

"What custodians are talking to us about is increased usage of messaging, electronic communication of information on settlement activity,

on entitlement activity and tax information,” says Keith Evans, executive director of operations.

“As a result of demand for those services, just recently we implemented SWIFT MT566 messages and that is to complement the MT564 narrative messages which were implemented over the course of the past three or four years,” said Stephen Nagy, managing director of business systems development and support at CDS.

In addition to such electronic offerings, CDS is making headway on its immobilisation and dematerialisation strategy. It has reduced the number of physical certificates in the vault by 170,000 in the last couple of years, bringing the quantity of physical certificates remaining in the vault down to 55,000.

“This is a very significant reduction...we have worked with issuers, lawyers and law firms... to permit electronic holdings and I believe that almost all the issues coming into the market are using and allowing for an electronic or bulk non-certificated position to be held,” says Evans. “We also developed an electronic closing that permits the underwriters, issuers and transfer agents to [close new issues] in electronic form without the need to issue a certificate.”

He points out that there are efficiencies to be gained by the industry going electronic, but the main focus is on risk. Notably, CDS is AA rated with a stable outlook by Thomas Murray in its January report. It is rated AA- for asset servicing risk, with sole exposure identified in payment banks who extend lines of credit to receivers intraday but only receive finality of cash at payment exchange, while operational risk is rated AA+.

When global markets plunged in early August, Canada, like most countries, was hit by record volumes. The exchange trades being recorded into CDS peaked at just over three million trades per day, compared to an average annual daily volume of some 1.2 million year-to-date.

“We had zero problems in handling that volume. All of the volumes, our applications and delivery times have been met without exception and we are stress tested to just under five million trades a day, so three million was not a concern for us,” said Evans, adding that the turmoil presented an opportunity to gather information and evaluate CDS systems. “We certainly took advantage of that.”

On the settlement front, CDS implemented real-time continuous net settlement, replacing four intraday continuous net settlement cycles and enabling participants to manage their settlement activity earlier in the day.

This September in Toronto, Canada’s financial capital, CDS along with the asset servicing community will get a chance to showcase this and other successes.



President and CEO of CDS, Ian Gilhooley will be participating in sessions focused on the Canadian standards landscape as well as reflecting on the potential lessons that can be learned from the experiences of the US and Canada for the world’s securities markets.

US-Canada relations

The US and Canada tend to follow each other in the way in which the back office of the securities industry operates, says Evans, and as such have very similar processes in the clearing and custody business as well as a cross-border relationship with the Depository Trust and Clearing Corporation (DTCC).

“It is primarily a custody, clearing and settlement link that we have with the US and the largest in the world, the most active and the most actively used...somewhere in the neighbourhood of almost 40 million trades per year,” says Evans.

And that close relationship translates into asset servicing as well.

There are more similarities between the US and Canadian markets than differences, says Claire Johnson from CIBC Mellon, but the size of the individual mandates tend to be much larger in the US though Canadian clients are equally sophisticated with the same global investment needs as their US counterparts.

And that is unlikely to change soon. With a population of some 34.5 million, around a tenth that of the US, and GDP at \$1.3 trillion compared to the US at \$14.7 trillion, the Canadian banking and financial services sector will remain a smaller market as well as a more stable one.

In terms of legal implications for ownership, Canadian banks are incorporated under the Bank Act and there are restrictions as to the percentage of ownership by any one person. Subject to specific statutory exceptions large banks, whose equity exceeds CAD\$8 billion, are not permitted to have any shareholder own, either directly or indirectly, more than 20 per cent of any class of voting shares or more than 30 per cent of any class of non-voting shares and no person may control such a bank, according to online information from Canadian law firm Heenan Blaikie.

Any person who wishes to hold more than 10 per cent of any class of shares of a bank must be approved by the Minister of Finance who will apply a “fit and proper” test. The minimum capital required to incorporate a new bank is CAD\$5 million.

Is Canada boring?

Arguably, it was such laws and conservative regulation that protected the Canadian banking system from the worst effects of the global financial crisis. And protectionist leanings persist - Canada’s regulators were recently in the spotlight during a failed bid by the London Stock Exchange to merge with the TMX Group. Overall, there is a definite “risk-off” leaning in the current environment. Though that may make the Canadian investment environment boring, at the moment it may just be what institutional investors are looking for after years of “exciting” crises. **AST**

Next issue:
Malaysian custody

Training and Education

22-23 Sep	London	Corporate Actions	Investment Education PLC
<p>This course gives a good detailed understand of international corporate actions: what each one is, why it arises, what choices if any for the investor, and any dangerous or significant accounting points. Examples are taken from around the world with numerous exercises.</p>			
22 Sep	London	Risks & Controls in Securities Operations	Investment Education PLC
<p>This course provides a good risk and controls awareness for operations. It helps the early identification of risks, an application of appropriate and timely controls, and helps reduce the possible escalation of dangerous situations within normal day-to-day activity.</p>			
13 Oct	London	UCITS Funds	Eureka Financial
<p>This practical one day course is designed to provide an insight into the area of UCITS, showing how funds may select eligible assets and demonstrate how these instruments may be employed to achieve different investment objectives.</p>			
16-17 Nov	London	Collateral Management	Investment Education PLC
<p>This course looks at Collateral Management in OTC Derivatives in particular as well as Repos and Securities Lending and Borrowing. Risk identification, control, documentation, types of collateral, gross and net exposure and other practical aspects are covered as well as the conceptual framework and practical problems e.g. the treatment of corporate actions on a borrowed/lent position.</p>			

*PUBLIC COURSES IN LONDON
AND ELSEWHERE*



*TAILORED IN-HOUSE COURSES
PROVIDED ON SITE*

INVESTMENT EDUCATION PLC

- Collateral Management
- Corporate Actions
- Fund Management Overview
- Hedge Funds (various courses)
- Accounting for Investment
- Accounting for Basic Derivatives
- Fundamentals of Fails Management
- Pension Fund Accounting
- Risks & Controls in Securities Operations
- Covered Bonds
- Swaps Overview
- Bonds & Fixed Income Markets
- Pensions Investment Briefings
- Life Assurance & Pensions Unit Linked Pricing
- OEICS & Unit Trust Pricing & Accounting

INVESTMENT EDUCATION PLC

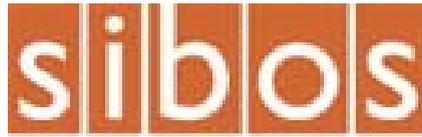
40 Fountain Street, Manchester M2 2BE, United Kingdom. Tel: +44 (0) 161-832 3800
mail@InvestmentEducation.net www.InvestmentEducation.net

Upcoming industry events

September

Mo	Tu	We	Th	Fr	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Sibos 2011



Date: 19-23 September 2011
 Location: Toronto
 Website: www.sibos.com

Sibos brings together influential leaders from financial institutions, market infrastructures, multinational corporations and technology partners to do business and shape the future of the financial industry.

The Finadium 2011 Conference



Date: 20 September 2011
 Location: New York
 Website: www.finadium.com

Themes for this year's conference include ETFs in securities lending, transparency in financing for hedge funds and their investors and the impact of CCPs on collateral management. Lunch is provided and networking is encouraged.

Collateral Management & Securities Financing Asia



Date: 21-22 September 2011
 Location: Hong Kong
 Website: www.collateralmanagementasia.com

Collateral management & securities financing framework is now a top consideration for Asian financial institutions.

16th European Beneficial Owners' Securities Lending Conference



Date: 26-27 September 2011
 Location: London
 Website: www.imn.org

For nearly 20 years we have been dedicated to meeting the needs of the European beneficial owner community and are proud to continue assisting beneficial owners in mapping a strategic course to navigate the opportunities and challenges.

5th Annual Collateral Management 2011



Date: 5-6 October 2011
 Location: Barcelona
 Website: <http://finance.flemingeurope.com>

The Fleming Group brings you Collateral Management, already in its fifth year. Collateral managers from major European financial institutions will gather in the beautiful city of Barcelona to discuss latest trends and developments.

28th Annual RMA Conference on Securities Lending



Date: 10-13 October
 Location: Naples, FL
 Website: www.rmahq.org

RMA's Annual Conference on Securities Lending last year held in Boca Raton, Florida, rebounded from previous years and the effects of the unprecedented financial market events with over 425 SBL professionals from across the industry attended.

Data Explorers Securities Financing Forum



Date: 16 November 2011
 Location: Hong Kong
 Website: www.dataexplorers.com/hongkong

For nearly 20 years we have been dedicated to meeting the needs of the European beneficial owner community and are proud to continue assisting beneficial owners in mapping a strategic course to navigate the opportunities and challenges.

NeMa Asia 2011



Date: 15-16 November 2011
 Location: Singapore
 Website: www.informaglobalevents.com

NeMa Asia (Network Management Asia) - the sister event to NeMa, has now become the most important gathering of network managers, sub-custodians and brokers in the industry.

Industry appointments

Deloitte has announced the appointment of **Elizabeth Krentzman**, a principal at Deloitte Consulting, to lead its US mutual fund practice. In this role, Krentzman will oversee the national development and delivery of mutual fund strategies across the firm's audit, tax, financial advisory and consulting businesses to mutual fund complexes, boards of directors and service providers.

This newly created position, based in Washington, further expands Deloitte's asset management services practice led by Cary Stier, asset management services leader.

Netik opens its Hong Kong office led by **Brian Rooney**, who has been appointed senior vice president in Asia-Pacific.

Rooney will assume responsibility for the Hong Kong office and all commercial operations in the Asia-Pacific region. The role will also see him building the staff in this region across sales, service and support.

Rooney comes to Netik from GoldenSource where he was regional sales director for the Asia-Pacific region based in Hong Kong.

Deutsche Bank has announced the appointment of **Satvinder Singh** in the role of global head of Trust & Securities Services (TSS). Singh joins Deutsche Bank from Citibank where he was head of direct custody and clearing for EMEA.

Singh will become a member of Global Transaction Banking's executive committee and report to Werner Steinmueller, head of Global Transaction Banking (GTB) and member of the group executive committee. Singh joins Deutsche Bank in mid-November and will be based in London.

"Satvinder's track record in successfully running businesses, combined with his proven client skills, deep-rooted network and industry standing will be invaluable in accelerating the continued growth of our TSS franchise, further cementing Deutsche Bank's leading position in the securities services industry," Steinmueller said.

With 17 years experience in the securities business, Singh has held a variety of local, regional and global management positions within transaction banking across Asia and EMEA.

Citi has appointed **David Murphy** as managing director and head of Prime Finance in Asia. In this role, he will have regional oversight of all Prime Finances and Futures activity for the bank in the region.

Murphy will report to Nick Roe, global head of Prime Finance and Futures, based in London and Rodrigo Zorrilla, head of markets in Asia Pacific, based in Singapore.

Previously, Murphy was in a similar role for Deutsche Bank where he led a growth effort in Asia for the firm. He also has derivative and product management experience in all the major financial centres.

Northern Trust has announced the appointment of **Rohan Singh** as managing director in Australia and New Zealand. Singh was most recently head of asset servicing sales for Northern Trust in Asia Pacific, based in Singapore.

Singh replaces Paul Cutts, who will assume the role of Northern Trust country head for the Channel Islands, based in Guernsey.

BNY Mellon has announced that **Gerald Hassell**, BNY Mellon's president and a board member since 1998, has been appointed chair and CEO effective immediately. Hassell also continues as BNY Mellon's president.

Previous chair, CEO and director, Robert Kelly, has stepped down by mutual agreement with the board of directors, "due to differences in approach to managing the company".

Since joining The Bank of New York's (BNY) management development program more than three decades ago, Hassell has had direct management responsibility for the company's broad range of investment services businesses, including asset servicing and issuer, broker-dealer, treasury and clearing services. He also over-

AST ASSETSERVICINGTIMES

Editor: Ben Wilkie
benwilkie@assetservicingtimes.com
Tel: +44 (0)20 3006 2710

Journalist: Anna Reitman
annareitman@assetservicingtimes.com
Tel: +44 (0) 20 3006 2888
Fax: +44 (0) 20 8711 5985

Publisher: Justin Lawson
justinlawson@assetservicingtimes.com
Tel: +44 (0)20 8249 2615
Fax: +44 (0)20 8711 5985

Published by Black Knight Media Ltd
16 Bromley Road
Beckenham
Kent, BR3 5JE
UK

Company reg: 0719464
Copyright©2011 Black Knight Media Ltd.
All rights reserved.

sees client management across the company's global businesses, as well as operations and technology. He was named to BNY's executive committee in 1994.

Citi has announced the appointment of **Gary Kuo** as a managing director and vice chairman of Asia Global Banking. He joins from Barclays Capital, where he was co-head of its investment banking business for Greater China.

"Gary brings extensive senior client relationships and a successful track record to the role. His experience will be highly valuable to our global banking franchise as we continue to execute on our Asia and Greater China growth strategies," said Farhan Faruqui, regional head of global banking, to whom Kuo will report.



Raising The Bar In Recruitment

Telephone: +44 (0)20 7959 2440 | Email: enquiries@hornbychapman.com
Web: www.hornbychapman.com | Postal: 68 King William Street, London, EC4N 7DZ, UK

