asset servicing times
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Time to shine

South Africa's asset servicing industry has become an established market in the last 20 to 30 years, but industry experts say that there is still space to grow

Clearing and Settlement
The current challenges in clearing and settlement and how these processes can be enhanced

Fund Administration
An insight into the current challenges in the clearing and settlement space and how the processes can be enhanced

Industry Appointments
The latest comings and goings at BNY Mellon, Aztec Group, Deutsche Bank and more

Asset servicing industry 'coped well' during COVID-19 pandemic

The asset servicing industry has coped well with the challenges presented by COVID 19, as clients are overall happy and appreciative of the support given, according to an R&M survey on how the asset servicing industry is managing during the COVID-19 pandemic.

The survey, which was conducted in the first two weeks of May, received 38 responses from locations varying between New Zealand, Papua New Guinea, Singapore, India, Denmark, Sweden, Luxembourg, Ireland, USA, Canada and the UK.

It found that the most challenging aspect for most people is working remotely with issues over poor connectivity, the lack of face-to-face meetings and market volatility.

Respondents suggested that the cost of project work being deferred or delayed because of the new working arrangements would be the most challenging aspects of work in the next three to six months.

One concern is that providers have had to divert resources and that delivering on projects will be delayed as a result.

Another concern the survey highlighted was employees returning to the office environment – will staff want to return, how safe will it be for them to travel, what needs to be done to ensure their personal protection in the office.

It noted that some firms see the long-term working from home strategy while others believe that a balance will need to be struck between working from home and in the office.

In response to the survey, firms suggested that the best way for providers to assist clients is to continue to support key strategic projects and continue with business as usual.

Respondents explained that generally, communication from providers has been good with contingency plans working well.

Other observations made by respondents showed that people expect changes to arise as a result of the change in working practices – more technology, more working from home. However, it was pointed out that it does not suit everyone, especially those living in small properties.

Equally, the survey results noted there are concerns about the ability to manage staff effectively when they are working remotely.

Although a return to pre-COVID-19 practices is a long way off, survey participants explained that it may never fully occur as the adapted working environment has shown new ways to handle business.

Respondents explained that the main focus will be on adjusting to the crisis and the next steps will be to plan for the next year or two and what changes need to be made to ensure business continues.

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Think Malta,
think BOV
Fund Services

BitGo wins custody mandate for CoinDCX

BitGo has been appointed as custodian for CoinDCX, a cryptocurrency exchange and liquidity aggregator. With BitGo custody, cryptocurrencies on the CoinDCX exchange will be secured on the omnibus and segregated hot and cold wallets with two-factor authentication for all accounts, according to CoinDCX.

Meanwhile, a fraction of the funds traded on the CoinDCX exchange will be protected by BitGo's $100 million insurance policy, including users' cryptocurrencies held on DCXLend, CoinDCX's lending service.

BitGo's policy coverage will be provided by a syndicate of insurers in the Lloyd's of London and European marketplace.

Pete Najarian, chief revenue officer, BitGo, commented: "With the recent uptick in trading volumes on Indian exchanges, the need of the hour is for professionalisation in the form of fund security in the crypto market."

Sumit Gupta, CEO and co-founder of CoinDCX, said: "With our #TryCrypto initiative, we have seen widespread crypto adoption. CoinDCX has always maintained, crypto adoption should be safe, secure, and simple for everyone."

Gupta added: "With more users joining on-board, CoinDCX has taken yet another stride in consolidating our position as a trusted and secure brand. With the custodial services of BitGo, we want to make cryptocurrency utilisation in India, safe and secure."

DTCC embarks on digital exploration in the public and private markets

The Depository Trust & Clearing Corporation (DTCC) is set to explore the benefits of digitalisation in the public and private markets and whether new technologies can strengthen post-trade processes and reduce risks and costs.

DTCC's proposals are contained in two case studies, Project Ion and Project Whitney, which mark the latest efforts by DTCC to examine the potential use of distributed ledger technology, asset digitalisation as well as other emerging technologies.

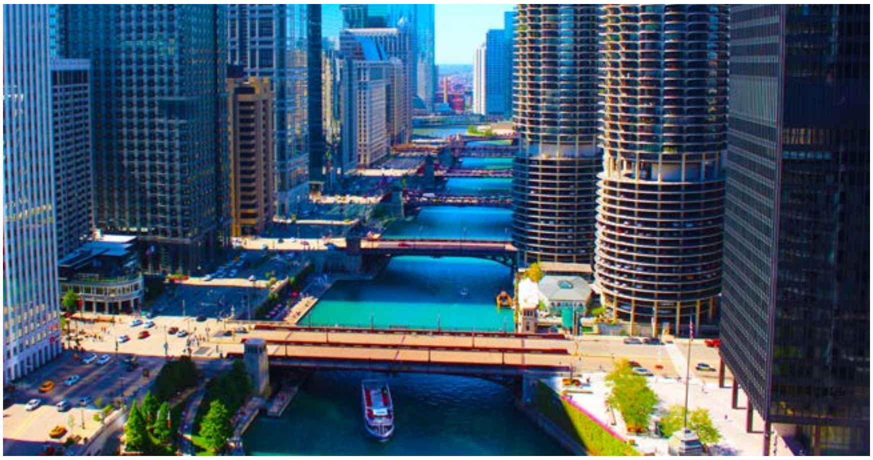
Project Ion seeks to build on DTCC's efforts over the past several years to further optimise the settlement process in the public markets.

Meanwhile, Project Whitney considers opportunities to provide increased levels of digitalisation throughout the private market asset lifecycle.

Mike Bodson, president and CEO at DTCC, said: "DTCC has been a leader in the digital transformation of financial markets since our founding, and we're building on that legacy of innovation with projects to strengthen post-trade processes."

Bodson added: "These case studies reimagine the private markets lifecycle and the public markets settlement processes, and they could significantly modernise and enhance how trading activity is processed in the future."

"We look forward to working collaboratively with our clients, regulators and other key stakeholders as we advance these concepts in partnership with the industry."



CME to close NEX Regulatory Reporting and TR services

CME has confirmed plans to wind down Abide Financial and NEX Regulatory Reporting and its European and Australian trade repositories (TR) by 30 November. A spokesperson for CME said that the decision to close the reporting hub's doors came "following an evaluation of our business portfolio after the acquisition of NEX Group in November 2018".

CME will retain the US (CFTC) swap data repository and Canadian trade repository services.

"During the coming months, CME Group will work closely with all clients and regulators to ensure a smooth transition and an orderly wind-down of the impacted services," the spokesperson added.

NEX Regulatory Reporting was licenced to operate as a TR under the European Markets Infrastructure Regulatory and the Securities Financing Transactions Regulation, which is due to come into effect in July.

Those clients will now be faced with the daunting task of sourcing a new TR and approved reporting mechanism in a few short months before go-live, with all the on-boarding and testing steps this entails.

Commenting on the news of the shutdown, Cappitech said: "Over a thousand CME clients will need to find a new TR solution and/or onboard their reporting with a new vendor. Tremendous challenges come with this process including having to port TR data.

"Clients may need to change from the format they are used to using, and work with a new vendor to ensure their previously used reporting processes and technical environments are understood so as to make a swift switch."

As a whole, CME accounts for 38 percent of global volume market share and processed over 2.5 billion trades in 2017.

CME is also responsible for about 40 percent of global trade reporting volume so the impact on is significant and will involve a shift across the market.

Jennifer Peve, managing director, business innovation at DTCC, said: "Projects Ion and Whitney represent the next steps in our digitalisation journey. Both serve as examples of practical experiments incorporating innovative technology and business concepts designed to strengthen post-trade processes and provide a resilient, secure and efficient post-trade infrastructure for the industry."

BNY Mellon reveals US Master Trust Universe results for Q1

BNY Mellon's US Master Trust Universe, a BNY Mellon global risk solutions fund-level tracking service, has revealed negative Q1 2020 after returning a median of -10.9 percent, reversing the trend of positive quarterly performance throughout 2019.

In aggregate, US Master Trust Universe plans reported a one-year return of -2.65 percent, trailing the three-year annualised return of +3.71 percent and a five-year annualised return of +4.01 percent, respectively.

The Q1 results also showed that less than 5 percent of plans posted positive results, and corporate plans were the highest performing plan type, benefitting from their higher allocations to US fixed income than other plan types.

Additionally, the results found that foundations underperformed other plan types due to having the lowest allocation to fixed income of any plan type.

BNY Mellon draws insight and information about the current state of asset flow, particularly in the current environment in which investors continue to react to the economic implications of COVID-19 from an investment management perspective.

Frances Barney, CFA, head of global risk solutions at BNY Mellon, said: “In the first quarter of 2020, US fixed income was the highest performing asset class, overweighting its peers by 22 percent.”

“Due to corporate plans tendency to allocate more assets to fixed income than other plan types, this overweight resulted in corporate plans being the top performing plan type for the quarter.”

The BNY Mellon US Master Trust Universe, which is designed to provide peer comparisons by plan type and size and is comprised of 519 corporate, foundation, endowment, public, Taft-Hartley, and health care plans.

Onchain Custodian collaborates with Cyberbank to ramp up digital asset solutions

Onchain Custodian has collaborated with CyberBank, a digital fintech group that has expanded its cloud-based digital asset solutions with the addition of a digital assets trading service.

The new digital assets trading service, CyberBank, provides a stable and secure multidimensional solution for global digital asset trading.

The group also noted that its “abundant liquidity reserves and powerful open financial ecosystem makes Cyberbank a core technology for supporting ecosystem development”.

Cyberbank Cloud is run by a team of experienced professionals such as blockchain project managers, investors, and cloud service teams.

As part of CyberBank’s new partnership, Onchain Custodian’s custody solution will aid CyberBank’s trading platform business in meeting regulatory compliance.

According to CyberBank, it is the first to build a model that combines an exchange, custody services provider and investment funds.

Additionally, the partnership with Onchain Custodian will allow CyberBank to complete its business offerings, by tapping on Onchain Custodian’s expertise in the custody of digital assets.

CyberBank will adopt Onchain Custodian’s secure and insured custody solution to upgrade the security level in its entire business ecosystem.

Cyberbank’s cloud-based digital asset solutions include overall trading systemic cloud service and are able to build platforms for spot trading, futures trading, option trading, and over the counter trading.

Neo Peng, the founder of CyberBank, commented: “Having the alliance between two giants, we will build a unique, fully custodian digital asset exchange platform with insurance coverage, hence forming an ecosystem where members are motivated to trade knowing the assets are safely held by custodial wallets. CyberBank will provide spot trading, contract trading and business expansion for investors.”

Onchain Custodian China vice president, Jimmy Cheung, added: “Digital assets have become an inevitable trend worldwide and it will require standardisation in all trading business from trading groups. Tapping on the exchange business as an entry to, and its network linkage to other businesses, one can extend the life cycle of a single business. Completing that with nurturing of industry talents, conventional finance groups will be able to transform and upgrade themselves to digital finance technology groups.”

China Construction Bank Asia joins common depository network

Clearstream and Euroclear, the international central securities depositories (ICSDs) have appointed China Construction Bank (CCB) Asia as a common depository, safe keeper and service provider for its Eurobonds, international debt securities.

CCB Asia applied to, and successfully passed, the recent common depository qualification process and will be appointed as common depository, safe-keeper and service provider to support the ICSDs’ global Eurobonds issuance model, effective by mid-2020.

The two ICSDs act jointly as the central hub of issuance and deposit for Eurobonds, working with a number of large financial institutions acting as common depositories to support issuers across the globe.

According to Arnaud Delestienne, head of Eurobonds business at Clearstream, the popularity of Eurobonds as a funding and investment vehicle has been growing constantly, not just in mature markets such as Europe and Northern America, but globally, reflecting increased activity out of growing regions, such as Asia Pacific (APAC) and Asia, Middle East and Africa.

Delestienne said: “It has now become a cornerstone of global funding plans for Asian issuers, be it in USD, EUR or even local currencies. The appointment of CCB (Asia) reflects this growing demand, facilitating access to the international capital markets for Chinese issuers.”

It was also noted that issuers benefit from greater investor reach by leveraging the ICSDs' international client bases and multi-currency model.

This international issuance model is supported by an interoperable link allowing clients to settle cross-border transactions seamlessly throughout the day, which increases the liquidity available to market participants.

CCB Asia's transaction banking specialises in all aspects of corporate trust, private trust, fund trust, loan agency, custody and fund administration businesses.

Alan Lai, head of transaction banking at CCB Asia, commented: "CCB (Asia)'s aim is to broaden the Eurobond market to reach more APAC market participants – especially new issuers and investors from the People's Republic of China."

Lai continued: "As a leading PRC bank, we are ideally placed to leverage our brand and network to better serve PRC market participants in the same language and time zone."

"We are honoured to be the first PRC bank appointed as common depositary and we look forward to a successful partnership with the ICSDs."

Kathleen Holemans, head of network management at Euroclear, added: "We are extremely pleased to be announcing with our colleagues at Clearstream the appointment of China Construction Bank (Asia) as common depository hub for our Eurobonds."

"The Eurobond market is attracting a wider investor base in Asia with an increased need for diversification and liquidity."

BNP Paribas makes moves in Mexico

BNP Paribas Securities Services has started operations in Mexico, providing daily accounting and valuation services as well as tax pricing and regulatory reporting. The operations will be run through an existing BNP Paribas subsidiary - BNP Paribas Asset Management México, S.A. de C.V. Sociedad Operadora de Fondos de Inversión.

The opening of a new market in Mexico is a major milestone for BNP Paribas Securities Services in the Americas region.

The Mexico office joins Brazil, Chile, Colombia, Peru and the US as the seventh country in the Americas where BNP Paribas Securities Services has local expertise.

Francisco Hernandez, country head for Mexico, stated: "We have been growing our presence in Mexico significantly over the past few years and are delighted to be able to offer local clients new products and solutions."

"With this new milestone, we are now able to offer our institutional clients a more complete pan-Americas fund services solution."

Claudia Calderon, head of Hispanic Latin America at BNP Paribas Securities Services, commented: "This opening is one more step in expanding our Latin America presence, and highlights the strength of our offering in the region, as we continue to leverage our global and multi-local expertise around the world."

BNP Paribas has had a presence in Mexico for over 50 years. In December 2019, BNP Paribas obtained approval from the Mexican Banking and Securities Commission to incorporate as a local bank in Mexico.

According to BNP Paribas, this will enable it to further expand its product offering to include Global Markets, an area where the bank is a leader. The strategy is part of a wider regional growth plan encompassing the Americas.

Eurex STS and Access Fintech join forces on CSDR

Deutsche Boerse's buy-in agent, Eurex Securities Transactions Services (Eurex STS), has partnered with Access Fintech's to create integration between their complementary services for the Central Securities Depositories Regulation (CSDR).

CSDR aims to improve settlement rates in securities markets by imposing punitive measures on firms that fail to settle trades and is due to come into effect in February 2021.

Access Fintech offers a CSDR solution that can allow clients to manage the entire lifecycle of in-scope transactions.

By using the CSDR product in conjunction with its other live settlements product, Access Fintech noted that it can enable clients to manage the regulation's penalties and buy-ins and more efficiently prevent fails entirely.

Meanwhile, Eurex STS provides a neutral marketplace for buy-ins to be completed when required.

Through the new partnership, mutual clients will be able to manage buy-ins via Eurex STS through the Access Fintech infrastructure, thereby minimising touchpoints, maximising efficiencies and ensuring a robust audit history against impacted trades.

According to a spokesperson, Eurex is aiming to make the communication with its buy-in agent platform as seamless as possible.

"However, while clients will be able to connect to our platform directly, some also require further connectivity choices," the spokesperson commented.

They continued: "In this respect, we are working with Access Fintech to discuss and analyse the possibility of our two platforms communicating with each other through our application programming interface."

Pardeep Cassells, head of financial products at Access Fintech, said: "Access Fintech [is] extremely excited in partnering with Eurex STS as the first confirmed buy-in agent, our CSDR offering is completely end-to-end, and Eurex's position in that is critical."

Cassells affirmed that Access Fintech has the infrastructure to "manage the lifecycle and support any buy-in agents, making clients agnostic to the needs of individual agents, with Eurex being the start of the process".

Elsewhere, Eurex STS recently gained a banking licence from the German Federal Financial Supervision Authority (BaFin), where it currently offers an automated and standardised way to avoid the punitive features of the CSDR settlement discipline regime.

State Street partners with Coremont

State Street has partnered with Coremont to provide fully integrated outsourcing services for hedge fund managers, covering the front, middle and back-office operations.

This alliance combines Coremont's portfolio management analytics and support with State Street's asset servicing and administration capabilities to power the entire investment lifecycle from trading to risk management to NAV production.

State Street explained that the offering spans all major asset classes including fixed income, currencies, equities, and commodities, with strong coverage in derivatives modelling and processing.

Paul Fleming, global head of alternative investment services at State Street, said: "This announcement marks a transformation in how hedge funds can be serviced, highlighting the invaluable insights data can bring when combined with new technologies."

He continued: "Through this solution, we are providing our clients with a single, consolidated set of records between portfolio managers and administrators, ensuring greater transparency and reduction of errors."

Jev Mehmet, CEO at Coremont, added: "This alliance represents the fruit of our long-standing collaboration with State Street. It underlines our shared commitment to technological and operational excellence in the support of emerging and established managers of all styles and asset classes."

Australian superannuation fund goes live with GoldenSource Nexus

HESTA has selected GoldenSource's investment data management platform to support strategic investment decisions and the selective insourcing of funds management.

The Australian superannuation fund will use GoldenSource Nexus as the hub for its strategic investment data transformation programme.

The infrastructure supported by GoldenSource OnDemand hosting and applications services is set to enable HESTA to focus on managing more investment in-house, delivering improved investment decisions and reporting, using a greater variety of data sources.

Citco expands strategic partnership programme

Citco, a provider of asset servicing solutions to the global alternative investment industry, has partnered with securities class action recovery service provider, Financial Recovery Technologies (FRT). The new partnership will enable Citco to offer its clients class action monitoring and recovery solutions via its platform.

FRT is now the fourth solutions provider to be added to Citco's strategic partnership programme, focused on creating an integrated ecosystem of leading third-party buy-side technology solutions, which was launched last year.

FRT works with over 800 firms to help institutional investors monitor litigations, identify eligibility, file claims and collect funds made available in shareholder class action, global and antitrust settlements.

Citco noted that partnerships such as this allow it to further its offering by finding new avenues of utility for the client portfolio data it already collects and processes, instead of isolating it for single-use.

Albert Bauer, managing director of Citco, said: "Continued development of our strategic partnership program by seamlessly integrating complementary services to our existing offering, is allowing Citco to create a one-stop-shop for clients. By doing so we are ultimately reducing costs for our clients and making their lives easier. We are delighted to partner with FRT, the leading provider of securities class action recovery to offer additional value add solutions to our current and future clients.

Rob Adler, president of FRT, noted that the world of class actions has evolved dramatically over the last five years, requiring investors to evaluate their existing governance, controls, and protocols.

Adler added: "FRT has been investing in our relationships with partners to help them provide their clients with access to FRT's comprehensive suite of services geared at addressing the growing complexities of the global securities and non-securities class action landscape."

Additionally, the new investment data management service will bring together the data from HESTA's middle- and back-office services and investment consulting providers, as well as its external fund managers and multiple market data and internal sources. Key features such as management of complex fund structures and drill through and look through capabilities will support asset allocation decision-making, portfolio/fund sector analysis, portfolio risk management, performance attribution reporting, expense management, reconciliations, NAV oversight and board reporting.

Gerard Brown, executive investment execution at HESTA, said: "We look forward to working with GoldenSource to help us deliver outstanding execution and real-time data to support investment decision making. We are growing rapidly and need a scalable system to provide timely data insights. Selecting GoldenSource is the first step in transforming and futureproofing our entire data infrastructure that helps to deliver strong, long-term investment performance for HESTA members."

John Eley, CEO at GoldenSource, commented: "Due to increased regulatory pressure and an industry-wide drive for automation and efficiency we are seeing a significant rise in the number of superannuation and investment funds looking for a full data management platform as a service, fit to support their growth and maturity. We are pleased to be working with HESTA to support them through their strategic transformation."

The GoldenSource Nexus investment data management platform allows buy-side firms to benefit from a single platform of interlinked datasets for all market, reference and reporting data.

ESMA hands four TRs their SFTR licences

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has granted four trade repositories (TRs) with licences to operate under the Securities Financing Transactions Regulation (SFTR).

The green light was given to DTCC Derivatives Repository, UnaVista Trade, KDPW, the Polish central securities depository (CSD), and REGIS-TR.

When SFTR reporting obligations begin in July firms will need to report their SFTs to an approved TR. All four TRs have been registered for all types of SFT's, which include: repos, securities or commodities lending and securities or commodities borrowing transactions, buy-sell back or sell-buy back transactions and margin lending transactions.

The regulation is designed to increase market transparency by allowing regulatory authorities to assess the risks associated with the securities financing market.

The TRs were already registered with ESMA as TRs for derivatives contracts under the European Markets Infrastructure Regulation (EMIR), the precursor to SFTR.

The authorisation of the TRs under SFTR was initially set to be completed by the phase-one go-live on 13 April.

In March, when ESMA granted a three-month grace period that saw phase one and two combined on the latter's deadline in July it also said it "[did] not consider it necessary to register any TR ahead of 13 April".

At the time, ESMA said the delay would give TRs more time to cope with the COVID-19 emergency and be ready to support the new reporting regime at a later point in time.

It further stated that TRs should expect to get their cards stamped "sufficiently ahead" of July, but many still expected this to happen just before the deadline.

Commenting on the approval, Val Wotton, managing director, repository and derivatives services at DTCC, said: "We're pleased with this decision. With less than three months remaining before SFTR's implementation deadline for banks, investment firms, central counterparties and CSDs, we are encouraged by the level of their preparations."

REGIS-TR CEO Thomas Steimann stated: "We are delighted to be expanding our product offering to SFTR services, combining our wealth of knowledge in securities financing and expertise in regulatory reporting. Alleviating the reporting burden for market participants, we are the natural choice of trade repository for SFTR."

Meanwhile, Mark Husler, CEO of UnaVista, commented: "UnaVista's approach to SFTR is to simplify things as much as possible for our community, that means making easy to prepare, test and connect and then providing tools to help firms improve their reporting once live."

He added: "This will mean that our customers and their clients will be able to ensure compliance with their SFTR reporting obligations from day one in a simple, cost-efficient way."

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KDPW SFTR REPORTING SERVICE

KDPW

Regulation 2015/2365 of the European Parliament introduces the obligation for entities concluding securities financial transactions to report them to authorised Trade Repositories.

ESMA Extends KDPW Trade Repository's Registration to Include SFT Reporting.

Secure

- Secure, certified access to the application
- Top-range industry standard security and business continuity for data collection and maintenance (including back-up site)
- Global communication standards – XML messages, MQ or WebService

Transaction

- Extensive knowledge of securities finance transactions, margin and reuse
- Processing of all trade updates - modifications, collateralisation and valuation
- Providing and explaining trade rules and requirements deriving from technical standards, guidelines and ESMA Q&As
- Delivering a complete trade sample

Friendly

- Fast and easy access to our team of qualified experts
- Telephone and email support with tailored approach to each client
- Workshops and training provided by the Trade Repository - to reporting participants
- User-friendly, intuitive web interface with reporting functionalities and 24/7 direct access to data
- Various reporting models and options available to meet client needs
- Very competitive pricing model

Reporting

- Maintaining test environments – duplicate of current production environment and enriched environment before access to production mode
- Support during implementation of new functionalities
- Service contains in-built tools for validating submitted data
- Safeguarding an orderly and continuous process to ensure reporting obligations are met

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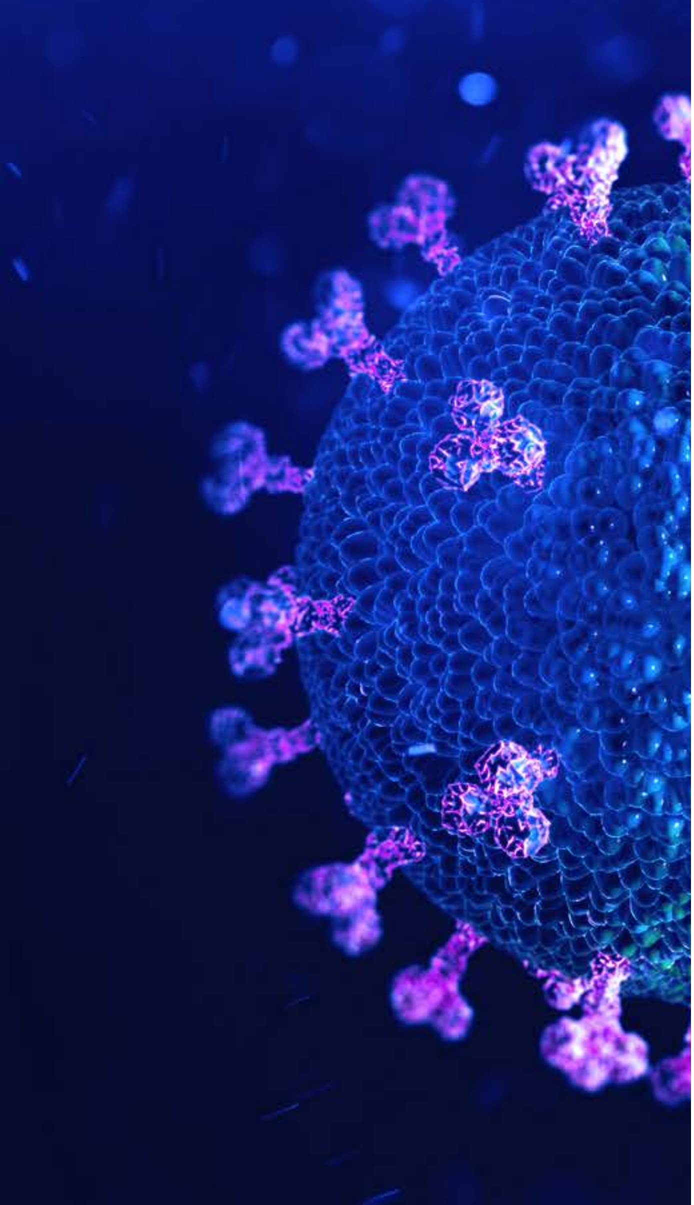
Enhancing the process

Maddie Saghir reports

As COVID-19 has unearthed some of the inefficiencies and problems in the financial services space, industry experts discuss the current challenges in clearing and settlement and how these processes can be enhanced



The global pandemic has shaken up many industries and has caused market volatility in the financial services space. In particular, this has shone a light on the inefficiencies in clearing and settlement and has amplified the need for an enhanced process in this space.

Clearing is the procedure where financial trades settle, which encompasses the transfer of funds to the seller and securities to the buyer. Clearing is necessary for the matching of all buy and sell orders in the market. The payment and settlement space covers processes including cash flow generation, confirmation of the amounts between participants, netting, payment instruction and settlement management. Industry experts note that this is usually a very onerous set of manual tasks that lacks standardisation and centralisation.

In this regard, industry experts from Clearstream, LCH, FIX, and OCC discuss the challenges in this area and where the opportunities lie, and how technology can help to enable a more streamlined approach.

Picking the SUV or the Sedan?

When it comes to clearing and the challenges of integration and cross-market harmonisation, there is a balance to be struck between what is effective for the trading desk and what is effective for the back office.

When selecting a car, Matt Wolfe, vice president of strategic planning and development, at OCC, says: "There is a reason that crossover SUVs are the most purchased vehicles. They have decent performance while still generally covering our needs for utility. In circumstances such as driving on a twisty mountain road, they are not as invigorating as a sports car. In other circumstances, such as moving a child to college or big weekend projects, they aren't nearly as helpful as a pick-up truck. For most of us, we don't often spend a lot of time winding up and down mountain passes, nor do we have a daily need to haul couches or sheets of plywood, so a middle of the road solution is the most practical."

Unfortunately, Wolfe says, this same context has been applied to trading and clearing systems.

According to Wolfe, the trading desks really deserve sports cars that are designed to be nimble and fast. Meanwhile, back-office teams can be more effective in a pick-up truck where utility is more useful than speed.

Indeed, while the trading desks could benefit from a fast and nimble sports-car-like approach, the back-office favour a more SUV-like approach as the need is for utility, according to Wolfe.

Wolfe cautions that different product types deserve individually designed systems. "Often though a system designed for one purpose is extended to try and support another product. While this can work, it generally leads to certain functions being inefficient and/or manual," he highlights.

Wolfe illustrates this point by saying: "As firms have grown their trading desks, they've often traded in the SUV for a sedan, which has improved the trader's experience, but it's made the back-office's job more difficult and often results in road trips with items sticking out the back of the car and/or items strapped to the roof."

Echoing the need to look at different products carefully, Matthias Graulich, member of the Eurex Clearing executive board, observes that the market is developing in the direction of looking holistically across products and asset classes to actively manage the banks' resources, but there is clearly still room for improvement and further integration.

Looking at the current situation in the clearing space, Graulich says balance sheets and capital are scarce resources on the bank side.

"We, as central clearing counterparties (CCPs), can offer multilateral netting benefits for capital and margin requirements, which delivers higher efficiencies than keeping trades bilateral," says Graulich.

However, he notes that it is one thing for CCPs to offer and implement cross-margining between listed and over the counter derivatives or cross-margining between derivatives and securities finance transactions. What is more challenging, Graulich says, is the capacity for clients to be able to consume that information. This relates to the clients' systems and also to the clients' responsibilities, which are often product or asset class specific. "Bringing these responsibilities together and integrating the infrastructure to process these efficiencies is key to success," he notes.

> *Often though a system designed for one purpose is extended to try and support another product. While this can work, it generally leads to certain functions being inefficient and/or manual*

Ankeet Dedhia, Americas head of product, ForexClear, LCH, says that although FX clearing has seen a significant increase in activity in recent years, due to regulatory incentives as well as margin and capital benefits, there are still some integration and harmonisation challenges which need to be addressed, to enable wider FX clearing adoption. One such challenge, according to Dedhia, is straight-through processing (STP) workflow and platform integration. There are a variety of electronic communication networks, platforms supporting the various voice and electronic workflows in FX.

Dedhia affirms: "The complex environment means that integrating these workflows into clearing and providing STP client experience continues to be a challenge for some participants. To broaden access to clearing, LCH continues to engage with the market to improve and enhance clearing workflow integration."

Another challenge for some participants is the trade execution costs associated with increased complexity from UMR's collateralisation, Dedhia notes.

"Some participants may also find that there is a secondary economic impact of needing to pay for optimisation vendors, third-party custodians and other consultants – costs not captured in 'price' but linked to execution decisions," he adds.

We expect technology to be a huge enabler of this evolution away from legacy workflows. Clearing also offers multilateral netting for all trading counterparties, hence providing payments and settlement efficiency via netting of payments and collateral obligations

Opening the door to enhancements

As some of the main challenges have been identified as inefficient and manual processes, technology is one of the keys to opportunities in this space.

ForexClear's Dedhia says that clearing provides firms with an opportunity to look at their legacy FX workflows with a fresh set of eyes and identify where and how clearing fits in.

"We expect technology to be a huge enabler of this evolution away from legacy workflows. Clearing also offers multilateral netting for all trading counterparties, hence providing payments and settlement efficiency via netting of payments and collateral obligations," Dedhia adds.

According to Dedhia, this opens the door for many further enhancements in the payments, netting and settlement space.

"Again, clearing delivers tremendous value to clients with large payment operations, and these technology and workflow providers are all working to turn the key to unlock the necessary solutions for clients," Dedhia stipulates.

Meanwhile, Wolfe identifies that new modular systems enable both clearinghouses and market participants to operate more effectively, adapt more quickly, and better serve their clients.

He observes that technology is enabling companies to operate systems that are designed to meet the specific requirements of different products and functions, which improves the efficiency and effectiveness over legacy systems where workarounds and manual processes have hampered productivity.

Additionally, Wolfe notes that by having more modular systems, it is easier for companies to adapt their systems to meet their strategic goals. Additionally, lowered operational costs and greater flexibility means that companies can better serve their clients.

Solutions in the making

With all of the challenges in place, solutions to combat some of these issues are coming into play. For example, last year, the Johannesburg Stock Exchange formulated a new trading and clearing solution for equity and currency derivatives to create "better integration and cross-market harmonisation" for its regulatory, trading and clearing markets.

Wolfe notes that in the past infrastructure was very expensive to build and maintain, so it made sense to have the costly servers and databases support as many products using as few systems as possible. However, advancements in cloud technology have made infrastructure cheaper and more flexible.

He says that this enables opportunities to "improve the efficiency and effectiveness of different product teams by breaking legacy monolithic systems into product-focused modules that effectively talk to each other in an independent manner".

Many firms are decoupling their legacy system functionality into multiple product or function-focused modules that can talk to each other in ways that were not possible before, according to Wolfe.

"The new architecture is designed to have microservice-based systems that handle each product and/or function in their own unique ways. For example, it is easy to configure a cloud environment that has relatively powerful computational resources and relatively lower storage resources to support a trading platform," he says.

He continues: "It is just as easy to create a separate environment for a back-office position management system with less costly computing resources and greater storage resources. This allows technology to provide much better service to different business units, while often reducing costs."

The future landscape

Looking at how the clearing and settlement arena take off in the years to come, Dedhia believes that with many market participants experiencing the increased costs of capital and margin on uncleared derivatives, cleared FX has the potential to become one of the largest cleared asset classes, with more participants choosing to clear a wider set of FX products for risk efficiency and operational benefits.

As well as this, Dedhia expects to see further innovation in the clearing and settlement space to support market efficiency.

Dedhia comments: "We have also seen a host of vendors offering compression and optimization solutions to help market participants manage capital costs, margin costs, or counterparty exposure by either participating in bilateral/multilateral compression, or by moving risk across trading counterparties for cleared/uncleared portfolios. Some of these solutions could be extended to make clearing and settlement more efficient and would be something to watch in the future."

Neena Dholani, global marketing and membership director for FIX Trading Community, suggests that one of the key areas of development is to ensure that post-trade processing, both upstream and downstream of payments are connected and consistent in their messaging language."

"Within the FIX Trading Community, we allow firms to manage their execution, their allocation and confirmation processing, and now moving down into confirming payment amounts before they are instructed."

"Allowing for the matching and confirmation of these cash flows brings huge benefits, and whilst they are currently only on a gross level we are looking at rolling this out for net flows as well as looking at settlement management and notifications", Dholani says.

Meanwhile, at OCC, Wolfe sees the adoption of new technology solutions which are creating opportunities for clearing and settlement. "As the industry implements new and more flexible solutions, it will be easier to expand support for new products as well as new participants. This is certainly a goal of OCC's ongoing transformation and as more participants can take advantage of clearing, the industry will see a continued decrease in the cost of doing business as well as increased revenues from higher utilisation and/or better pricing," Wolfe adds.

"Given the fact that today, there is an extremely high level of concentration on a few client clearing service providers, I think topics like direct access or hybrid direct access of the buy-side to CCPs will play a bigger role in the future"

Graulich predicts there will be changes in terms of the structure of the market. He comments: "Given the fact that today, there is an extremely high level of concentration on a few client clearing service providers, I think topics like direct access or hybrid direct access of the buy-side to CCPs will play a bigger role in the future."

Additionally, Graulich predicts that this will also address some of the challenges on the banks' side with regards to balance sheet and capital restrictions.

Graulich concludes: "Technology is again an important enabler to help to put all the necessary pipes in place to make such a new environment work effectively."

Opportunities to be had

Becky Bellamy reports

JTC's Nigel Le Quesne discusses why the US is a key growth market for the firm after its recent acquisition of NES Financial

Why is the US a 'key growth market' for JTC?

The US has been a key growth area for us for some time. We believe that the US fund administration sector is still consolidating and will continue to do so for some time. Market drivers such as increased regulations, a trend for more outsourcing of administration services and advances in technology mean that many clients now want to work with a global administration partner that has the expertise, experience and technology to meet their needs. The prevalence of using a third-party administrator, for instance, is much lower in the US (around 35 percent of managers) than in Europe (around 70 percent of managers) so the growth potential in the US alternatives space is significant. This, combined with the structural growth we are seeing in capital allocation to alternative assets means that there is much more to go for in terms of the number of funds that outsource administration.

The immediate focus generally in the sector is on ensuring business continuity and providing clients with reliable ongoing support. There will clearly be an impact on the markets and something of a hiatus in terms of deal completion, fund launches and regulatory initiatives coming on track

That all makes it a highly attractive market for us, and in our recent acquisition of NES Financial (NESF), we feel we have found the perfect partner and platform to drive the strategic expansion not only of our US fund administration business but also our Institutional Client Services Division more widely. Our focus now is on integrating NESF into our existing business – it will play a key part in our drive to win new business and increase our global market share of the fund administration market.

What current opportunities are there to be had in the US fund administration industry?

As part of our established inorganic growth strategy, we had been looking for a fund administration platform in the important US market for some time. We see a lot of potential deals and have a very disciplined approach to mergers and acquisitions, using very specific criteria that guides our research, due diligence and negotiations.

In NESF, in particular, we saw the perfect combination of an established fund administration business with a real focus on client service excellence and innovative business that has embraced technology to provide better and more efficient services. In addition, the NESF team are very strong and were completely aligned with our culture. For all those reasons, we believe that NESF is the perfect partner to create our fund administration platform in the US and connect that market to the capabilities in the rest of the JTC Group. Ultimately, by building our US platform, we feel there is a real opportunity to harness that experience, strength and capability to bolster our global proposition.

What other trends are you seeing in the market?

At JTC, we talk a lot about us being a people business that is enabled by technology and those ideas remain key trends for us. We believe that deep expertise and strong relationships will always be of vital importance to clients, but that over time technology capabilities will naturally sit alongside those elements to create the optimal service proposition. The technology capabilities that we are looking to buy and develop are those that enhance client service levels, enable new services and deliver operational efficiency.

Certainly, in the current environment, strong relationships underpinned by a reliable, innovative technology platform are more valuable than ever, and that will continue to be the case long term.

What are the biggest challenges for JTC right now? Have priorities shifted amid the COVID-19 pandemic?

The COVID-19 pandemic is unprecedented, and our primary concern has been for the wellbeing of our people, our clients and our partners. However, we have been delighted with the resilience the business has already shown in dealing with the impact of restrictions - our business continuity team had over 900 colleagues up and running with home working in a matter of days.

It has been a challenge, of course, but the nature of our business means that we can continue providing our services to the usual high standards even under extended business continuity conditions.

It is too early to tell what the longer-term impacts might be, for example around business development work, but at the present time we are still seeing great engagement from our clients and partners and we are still winning new mandates.

With regulations being delayed due to the current situation, how will this impact the market?

The immediate focus generally in the sector is on ensuring business continuity and providing clients with reliable ongoing support. There will clearly be an impact on the markets and something of a hiatus in terms of deal completion, fund launches and regulatory initiatives coming on track, but our experience tells us that fund managers, corporates, financial and professional services firms, as well as HNW/UHNW individuals and families, all acknowledge the importance of compliance with increasingly wide-ranging and complex regulatory regimes in the long run – and many are taking the opportunity now to focus on governance and regulatory functions.

They understand that requirements for accurate and timely disclosure of information have increased and will continue to do so, long after the coronavirus pandemic. Clients are increasingly turning to specialist administrators with global reach, knowledge and experience to manage this, so whilst new regulations might be on hold, it is certainly busy in terms of regulatory advice.

How do you think the pandemic will overall impact the fund administration market short and long term?

In the short term, administrators will likely see a spike in activity as managers and investors look for solutions to challenges thrown up by the pandemic, such as market turmoil, structuring issues, governance and compliance, and fundraising.

Longer term, ultimately, the pandemic will really put the resilience of fund administrators to the test, and we are likely to see some winners and losers in that respect.

From our point of view, we have always believed that JTC is a highly resilient business and the challenges presented by COVID-19 have brought this into focus. The response of the group has been excellent and we are confident of our ability to successfully trade through this period for a number of reasons. We have, for example, a highly experienced management team; a track record of revenue and profit growth spanning 32 years; a well-invested and scalable global platform; and we are well diversified across clients, services and geographies.

In order to maintain a clear focus during an unprecedented and fast-changing scenario, we have adopted three core principles to guide our actions. 'Wellbeing' relates to actions that will support and protect the wellbeing of our people, clients and partners; 'service' relates to actions that will ensure continued service excellence to clients whilst minimising impact wherever possible; and 'commercial' relates to actions that will support all JTC stakeholders and minimise any long-term commercial impact on the group.

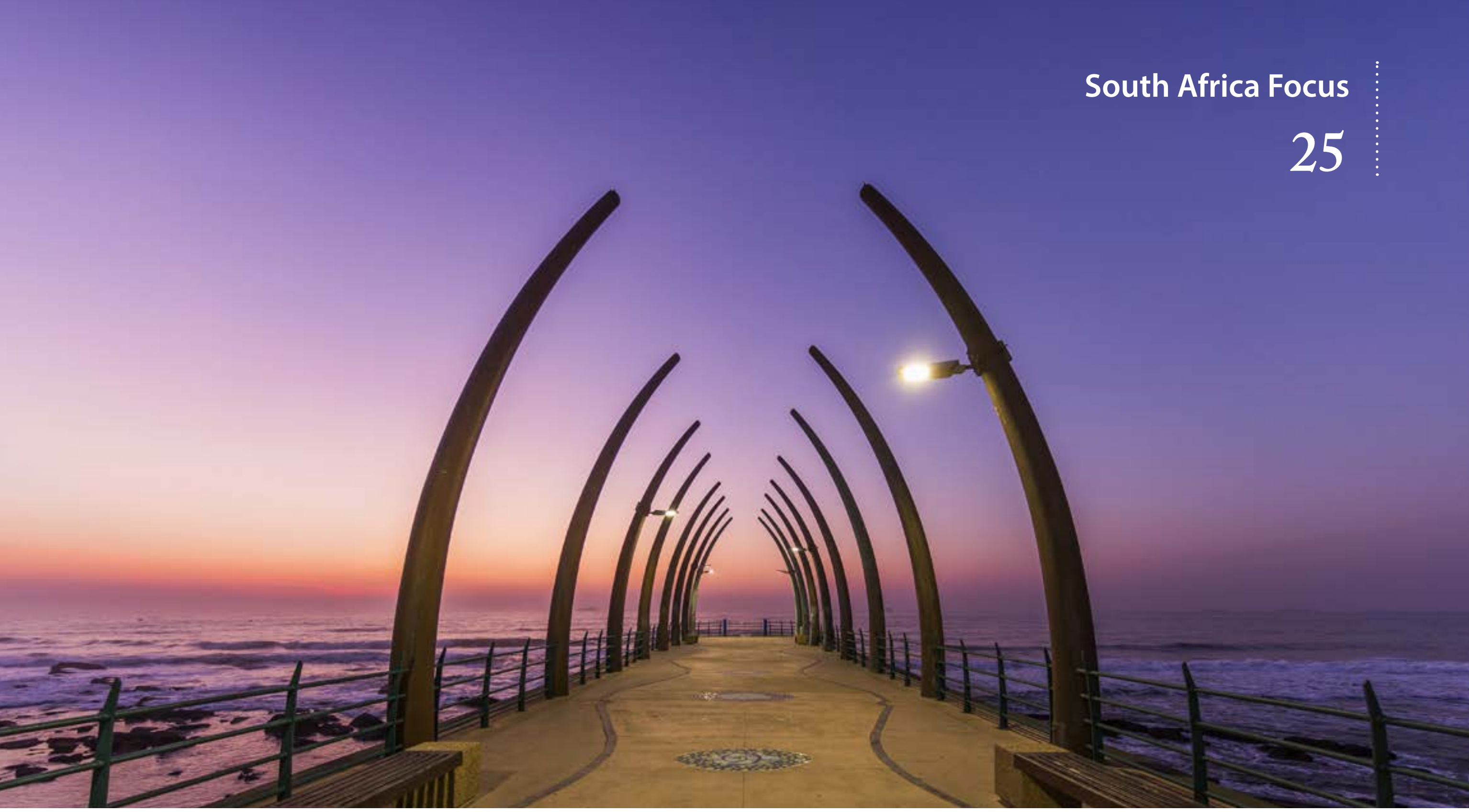
“Longer term, ultimately, the pandemic will really put the resilience of fund administrators to the test, and we are likely to see some winners and losers in that respect.”

Finally, is there anything else in the pipeline for JTC? Are you planning any further expansions?

JTC has a strong track record of performance and growth spanning more than 30 years – something that came across strongly in our recently announced annual results, which reflected both our organic and inorganic growth.

We will continue to drive our organic growth, by making improvements to our 'go to market' strategies and activities, enhancing and expanding our service offering and expertise, and applying new technological capabilities in new smart ways. We fundamentally believe that the combination of our people, technology, processes and global reach will enable us to continue to win new business, access established markets and successfully develop new markets.

Alongside that, however, growth through acquisitions remains an important part of our future. We continue to see consolidation across the sector and have good visibility of deal flow of all sizes, and we will continue to take a disciplined approach to any further acquisitions – monitoring opportunities for further acquisitions in particular in the US, the UK and mainland Europe.



Time to shine

Maddie Saghir reports

South Africa's asset servicing industry has become an established market in the last 20 to 30 years, but industry experts say that there is still space to grow

Sometimes referred to as the "Rainbow Nation" for its multicultural diversity, South Africa has beautiful beaches, lush wine lands as well as forests and lagoons. In its financial services space, South Africa can also boast of its asset servicing growth, which has seen it become an established market in the last 20 to 30 years. Despite its successes, there is room for growth and opportunities to shine.

Indeed, industry experts have observed that the South African market has evolved to a full-service securities services market with providers offering custody and safekeeping, trustee services, securities lending, collateral management, cash management, foreign exchange and a range of reporting services.

Brian Anderson, managing director, SimCorp South Africa, notes that South Africa is a highly competitive landscape, where there has been the re-entry of ABSA (formerly Barclays Africa Group Limited), with its acquisition of the Société Générale business in the region. Anderson also observes bigger players looking to further consolidate their servicing to clients, with a more complete front-to-back view.

Anderson says: "The current industry in South Africa is under great margin pressure, at the same time it is undergoing a transitional phase, as many firms recognise the need to address a legacy of best of breed solutions and outdated systems."

As well as this, in the third-party administration arena, Anderson notes the recent exit of international players such as J.P. Morgan and State street. "So it's a truly dynamic time for the industry with many opportunities for growth and change. It is for this reason SimCorp has entered the South Africa market. Achieving scale, automation and multi-asset coverage in investment operations will be a big feature in making that growth happen and an area where we believe we can support significantly," Anderson adds.

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Echoing the idea that there is further room for growth, Fiona Green co-founder and director of Adapa Advisory comments: "In recent years, the demand for more sophisticated reporting solutions from the pensions sector combined with the ongoing demand for middle- and back-office outsourcing for investment managers, has led the way for banks to expand their offering and for the continued development of third-party fund administration."

Meanwhile, from a client perspective, central securities depositories are in a position to structure solutions based on client demand. Green says that asset managers in particular who do not consider asset servicing core to their business are interested in a broader proposition focused on cost and efficiency gains.

"Coming off a strong base in South Africa, a number of providers have looked to the rest of the continent to meet growing client demand for regional capability both from domestic investors and to support inward bound flows," Green affirms.

Enhancing business performance

In order for financial institutions in South Africa to enhance their business performance in the post-trade and securities services arena, enhanced technology and the digitalisation of processes could provide opportunities here.

Additionally, Green outlines that relationship reviews in the context of service level requirements, pricing, value-adds and risk reviews are steps to further enhance overall business performance.

Green highlights that the South African market is already competitively priced, which in turn has led to providers looking for real opportunities for efficiencies and new operating models.

"In recent years new market entrants in the depository and exchange environment have shifted the landscape and are important developments for clients and providers alike where the focus on costs, improved automation and the need for skilled resources are ongoing," says Green.

She stipulates that all providers are focused on building their business either through product capability, geographic reach or both. In such an environment, Green stresses that it is very important that clients have a strong relationship with their providers.

Looking at how technology can offer these enhancements, SimCorp's Anderson notes that there have been recent developments in the market with the ITaC initiative on the JSE, which has prompted technology refreshes in the derivative space and put a spotlight on internal projects.

Anderson says: "With this now completed there could be opportunities for outsourced bureau services or a consolidation of services that provide mainstream back-office processes. Here we believe there is a need for real-time data and digital processes that can enable more efficient settlements and improved service levels."

According to Anderson, this could also lead to better accuracy and fewer reconciling items and time taken around error handling.

However, reaching this state comes with its challenges.

Anderson remarks: "With a legacy of best of breed solutions dominating asset servicing operations, achieving this efficiency is just not possible in the same way a consolidated platform can."

New ways to adapt

The effect of industry change, financial pressure, new working practices and lifestyle operations has impacted operating models in South Africa.

The South African market can currently be characterised by a reduction in asset valuations with transaction volatility in line with other markets globally, according to Green.

She states: "Combined with rating agency downgrades and other economic factors organisations are potentially going to review their businesses in terms of core versus non-core operating requirements."

From a provider point of view, Green says that the business needs to make economic sense therefore a broad product offering, with multi-market capability and a reputation for innovation is a buffer against such market volatility.

"In the current environment, this may be challenging for certain market participants. However you look at it, it is important for providers to have a long term strategy as it relates to client demand for complete solutions both domestically and internationally," says Green.

Green adds: "Additionally, with the heightened focus on innovation and the rise of fintech as part of the fourth industrial revolution we are seeing leaders in the industry looking to participate in different ways which benefit the industry by bringing a diverse style of leadership which is agile and helps enable new business models and revenue streams. Such disruptors are key to transforming the market and economy."

Aside from this, the global pandemic has caused disruption to a lot of markets across the globe, it has also forced many people to work from home. Anderson points out that if we look at the changes driven by a COVID-19 operating environment, work from home scenarios and operational efficiencies required to improve margin, will drive a review of the technology that asset servicers are using and require potential changes and investment.

Anderson says: "Cloud-based solutions will be better suited to deliver work from home demands but this will come with greater overhead around networks and related security both physical and data. At the same time, back-office platforms that deliver automated, multi-asset coverage and can be deployed across several lines of business, bringing cost optimisation in the servicing space. This will be a significant benefit with already lean resources, being more efficiently assigned to higher-value tasks."

Pre- COVID-19, the biggest challenge has been margin pressures. Anderson highlights that this has been perpetuated by the backbone of regulatory requirements that are not necessarily seen as value-add services, but are necessary all the same to support clients with compliance.

Digitalisation will be a key opportunity here, Anderson states. He adds: "Beyond this, there are pressures on the provision of credit, where collateral management will also be a challenge. To overcome this, firms need to gain better visibility to the front office, as well as assets held as collateral, to optimise their collateral management operations. Using an integrated solution that runs through the entire investment lifecycle, from execution to settlement provides the best business outcome."

Elsewhere, Anderson identifies that integrating corporate actions, where one source of data provides firms with a real-time accurate source, will also eliminate the number of errors that cost businesses money.

"This is currently a big obstacle in the way of growth, for the South African market," Anderson notes.

Time to shine

In post-trade and securities services in South Africa, Green notes that the continued developmental growth in Africa is driving demand for skilled resources in the region.

This demand for further talent led to Adapa Advisory and HornbyChapman to announce a joint venture earlier this year to focus on senior-level recruitment to financial services companies.

Green explained that the intention is to combine local knowledge and insights into specialist markets coupled with a global reach which brings something unique to the region.

"Attracting new people into the asset servicing industry from other segments in the market is a lateral way of extending the asset pool," she says.

Other areas of opportunity and development, Anderson says, is the growth in investment in the Unit Trust industry, as well as exchange-traded funds (ETFs) has had a further impact on asset servicing.

ETFs are now more involved in the front office, typically helping clients with data and distribution. Anderson explains: "They also need to deal more closely with the broker-dealers, in the front office. As the funds are live on the exchange, the requirements to comply with different rules in the primary markets will draw on different understandings but essentially are repeatable services and so could be incorporated on top of other existing technology and services. As a result, obtaining a front to back view that is both accurate and timely will become less a luxury and more of a necessity."

Looking for future opportunities to shine, Green cites that global trends in digital assets offer custodians and other participants in South Africa the opportunity to diversify and expand capabilities to support digital assets.

According to Green, whether its cryptocurrencies or tokenised securities, the South African market's ability to support such assets is a growing opportunity. It is only a matter of time and the key question is who will have the First-Mover Advantage.

Green concludes: "Whilst there is retail activity and interest in the local market, to increase the uptake there is work to do in this space to satisfy institutional investors particularly as it relates to regulation and the safety and security of assets."

BNY Mellon has bolstered its team with the new appointment of Hyon Joo Park as country executive for Korea.

In her new role, Park will lead the team to grow BNY Mellon's local services and capabilities across all businesses in Korea.

Based in Seoul, Park will report to David Cruikshank, BNY Mellon's chairman of Asia Pacific.

During her career, Park has gained 25 years of financial industry experience and has held a range of leadership positions at top-tier global financial institutions.

Park joins BNY Mellon with a strong background in relationship management and the formulation of regional business and client strategies, in addition to experience in the transaction banking and commercial banking segments.

Outside Korea, Park has also been based in London and Hong Kong, helping her to develop a global mindset that will benefit BNY Mellon greatly in its position as a global financial business with a growing presence in Asia Pacific.

Park succeeds Sang Don Ji, who will be retiring on 31 May, following three years of service with BNY Mellon.

Cruikshank commented: "Korea is a strategic market for BNY Mellon. With a presence in the country spanning more than 30 years, we have developed an immensely successful business servicing our institutional clients, and we continue to see opportunities to further expand our local capabilities in the years ahead."

"Park will be at the heart of further enhancing our growth, with the depth and breadth of her financial services experience and understanding of Korean clients' needs. With her diverse background and strong credentials, Park is exceptionally well-placed to take BNY Mellon's business in Korea to new heights and deliver service that is second to none for our clients", Cruikshank added.

JTC has hired Ronan Reilly as managing director and Imran Khan as director of the company's new Dublin office.

Reilly has experience in capital markets, aircraft, hedge funds, corporate taxation and structuring which will serve both JTC and its clients well as he takes up leadership of this new office. His most recent roles in Dublin include managing director at Law Debenture, as well as at both Walkers and TMF Group in the years prior.

Meanwhile, Khan has a background in investment fund administration and corporate services, with a focus on real estate, private equity, hedge and venture capital funds.

He has led operations and business development activities over the last 10 years, with teams in global jurisdictions including Ireland, Luxembourg, Channel Islands, France, Singapore and Malaysia.

Previously, Khan served as global head of operations for private capital services at RBC and prior to that as Asia Pacific regional director at Vistra Group.

The appointments follow JTC's recent acquisition of the corporate services business Cornerstone in Dublin, which extends the company's service offering to global corporates, aviation and multi-asset managers.

JTC explained that having a presence in Ireland to provide corporate and fund administration, driven by strong demand from existing JTC clients and prospects, will ensure that the business continues to grow in the right direction.

The Dublin office will be built on the firm's core corporate services and capital markets offering, with a view to expand into fund administration and managed company services. The Dublin office will work closely with JTC's global offices.

Commenting on the appointments, Jon Jennings, group head of institutional client services said: "Our recent move into Ireland has been long-anticipated and I am delighted to announce the appointments of Ronan Reilly and Imran Khan at the helm of this venture. Their experience really speaks for itself and they are both incredibly well regarded within the industry – I have confidence that they will lead us successfully in Dublin and see that our clients receive the best possible service, right in the heart of Ireland's capital."

Deutsche Bank has appointed Kamran Khan to the newly created role of head of environmental, social and governance (ESG) for Asia Pacific (APAC).

In this new role, Khan will be responsible for developing and coordinating the regional business strategy around ESG across all of the bank's business divisions in APAC. Based in Singapore, Khan will report regionally to Werner Steinmueller, APAC CEO, and locally to David Lynne, Singapore chief country officer, head of corporate bank APAC, and head of fixed income and currencies APAC.

During his career, Khan was appointed by the Obama White House to serve as head of global investments and operations at the US Millennium Challenge Corporation. He has also established the World Bank Group Hub in Singapore and led the World Bank's Infrastructure Finance Practice in East Asia.

Additionally, he has led investments in sustainable development across Asia, Africa, Latin America and Eastern Europe. Most recently, he founded and led an impact fund targeting companies focused on achieving UN sustainable development goals.

Commenting on the appointment, Steinmueller said: "ESG is a key strategic priority for us globally and regionally, and one that spans the full spectrum of our businesses. We are pleased to have someone of Khan's calibre joining to harness the strength of our platform and put our ambition into action. The ESG imperative in APAC is incredibly strong. We recognise that as a bank with one of the broadest and deepest networks in local markets across the region, we have a unique role to play in the development of ESG frameworks and capabilities here. We are committed to pushing the ESG agenda forward in Asia Pacific, and Khan's appointment is but the first step along that path."

Aztec Group, an independent fund and corporate services provider, has added to its real assets leadership team in Luxembourg and Jersey.

In Luxembourg, Farhan Ahmed who joined Aztec Group as a director in 2018 has transitioned to the role of Luxembourg head of real assets.

In his new role, Ahmed will oversee all client relationship management, administration and accountancy for a portfolio of real estate and infrastructure fund managers.

Before Aztec Group, Ahmed was a director at a big four accountancy firm. He has experience in the real estate, private equity, infrastructure and banking sectors.

Meanwhile, Richard Anthony, who is also a member of the group's real assets leadership team, has assumed the role of head of real assets in Jersey. As jurisdictional head of the real assets team, he will continue to oversee a range of outsourcing activities for clients while playing a key role in Aztec Group's business development efforts.

Paul Conroy, group head of real assets at the Aztec Group, commented: "Farhan Ahmed and Richard Anthony are two outstanding professionals who bring both depth and breadth of experience and a proven track record in service excellence to the team. They have both made an enormous contribution to the continued success of our real assets offering and their promotions are a clear reflection of their efforts and the leadership that they've shown. As always, it's particularly pleasing to promote from within the team and provide our people with the opportunity to fulfil their career aspirations with the group. Congratulations to Ahmed and Anthony on their promotions."

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