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The little regulation that could

PRIIPs is facing challenges from all directions, but the industry is behind the KID and, with a little work, it will grow up to be a success

Banks are on track with Basel III capital requirements, says BCBS

Important financial institutions are largely meeting their targets for Basel III capital requirements, according to the Basel Committee on Banking Supervision's latest Basel III Monitoring Report.

The report included data from 100 large and internationally active institutions with capital of €3 billion or more, classed as 'group-one' banks, which will include some of the largest agent lenders.

It also used reports from 128 additional banks, classed as 'group two'.

As of 31 December 2015, when the minimum Liquidity Coverage Ratio (LCR) requirement was set at 60 percent. Average LCR for group-one banks, however, was 125.2 percent. For group two banks, average LCR was 141.1 percent.

Of group-one banks, 85.6 percent already exceed the 100 percent final target, scheduled for 2019 after a staggered increase. Only one bank was not meeting the current 60 percent minimum LCR target.

For group-two banks, 82.9 percent had an LCR exceeding 100 percent, and, again, only one bank fell short of the 60 percent target.

According to BCBS, the relevant national supervisory authorities have taken action with those banks that missed the target, in order to correct the problem.

Results were similarly positive for the net stable funding ratio (NSFR) requirement. Average NSFR was 113.7 percent for group-one banks and 115.9 percent for group-two banks, well in excess of the target levels of 100 percent.

Of group-one banks, 79 percent either met or exceeded the 100 percent minimum, as did 87 percent of group-two banks.

Almost 96 percent of group-one banks were found to be close to meeting the target, with NSFRs of 90 percent or more. This was also the case for 97.2 percent of group-two banks.

The 100 percent NSFR will become a minimum standard on 1 January 2018.

Wells Fargo fund services division joins SS&C Technologies

SS&C has acquired Wells Fargo Global Fund Services (GFS) for an undisclosed sum.

Wells Fargo GFS has more than $42 billion in alternative assets under administration, and more than 130 fund relationships in the US, the UK, Singapore and Hong Kong.

According to SS&C, the move will combine Wells Fargo GFS's customisable solutions and customer service reputation with SS&C's capabilities in serving complex fund strategies. This is intended to create a comprehensive and flexible platform for managing funds' back- and middle-office operations.

As part of the acquisition, 250 Wells Fargo GFS employees will also join SS&C.

Bill Stone, chair and CEO of SS&C Technologies, said: "The acquisition of Wells Fargo GFS will create a compelling advantage for our customers as they access and manage sophisticated asset classes."

He added: "This transaction will expand our capabilities in the global fund market, reinforcing SS&C at the forefront among fund administration and extending our strong cloud-based platform for future growth."

Chris Kundro, head of Wells Fargo GFS, suggested that joining SS&C will accelerate its global growth while improving the pace of innovation.

He said: "SS&C's innovations in cloud, mobility and fund technology are transforming investment management. This acquisition will create even more value for our customers and will benefit employees as they become part of one of the largest and most reputable fund administrators."

The transaction is subject to approvals by the relevant regulatory authorities and other customary closing conditions, and is expected to be complete in Q4 2016.

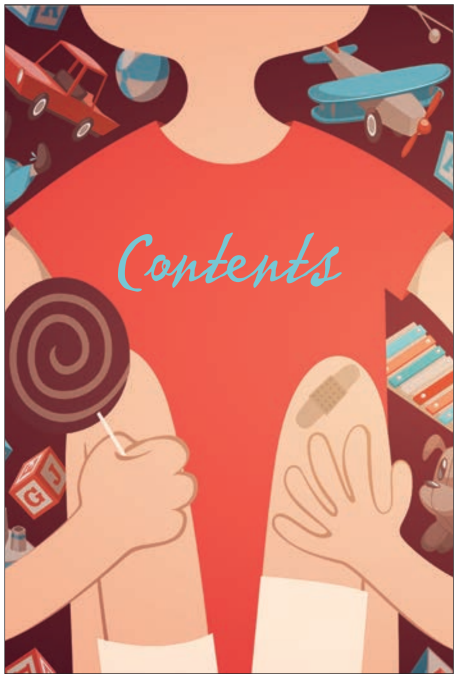
EU regulators dismiss over-the-counter derivatives amendments

Three European regulators have joined forces to voice their disagreement with the European Commission's proposed amendments to the final draft regulatory technical standards (RTS) for over-the-counter derivatives.

The European Banking Authority (EBA) along with the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority have rejected the commission's proposal to remove concentration limits on initial margins for pension schemes, claiming that these are crucial for risk mitigating.

The European supervisory authorities (ESAs) also recommended that further clarity was needed regarding non-centrally cleared derivatives concluded by central counterparties that are not covered by this regulation.

In a statement on the joint opinion, the EBA noted that ambiguity in this area has been a "source of concern for stakeholders".



Further details are also needed for the application of the RTS to transactions concluded with third-country counterparties, particularly non-financial counterparties.

Additionally, the ESAs highlighted a contradiction between the commission's proposed additional condition for covered bonds and the European Market Infrastructure Regulation (EMIR).

Specifically, the amendment would have the effect of ranking derivatives counterparties after bond holders, which is contrary to the reasoning established in EMIR to grant preferential treatment to cover bonds.

Finally, according to the ESAs, a number of wording changes proposed by the commission require amendments as they may lead to a different application of the provisions compared to their original text of the RTS.

T2S on a roll with wave-three success

Wave-three participants have successfully migrated to the Target2-Securities (T2S) pan-European securities settlement platform.

Euroclear's Settlement of Euronext-zone Securities (ESES) CSDs—those in Belgium, France and the Netherlands—along with VP Securities in Denmark and VP LUX in Luxembourg, are all now up and running on the single platform.

This means that the T2S platform is now processing 45 percent of the total transaction volumes expected by the time migration is completed in 2017.

This latest wave represents the halfway point of the migration programme, intended to improve efficiency in in cross-border settlement in Europe.

The first wave of CSDs went live on the platform on 22 June 2015, while wave two went ahead without a hitch in March this year.

The Euroclear ESES CSDs were originally scheduled to join the platform in wave two, but delayed the move, citing early processing challenges and requesting more time to prepare. At the time, Euroclear suggested that the complications were already under control, but had slowed the process so far.

Tim Howell, CEO of the Euroclear group, commented on the eave three migration, saying: "The T2S project is a significant undertaking for Europe's financial community, bringing many opportunities for cross-border trading and enhanced liquidity management."

He added: "Reaching this milestone has taken tremendous motivation and commitment by many people at Euroclear and by our client community, and I would like to thank them for their efforts."

In a statement on the migration, VP called the project the biggest in its history, "in terms of both value and significance". The statement added that VP has invested DKK 300 million (€40.3 million) in adjusting the VP Securities systems to access the platform.

VP Securities is settling euro-denominated issues on T2S. However, VP intends for the CSD to be the first to offer settlement in an alternative currency, with plans to settle DKK on the platform in 2018.

Niels Olsen, CEO of VP Securities, said: "As a CSD we're fully aware of the importance of an integrated European financial market. This made it natural for VP to be part of T2S, even though Denmark is not in the Eurozone."

He added: "Harmonisation via the T2S project is one of the most important reasons for our participation. This harmonisation creates a level playing field for all CSDs, ensuring fair competition."

Wave four of the migration is scheduled for 6 February 2017, and the project is scheduled to be completed with a final wave in September 2017.

Digital Asset applies blockchain to Swiss market

SIX Securities Services is partnering up with Digital Asset Holdings to work on a proof-of-concept for blockchain technology in the Swiss financial market.

The initial prototype will aim to demonstrate the commercial viability of distributed ledger technology for securities lifecycle processing, while also developing plans for future opportunities spanning the whole market.

Digital Asset will design the solution to incorporate distributed and encrypted straight-through processing tools into existing securities transaction flows.

SIX and Digital Asset will then extend the solution to additional applications and demonstrate how post-trade processes can be further streamlined.

Thomas Zeeb, division CEO of SIX Securities Services, said: "Distributed ledger technology and its potential role in post trading is key to our business. We need to understand it, and more importantly, its applicability and future flexibility in order to keep ahead of the game."

"Partnering with Digital Asset is a way to accelerate our own development plans and leverage their experience in this area."

Blythe Masters, CEO of Digital Asset, commented: "Partnering with SIX brings this cutting edge technology another step closer to commercial reality."

She added: "We believe this collaboration will provide exciting opportunities for SIX and its customers while reducing inefficiency, cost and risk in the financial services ecosystem."

This latest venture will add to SIX Securities Services existing distributed ledger prototype for corporate actions.

BNY Mellon to begin testing real-time payment service

BNY Mellon has upped the ante in the race to achieve efficient real time payments by becoming one of the first participants to incorporate the Real-Time Payment (RTP) system being developed by The Clearing House (TCH) into its clearing infrastructure.

According to BNY Mellon, it plans to use the RTP system to facilitate real-time payments on behalf of both corporate and bank clients, and to leverage the system's capabilities in support of other in-house payment innovations.

RTP will be available in the US in the first half of 2017.

"We see the availability of real-time clearing and settlement as one of the most significant advances in payment technology in more than 40 years," said Michael Bellacosa, managing director and head of global payments for BNY Mellon's Treasury Services business.

"Payment innovations have to pass three key tests—reliable and repeatable global standards; sufficient levels of ubiquity and network effects; and regulatory buy-in. Being designed to satisfy all three criteria, RTP system promises to add an important new dimension to our clients' payment experience."

Russ Waterhouse, executive vice president, product development and strategy for The Clearing House, added: "The participation of our member banks is critically important to the success of our real-time payments initiative."

"BNY Mellon's commitment to bring RTP system to market reflects the high level of leadership the company has demonstrated from the outset of the project, and their ability to provide real-time payment support as part of their outsourcing services for client banks represents an important network effects multiplier."

Russia's National Settlement Depository earns first 'premier' status

Russia's central securities depository, the National Settlement Depository (NSD), has become the first Eastern European bureau to achieve SWIFT's 'premier' certification status.

According to NSD, the classification will allow it to guarantee its clients the maximum level of safety and reliability when using NSD for SWIFT system work.

SWIFT divides its users into two safety profiles: standard and premier.

The higher level requires that a service bureau backs up SWIFT's technical infrastructure and uses control procedures equivalent to the SWIFT level, thereby offering clients a safe working environment.

Service bureaus can then secure a level of protection and reliability that is identical to direct connection to the system.

The addition of NSD to the top-tier group brings the total number of service bureaus to 14. Seven of these are in Europe, with the remainder in the Americas.

Half a dozen banks join blockchain settlement network

Financial settlement solution provider Ripple has added six new banks to its network.

Standard Chartered, National Australia Bank, Mizuho Financial Group, BMO Financial Group, Siam Commercial Bank and Shanghai Huarui Bank will use the Ripple technology for cross-border payments.

The blockchain-based technology is intended to reduce time and cost of settlement, engaging in new types of high-volume, low-value global transactions.

All of the new institutions have already successfully transferred money using Ripple, and all are planning on implementing solutions commercially.

Shanghai Huarui Bank has plans to implement a commercial cross-border payment service for retail customers, allowing them to send money internationally, at a low cost.

Ripple CEO and co-founder Chris Larsen said: "2016 has proven to be the year where the most forward-thinking financial institutions are actually using blockchain technologies for payments and settlement rather than as an experiment."

He added: "The continued growth of the Ripple network represents a major endorsement of our open approach to connecting the world's banks and their customers. Together we are building a modern payments system to enable new economic opportunities and the seamless flow of value around the world."

Andrew Fang, general manager and head of innovation and research at Shanghai Huarui Bank, said: "We view blockchain as a competitive advantage that allows us to provide differentiated products, serve the on-demand expectations of our existing clients, and grow our customer base."

Gautam Jain, global head of digitisation and client access for transaction banking at Standard Chartered, commented: "It is crucial that we continue to innovate to make international payments easier and faster, not just for our clients but also for the future of the payments industry."

RSRCHXchange sets up partnership with Infront

RSRCHXchange, an institutional research marketplace, has secured another partnership, making its research available to the institutional clients of trading and information solution provider Infront.

Through the Infront terminals, clients will gain access to institutional research from more than 140 research providers, allowing them to access and purchase research in a manner compliant with the Markets in Financial Instruments Directive (MiFID) II.

Under MiFID II, investment research must be bespoke to each institution, and investment firms must pay for research with their own funds, or through a separate designated account, which is charged to the client.

Research fees also have to be separated from execution and trading fees.

The new rules are designed to improve transparency, and to stop research costs being unfairly passed on to clients.

Morten Lindeman, CTO and co-founder of Infront, said: "We are pleased to offer our clients a state of the art solution for accessing a marketplace of MiFID II-compliant online research."

"This enables our Infront users to buy research in a more efficient, transparent and auditable way. We see this as an important step in following the future demands on how financial research will be consumed in a post-MiFID II world."

Jeremy Davies, who is co-founder of RSRCHXchange, added: "We are very excited about the partnership with Infront. What we set out to achieve was to make research easy to find and access from any working environment."

"Not only will the collaboration make RSRCHX research accessible on the Infront platform, it will also open the research available on our platform to thousands of new users."

Chapman's eye on the market

Headwinds

I write this month's missive sitting in the rickety seats of a budget airline over the South China Sea, heading from Hong Kong to Singapore. The seatbelt signs are on, and Typhoon Meranti is doing its level best to make sure we don't land at Changi as planned by buffeting us pretty seriously.

At such times it's inevitable that one's thoughts turn to the question of mortality—what if I don't make it? What would I miss most—my children, my darling wife, the Great British Bake-Off? Seeing if blockchain does develop into the silver bullet solution for all processing and connectivity ills? Finding out if Standard Chartered's recent reorganisation under Margaret Harwood-Jones will allow it to reach its acknowledged potential? Hearing if the new UK, Middle East and South Africa head of BNP Paribas Securities Services, Pat Hayes, can bring much-needed management and leadership strength to the UK team and continue its solid growth path?

Wait—the seatbelt signs have been switched off now so we can relax. However, headwinds do continue in the securities services industry. Net interest income (NII) is at historic lows, certain major outsourcing projects have been put on hold pending ongoing Brexit uncertainty, new regulations continue to be issued unabated, disintermediation is becoming the norm and job satisfaction at the major financial institutions—primarily banks—is at its lowest point for many years. On an almost daily basis, I see folks who are becoming disenchanted with our industry: the never-ending and soul-destroying slog of administering know-your-customer and anti-money laundering requirements, the pressure of the Financial Conduct Authority's Senior Manager Regime, a surfeit of bureaucracy and a lack of entrepreneurial spirit. This latter point is partially evidenced by the seemingly inexorable rise in interest in the fintech space. If, 10 years ago, I'd mentioned a job opportunity at a fintech, any self-respecting banker—and there were still many around at that time—would have metaphorically held their noses in disdain and said, 'how dare you soil me with such a suggestion'.

Now, barely a day goes by without someone asking me what's happening in the fintech space and if there is a chance they can move over to it. While the answer is, usually, 'yes', caveat emptor applies—these firms tend to pay lower base salaries than banks, have less well-developed variable compensation structures and aren't as optimally structured when it comes to sales support.

Additionally, as they are a different stage of their lifecycle, they tend to be much more focused on inorganic growth, and this relentless hunger for acquisitions means that little attention is paid to integrating people, processes and systems, resulting in siloed CRM systems and the inevitable duplications, overlaps and gaps in prospect approach strategy. One well-known major third-party administrator/fintech at least is suffering from all of these problems and more, resulting in significant staff turnover and client dissatisfaction.

Will there be happy landings for our industry? Well, the jury is still out on that one, but I can tell you that I've now landed safely. Hopefully, I will have seen some of you at SIBOS. Failing that, I will see you at NeMa Asia in Hong Kong on 10 and 11 November.

Paul Chapman, Managing director, HornbyChapman Ltd

CUSIP raises the gold bar

CUSIP Global Services (GCS) has paired up with the Delaware Depository to apply its security identifiers used for tracking and trading in the equities and fixed income markets to gold bars and other precious metals.

Creating security identifiers is intended to standardise the process of trading and tracking precious metals within investor portfolios.

It will be assigned to 93 precious metal product types in the Delaware Depository.

According to CUSIP, the standardised identities will complement the existing proprietary, internal tracking codes that have been used to track and manage client assets.

Matthew Bastian, director for market, business and product development at CGS, said: "Though it is arguably one of the world's oldest asset classes, gold is one of the last to receive CUSIP identification."

"As markets and trading and portfolio management mechanisms become increasingly electronic, the need for a universal standard is growing quickly."

Jon Potts, managing director of the Delaware Depository, said: "The introduction of the CUSIP ID into the precious metals market represents an enormous step forward in the pursuit of a more modern, efficient, and transparent marketplace."

He added: "We see this critical first step as an exciting opportunity to take a leadership role in the precious metals industry and look forward to further collaboration with CGS to bring their rich experience in identifier standards to bear for the precious metals market."

Raising the bar

The 2016 R&M Fund Accounting and Administration Survey seeks client opinion on everything from customer service to flexibility, but which institutions emerged in the most favourable light?

Playing a key part in any well-oiled back-office machine, the functions of fund accounting and administration are an important, if not very rock-and-roll part of securities services. In this year's R&M Fund Accounting and Administration Survey, clients of six of the major service providers were asked to rank them for core accounting and fund administration; accounting and valuation; communication; approach and flexibility; quality of personnel; and value for money.

As it turned out, RBC Investor & Treasury Services retained the top spot it claimed last year, taking first place overall, and being named as the most improved since last year. It also received the best ratings in all performance categories.

On a scale of one to seven, with one being 'unacceptable' and seven being 'excellent', RBC received an average score of 6.47, an increase from 6.06 last year.

HSBC Securities Services came in second overall with a score of 6.11, improved from 6.06 in 2015—making the top two the same pair as last year.

In the overall scoring, J.P. Morgan was ranked third, followed by Northern Trust, Societe Generale Securities Services (SGSS) and, finally, BNP Paribas Securities Services. Having also come in sixth place in last year's survey, BNP Paribas scored 5.45, overall, 0.32 less that in 2015. This also means BNP Paribas brought up the rear in the 'most improved' category.

Geographically, the results are similar, with RBC leading in every regional result it appears in: continental Europe, Ireland, and Luxembourg. In the UK, State Street came out on top with a satisfaction rate of 6.30, exactly the same score it came away with last year.

And in Italy, SGSS ruled as the only service provider to appear in the survey, scoring 5.35.

These scores compare to RBC's scored of 6.37 in both continental Europe and Luxembourg, and 6.62 out of 7 in Ireland, an impressive 0.91 increase on last year.

While somewhat overshadowed by RBC, HSBC Securities Services also came out of the survey in a fairly favourable light. Coming in second overall, HSBC also came in second in the ranks in Ireland and the UK, scoring 6.60 and 5.98, respectively, and third in both Luxembourg and continental Europe, scoring 5.88 in each.

It also followed RBC in the categories of core fund accounting and administration, with 6.06, accounting and valuation, with 6.07, communication, with 6.11, approach and flexibility, with 6.07, and quality of personnel, with 6.31. In the final category, value for money, following RBC's score of 6.41 was J.P. Morgan, improving on last year's score by 0.19 to reach 6.04. HSBC came in third place with a score of 6, followed by Northern Trust, SGSS, and BNP Paribas, bringing up the rear with a score of 5.42, a drop of 0.52 compared to last year.

Commenting on the results, Joanna Meager, RBC's global head of client operations and head of investor and treasury services UK, attributes RBC's success to its focus on the client.

She says: "For clients, keeping pace with the evolving regulatory and operational environment is paramount and as a result, we are focused on putting the client at the centre of all we do and anticipating what they want from their service provider to support them."

"We are increasingly adopting an agile approach with our clients, involving them from the beginning in developing new products and services to make sure that our solutions match their expectations."

Meager goes on to say: "Fund administration is a key component of the support we provide our clients as they promote and distribute increasingly diverse fund structures across multiple geographies and asset classes. Providing timely and accurate fund administration and accounting is crucial for our clients and executing these services well allows us to build trust and deepen our relationships with them."

Similarly, Ian Stephenson, global head of fund services at HSBC, also puts its success down to client relationships. He says: "Delivering fund services to our clients continues to be strategically important to our business and we will continue to invest in our product offerings and in our client services to ensure that we are able to support our clients as their needs evolve."

At the other end of the scale, Mark Downing, head of relationship management for institutional investors at BNP Paribas, suggests that the bank is open to working on such relationships. Downing says: "Fund accounting and administration are core to our business and we continually invest in the services we provide to clients in this area."

"We maintain an open dialogue with our clients and conduct regular satisfaction surveys to help inform us of areas where improvement or further investment is needed."

One can only hope that these efforts will help BNP Paribas to improve on its score in 2017's survey, but RBC is also looking to the future with positivity. Meager suggests that between now and next year, there are opportunities to be taken hold of in the fund administration space, with activity increasing the the real estate and private equity sectors.

She says: "Additionally, we expect to see more development in enhanced data management and analytics, delivered through easy to use applications that allow managers to combine data from across all core functions, tailor reports and facilitate decision making." **AST**

	Most Improved	2016	2015	2014	2013	Change
1	RBC Investor Services (6)	6.47	6.06	6.46	6.62	0.41
2	J.P. Morgan (4)	5.98	5.81	6.00	5.74	0.17
3	Societe Generale Securities Services (7)	5.65	5.54	6.02	5.74	0.11
4	HSBC Securities Services (5)	6.11	6.03	6.36	6.15	0.08
5	Northern Trust (2)	5.94	5.97	5.57	5.47	-0.03
6	BNP Paribas Securities Services (3)	5.45	5.77	5.59	5.62	-0.32
	Overall Average	5.96	5.83	5.89	5.85	0.13

	Overall	2016	2015	2014	2013	Change
1	RBC Investor & Treasury Services (1)	6.47	6.06	6.46	6.62	0.41
2	HSBC Securities Services (2)	6.11	6.03	6.36	6.15	0.08
3	J.P. Morgan (4)	5.98	5.81	6.00	5.74	0.17
4	Northern Trust (5)	5.92	5.79	5.57	5.47	0.13
5	Societe Generale Securities Services (7)	5.65	5.54	6.02	5.65	0.11
6	BNP Paribas Securities Services (6)	5.45	5.77	5.59	5.62	-0.32
	Overall Average	5.96	5.83	5.89	5.85	0.13

	Ireland	2016	2015	2014	2013	Change
1	RBC Investor & Treasury Services (4)	6.62	5.71			0.91
2	HSBC Securities Services (1)	6.60	6.62	6.68	6.62	-0.02
3	Northern Trust (3)	6.00	5.83	5.35	5.4	0.17
	Overall Average	6.45	6.05	5.90	5.99	0.40

	UK	2016	2015	2014	2013	Change
1	State Street (1)	6.30	6.30	5.37	5.67	0.00
2	HSBC Securities Services (2)	5.98	5.87	5.94	5.93	0.11
3	J.P. Morgan (4)	5.97	5.49			0.48
4	Northern Trust (3)	5.84	5.61	5.71	5.52	0.23
5	BNP Paribas Securities Services (5)	4.91	5.45	5.57	5.70	-0.54
	Overall Average	5.79	5.70	5.71	5.64	0.09

	Luxembourg	2016	2015	2014	2013	Change
1	RBC Investor & Treasury Services (1)	6.37	6.52	6.63	6.61	-0.15
2	J.P. Morgan (3)	5.93	5.80	5.79	5.61	0.13
3	HSBC (4)	5.88	5.58			0.30
4	BNP Paribas Securities Services (2)	5.35	5.99	5.33	5.61	-0.64
	Overall Average	5.90	5.89	6.05	6.11	0.01

	Continental Europe	2016	2015	2014	2013	Change
1	RBC Investor & Treasury Services (1)	6.37	6.52	6.63	6.61	-0.15
2	J.P. Morgan (3)	5.93	5.80	5.79	5.34	0.13
3	HSBC Securities Services (4)	5.88	5.58			0.30
4	Societe Generale Securities Services (5)	5.65	5.54	6.02	5.65	0.11
5	BNP Paribas Securities Services (2)	5.35	5.98	5.33	5.61	-0.63
	Overall Average	5.83	5.78	6.00	5.86	0.05

Italy	2016	2015	2014	Change
Societe Generale Securities Services	5.35	5.37	5.82	-0.02

	Core Fund Accounting and Administration	2016	2015	2014	2013	Change
1	RBC Investor Services (1)	6.42	6.11	6.30	6.64	0.31
2	HSBC Securities Services (2)	6.06	6.02	6.32	5.98	0.04
3	Northern Trust (5)	5.96	5.71	5.39	5.26	0.25
4	J.P. Morgan (4)	5.94	5.76	5.88	5.71	0.18
5	Societe Generale Securities Services (7)	5.51	5.47	5.97	5.64	0.04
6	BNP Paribas Securities Services (6)	5.31	5.62	5.55	5.65	-0.31
	Overall Average	5.90	5.78	5.81	5.79	0.12

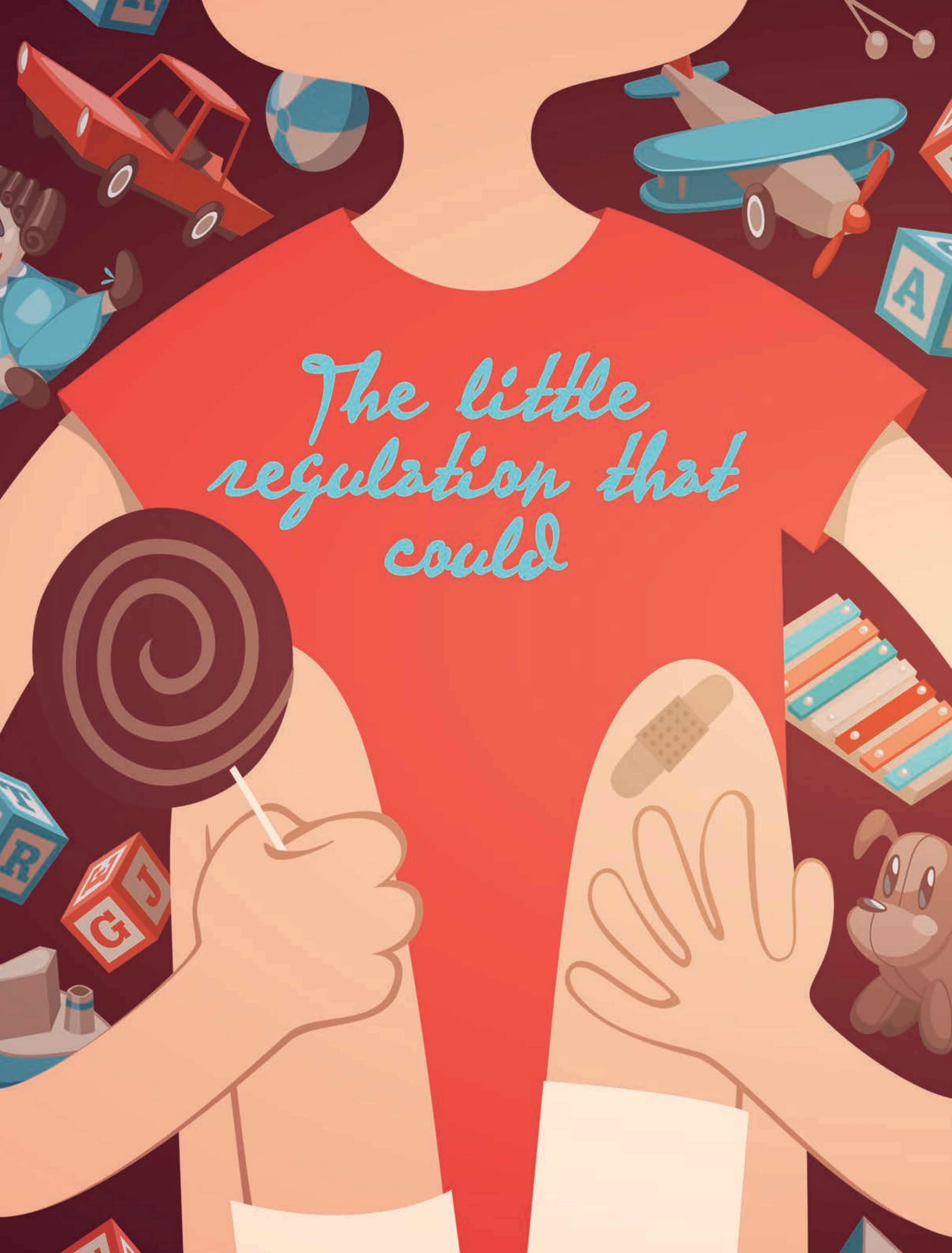
	Accounting and Valuation	2016	2015	2014	2013	Change
1	RBC Investor Services (1)	6.5	6.06	6.63	6.63	0.44
2	HSBC Securities Services (2)	6.07	5.99	6.2	6.19	0.08
3	J.P. Morgan (5)	5.98	5.85	5.92	5.74	0.13
4	Northern Trust (6)	5.92	5.73	5.58	5.54	0.19
5	Societe Generale Securities Services (7)	5.72	5.53	5.97	5.72	0.19
6	BNP Paribas Securities Services (3)	5.46	5.97	5.73	5.76	-0.51
7	Overall Average	5.96	5.83	5.87	5.90	0.13

	Communication	2016	2015	2014	2013	Change
1	RBC Investor Services (1)	6.6	6.03	6.44	6.73	0.57
2	HSBC Securities Services (2)	6.11	5.97	6.39	6.18	0.14
3	Northern Trust (3)	6.00	5.78	5.66	5.43	0.22
4	J.P. Morgan (4)	5.95	5.76	6.13	5.80	0.19
5	Societe Generale Securities Services (6)	5.6	5.53	6.03	5.69	0.07
6	BNP Paribas Securities Services (7)	5.55	5.51	5.53	5.66	0.04
7	Overall Average	5.99	5.76	5.92	5.88	0.23

	Approach and Flexibility	2016	2015	2014	2013	Change
1	RBC Investor Services (2)	6.29	5.91	6.43	6.62	0.38
2	HSBC Securities Services (1)	6.07	5.99	6.34	6.10	0.08
3	Northern Trust (3)	5.95	5.74	5.55	5.47	0.21
4	J.P. Morgan (4)	5.82	5.71	5.82	5.54	0.11
5	Societe Generale Securities Services (7)	5.61	5.28	5.97	5.54	0.33
6	BNP Paribas Securities Services (6)	5.49	5.63	5.43	5.31	-0.14
7	Overall Average	5.89	5.69	5.81	5.79	0.20

	Quality of Personnel	2016	2015	2014	2013	Change
1	RBC Investor Services (2)	6.62	6.25	6.58	6.68	0.37
2	HSBC Securities Services (3)	6.31	6.20	6.58	6.37	0.11
3	J.P. Morgan (6)	6.17	5.93	6.27	5.94	0.24
4	Northern Trust (4)	5.97	6.07	5.77	5.54	-0.10
5	Societe Generale Securities Services (7)	5.86	5.88	6.27	5.85	-0.02
6	BNP Paribas Securities Services (5)	5.48	5.97	5.73	5.72	-0.49
7	Overall Average	6.10	6.06	6.08	5.98	0.04

	Value for Money	2016	2015	2014	2013	Change
1	RBC Investor Services (4)	6.41	5.91	6.27	5.28	0.50
2	J.P. Morgan (5)	6.04	5.85	6.06	5.61	0.19
3	HSBC Securities Services (2)	6.00	6.00	6.33	5.69	0.00
4	Northern Trust (6)	5.72	5.71	5.50	6.30	0.01
5	Societe Generale Securities Services (7)	5.53	5.57	5.86	5.55	-0.04
6	BNP Paribas Securities Services (3)	5.42	5.94	5.43	5.44	-0.52
7	Overall Average	5.88	5.83	5.79	6.02	0.05


The little regulation that could

PRIIPs is facing challenges from all directions, but the industry is behind the KID and, with a little work, it will grow up to be a success

A plucky little legislation that has been a long time in the making, the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation is finally getting its time in the limelight, even if not necessarily for the right reasons.

Designed to help retail investors better understand and compare the key features of investment products, PRIIPs mandates the use of a key information document (KID) that must be provided to the investor in good time, before any transaction is finalised. A standardised three-page document, the KID is obliged to disclose the costs, risks and potential return of the product in question, as well as detail of the investor's rights should things go sour.

However, with the proposed implementation date of 31 December 2016 looming, there are still some fairly major issues up in the air. On 14 September, the European Parliament rejected the draft regulatory technical standards (RTS) with a vote of 604 to four and 12 abstentions. In the parliament plenary session, the RTS were branded 'inadequate' and sent packing back to the European Commission for re-writing.

This outcome supported the decision of the European Parliament's Economic and Monetary Affairs (ECON) Committee, which initially requested a revision to the RTS, citing concerns around the methods of creating the KID.

One committee member, Sven Giegold suggested that the proposed formula for the document could potentially make products appear that they would perform better than they are actually likely to.

"People must know when they take a risk, but this information is misleading," he said.

PRIIPs, and the European Commission, have since come under even more pressure as the Council of the European Union issued a letter calling for a delay to implementation. While supporting the ethos of the regulation as a whole, suggesting that it could contribute to efficient capital markets and help fund EU economic growth, the council specifically requested a 12-month postponement.

The letter said: "In light of the rejection of the PRIIPs RTS by the European Parliament, we call on the commission to consider postponing only the application date of the PRIIPS Regulation."

It added that this is "in order to provide sufficient time to clarify open questions and reach the goals of the PRIIPs Regulation".

Throughout the turmoil, the industry has largely stood behind the decisions of the government bodies. John Dowdall, managing director of Silverfinch, came out in support of the decision to reject the RTS, saying: "[We] look forward to the revised standards to ensure that these are better fit for purpose."

The Association of the Luxembourg Funds Industry (ALFI) also welcomed the decision and voiced its encouragement for a delay to the implementation, with Marc-André Bechet, director for legal and tax, saying this would "ensure that the fund industry can implement the regulations for the benefit of retail investors".

But there is now significant pressure on the European Commission to pay heed to the advice. Mario Mantrisi, senior adviser to the CEO at KNEIP, explains: "The European Parliament rejected the regulatory technical standards and asked the commission to change specific points on them, however they only recommended a delay in implementation. The European Council was not specific on the RTS, but was very specific in requesting a delay."

"The European Commission now faces a lot of political pressure from both the parliament and the council. That means they will probably re-visit the RTS, and they will have to consider giving the industry more time."

Anticipating some negotiation, Mantrisi suggests that we may see a delay of, for example, six month. Although this would still pose a challenge, he says, it would prove to be manageable. However, he says the industry should keep working towards the 31 December deadline, even if this means making some assumptions on the final standards.

"It is important to move forward based on what we understand from the RTS today, to make sure that we're prepared for whatever deadline comes out of these negotiations."

And Mantrisi is not alone in urging industry players against complacency. Dowdall also points out: "It is important for the industry to realise that the PRIIPS regulation has not yet been delayed and so we urge asset managers and insurers to continue to push ahead."

Despite the potentially minute implementation time, those calling for changes to the RTS are sticking to their guns, with some arguing that the KID could in fact be detrimental to the aims of the regulation, making things more opaque for retail investors.

After the ECON vote, one committee member, Syed Kamall, commented: "We are not rejecting the principles behind this regulation, as clear and accurate guidance to investors is crucial. However, we want legislation that will deliver, not tokenistic legislation that is more concerned with meeting a deadline than protecting consumers."

At the time, Andrew Watson, product manager for Figaro software products at JHC, also commented, saying: "Unfortunately, while the spirit of the regulation was (and remains) worthy and desirable, it would appear that the European regulatory authority took this much further and was requiring investment product manufacturers to predict the future."

"This information does not help investors make sound decisions and could lead to accusations of mis-selling when investment products fail to meet the predictions."

Mantrisi agrees, suggesting that the information included in the KID is not necessarily helpful for comparing products or for investors to understand what they are buying. He says: "There are certain things that don't appear to be truly in the spirit of giving good information to the investor."

However, he maintains that PRIIPs is heading in the right direction. "It is a good thing for the industry to be transparent, because it will level the playing field in the market," he says.

"There are definitely benefits that will come out of PRIIPs, it just has to be implemented in the right way." **AST**

Stephanie Palmer reports

The good the bad the ugly

Having founded GlobeOp Financial Services and returned post-acquisition as managing director of SS&C GlobeOp EMEA, Ron Tannenbaum has seen it all, and survived to tell the tale

What is the story behind GlobeOp Financial Services?

GlobeOp Financial Services was founded by five entrepreneurs who spotted a niche in the market and an enormous commercial opportunity to service a segment of the financial services industry that showed substantial promise and reward. Four out of the five founders were alumni at Long Term Capital Management (LTCM), a hedge fund that had endured a high-profile restructuring. In its heyday, LTCM was an industry-leading money manager with $7 billion in assets under management (AuM).

Supporting a fund with such complex and multi-faceted strategies and assets, ranging from sovereign to emerging market debt, plus vanilla equities, and over-the-counter derivatives, required a robust and cohesive infrastructure, replete with a best-of-breed middle and back office, and surrounded with the expertise to back it up. The veracity of this infrastructure was severely tested with the LTCM collapse. A typical byproduct of a major credit event or insolvency is the administrative chaos that follows. Not so at LTCM, its infrastructure proved solid.

This allowed the fund's restructuring and wind-down to be undertaken in a precisely controlled, carefully considered manner. LTCM's processes and procedures had proven robust, while the personnel had demonstrated mettle in the face of adversity. We felt that a service provider offering similar middle- and back-office services would resonate with the growing hedge fund industry. The concept of an outsourced middle office was not a service being offered elsewhere in financial services.

What abetted GlobeOp Financial Services's success in its early days?

LTCM lost a large percentage of its AuM in a very short period of time, but one positive that stood out was the resilience of its middle and back office. During the crisis, LTCM never missed a cash payment or collateral movement. It remained entirely consistent in its valuation policies and never restated or suspended a net asset value (NAV). LTCM's annual audits remained on schedule and communications with investors were transparent and efficient. The firm had invested heavily in its middle- and back-office people, procedures and technology. It built a bullet proof system. This is ultimately what gave us the original GlobeOp concept. We set out to create the gold standard in middle- and back-office systems, deploying best-of-breed people, processes and online technology for our clients.

GlobeOp's early success was also abetted by US law changes. The 1997 Taxpayer Relief Act allowed US hedge funds to either self-administer onshore or delegate administration to onshore alternatives. This was a major game-changer as hedge funds had been required for the previous 30 years to undertake 10 administrative functions. Known as the 10 commandments, these included shareholder communication, accepting subscriptions and redemptions, and maintaining corporate books and records, all in offshore locations.

One of our strengths at GlobeOp has always been around OTC derivatives. We were, and still are, industry leaders in the OTC space. Being able to locate our business in major financial centres such as New York and London, as opposed to in offshore centres, meant we had access to a much larger talent pool to grow our business. The decision to enter hedge fund administration to complement middle- and back-office outsourcing happened by good fortune. Our first client asked us whether we could do their administration as well. The client pointed out that we already provided a fully reconciled daily profit and loss (P&L) report, which meant we had produced the necessary data to offer fund administration along with our core services.

> "We were, and still are, industry leaders in the OTC space"
>
> Ron Tannenbaum, Managing director for EMEA SS&C GlobeOp

How did you navigate the financial crisis?

As hedge fund assets grew, so did GlobeOp as a business, and 2007 marked a high point for hedge funds. As the crisis unfolded, the hedge fund industry underwent enormous structural change. Initial outflows following the 2008 credit crunch resulted in global hedge fund industry AuM declining to just $1.4 trillion.

GlobeOp, being at the forefront of the industry, faced increased workloads and cemented its reputation as an organisation that could manage frenetic scenarios with calm and composure. In 2008, a lot of money left the hedge fund industry. However, GlobeOp was not hurt as badly as some of our competitors, mainly due to our focus on OTC instruments and fixed income. The relative-value and macro fund investors were not as adversely affected as equities. There were fewer redemptions in those asset classes due to their low correlation to the equity markets and comparatively low volatility. Inflows into hedge funds returned at a rapid rate—beginning in 2009—pushing the industry at one stage past a record $3 trillion as investors sought to move away from traditional stocks and bonds that displayed high degrees of market correlation.

What are the biggest investor trends you have seen in the hedge fund industry post-crisis?

Start-up hedge funds in the pre-crisis era routinely highlighted that their business operations comprised of minimal infrastructure with a few key personnel, an office, a Bloomberg terminal, and very little else. The crisis has changed this markedly, as investors' operational due diligence ramped up, forcing structural and operational improvements at hedge funds. A hedge fund today will typically be asked about its operational processes and technology in immense detail, and will be expected to have well-documented, robust business continuity plans and cyber-security measures in check.

Pre-crisis, the hedge fund industry had been dominated by private investors such as high-net-worth-individuals (HNWIs) and family offices. This changed and the industry gradually became more institutional as pension schemes upped their allocations, hoping to accrue returns to plug sizeable deficits, while insurers too moved towards hedge funds amid the low-interest rate environment.

The post-crisis environment also saw major changes for GlobeOp, following its acquisition in 2012 by SS&C Technologies, which enabled the combined business, through its various synergies, to service a more diverse range of institutional clients and asset management products in this fast evolving landscape.

How has regulation affected hedge fund industries?

Hedge funds may not have caused the financial crisis, but the asset class was never going to escape the regulatory fall-out that followed. In the US, through the Dodd-Frank Act, reporting requirements forced private funds to supply Form ADV and Form PF. Dodd-Frank also introduced mandatory clearing for vanilla derivatives, effectively forcing hedge funds to appoint clearing brokers and manage their collateral more efficiently.

In the EU, the Alternative Investment Fund Managers Directive (AIFMD) introduced additional reporting requirements via Annex IV for EU hedge funds and private equity managers, or those marketing into the EU above a certain AuM threshold. AIFMs were also obliged to appoint a depositary or depositary-lite in charge of ensuring assets are held safely in the custody chain. Affected fund managers also faced AIFMD asset stripping restrictions (for private equity), remuneration curbs, and rules demanding they appoint an independent valuer. Other rules, such as the European Market Infrastructure Regulation (EMIR) and Solvency II, have also increased hedge funds' reporting obligations. Additional requirements under EMIR include mandatory OTC clearing obligations and reporting on OTC data while Solvency II requires hedge funds supply intricate data to insurance clients.

Private sector initiatives such as the Open Protocol Enabling Risk Aggregation, pushed by consultancy Albourne Partners have also ramped up reporting obligations around risk. These additional requirements cause a real strain on the compliance and legal teams at fund management firms. The consequences of failing to report properly and on time can be serious, and include regulatory censure and reputational damage.

How can outsourcing help firms to navigate these challenges?

Outsourcing this work can save costs and time. Service providers such as ourselves sensed an opportunity with regulatory reporting. SS&C GlobeOp creates and retains huge volumes of client data in a central, reconciled database. The client's data can then be consolidated into regulatory reports. We have a holistic view over all of the source data and our staff has the regulatory and practical knowledge to ensure transparency and create these intricate reports on behalf of clients.

We are diversifying our own client base beyond hedge funds and more toward banks, private equity, traditional asset managers and insurers. This diversification became a strong focus following the acquisition. Our service offering can be deployed as separate modules and applied to nearly any financial services institution. This is a major growth area for us. Typically, it is similar to the work we do for hedge funds around OTC derivatives but utilised by insurers, for example.

Moving forward, what trends are you seeing emerge in the hedge fund industry, and how well positioned is SS&C GlobeOp to assist?

Hedge funds are also evolving by migrating into other asset classes that share more characteristics with direct lending and private equity. There is a trend of hedge funds moving towards illiquid assets such as corporate debt, corporate distressed debt and loans.

We are the premier service provider for supporting operations on direct lending portfolios. SS&C GlobeOp's support of loans delivered organically within our platform puts us, we believe, well ahead of the competition. SS&C GlobeOp's ability to service level-three assets is also a major advantage as hedge fund strategies evolve. However, with this move towards illiquid assets comes increased risk to the industry. In 2007 and 2008, a number of hedge funds had to suspend redemptions due to liquidity mismatches whereby they granted liquidity terms that were not consistent with the underlying liquidity profile of the portfolio assets. The hedge fund industry has mostly learned from those mistakes, and managers provide the appropriate liquidity profiles for the underlying assets they may hold.

Hedge funds are facing challenges and, in today's market, these are only going to grow. The introduction of Basel III will certainly ramp up the costs of financing and prime brokerage, and this is just one potential problem. Running a fund management firm is a tough business. The operational challenges, such as the reporting, are difficult and time-consuming. Finding investors and raising assets is hard to say the least. But these can be managed in a cost effective way. Keeping in-house operations costs to the minimum can be achieved through sensible outsourcing to high-quality providers. Having a streamlined middle and back office, supported by a best of breed outsourced provider, will help enable hedge funds to flourish in this tough regulatory and low-return environment. **AST**


KNEIP

Market in motion

Bermuda's fund management industry is under pressure from all angles, but things are moving in the right direction, says Kane LPI's Matthew Charleson

How are current market dynamics affecting the fund management arena?

The last few years have brought unprecedented challenges to the hedge fund industry as a whole, which in turn have filtered through to the prime brokers, banks, fund administrators and other service providers.

The strain on operating margins is driving a greater focus on cost efficiencies by fund managers. This is particularly the case given increasing pressure from institutional investors to lower management and performance fees, with the resulting reduction in returns meaning that managers are having to re-evaluate their own cost structures and the total expense ratios for funds.

Outside of trading fees, the administration costs can make up a large portion of a fund manager's cost structure. Administrators are therefore increasingly looking beyond the traditional parameters of their role to find ways in which they can help managers achieve greater operating and cost efficiencies, while still maintaining their price competitiveness in a crowded marketplace.

In addition, there has been a significant increase in global regulatory reporting in line with the general co-operation with G20 and Organisation for Economic Co-operation and Development initiatives for Exchange of Information Agreements, with notable examples including the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and more recently the Alternative Investment Fund Managers Directive (AIFMD) and the Markets in Financial Instruments Directive (MiFID). These regulations have significantly ramped up reporting requirements and in turn increased fund managers' reliance on administrators to perform such tasks. Solvency II has further added to this as it will require fund managers to provide information on underlying investment positions to their insurance client investors.

I would also add that the maturing of the hedge fund industry, coupled with current market conditions, is seeing fund managers looking at product innovation to broaden their appeal. This can mean launching new products within the existing suite of funds, or expanding managed accounts to offer unique investment strategies, rather than launching new fund offerings.

How would you say these are influencing the client relationship and the role of the fund administrator?

In our view, these factors are strengthening the relationship between fund manager and administrator. More and more functions are falling under the remit of the administrator that would previously have been performed in-house, for example. Fund managers are also becoming more demanding in terms of the overall capabilities they expect from their administrator, with growing regulatory pressures meaning they are looking for those that can clearly demonstrate the knowledge base and caliber of personnel to fulfil this expanding reporting role and act as an effective information conduit to the investor.

In addition, fund managers are investing more and more in technology to support a number of different business tasks. However, often the fund administrator is better placed to provide the necessary support and information from previous rounds of technology spend, and their ability to achieve this serves to further enhance their standing in the eyes of the client.

The depth of the relationship will of course vary from client to client. Some fund managers will pass the majority of functions to their fund administrators, while others may look to keep a tighter rein on specific aspects, such as dealing with investors. There is no one approach that works for all. The service offering must continually flex to match the requirements of the fund manager, evolving in tandem with their changing needs.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Market dynamics are placing a greater onus on fund managers to assess the competency of administrators in dealing with the client reporting and to ensure they have sufficient oversight to guarantee their clients' needs are being met. There has also been a clear shift towards a more compliance-oriented approach when selecting the appropriate administrator. Today, for example, no service provider due diligence is complete without an external control audit such as the Statement on Standards for Attestation (SSAE) or International Standard on Assurance Engagement (ISAE) on the entire business model.

While regulatory changes are placing greater demands on the fund industry, we are also seeing changes designed to facilitate the growth of the industry, such as the recent amendments to the Partnership Law in Bermuda. Can you outline some of these?

Bermuda introduced a number of amendments to its Partnership Law to help broaden the island's appeal as a location for conducting international business. One of the most significant changes allows partnerships from any jurisdiction to relocate and continue business operations in Bermuda without having to dissolve the existing structure. Changes to the law also mean it is possible to convert a partnership into a company, or a company into a partnership, without having to wind up or dissolve it to change its legal status.

Further, the amendments have expanded Bermuda's safe harbor provisions, providing additional flexibility in terms of managing and operating a Bermuda partnership. A limited partner can now make enquiries about the affairs of the business without being seen as influencing or participating in the operations of the entity and thereby avoiding any potential liability.

Limited liability company (LLC) legislation has also been tabled in the House of Assembly in Bermuda and is modelled on the Delaware LLC legislation. This is another tool for attracting US business, as the Delaware structure is something US counsel and investment fund managers are very familiar with. It is tried, tested and trusted. By modelling the Bermuda LLC on Delaware's legislation, it will ensure confidence in the structure from the outset.

Also, currently the structures and constitutional documents of the onshore Delaware limited partnership (LP) and the offshore Bermuda limited company are very different. The introduction of the Bermuda LLC will help provide a level of consistency between the onshore and offshore documents and make the process of establishing such entities far more straightforward.

Finally, the Cayman Islands' Limited Liability Companies Law, 2016, has already been introduced. This has also been modelled on the Delaware structure so is similarly attractive to US fund managers; it has been well received by the industry.

What other developments have we seen that will influence the standing of the fund sector in Bermuda?

Another development is the island's application for EU passporting rights for alternative investment fund managers, which is currently pending. This will allow Bermuda-based alternative investment fund managers to market their funds and services throughout the EU without the need to secure individual member state approval. Bermuda is one of nine potential early adopters of the passport, along with Australia, Canada, the Cayman Islands, Hong Kong, Isle of Man, Japan, Singapore and the US, and is working closely with the European Securities and Markets Authority on this. If the application is successful it will significantly elevate the island's standing as a jurisdiction to launch offshore funds, in the eyes of fund managers.

Updates to the Proceeds of Crime Act were also introduced on 1 January. These increase the scrutiny applied to the movement of money through fund structures, both in terms of money entering and exiting the structure. From a service provider's perspective, it places a greater onus on us to ensure we have a robust anti-money laundering/anti-terrorist funding (AML/ATF) framework and that we conduct stringent tests to maintain the reliability and integrity of our risk management functions and internal controls. Additionally, we have to enhance the scope of the audit that we carry out on our AML/ATF programmes.

Stepping back, where do you see the opportunities to further advance the administrator/client relationship?

Data management is becoming an increasingly prominent component of the administrator's role as they immerse themselves more and more into the data stream that underpins the fund itself. This will require advances in both technology and process by fund managers and service providers alike to ensure the timeliness and accuracy of investor and regulatory reporting.

As assets under management continue to grow and funds expand into new jurisdictions, the flow of data from fund manager to service provider needs to be as seamless and as accurate as possible. This expansion brings with it increasing complexity, which in turn increases the importance of the middle-office outsourcing capabilities of the service provider, as these enable the fund manager to focus on their core role which is to generate returns for their clients.

Investors are increasingly viewing outsourcing as a cost saving to the fund manager, both in terms of the skill sets that fund administrators offer in respect of the size of the funds serviced, and the fact that fund administrators are often ahead of the curve in terms of their technological capabilities.

Data access via secure web portals is one such capability that is critical to the investor. This is particularly the case given the need to have holdings or positions available 24/7, as well as investor reports and statements. Self-service tools are another important component, allowing the investor to update pertinent account details via the same secure portal. However, the challenge for the administrator is often that they are dealing with legacy systems that do not cater for web access by investors.

What developments has Kane LPI seen in its fund administration division?

There have been two significant developments in recent months. Firstly, in Malta we recently received recognition as an Administrator of a Collective Investment Scheme under the Investment Services Act, 1994. This is key to our efforts in expanding our activities in Malta itself, as well as broadening our access to the European funds market.

We have also received our corporate management license in the Cayman Islands. The island remains the leading jurisdiction for the establishment of offshore hedge funds and provides an ideal platform for us to grow our presence in the Caribbean and the US. This license enables us to form entities, act as a registered office for funds and provide director and corporate secretary services to the vehicle.

Kane LPI has also become a member of the recently formed Alternative Investment Managers Association (AIMA) Chapter in Bermuda. The role of the AIMA is to help raise the profile of the fund sector and to ensure that the island's fund industry embodies global best practice. This is a fantastic opportunity to play a more proactive role in helping to shape and guide the asset management industry on the island and I am delighted to have been appointed to the chapter's executive committee. **AST**

Industry Events

ITAS Ireland

Date: 17-19 October
Location: Dublin

Hear from more than 30 speakers over the course of two days, including leading transfer agents, asset management houses, fund distributors and technological innovators. No other conference offers such a range and wealth of knowledge.

10th Annual Collateral Management Forum

Date: 21 October
Location: Amsterdam

The 10th edition of the Annual Collateral Management Forum in Amsterdam is looking to offer an overview of the most crucial topics in the field today. In a shifting regulatory enivornment, with the margin requirements soon to come into play, the call for advanced tools for collateral management is as loud as ever.

For more events visit assetservicingtimes.com/events/events.php

Comings and goings at MUFG, BNY Mellon, SmartStream and more

MUFG Investor Services has appointed Kate Stallard as executive director for business development in Europe, the Middle East and Africa (EMEA), focusing on the private equity, real estate and infrastructure business.

Stallard will be responsible for promoting asset servicing solutions and supporting clients with fund administration, asset financing, custody, depository and regulatory services.

Based in London, she will report to Marc Russell-Jones, managing director and regional head of business development at MUFG Investor Services.

Previously, Stallard founded financial services consultancy IRIS Partners and acted as managing partner. She has 20 years of experience working in senior investment services roles, including as head of private equity, real estate and infrastructure sales at Northern Trust and director of sales at HSBC.

Stallard commented: "I have moved to MUFG Investor Services because of their unique culture, can-do approach and desire to continually exceed the expectations of their clients. MUFG's commitment goes beyond fund administration, but to wider services and solutions, which add value throughout each stage of the investment lifecycle."

Russell-Jones added: "The private equity, real estate and infrastructure sectors are a strategic growth priority for MUFG Investor Services and we are investing heavily in highly experienced teams and technology, while continuing to enhance our offering."

"Stallard's network and understanding of the asset classes are highly valuable and will enable us to support our clients' growth ambitions."

BNY Mellon has appointed Niamh De Niese as head of its innovation centre for EMEA.

De Niese will expand the solutions delivered by the BNY Mellon NEXEN digital platform. The appointment is intended to help drive client engagement and build client relationships with the ever-growing fintech community in the EMEA region.

Previously, De Niese was head of Visa's European innovation labs in London, Berlin and Tel Aviv, where she set the innovation strategy and delivery methodology for digital innovation, client co-creation and thought leadership projects.

Lucille Mayer, global head of innovation and client experience delivery at BNY Mellon, said: "Our network of global innovation centres is a core part of BNY Mellon's NEXEN digital transformation strategy."

She added: "Our EMEA Innovation Centre is ideally located to be a catalyst centre for new solutions that we can envision and develop alongside our clients and fintechs. Under Niamh De Niese's leadership, we anticipate a step-wise increase in collaborative innovation in financial services."

The BNY Mellon EMEA Innovation Centre offers a collaborative environment for cross-business delivery and tech teams to partner up with other fintechs to develop value-add solutions.

SmartStream Technologies has named Peter Moss as CEO of its Reference Data Utility (RDU).

Under Moss's leadership, the RDU team will focus on collaboration within its client community in order to fully achieve a shared processing facility.

Previously, Moss worked at Thomson Reuters, where he served as CTO and later led the financial division.

He is also credited with establishing the Thomson Reuters Enterprise business.

Moss said: “This is an exciting time for the RDU as we deliver the service for our customers. Industry demand for a reference data managed service has been significant and I can see excellent market potential for the RDU across a broad range of industry participants.”

The SmartStream RDU was created to deliver reference data for use in regulatory reporting and trade processing through a utility, in a bid to deliver data more quickly and efficiently.

BCS Global Markets has appointed two new regional managing directors as part of a drive to continue expansion and business development.

Bradley Duke joins BCS as managing director and chief business officer for the UK, Europe, and the US, while Mikhail Butrin is managing director and chief business officer for capital markets and investment banking in Russia and the Commonwealth of Independent States region.

According BCS, a securities broker on the Moscow Exchange, the appointments are part of a restructuring of the global business, designed to improve efficiency and transparency.

Previously, Duke was managing director at Knight Capital. He has also worked as senior vice president and head of electronic trading services at Jefferies International, where he was responsible for building and commercialising the direct trading infrastructure for Europe and Asia.

Butrin joins from Barclays Capital, where he was managing director. Before this, he was co-head of global banking at VTB Capital, and he has also served as managing director of the investment banking division of Deutsche Bank.

Roman Lokhov, CEO of BCS, said: “This is the perfect time strategically for us to strengthen our senior team at a time when there is lots of business available for us to pick up as more competitors leave the market. We now have a very strong team, and I am sure our expertise will help us to achieve exponential growth.”

He added: “With our ongoing business development drive, one of our key goals in Russia is to take the leading position in the domestic market for investment banking services, and to gain a key market share of business in the US, Europe and Asia.” **AST**

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