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FCA seeks feedback on UK capital markets

The UK Financial Conduct Authority (FCA) has issued a discussion paper seeking feedback on how the UK capital markets can most effectively meet the needs of issuers and investors.

The paper, Review of the Effectiveness of Primary Markets: The UK Primary Markets Landscape, seeks to "prompt a broad discussion about the effectiveness of the UK primary markets landscape". It requests industry views on the appropriateness of the boundary between standard and premium listing categories, particularly with regards to overseas issuers and exchange-traded funds.

It will also look into the effectiveness of primary equity markets in providing capital for growth; at whether there is a role for a UK primary debt multilateral trading facility, and what structure this would take; and how to support better retail participation in debt markets.

According to the FCA, the paper will be of interest to companies with UK-quoted securities, or those considering listing securities in the UK; firms advising issuers or investors in UK-quoted securities; and anyone investing or dealing in UK-quoted securities.

"It will be of interest to consumers who deal and invest in UK-quoted securities either directly or through institutions."

"It will also be of interest to issuers in their capacity as consumers of sponsor services," the paper said.

The discussion paper was released following a meeting between the FCA and stakeholders including issuers, investors, sell-side firms and advisors, which sought initial views on potential improvement, and inspired the main topics of the paper.

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Industry holds back on blockchain

Blockchain is high on the agenda in the post-trade sector, but the lack of industry adoption could prove an obstacle to the technology, according to a survey by the Post Trade Distributed Ledger (PTLD) Group.

The group commissioned research among its members, including global banks, custodians, central securities depositories, clearinghouses, exchanges, regulators, government agencies and central banks, and saw responses from 45 individuals.

When asked about the strategic importance of blockchain, 20 percent said it is very high on the agenda, while a further 34 percent said it is high.

Only 7 percent of respondents said the technology is a low priority.

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Dodd-Frank on the firing line

US President Donald Trump has paved the way for sweeping regulatory overhaul by signing an executive order giving the Treasury broad powers to scrap rules that do not comply with the administration's 'core principles'.

Part of the principles are defined in the order as enabling "American companies to be competitive with foreign firms in domestic and foreign markets" and "advance[ing] American interests in international financial regulatory negotiations and meetings".

A promise to prevent future taxpayer-funded bailouts is also included.

The executive order stipulates that the Treasury shall consult with the Financial Stability Oversight Council and report periodically to the president.

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CFTC offers respite from 1 March margin deadline

Swaps dealers have been gifted a seven-month grace period to finalise their compliance infrastructures for the new variation margin requirements set to come into force on 1 March.

The US Commodity Futures Trading Commission (CFTC) issued a time-limited no-action letter recommending that the commission's division of swap dealer and intermediary oversight (DSIO) should refrain from enforcing the rule until 1 September.

The letter acts as a compromise between unprepared industry participants and regulators that do not wish to be seen as going easy on banks in the wake of the 2008 financial crisis.

"The DSIO no-action letter does not postpone the 1 March 2017 compliance date for variation margin, rather it allows market participants a grace period to come into compliance," explained the CFTC in a statement on the decision.

"Without a proper transition, DSIO believes there could be a significant impact on the ability to hedge positions for pension funds, asset managers, and insurance companies that manage Americans' retirement savings and financial security. This sort of phased compliance has been used many times in the implementation of the swaps rules contained in the US Dodd-Frank Wall Street Reform and Consumer Protection Act."

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FCA seeks feedback on UK capital markets

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The meeting and paper are part of the FCA's work on improving UK primary markets, as set out in its 2016-17 business plan.

Andrew Bailey, chief executive of the FCA, said: "The FCA has an overarching strategic objective of ensuring markets function well, and a key part of that is ensuring the UK's primary markets remain effective."

"This review considers some important questions about the primary markets, and some potential enhancements, to ensure they continue to meet the needs of investors and issuers effectively."

The FCA is accepting comment on the discussion paper until 14 May. The majority of responses will be open to public consultation, and any specific policy changes that arise as a result of the feedback will be issued in a further consultation paper. Alongside the capital markets discussion paper, the FCA has also launched a consultation on proposed technical enhancements to its listing rules, considering improvements and guidance to ensure the rules meet the needs of issuers and investors.

Industry holds back on blockchain

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However, 78 percent of respondents named industry adoption as an obstacle to implementing blockchain in the wider post-trade industry.

Regulation was the second-most cited obstacle, named by 56 percent.

This is followed by concerns around confidentiality, which was named by 51 percent, and a lack of standardisation, named by 49 percent.

A lack of available talent related to blockchain was also considered a concern by 23 percent of respondents.

Despite the challenges named, 48 percent said they think blockchain will be adopted in the financial post-trade space within the next three to five years.

A further 29 percent said they see this happening in the next year or two.

Equally, 50 percent said they see blockchain as an opportunity, compared to 10.5 percent who said they see it as a threat.

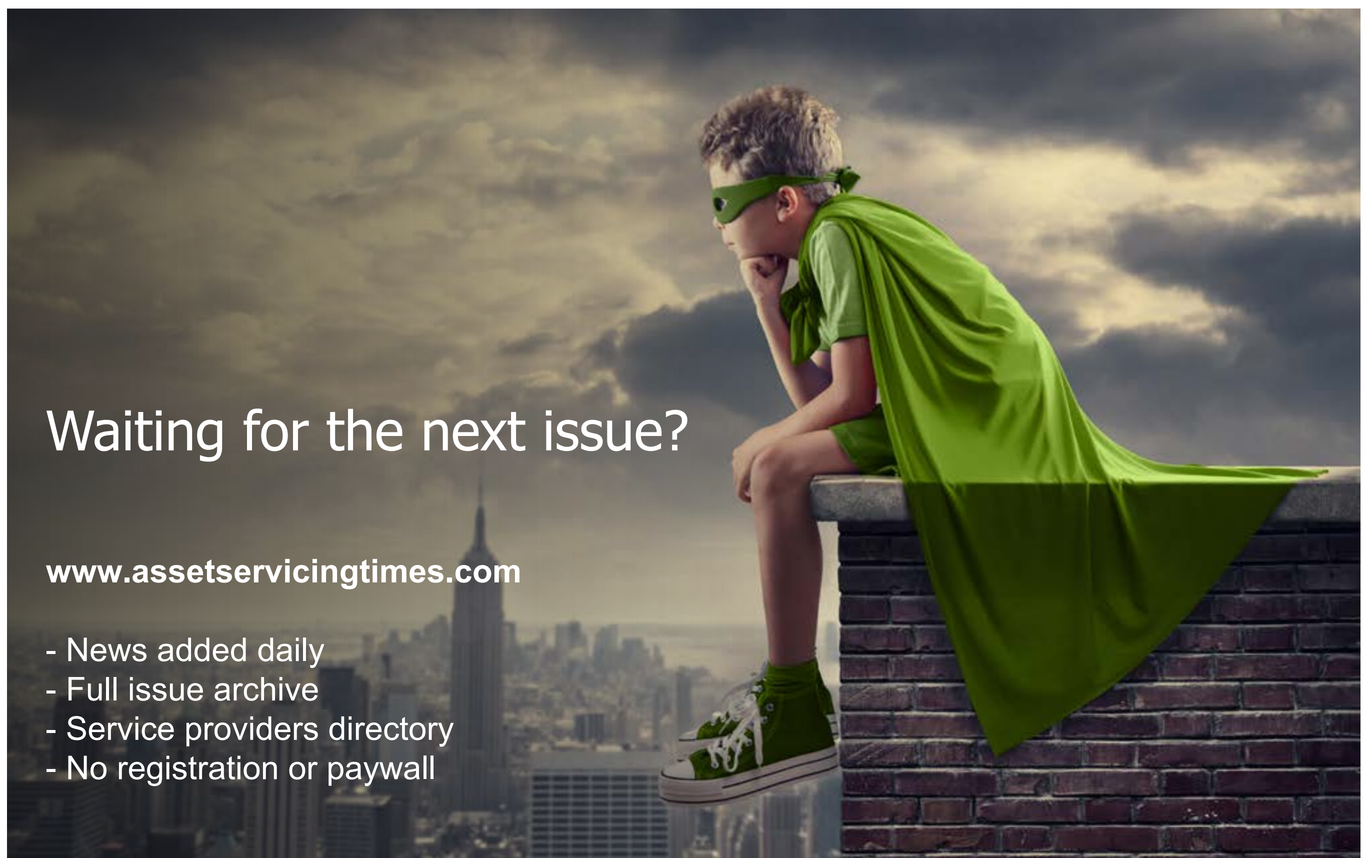
The top anticipated benefit of blockchain to the post-trade sector is operational cost savings, highlighted by some 81 percent of respondents.

This was followed by the possibility of reducing settlement cycles and the increased transparency blockchain can bring, named by 67 percent and 43 percent of respondents, respectively.

Jörn Tobias, managing director at State Street and a PTDL Group representative, commented: "The survey shows that blockchain could become mainstream in just a couple of years, with benefits such as better transparency, shorter settlement cycles and cost savings clearly identified by our members."

"The big barrier to growth, however, is seen as caution: fears over adoption and hesitation about embracing what remains cutting-edge technology."

"This is a core focus for the PTDL Group—engaging with financial services firms, technology companies and other stakeholders and helping catalyse adoption across the world for the benefit of all parties the financial post-trade area."



ISITC creates working group for collateral manegement

The International Securities Association for Institutional Trade Communication (ISITC) has formed a new industry trade group focused on developing best practices in the collateral management lifecycle.

The Margin and Collateral Working Group will discuss issues around regulatory jurisdiction rules and timelines, and operational best practices for collateral management processing.

It will also consider messaging standards for collateral calls, dispute resolution, margining and asset movement and segregation.

Amy Caruso, limited director of strategy and North America business development at DTCC-Euroclear Global Collateral will co-chair the group with Wayne Forsythe, managing director at State Street. A third co-chair will join Caruso and Forsythe, but has not yet been appointed.

Caruso said: “This working group was created in response to the need for more clarity on current challenges in the collateral industry.”

She added: “We are eager to share best practices and have spirited conversations on the way forward. All who are interested are welcome to join.”

CACEIS receives depository approval for UCITS in UK

CACEIS’s UK branch has received regulatory approval to provide depository services to UCITS funds. The Luxembourg-based bank opened its London office in July 2015, and already provides depository and custody services for alternative investment funds in the UK. This latest regulatory approval gives CACEIS the chance to add to its current market coverage of €964 billion in assets under depository.

In August, CACEIS also recruited Tom Finch as its new head of depository, risk and compliance in the UK. Finch has more than 15 years of experience in the regulated funds industry and, according to CACEIS, was appointed by virtue of his technical knowledge of all asset types and their respective governance regimes.

Dodd-Frank on the firing line

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Specifically, the Treasury will report “on the extent to which existing laws, treaties, regulations, guidance, reporting and recordkeeping requirements, and other government policies promote the core principles”, and identify any that “inhibit” these core principles.

Vocal Republican critics of regulation introduced after the 2008 financial crisis, including Trump, have repeatedly accused the Dodd-Frank Act of hamstringing US capital markets.

The new executive powers therefore bring the future of these frameworks into question.

While still on the campaign trail, Trump’s transitional website, greatagain.gov, listed dismantling the centrepiece of financial services reform in the US as a primary objective.

Commenting on the executive order, Kenneth Bentsen, president and CEO of the Securities Industry and Financial Markets Association (SIFMA), said: “SIFMA has long called for a cumulative review of financial regulations including those put in place since 2008 and we commend the Trump administration taking this action.”

“Our capital markets are the envy of the world and also among the most regulated sectors in the US economy.”

“It is imperative to ensure that our financial regulatory framework does not unnecessarily impede capital formation that drives job creation, economic growth and investor opportunity in this country.”

Bentsen continued: “There is early evidence that regulation is negatively impacting capital markets that spur economic activity.”

“A 2016 report by the Financial Stability Board found evidence that liquidity is declining in sovereign and corporate bond markets.”

“The bond markets are a vital funding source for businesses looking to grow and invest in their future.”

A 2016 Federal Reserve report also concluded that bonds are less liquid during times of stress due to the Volcker Rule.

Dodd-Frank still has its champions. Speaking at the University of Maryland’s Robert H Smith School of Business Center for Financial Policy following the election, Rick Fleming, a Securities and Exchange Commission investor advocate, defended Dodd-Frank, saying: “The protection of investors must serve as the first principle guiding our financial regulations. We should think of those regulations not as a burden to be repealed or picked apart haphazardly, but as the essential nutrient for flourishing capital markets for a growing economy.”

At the same time, Trump signed a separate executive order ordering a review into whether the Fiduciary Duty Rule, which ensures that pensions advisors advocate act primarily on behalf of their clients’ interests instead of the profits of their firm, should be rolled back.

The review must investigate whether the rule is “likely to harm investors due to a reduction of Americans’ access to certain retirement savings offerings, retirement product structures, retirement savings information”.

According to critics of the rule, its repeal would allow investors to see greater returns and allow asset managers to act more freely in the market.

EquiChain launches blockchain prototype for capital markets

EquiChain has released a working prototype of its blockchain solution for global capital markets, with plans to implement a full end-to-end custody pilot this year.

The infrastructure platform is intended to drive efficiency and improve global investor access in emerging and frontier markets through distributed ledger technology (DLT).

It consolidates the functions of the asset manager, custodian, broker, exchange and central securities depository, allowing for direct interaction and exchange of value between participants.

Hugh Madden, CTO of EquiChain, explained: “EquiChain’s use of cryptographic signatures reduces counterparty risk and prevents fraud, making blockchain-based transfers safer than other alternatives.”

EquiChain has also announced the closing of its initial round of funding, secured from board members, advisors and close stakeholders, and has established two industry working groups.

One group will be focused on institutional investors, and the other will work on market infrastructure. They are intended

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Nicholas Bone, founder and CEO of EquiChain, said: “The current securities transaction lifecycle is complex, costly, time-consuming and fraught with risk. EquiChain will use DLT to redefine securities transaction flows, creating a full ‘execution-to-custody’ capability.”

He added: “Blockchain is particularly relevant for emerging and frontier markets, which are often perceived by foreign investors as being higher risk, while typically having less cumbersome existing infrastructure to accommodate.”

“DLT gives such markets the opportunity to leapfrog existing solutions to deliver greater efficiency, liquidity and ease of access.”

Markus Ruetimann, senior advisor to the EquiChain board, commented: “Accessing frontier and emerging markets poses many operational challenges. EquiChain’s solutions will make investing, trade tracking and data flows much more efficient and robust.”

This will make these markets more accessible for investment, whilst reinforcing local infrastructure.”

Saxo Bank offers diversification to Indian investors

Indian financial services provider ICICI Securities has partnered with online trading and investment firm Saxo Bank, to expand its services available to Indian investors.

Through Saxo’s digital platform, the 4 million clients of its ICICIdirect investment portal will gain the opportunity to diversify their investments outside of the Indian domestic market.

By accessing multi-asset investment opportunities, clients will be able to spread risk and opportunities across different regions and asset classes.

Kim Fournais, co-founder and CEO of Saxo Bank, said: “India is an incredibly important growth market with a growing number of investment professionals and a very tech-savvy population.”

“ICICI Securities has established itself as one of the leading investment firms in India and will now be able to offer its clients access seamless to global capital markets.”

ALFI builds on Asian presence

The Association of the Luxembourg Funds Industry (ALFI) has launched a new working group in Singapore, focused on improving cooperation and collaboration between the two markets.

The working group will focus on South East Asia, where the Luxembourg funds industry is already well established. It also adds to ALFI’s existing office in Hong Kong.

According to a 2016 PwC survey, some 69 percent of foreign funds sold in Singapore are domiciled in Luxembourg.

The new group seeks to improve Luxembourg funds professionals’ understanding of the investment market in Singapore and South East Asia, with regards to laws and regulations, investment culture and management techniques, and the challenges and opportunities around distribution.

Ching Yng Choi, head of ALFI’s Asia representative office in Hong Kong and co-chair of the Singapore working group, commented: “The working group will also be instrumental in proposing and preparing promotional activities and trade missions in the region, and will be setting up a knowledge base to share insight with local industry players.”

The group will also be co-chaired by Valérie Mantot, head of the Middle East, North Africa and South East Asia at Sanne Group.

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Shilpa Kumar, managing director and CEO of ICICI Securities, said: "Through our partnership with Saxo Bank, we have now brought investment opportunities in equity markets, exchange-traded funds and bond markets across 24 countries to our customers, at their fingertips."

"This we believe will help them to diversify their portfolios outside of India."

"I believe the partnership with Saxo Bank will help our clients leverage our combined strong knowledge and superior platforms and ensure they have access to the broadest set of global capital markets investment options."

OneSumX wins CIBC mandate

CIBC has extended its mandate of the Wolters Kluwer OneSumX regulatory reporting solution to the Asia Pacific.

OneSumX provides a suite of products for managing governance, finance risk and compliance requirements.

Specifically, CIBC will use OneSumX Regulatory Reporting, including the Regulatory Update Service.

This service is maintained by Wolters Kluwer staff, who monitor regulatory changes in around 50 countries, making sure the solution is current at all times.

It also works from a single source of data, in order to maintain consistency, accuracy and ease of reconciliation.

CIBC already uses the OneSumX platform in the UK for servicing its Bank of England statistical and prudential reporting requirements.

It has extended the mandate to cover requirements for Japan and Australia, using centralised versions of the OneSumX Regulatory Reporting data model installed at the CIBC head office in Toronto.

CIBC will also roll out the solution to Hong Kong and Singapore, where it already has established banking operations.

Clive Pedder, executive vice president and general manager of finance, risk and reporting at Wolters Kluwer, commented: "Globally financial institutions are required to submit an ever-increasing range of information to regulators."

Do you have a story we should cover? Let us know via: stephaniepalmer@blackknightmedialtd.com

IHS Markit and Pirum partner up for SFTR reporting

Pirum Systems has partnered with IHS Markit to build a Securities Financing Transaction Regulation (SFTR) reporting solution by the end of 2017.

The new solution will offer a fully hosted, end-to-end service to assist EU-based users to fulfill the SFTR obligation to report transaction details to a registered trade repository.

This service will enable market participants to leverage existing industry data pipes and workflows, lowering the cost and operational burden of complying with SFTR reporting.

Ben Challice, COO at Pirum Systems, commented: "True collaboration between service providers is what the market has been demanding, especially when the service requirement is driven by regulation."

"By partnering with Markit Securities Finance, Pirum Systems can provide a seamless, end-to-end solution, with unparalleled market coverage, and ultimately reduce customers' overall costs."

Pierre Khemdoudi, managing director of the Markit Securities Finance product, said: "We are excited to partner with Pirum Systems to offer a modular, fully hosted SFTR solution."

"Pirum Systems's best-in-class securities finance post-trade reconciliation and IHS Markit's proven track record in delivering industry-wide regulatory reporting solutions ideally position us to build this unique service."

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Forecast for storms

In an environment where predictions are at best difficult and at worst unwise, Augentius asked asset managers and investors how they're faring in current conditions, and what they anticipate happening next

In its survey of more than 200 asset managers and investors from around the world, the Augentius annual industry survey attempted to shine a light on perceptions from inside the financial services industry, revealing a mixed bag of results.

When asset managers were asked about the state of the market in 2016 compared to 2015, and what they expect to see in 2017, significant regional differences emerged (see Figure 1). In the Americas, 2016 was generally considered an improvement on the previous year, and the trend was the same, albeit less dramatic, for managers in Europe, the Middle East and Africa (EMEA).

In Asia, however, respondents viewed 2016 in a markedly more negative light, with some 55 percent saying they thought 2016 was worse than 2015 for the market, compared to 20 percent saying the opposite. Out of the three regions, Asia is the youngest private equity and real estate market, and therefore potentially more susceptible to market volatility.

David Bailey, co-founder of Augentius and group head of marketing, communications and product development, says: "Over the last decade or so there has been substantial growth in the Asian market."

"The industry in Asia primarily invests in Asian markets. Therefore, when asset managers see bumps on the horizon, such as the UK's vote to exit the EU and Trump's presidential election win, they may anticipate substantial sensitivity in their own markets. They're not sure how it's going to affect them, and that in itself is going to have negative effects."

Looking ahead to 2017, the same trends remained. However, while the gap closed in Asia—with 40 percent expecting 2017 to be worse than 2016 and 30 percent saying things will improve—in the Americas, the majority, 61 percent, expect 2017 to be better for business than 2016 was, and only 14 percent are being more wary.

In EMEA, again, those who saw a positive year ahead outnumbered those who did not. The margins were smaller than in the other two regions, at 34 percent versus 22 percent, perhaps suggesting that the remaining 44 percent may simply not know what to think, given the current instability in the European markets.

Although, according to Bailey, European managers said they hadn't necessarily seen any effects, positive or negative, following the Brexit vote, he concedes: "It's very difficult for anyone to say how it might affect people in the future."

This year, Europe will see high-profile general elections taking place that have the potential to further disrupt the markets. In the Netherlands, the far-right presidential candidate Geert Wilders is an avid supporter of US President Donald Trump and his controversial closed-border rhetoric. Wilders's campaign website purports a "Netherlands choosing for its own people" and even sports the hashtag #MakeTheNetherlandsGreatAgain.

The German federal election could see Chancellor Angela Merkel unseated, with Martin Schulz, former president of the European Parliament, reportedly vying for the position. But, with regards to the financial markets, it may be the French election that has the most dramatic effect.

As part of her campaign, right-wing French presidential candidate Marine Le Pen has proposed holding a referendum on revising the French constitution, expanding the scope of Article 11 and therefore paving the way for a further referendum on reforming economic policy.

Again, this echoes the anti-regulation, specifically Dodd-Frank, rhetoric that emerged in the Trump campaign, and bear similarities to his efforts to circumvent official channels in order to make the changes that the head of state desires.

Of course, this is currently all speculation, and even so, for the asset managers surveyed at least, Bailey suggests that life, in the long run, is likely to carry on as usual. He says: "There will be these bumps along the way. These managers look after funds that will be in existence for 10 to 12 years, and so, short-term, political 'bumps' don't really bother them."

What is shifting, at least in so far as the survey suggests, is the perception of the challenges in the markets (see Figure 2). The top challenge in the US emerged as fundraising, by a considerable margin, followed by market regulation and investment opportunities.

For EMEA managers, market regulation emerged as the biggest concern, followed by tax regulation, with fundraising posing a tertiary challenge.

The strain of regulation was, predictably, felt throughout all of the regions in 2016, with 42 percent of US and EMEA respondents citing it as a challenge, as well as 39 percent of those in Asia.

However, in the 2017 survey, while EMEA respondents appeared markedly more concerned about regulation—with half naming it as a challenge—those in Asia and the US had cooled off somewhat, with 38 percent and 34 percent highlighting it as an issue, respectively.

In fact, almost all of the challenges named in the survey have seen an increase in the percentage of EMEA managers that expressed concern. In the US, the opposite is true, with only the issue of limited partner (LP) communications and tax regulation seeing an increase in the numbers of those concerned.

The survey report suggested that those managers in the Americas may be less concerned about legislation under the Trump administration, anticipating more leniency in the coming months. At the same time in Europe, again, political and market instability has potentially led to increased concerns around regulation, tax, fundraising and investment opportunities.

Bailey says: "The vast majority are regulated managers, both by the European directives and by their own local regulators—regulation in the Americas and Asia is far less."

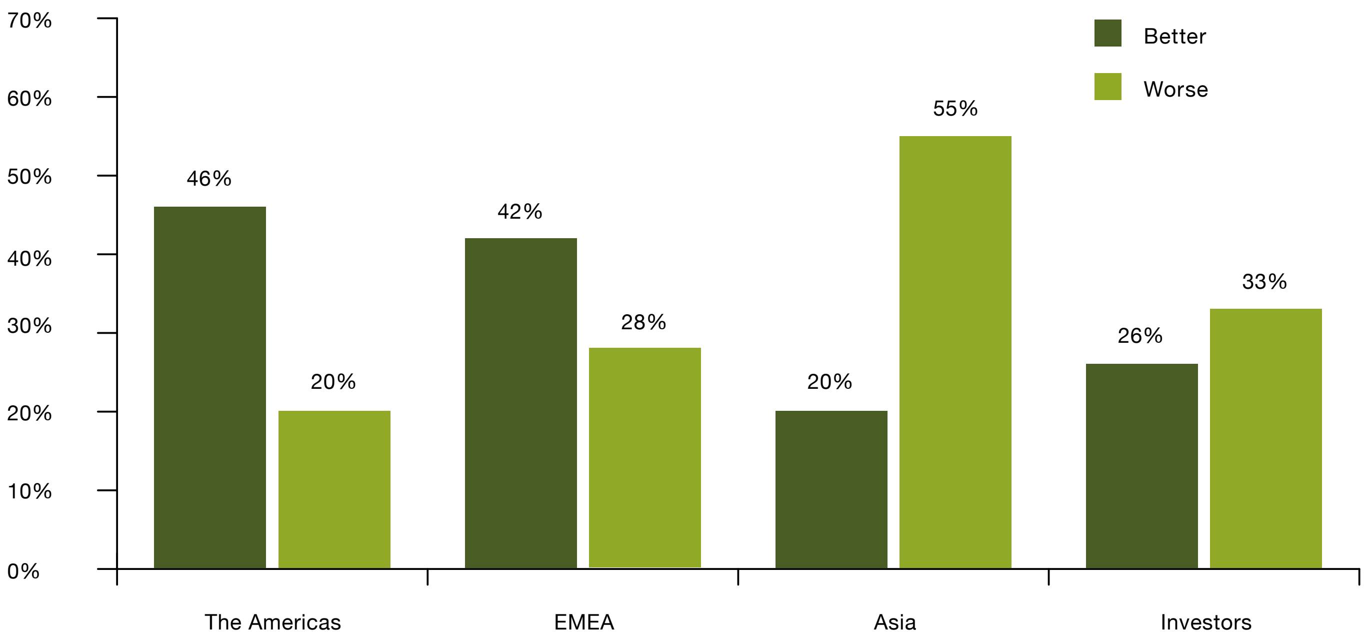
"They have to spend a lot of time and effort focusing on, and complying with, regulation, and delivering regulatory reporting. They live in a very regulated world, and that is going to get more complicated."

For the first time, the survey also took into account the challenges faced by investors around the world (see Figure 3). Here, again, there was a dip in the numbers showing concern around market regulation, suggesting, perhaps, that investors are becoming more comfortable in their respective new regulatory environments.

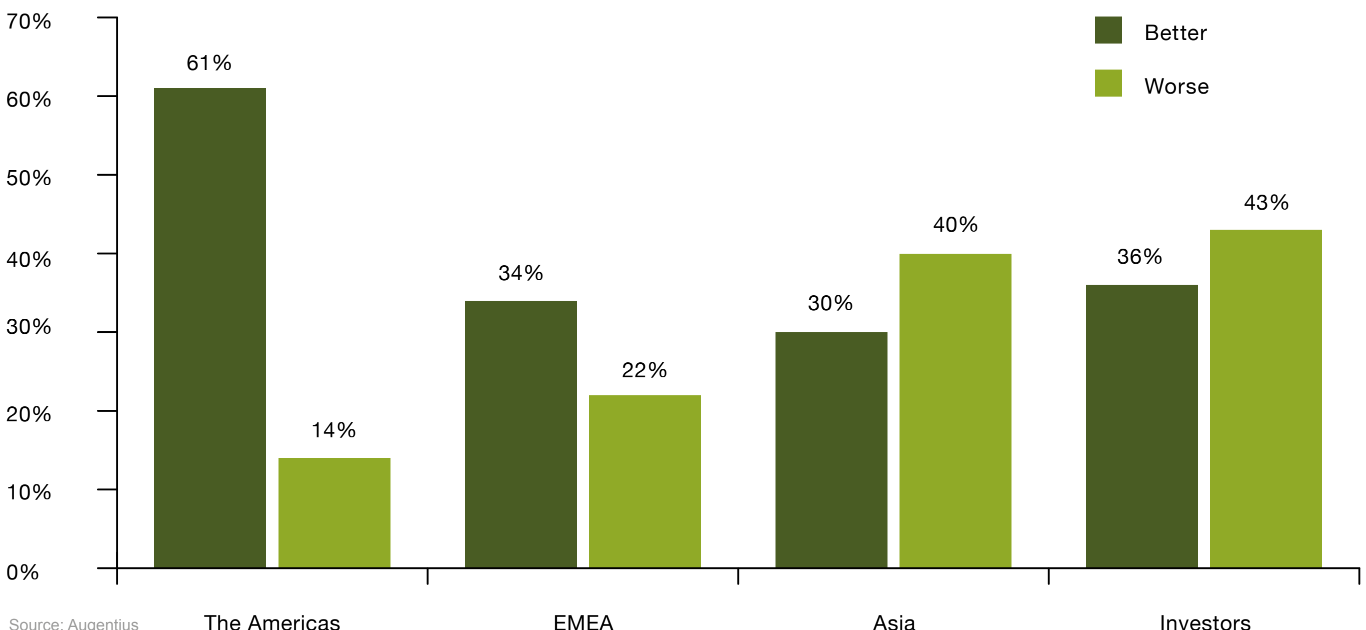
Concern remains around investment opportunities, which were cited as a challenge for more than 50 percent.

Figure 1:

Managers' views on market climate (2016 compared to 2015)



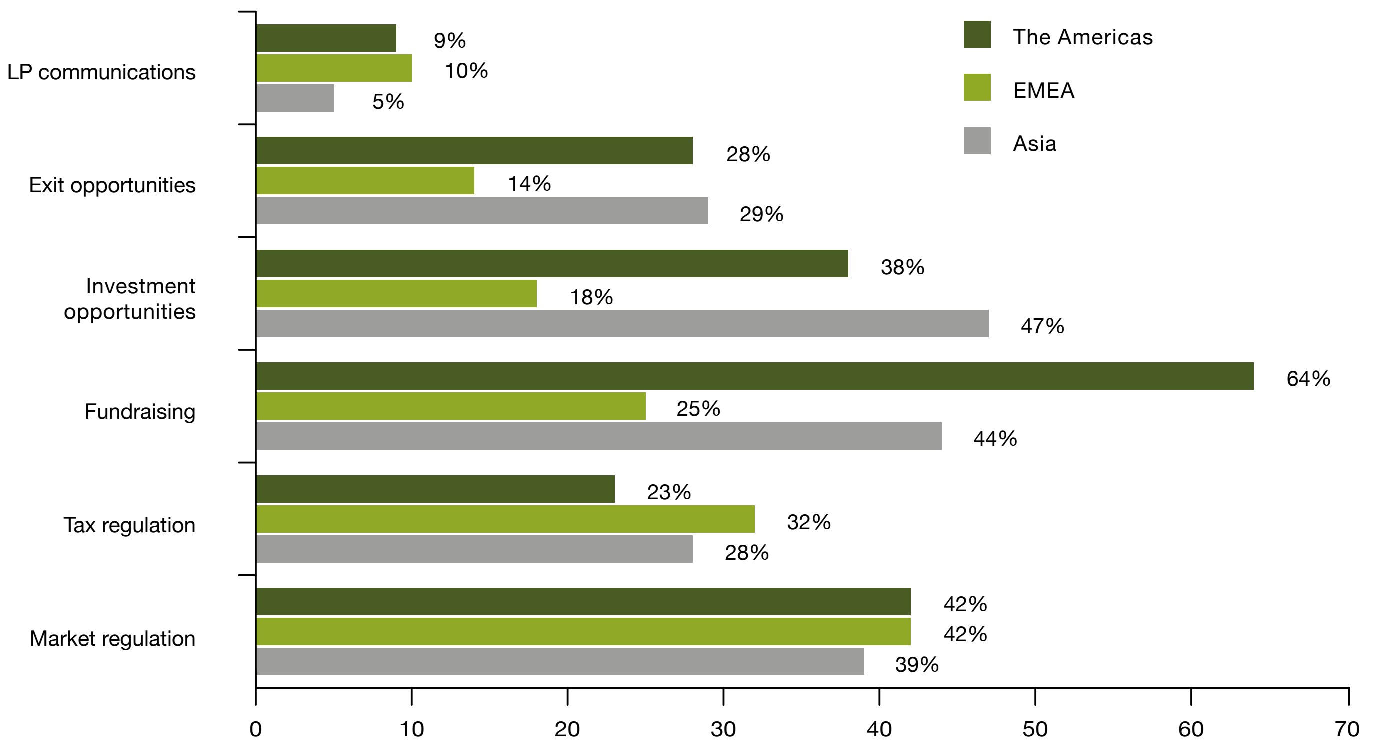
Managers' views on market climate (2017 compared to 2016)



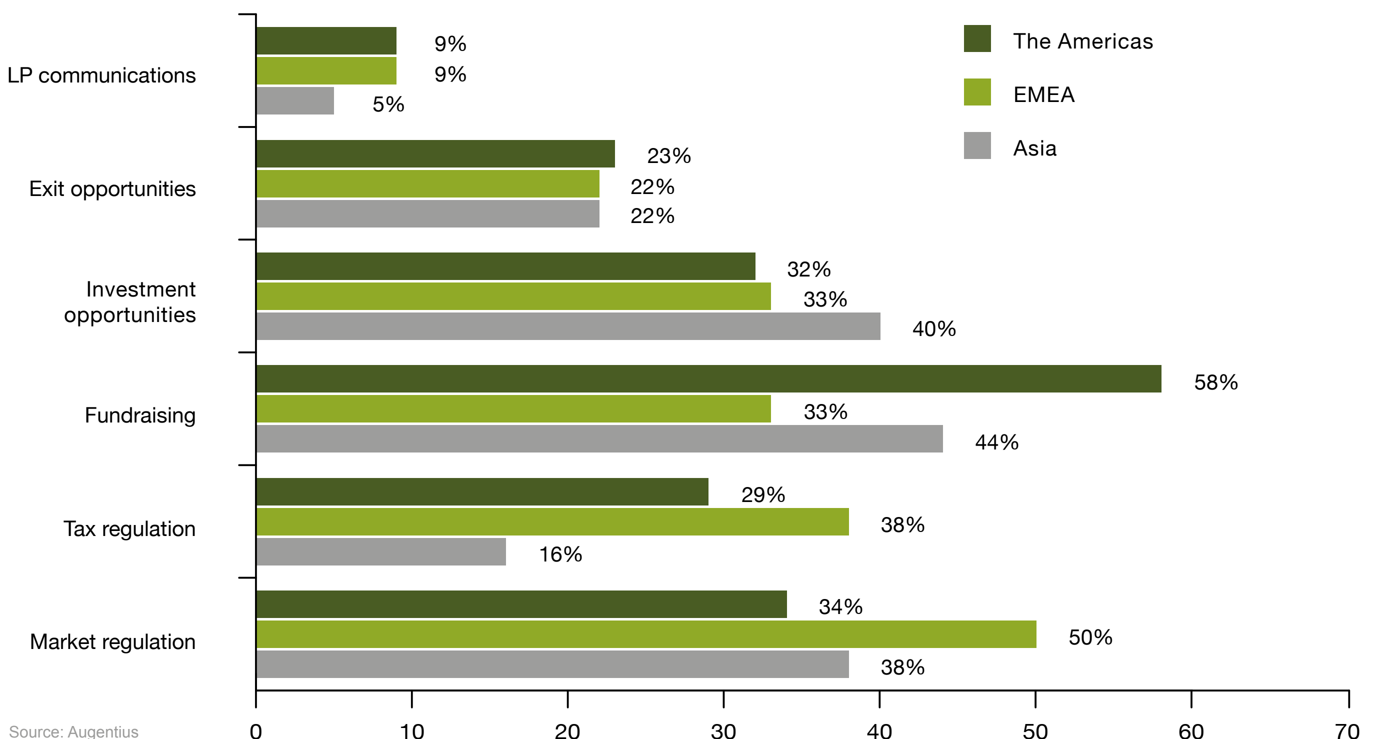
Source: Augentius

Figure 2:

Managers' 2016 challenges



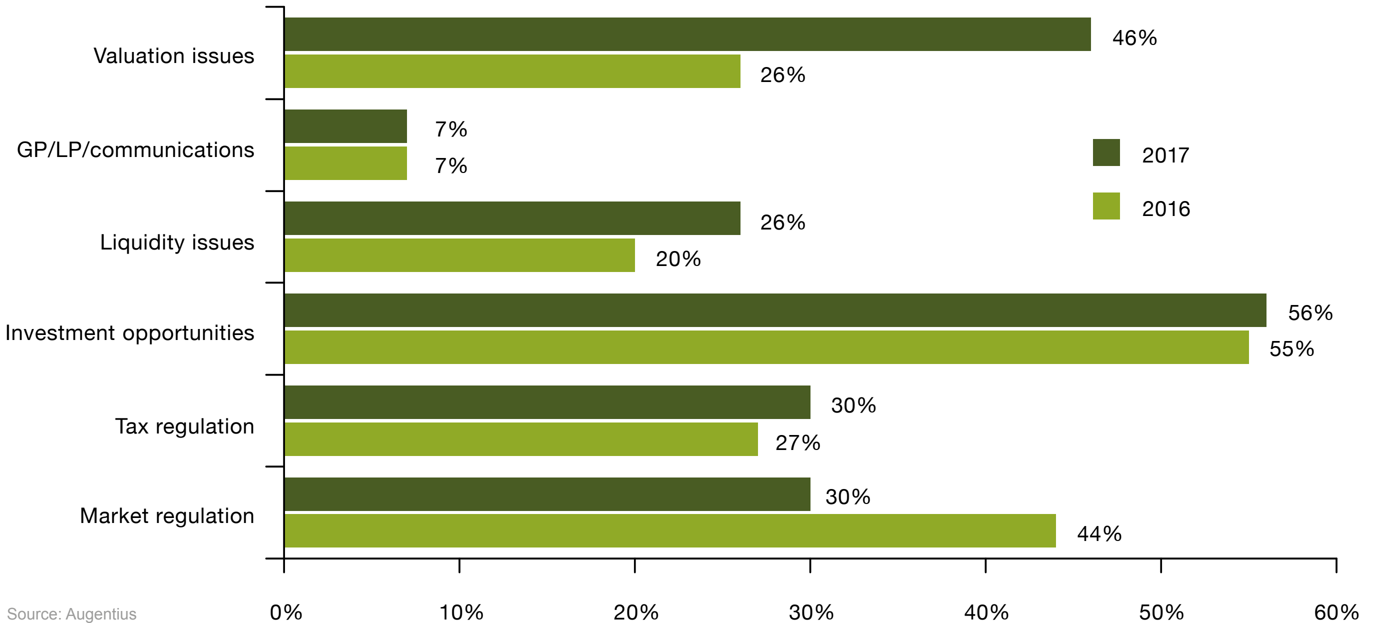
Managers' 2017 challenges



Source: Augentius

Figure 3:

Investors' challenges



Source: Augentius

The survey report suggested that this is interesting, given managers' concerns around fund raising. It asked: "Are fund managers not offering investors the investment opportunities that they want?"

Significantly more investors instead expressed concern around valuation than they did in 2016. Bailey speculates that this could be to do with the increased pressure that stakeholders are putting on the pension funds and insurance companies.

"They are having to justify evaluations and their asset allocations more and more to the people that invest in the insurance company, the pension fund, and so on. It is likely that general partners are going to have to give more evidence to support the valuations they're coming up with."

Indeed, a lack of transparency was also the main source of frustration among investors (see Figure 4).

According to the report, while investors are under pressure from shareholders to disclose more information than ever, managers' reporting formats and content have not changed, "thus creating problems and issues that managers need to be aware of".

While only offering a snapshot of the industry as per the opinion of Augentius's particular respondents, the results paint a picture of a still-emerging Asian market holding tight through global upheaval and a US contingent feeling less constrained by regulatory burden, while EMEA managers batten down the hatches and prepare for the great unknown.

With a tumultuous 2016 behind us, and 2017 promising still more change, one can only guess at the trends that will emerge in next years' report, and what the major changes will be. But, predictions are tricky at the best of times, so those managers looking forward to great things may be wise to be wary, yet. **AST**

Figure 4:

Investors' frustrations

Source: Augentius

Missing the Point

As the long-standing Barclays Point risk analytics solution winds down to retirement, investment managers have some tricky decisions to make, according to Confluence's Katie Kiss

Fixed-income investment managers are currently facing a major headache in the need to replace the long-established Barclays risk analytics, attribution and indexing product Point.

After the sale of the intellectual property that powered Point to Bloomberg in August last year for use in its Port portfolio and risk analytics system, Barclays committed to keeping its product in being only for a further 18 months.

As the clock ticks down to February 2018, about 200 investment management firms have been seeking an alternative. Some will simply make the change to Port, or a similar system, in order to obtain a like-for-like replacement. Others may well opt for a best-of-breed approach, picking and mixing specific solutions for different functional needs.

Neither of these approaches is without its drawbacks. An all-in-one solution does allow a firm to address various different needs all at once, but it is unlikely to prove the best answer to all those needs.

Meanwhile, a best-of-breed approach—while addressing this particular drawback to an all-in-one solution—brings a major problem of its own in that it is almost certain to drastically increase the total size, and thus the cost, of the project.

Finding a way out of this quandary involves making much better use of a resource that is right under the managers' noses.

Before managers rush off to spend money on shiny pieces of new technology, they should ask themselves one or two pertinent questions. Who will be the users of the new system? What will they want from it? And which aspects will get the most use? What were the weaknesses of Point? How can they be overcome when we move to a new product? Need we replicate everything that it did? Can any of its functions be taken in-house?

These questions boil down to finding out what you want and what you need. There is very little sense in choosing a replacement before they have been answered.

Those answers will vary from one firm to another, but some common themes will emerge.

First, while the traditional users of fixed-income attribution and information systems portfolio managers remain the primary users, they have been joined by clients, who increasingly demand transparency from fund managers, and by consultants and colleagues in the investment strategy and marketing departments.

Second, in terms of what users will want from the system, a survey by Citisoft, the investment-management consultancy, found that the most used features of Point are risk analytics (92 percent), performance attribution (82 percent) and scenario analysis (75 percent).

Whether this running order continues into the future will depend very much on the answers that are given in each firm's case.

Linked to this is a third theme, which is that it really is not necessary to calculate attribution for every single portfolio. When it comes to fixed-income attribution, doing less is often best.

One final overarching theme that may well emerge from this process of questioning is that the de-commissioning of Point, while doubtless frustrating for fixed-income investment managers, may well be a blessing in disguise. Indeed, it is a golden opportunity for a complete re-think of data strategy and the impact it may have on the future of performance measurement and those responsible for it.

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Central to this re-think is the role of those very same performance measurement teams. It is our view that the time has come for them to step out of the shadows and emerge as a fully-fledged partner of the front office.

Currently, performance measurement is largely segregated from the attribution function, which rests with the portfolio-management team. This makes little sense, given that fixed-income attribution is essentially a matter of oversight (in which performance measurement teams are well skilled) in which an accurate measure is sought of the risks and the associated returns. Validating data and exercising quality control over the results is something in which performance measurement staff are highly experienced. Furthermore, with clients increasingly seeking consistency, transparency and accuracy in both attribution and performance measurement, it is only logical to combine both functions on the same desk. The present segregated system can often lead to clients being presented with two quite different sets of returns, one from the front office and one validated by the performance-measurement teams. That is hardly calculated to meet client expectations of transparency.

Linked to the possibility of uniting attribution and performance measurement is the opportunity that the loss of Point provides to re-assess the desirability or otherwise of a single-source provider of index data and analytics, and attribution tools.

To sum up, the looming retirement of Point creates a space in which firms can take steps that will, we believe, make them better aligned with the wishes of their clients and thus more efficient as businesses. Specifically, involving the performance measurement in the attribution process will ensure consistency between performance returns and attribution, and improve a firm's overall risk measurement and performance. AST

"Involving the performance measurement in the attribution process will ensure consistency between returns and attribution"

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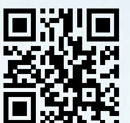

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Comings and goings at BNP Paribas, Deutsche Bank, TriOptima and more

BNP Paribas has promoted Claudine Gallagher to head up its new Americas business.

Previously head of securities services for North America, Gallagher now also oversees operations in Latin America.

Effective as of January, she is responsible for driving growth across the entire Americas region, including executing global segment and product strategies.

The announcement follows on from an ongoing expansion for BNP Paribas Securities Services in Latin America, where it now provides local custody and clearing in Brazil, Colombia and Peru.

Andrea Cattáneo, country head for Brazil, and Claudia Calderón, country head for Colombia, will both now join the regional executive board.

José Placido, global head of client development at BNP Paribas Securities Services, said: “Throughout the past five years, Claudine Gallagher has been instrumental in building our US capabilities. With her leadership, we will continue to strengthen our presence across the Americas.”

He continued: “This is our latest step to support clients’ ambitions in this high-potential region and make the most of our collective strengths.”

Deutsche Bank has appointed Mahesh Kini as head of global transaction banking for China.

Kini will be responsible for the bank’s investor services, issuer services, institutional cash management, and trade finance and cash management (TFCM) in China.

He will report to both Feng Gao, chief country officer for China, and Lisa Robins, Asia Pacific head of global transaction banking, as well as continuing to report to Kaushik Shaparia, head of TFCM for the Asia Pacific region.

Kini moved to Shanghai from Singapore in September 2016 to take on the role of head of trade finance and cash management corporates for China.

Hazeltree has appointed Don Jefferis as managing director of strategic accounts, to lead business expansion.

Jefferis has more than 30 years of experience in the spheres of professional services, software product management and business development.

Previously, he launched the process and technology practice at Opportune LLP, an energy-focused consultancy, where he was a partner and strategic advisor.

At Hazeltree, he will be responsible for expanding and leading business development into strategic markets such as insurance companies, endowments and pension plans.

Sameer Shalaby, president and CEO of Hazeltree, commented: “We are consistently seeing increased interest in Hazeltree’s treasury solutions across all areas of the investment management industry, driven by the increasing complexity resulting from regulatory shifts, investment diversification and escalating demands for transparency.”

Jefferis commented: “I became unequivocally convinced that the operational pain that Hazeltree solves for its asset management clients has broader applicability across new markets.”

CloudMargin has continued its rapid expansion with the appointment of Filipe Rodriquez as CTO.

Rodriguez, who is based in London, will lead the global technology advances of the firm. He will report to Steve Husk, CEO of CloudMargin.

Previously, Rodriguez led the technology team at currency swap platform WeSwap, where he introduced a wide range of improvements in processes and delivery lifecycle.

Rodriguez said: "I am honoured to serve as CTO for CloudMargin and extremely excited to be a part of the company's journey."

"The collateral management tool has made it possible for firms of any size to easily access and afford sophisticated technology that has become ever more important in this global regulatory environment."

Husk commented: "Collateral management is now a key function within financial firms as they attempt to navigate through an industry saturated in uncertainty."

"I have no doubt that Filipe Rodriguez's knowledge and extensive experience will have a positive impact on CloudMargin's continued product and technological innovation."

Ogier has appointed funds and regulatory legal specialist Emily Haithwaite as a partner, based in its Jersey office.

Haithwaite brings almost 20 years of experience representing banks and asset managers in the formation, listing and closing of funds. She joins from Bedell Group, where she was a partner.

She is also an active member of Jersey's industry working group on the Alternative Investment Fund Managers Directive.

Niamh Lalor, head of Ogier's Jersey funds team, said: "I, with the rest of our Jersey funds team, am very much looking forward to the opportunities that 2017 presents, including having Emily Haithwaite on board to bring additional strength to our team of experienced practitioners."

TriOptima co-founder Per Sjöberg is stepping down as CEO after 17 years at the helm of the post-trade services provider.

Sjöberg will be replaced by Stuart Connolly, who joined NEX Optimisation, the parent company of TriOptima, as head of client product development in November 2016.

Previously, Connolly spent 18 years at Goldman Sachs, where he held a number of leadership positions, most recently as managing director of the securities division and head for derivatives clearing services in Europe, the Middle East and Africa.

Connolly's ascension to CEO is subject to approval by Sweden's Financial Supervisory Authority.

Michael Spencer, CEO of NEX Group, commented: "I am disappointed that [Sjöberg] has decided to step down but he leaves the business in a strong position on which we continue to grow for the future."

"I am grateful for his contribution to TriOptima's success and wish him all the best going forward."

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KNEIP has appointed Gary Janaway as COO, amid a wider leadership shake-up at the firm.

Previously, Janaway was director of operations at Schroders. Having held this position since 1991, he also served on several fund and management boards.

The appointment comes after KNEIP announced that Bob Kneip, founder and CEO, is moving the position of chair, while Lee Godfrey will take on the CEO position.

Former chair, Marie-Jeanne Chèvremont, will remain on the board of directors, and will be a special advisor to Kneip.

Janaway said: "KNEIP has assembled an impressive management team that will deliver our digital strategy employing progressive technologies to deliver solutions to our clients. This is a marvellous time to join the company." **AST**