asset servicing times

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TMF Group buys PERE administrator

TMF Group has acquired Gentoo Holdings, a provider of fund administration services based in Guernsey and Luxembourg, for an undisclosed sum.

Gentoo performs administration of regulated and unregulated funds, and offers depository services, as well as a range of corporate and domiciliation services. It currently has assets under administration of more than $15 billion.

The acquisition of Gentoo represents "a key milestone for the development of TMF Group's private equity and real estate (PERE) offering, a strategic area of growth", according to a statement.

Nick Degnen, managing director of Gentoo, commented: "This acquisition marks an exciting milestone for our business. Since spinning-out the business in 2011, we have grown from 17 employees to 50, based in Guernsey and Luxembourg. We have enjoyed great support from our clients and backers. "

"Becoming part of TMF Group allows us to offer our clients new services from a wider range of jurisdictions, all the while maintaining our hands-on and client-focused approach."

Bruno Bagnouls, global head of PERE at TMF Group, added: "PERE is a key growth area for our business. Gentoo's expertise and reputation in the market complements our expanding footprint in this sector, and brings a high calibre team with an excellent blue chip customer base."

"I am delighted that Nick, Christine Whitehorne, Mark Hooton, Alex van Zeeland and Michelle Carvill will form a key part of our combined business, and I look forward to welcoming the entire Gentoo team to TMF Group."

Gentoo is the corporate trust business business that spun out from SG Hambros in 2011.

It did so with the backing of venture capital firm Disruptive Capital Finance.

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TMF Group buys PERE administrator

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Edi Truell, chairman at Disruptive Capital Finance, said: "We have been very pleased with Gentoo's progress. Christine, Nick, Mark and the team have much to be proud of in their achievements, based on the sound principle of providing excellent service to their clients. Indeed, in our 24 year private equity investment history, we have had few investments be as reliably successful as Gentoo, producing an anticipated 15x return on our investment."

Whitehorne added: "Disruptive have supported us all the way from inception to the final sale. We have built up the Gentoo team, with whom we have worked hard to create five years of strong trading growth, based on providing the highest quality service to our clients. We will now be able to return capital to our backers, whilst at the same time ensuring a robust and stable business going forward."

AuC rise for Northern Trust

Northern Trust reported a 16 percent rise in assets under custody in Q2 2017.

The bank's total assets under custody rose from $6.35 trillion to $7.38 trillion between Q2 2016 and Q2 2017.

Northern Trust suggested that the positive result is due to "strong growth in client assets".

Custody and administration fees saw a 12 percent increase compared to Q2 last year, reaching $327.5 million.

"Trust, investment and other servicing fees increased primarily due to favourable equity markets and new business," Northern Trust explained in its results.

The bank also indicated that the results were "partially offset by the unfavorable impact of movements in foreign exchange rates".

Northern Trust secured two new custody mandates in July.

GuideStone Funds, an asset manager and financial adviser for evangelical Christian churches with assets under management of $11.6 billion, mandated Northern Trust for global custody services, fund accounting and fund administration.

Northern Trust was also selected to provide global custody and other services to The Open University of Hong Kong. Under the mandate, Northern Trust will provide custody, accounting and compliance monitoring services to the university's working capital fund.

Eurex Clearing default drill a success

Eurex Clearing successfully simulated the failure of a major clearing participant in a global fire drill in April, the clearinghouse has revealed.

The clearinghouse, in association with LCH Swapclear and CME, tested a client's portfolio that included open positions in listed equity derivatives and pending cash equity settlements.

The drill, which was based on the Brexit market conditions of June 2016, also incorporated the defaulted member's open interest rate swaps and its listed fixed income derivatives transactions.

During the exercise, the equity derivatives portfolio was sold completely by the third day and the swaps auctions were successfully finalised on the fourth and fifth days. Out of the 52 auction participants, 51 passed the test.

Deutsche Börse and Risk Focus partner on OTC trade reporting

Deutsche Börse Group and Risk Focus have teamed up to strengthen over-the-counter (OTC) trade reporting.

Risk Focus will provide key system components for Deutsche Börse's Regulatory Reporting Hub OTC trade reporting solution, including Validate.Trade, the reporting system of its subsidiary, RegTek.Solutions.

The functionality of the components provided by Risk Focus and RegTek.Solutions includes interpretation of instrument details of OTC derivatives submitted in the FpML or XML formats, as well as a rules engine for applying the regulatory validations, eligibility checks and deferrals.

Georg Gross, head of regulatory services at Deutsche Börse, which has concentrated its solutions for regulatory compliance onto the Regulatory Reporting Hub, said: “In the dynamic environment with frequent updates of regulatory details, the approach to using a rules engine has already proven to be very useful.”

“OTC trade reporting is one of the backbones of MiFID II, which is going to be effective as of January 2018. Deutsche Börse’s MiFID II OTC trade reporting service will provide clients with an efficient and simple-to-use way of meeting their OTC transparency requirements in accordance with the new regulation.”

NSD’s securities under custody climb

The value of NSD’s securities under custody reached RUB 35.3 trillion (USD 587.96 billion) in Q2 2017, increasing 10 percent year over year.

The Russian settlement depository held assets under custody valued at RUB 32.2 trillion (USD 536.32 billion) in Q2 2016.

Some 5,512 corporate actions involving Russian securities were conducted in Q2 2017. This figure was 5 percent more than Q2 2016, when 5,256 actions were overseen.

Internationally, 3,762 corporate actions were conducted in Q2 2017, an 81 percent increase over Q2 2016’s 2,073.

Elsewhere, the value of repo transactions that the Federal Treasury performed using the NSD collateral management system reached RUB 10.2 trillion (USD 169.9 billion) in Q2 2017. This activity was up 7 percent on the same period in 2016.

The number of transactions also stood at 580—13 percent higher than in Q2 2016.

In Q2 2017, the value of repo transactions with the Bank of Russia performed using the NSD collateral management system stood at RUB 208 billion (USD 3.46 billion).

Optimas Capital opts for Broadridge investment management solution

Hong Kong-based asset manager Optimas Capital has turned to Broadridge Financial Solutions to assist with portfolio management.

Optimas Capital, which has more than USD 250 million in assets under management, chose Broadridge’s Portfolio Master solution for its “accurate and smooth processing capability.”

According to Broadbridge, its investment management software provides accurate calculation and attribution of client portfolios with streamlined operations, particularly in “labour-intensive investment management processes” such as stock borrowing and fee handling.

Optimas Capital CFO Jimmy Wong said: “Broadridge’s investment management solution’s comprehensive ability to handle front- to back-office processing for multiple asset classes on a single platform, and the stability of its Asia-based SSAE16 certified data centre are real differentiators and save time and costs.”

Askin Leung, who is regional director of Broadridge and general manager for Hong Kong, added: “We are excited to deliver a richer straight-through processing solution to automate front-to back-office processes for every moving part of Optimas Capital’s portfolio management process.”

“With our advanced order management system, Optimas will experience more robust and extensive order generation and routing capabilities.”

Edmond de Rothschild signs up to Clearstream’s Vestima

Clearstream has been chosen by Swiss Edmond de Rothschild to streamline and consolidate its third-party fund processing activities in response to incoming regulatory challenges.

Vestima, Clearstream’s fund process programme, will assist Rothschild by processing its assets in its mutual funds and hedge funds on a single platform.

In a statement on the partnership, Clearstream explained that UCITS V and the Alternative Investment Fund Manager Directive are changing the European investment funds market, leading to a growing need for transparency and efficiency in investment funds processing.

Edmond de Rothschild is an independent, family-run financial group managing CHF 166 billion (USD 175.7 billion) and focusing on asset management and private banking.

Philippe Seyll, co-CEO and head of investment fund services at Clearstream Banking, said: “We are delighted that Edmond de Rothschild has chosen Vestima for the processing of fund assets.”

“Clearstream operates according to the highest standards of safety for customer assets, including asset segregation and delivery-versus-payment settlement. Edmond de Rothschild will benefit from our focus on risk management and the operational efficiency of our streamlined one-stop-shop solution across all fund types.”

FundBPO to continue using StatPro Revolution for another three years

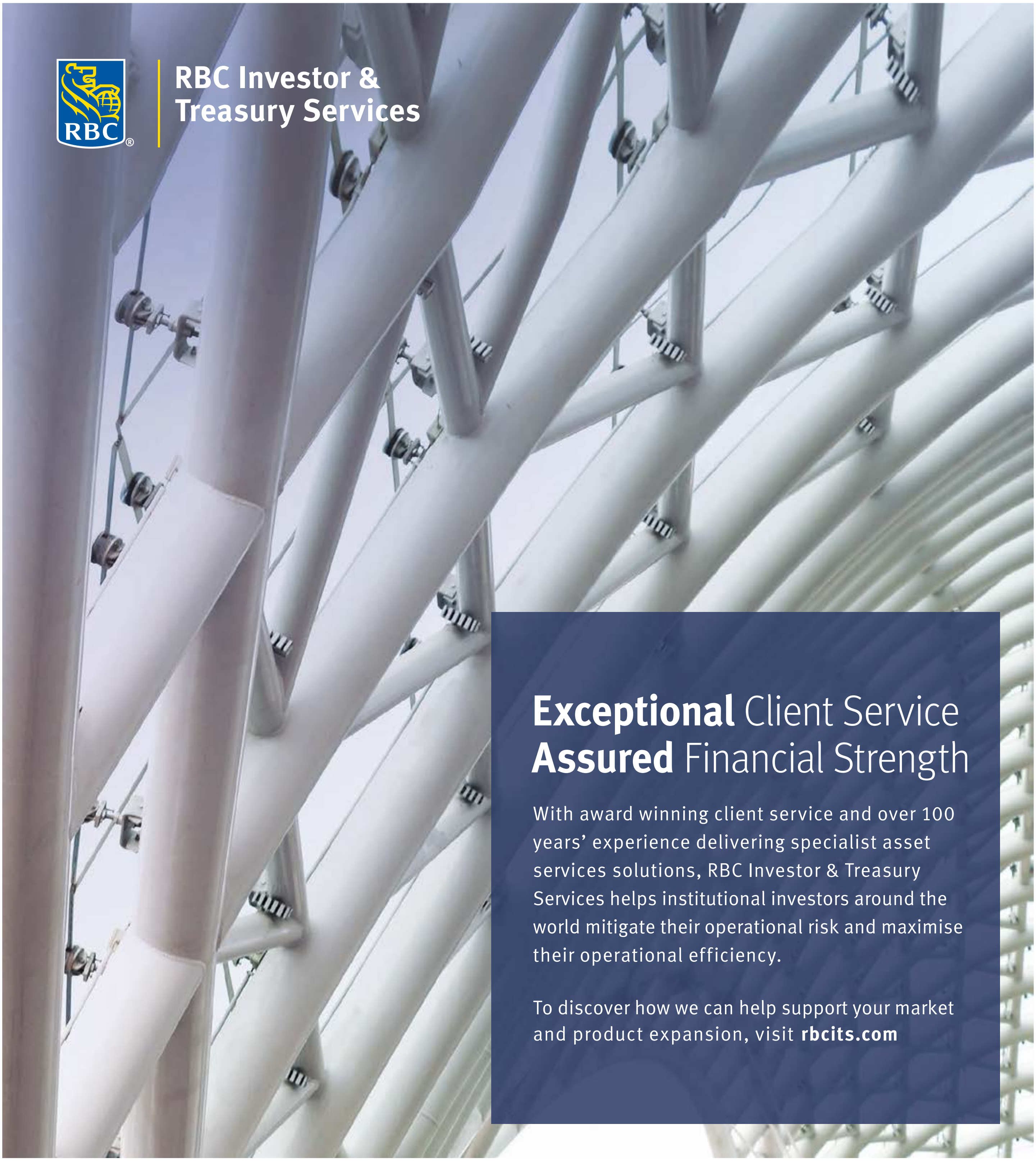
Australian fund administrator FundBPO has signed a three-year contract extension with StatPro Group.

FundBPO, whose assets under administration stand at AUD 114 billion (USD 90.86 billion), will continue to make use of StatPro Revolution to address the performance measurement and risk analytics needs of its clients.

The new agreement also includes an extension of consulting and increased portfolio coverage.

The renewal of the mandate with StatPro Group comes in response to increasing demand for FundBPO’s middle-office services.

FundBPO CEO Martin Smith commented: “Our business is built on strong operational processes and technology platforms and we partner with specialist vendors such as StatPro Group to develop the applications we need to support our operations.”



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Eight cities eye European Banking Authority

The European Council has received eight applications from cities vying to host the European Banking Authority (EBA) once the UK leaves the EU.

Brussels, Dublin, Frankfurt, Luxembourg, Paris, Prague, Vienna and Warsaw all lodged bids for the EBA ahead of the European Council's deadline on 31 July.

The EBA is responsible for ensuring effective and consistent prudential regulation and supervision across the European banking sector. Its capture would give significant sway to financial services firms situated in the authority's headquarter city.

A decision on the EBA's next location is expected in November.

Dublin's offer is particularly compelling given that more than 15 financial institutions have announced their intentions to set up or expand their operations in Ireland since January.

Since January, and the six months since the UK voted to leave the EU in June 2016, J.P. Morgan, Bank of America, Barclays, Citi, Insurer Legal & General, Northern Trust, Citadel, Tobam, alterDomus, Fundrock, Chaucer, Kabbage, Willis Towers Watson, Bank of China and Beazley Re have all made commitments to Dublin.

Commenting on the commitments, Martin Shanahan, CEO of IDA Ireland, the agency responsible for attracting foreign direct investment to Ireland, said: "It has been encouraging to see so many high profile banks and insurance firms publically endorse Ireland as their destination of choice. Post-Brexit, nurturing talent, delivering a pro-business ethos and maintaining a consistent track record, must all be the priorities of the day if we are to continue to grow the economy at the current rate and remain competitive."

"IDA Ireland is actively working with financial services firms to make them aware of the many advantages there are to doing business here in Ireland and we expect the flow of announcements to continue over the course of the next few months, albeit, they will be hard won."

Over-the-counter financial marketplace provider Tradeweb, meanwhile, has submitted an application with the Dutch Authority for the Financial Markets to establish a fully regulated entity within the EU.

Tradeweb, whose European operation is based in London, "is focused on providing market participants with uninterrupted access to liquidity, services and choice once Brexit becomes a reality", the company said in a statement.

It added: "Tradeweb's new office will serve as the electronic trading hub for the firm's EU-based clients, benefitting from Amsterdam's regulatory environment and infrastructure."

Enrico Bruni, head of Europe and Asia business at Tradeweb, commented: "Tradeweb's imperative has always been to provide our global client base with access to liquidity across a range of products."

"Post-Brexit, for many investors, uninterrupted access to that liquidity requires an independent and fully functional regulated entity within the EU, and our Amsterdam office will be a new expression of our mission."

StatPro CEO Justin Wheatley added: "We have worked with FundBPO for many years and seen their tremendous growth."

Wheatley said: "FundBPO is now in a position to adopt StatPro Revolution, which is fast becoming the de facto solution for fund administrators."

"This enables reduced turnaround time to clients by using StatPro Group's highly scalable performance and risk service."

BNP Paribas sees Q2 success

BNP Paribas has seen a 10.7 percent increase in assets under custody, reporting a total of €9 trillion at the end of Q2 2017, compared to €8.1 trillion in Q2 2016.

This can partially be attributed to a new custody mandate from the Asian Infrastructure Investment Bank, totalling €18 billion.

Assets under administration saw a 17.9 percent increase compared to Q2 last year, from €1.86 trillion to €2.19 trillion by Q2 2017.

The number of securities services transactions were up 6.5 percent from €21.5 million at Q2 2016 to €22.9 million in Q2 2017.

For the first half of 2017, securities services revenue was up by 8.2 percent versus the same period last year.

Securities services revenue totalled €975 million at the end of June 2017, a rise of 8.2 percent year over year. The positive securities services result was an "effect of the rise in volumes and of the new mandates".

In July, BNP Paribas was also chosen by Mirae Asset Securities for global custody services in the Americas, Europe and Asia.

Florent Thiry, head of the financial intermediaries and corporates client line in the Americas at BNP Paribas, said: "[The choice] demonstrates the strength of our offering in the US, where we have been expanding our presence, and our commitment to this market."

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Citi ceases to restructure

Citi has announced the end of the restructuring that came as a response to the financial crisis, now the franchise has been "streamlined", according to the bank's CEO Michael Corbat.

Speaking at the Citi 2017 Investor Day, Corbat said the bank has moved to a "sustainable, targeted and self-funded investments to drive increased market share and revenue growth".

He added that Citi will not "take outsized risks" or "get into hobbies or into new businesses that are tangential to our strategy", suggesting that it is already in a competitive position in terms of regulatory infrastructure, capital and liquidity.

Later, speaking to Jim Cramer on CNBC's Mad Money, he said: "We're repaired a lot of relationships."

In his Investor Day speech, Corbat said Citi has simplified its business model to focus on two core areas: the global consumer bank and the institutional clients group.

On the institutional side, it will focus on the treasury and trade solutions business, supported by technology that "allows our clients to transact anywhere, any time with seamless connectivity".

Corbat said: "These services naturally lead to a significant amount of foreign exchange activity and opportunities in more episodic products such as equity and debt underwriting as well as advisory."

"This model results in over 50 percent of our institutional revenues coming from highly recurring, stable businesses like cash management, custody, our private bank, corporate lending and flow-driven corporate foreign exchange."

The announcement follows Citi's commitment in 2013 to allocate resources that could produce the most returns. Since then, the bank has reduced its consumer footprint from 40 markets to 19, with a focus on Asia, the US and Mexico. "We chose to be in these markets for a reason," Corbat said. "They have significant and growing revenue pools, where we can deliver our global capabilities at a local level to differentiate our franchise."

It has also reduced its institutional coverage from more than 30,000 corporate and investor clients to around 14,000.

Corbat also noted that Citi had wound down its so-called 'bad bank' Citi Holdings business to such a point that it has stopped reporting on it as a separate entity.

"That's a stunning achievement for a segment that once had over $800 billion of assets and was capable of losing billions of dollars in just a single quarter."

These actions have led to "a significant reduction in headcount" of around 40,000 staff members, despite 9,000 new hires in Citi's risk, compliance and regulatory segments.

"The result is a significantly more efficient company with an improved return on assets."

Euroclear and Peru aim to boost international investment in cap markets

Peru has opened its capital markets to international investors, with the aid of Euroclear.

The Peruvian Ministry of Economy and Finance has allowed for a $3 billion bond to be made available to both domestic and international investors, facilitated by Euroclear.

Foreign investors buying domestic Peruvian bonds will now be able to hold and settle them through Euroclear, in a partnership that is intended to further strengthen the country's position as a financial centre within South America.

The agreement is intended to provide international investors with a simple, efficient and cost-effective way of accessing capital markets, while also providing a single pool of liquidity.

The agreement means South America's involvement in the international bonds market could be set to increase.

This is Euroclear's latest partnership in South America. In January, the group began cooperating with the Chilean Ministry of Finance to facilitate access to the Chilean capital markets for international investors.

Fernando Zavala, minister of economy and finance of Peru, said: "This cooperation with Euroclear now connects our market directly to all parts of the globe, aligning our capital market infrastructure with globally recognised standards."

Stephan Pouyat, global head of capital markets and fund services at Euroclear, commented: "Euroclear is proud to add Peru to our already well-developed Latin America market network providing international investors with a secure, efficient and cost-effective way of accessing Peruvian assets."

Record-breaking Q2 for State Street

State Street recorded record levels of assets under custody and administration in Q2 2017, topping $31 trillion.

Assets under custody and administration saw an 11.7 percent jump over Q2 2016, increasing from $27.8 trillion to $31 trillion.

Operating-basis revenue from servicing fees reached $1.34 billion, a 4 percent increase over Q2 2016. New asset servicing mandates in Q2 2017 totalled around $135 billion.

State Street also saw a 14.7 percent increase in securities finance fees, from $156 million in Q2 2016 to $179 million in Q2 2017. The latter figure also represents a 34.6 percent increase on securities financing fees for Q1 2017.

According to State Street, these results reflect multiple product offerings globally, and higher client activity compared to 2016.

Joseph Hooley, chairman and CEO of State Street, said: "We are very pleased with our second-quarter results, delivering a record level of quarterly earnings per share that reflects continued strength in global equity markets as well as momentum in our asset servicing and asset management businesses. We also for the first time exceeded $31 trillion in assets under custody and administration this quarter fuelled by a combination of new business activity and higher equity markets."

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Raising the SMCR

As the FCA consults on the potential expansion of its Senior Management and Certification Regime, Stephanie Palmer gauges the initial reactions

The UK Financial Conduct Authority has released proposals to extend its Senior Managers and Certification Regime (SMCR), bringing more firms into its scope, and replacing the previous Approved Persons Regime.

First coming into effect for deposit-takers and some of the largest investment firms in March 2016, the SMCR followed recommendations from the Parliamentary Commission on Banking Standards for improving standards in financial services, and place the concept of personal responsibility at the heart of how firms must conduct themselves.

The latest proposed changes extend the scope of the rules to apply to almost all regulated financial services firms, and are intended to make individuals more accountable for their conduct, ultimately reducing the risk of harm to consumers, and improving market integrity.

Staff members at all levels will be encouraged to take personal responsibility for their actions, with requirements extending to making sure staff can demonstrate their understanding as to where responsibility lies.

Jonathan Davidson, executive director of supervision for retail and authorisations at the FCA, said when the proposal was released: "Culture and governance in financial services and its impact on consumer outcomes is a priority for the FCA. The extension of the Senior Managers and Certification Regime is key to driving forward culture change in firms."

"This is about individuals, not just institutions. The new conduct rules will ensure that individuals in financial services are held to high standards, and that consumers know what is required of the individuals they deal with. The regime will also ensure that senior managers are accountable both for their own actions and for the actions of staff in the business areas that they lead."

Commenting on the proposals, Charlotte Henry, a financial services partner at law firm Norton Rose Fulbright, noted that the extension means the rules will apply to over 50,000 additional firms for the first time, including asset managers, brokers and consumer credit firms, plus any foreign firms operating branches in the UK.

For some of these, implementing the regime will pose a significant challenge, Henry said.

"The implementation of the regime is intensive and complex, particularly for smaller firms, involving a cross-collaboration between HR, compliance and legal departments. But, the biggest burden on firms will be continuing to operate in compliance with the regime as part of business-as-usual."

The proposal for the new regime is split into three parts. First, the FCA proposes to introduce five conduct rules applying to all financial services staff.

Individuals must: act with integrity; act with due care, skill and diligence; be open and cooperative with regulators; pay due regard to customer interest and treat customers fairly; and observe proper standards of market conduct.

Second, the responsibilities of senior managers will be clearly set out. In the case of something going wrong in one manager's area of responsibility, the individual could be personally held accountable. Further, any senior managers will have to be approved by, and registered with, the FCA.

Finally, under the certification arm of the regime, firms will be obliged to provide annual certification for individuals who do not fall directly under the regime, but whose jobs significantly affect customers or firms. These staff members will be duly assessed on their fitness, skill and propriety in their roles.

For smaller firms that are new to the regulation, a large part of the challenge will be in the culture shift. According to Henry, the senior managers affected will need support in understanding and undertaking their new duties, and addition training will be required, not least among HR personnel.

Henry added: "A review of employment insurance policies are all key."

She said: "The FCA will want to see that the new conduct rules are actually embedded in the firm's day-to-day business. The cultural shift for newly affected firms will be significant."

That said, a statement from the FCA noted that the regulator will strive to make the regime proportionate to the size of a firm. A baseline of core requirements will apply to all regulated firms, while extra requirements under an "enhanced regime" will apply to larger and more complex firms.


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Discussing the nature, scope and accountability of roles in an organisation is highly emotive, so communicating with staff, both immediately and throughout implementation exercises, is vital

The statement also suggested that these enhanced rules will likely apply to less than 1 percent of firms.

Sarah Henchoz, an employment partner at Allen & Overy, suggested that this differentiation between the largest 1 percent and the other 99 will ease some of the pressure on those in the larger bracket.

She said: "The FCA's approach of not seeking to apply a one-size-fits-all policy to the extension firms will be a welcomed relief to the industry, which was actively seeking a level of proportionality in recognition of the different types and size of firms that will now be caught under the regime."

However, for those firms that were previously not affected at all, even the 'lite' rules will still pose a challenge.

Henchoz commented: "Underpinning all of the requirements … will be the same structure of senior managers [and] certified persons, and the application of conduct rules to the majority of the workforce."

Henry added: "The basic elements of the regime will need to be complied with by all firms."

"This means putting forward in writing to the regulator exactly what identified senior managers of a firm are responsible for and those senior managers accepting that they have a personal duty to the regulator in relation to those responsibilities."

While such an extreme change of culture will doubtless have an effect on the newly-obligated firms, it will also put additional strain on the FCA itself, which will have not only an inpouring of new information to contend with, but also a likely barrage of questions on the finer details of the regime.

And that's on top of everything already on the regulatory agenda.

Grant Lee, financial services risk and regulation partner at PwC, suggested that the FCA will have to consider how it manages its interactions with such a varied group of firms.

He said: "Grandfathering and transitional provisions are really important. The FCA itself will be experiencing an uptick in authorisations and permissions activity, due to the second Markets in Financial Instruments Directive (MiFID II), but also Brexit, so it is important that the regulator feels able to manage the volume of activity that today's proposals could create."

"Firms shouldn't underestimate the implications of this initiative on their people. Discussing the nature, scope and accountability of roles in an organisation is highly emotive, so communicating with staff, both immediately and throughout implementation exercises, is vital."

The proposals come at a tricky time for UK-regulated financial services firms. With Brexit negotiations ongoing, and the continuing uncertainty around the future of London as a financial centre, firms are also contending with MiFID II, set to come into full force in January 2018, and then the General Data Protection Regulation (GDPR), which will be implemented the following May.

Lee said: "Firms are already flat-out tackling other regulatory issues such as MiFID II, the Insurance Distribution Directive, the Packaged Retail and Insurance-based Investment Products Regulation and GDPR, let alone managing the uncertainty of Brexit, so the FCA must be pragmatic in its approach, expectations and deadlines."

Lee added: "The FCA must also be cognisant of the fact that many asset and wealth managers have EU or global footprints, and striking a balance between driving accountability in those who are responsible, without unduly affecting head-office staff is important."

However, ultimately, market commentary broadly deems the new proposals as fair.

The stricter rules will only apply to a small minority, and the FCA has indicated that a final policy statement can be expected in the summer of next year, suggesting that the rules will not come into effect until late next year, something Henchoz said will come as further relief "for firms who still have a lot of work to do in terms of planning and scoping before they can begin implementation".

Lee added: "We are glad to see that the FCA has taken a proportionate approach with its limited, core and enhanced regimes, as ensuring the best outcomes requires the FCA to recognise the diversity of firms."

Consultation on the FCA's proposals will close on 3 November.

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Covering all bases

Matt Davey, new recruit to SGSS's business solutions team, speaks to Stephanie Palmer on the trials and trends he's seeing in the sector

Can you tell us a bit about your new role at SGSS?

I head up the Societe Generale Securities Services (SGSS) business solutions team, a client-facing product team. I work both with our sales and product engineering teams to make sure we're building the right product sets to meet our institutional clients' needs.

Asset management is a big focus for us. We're looking at where we have gaps in our products, where things can be improved, and whether we have full coverage for asset management needs. There's a lot that we could develop, but we have to make sure it makes sense. Solutions have to fit with our existing product strategy and take us further in a particular segment. There's a lot of decision making around where to invest in the future.

Mine is a new role, and comes as a result of a reorganisation within the coverage, marketing and solutions businesses. Previously there were client segment silos, which is not the most effective way of doing things, so we essentially turned the model on its side to make it more functional.

Now, we are organised by functions such as business management, solutions and product engineering.

We have people all over Europe working either with particular products, such as global custody, or with particular client segments, such as asset managers.

What kind of challenges are you facing? What are you spending most of your time on?

Because I haven't had a predecessor, I've had to create new processes from scratch, which can be difficult, but generally is a great thing as I can put my own mark on the role.

It takes some time to know what's going on and to get to know everyone in the different departments, but that change in dimension has been really interesting.

When engaging with asset managers, we're focusing on the product set and on understanding what value we can add to asset managers. We have a very broad set of products and it has been a challenge to get to know all of them, and the people that run them, while also engaging with clients and trying to get a sense of what they need.

Just getting to grips with the number of different dimensions within SGSS has been a challenge. That and trying to speak French.

Is regulation a big topic for the products team at the moment?

It is, and has been for a while, so we're very focused on trying to get regulatory solutions to clients. In particular, the second Markets in Financial Instruments Directive (MiFID II) is a focus for the whole industry, and I would say that best-execution compliance is a key point ahead of the January 2018 implementation deadline.

> ***There is ongoing pressure on costs and on the cost-value chain, and that means asset managers want to reduce their own costs wherever possible***

We have launched a trade execution service that the Societe Generale investment bank provides, allowing small asset managers to access the breadth of its trade execution capabilities.

We've combined that with our middle-office service for trade orders, so asset managers can reduce the cost of trade execution, and achieve best execution in compliance with MiFID II.

It's an interesting combination of cost saving and efficiency, which is particularly helpful for smaller managers. So, we have seen a lot of interest in that.

We also have the General Data Protection Regulation (GDPR) coming in in May 2018. Although MiFID II is more imminent, GDPR involves some very hefty fines for non-compliance, and that will affect all players in financial services. Societe Generale is also a custodian bank, and we have a very large retail client base as well, so the leadup to GDPR will be a busy few months for everyone.

Aside from regulation, people are worried about the UK's exit from the EU. We have seen quite a lot of interest in Gateway, our management company product in Ireland, which gives easy access to European fund domiciles.

Again, the interest is coming from those smaller managers who may not want to set up on their own from scratch. Small US and UK managers can quickly access a European domicile through a turnkey solution available in Dublin where we've already got the infrastructure set up.

Are you seeing any other notable trends?

We're seeing a big interest in private equity and real estate investments, which I think is common to the market as a whole. That's a trend we saw last year and it has continued to increase in Q1 2017, showing no signs of slowing.

Exchange-traded funds are also a big trend, so we are looking at how we can better service them.

There is also a continuing move towards outsourcing. There's a perception that the big firms are outsourcing processes, but actually we're seeing more of that with the smaller ones.

There is ongoing pressure on costs and on the cost-value chain, and that means asset managers want to reduce their own costs wherever possible. Trade execution is one aspect of this, but we're also seeing more small and mid-sized asset managers looking at middle-office outsourcing as a product of interest now.

On the asset administration side, we're seeing more interest in the whole asset safety debate, looking at the level of capital, who a company is contracted with, and so on. It will be interesting to see how each of these areas develops.

The latest industry vacancies

For more positions, visit www.assetservicingtimes.com/recruitment

Vice president, cash management

Selby Jennings

London

A well-established multinational bank is looking for a vice president to join its expanding cash management team within the transaction services function, In a period of rapid growth, the bank is looking for someone who has high ambitions to progress quickly and an individual who thrives on exceeding targets.

Senior sales/relationship manager

HornbyChapman

London

An international custodian is looking for an experienced sales/relationship manager. It requires someone with a good Rolodex of a broad range of UK financial institutions and non-bank financial institutions, as well as a deep knowledge of the securities services segment.

Securities services sales/ relationship manager for Nordics

HornbyChapman

Stockholm

An international custodian is looking for an experienced sales/relationship manager for its Stockholm office. It requires an experienced (10 years+) salesperson with a good Rolodex of a broad range of Nordic financial institutions and non-bank financial institutions, as well as a deep knowledge of the securities services segment.

Implementation adviser

Bruin

Chester

A top-tier financial services firm is looking for an implementation advisor to join its treasury services team working with a range of multi-national clients


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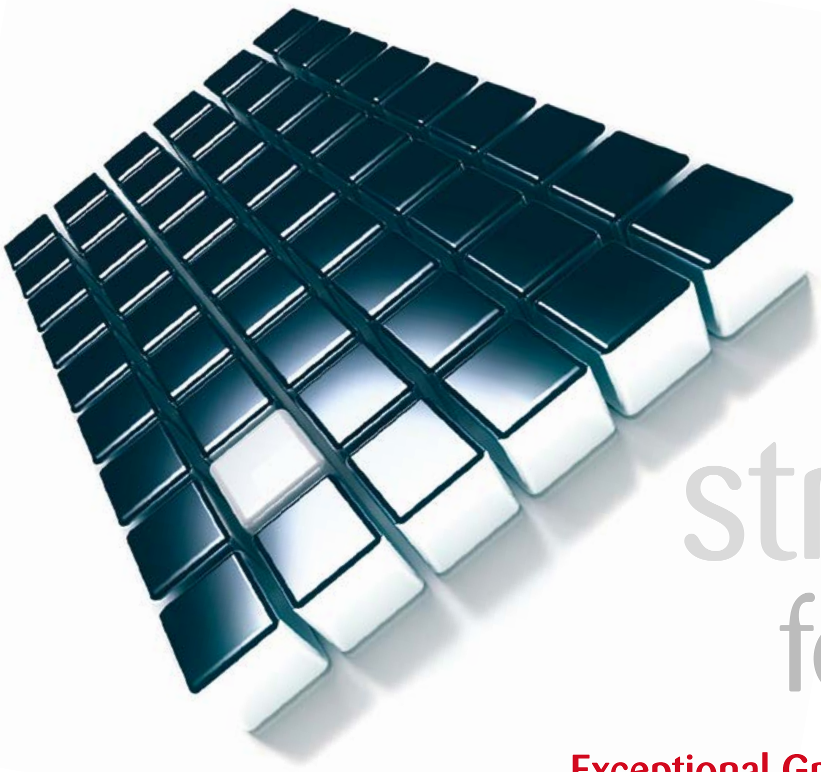

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FinanceMalta is the public-private initiative set up to promote Malta's International Financial Centre

NES Financial, Citi, RBC I&TS and more feature

NES Financial has appointed Michael Richards as senior vice president of fund accounting.

According to the financial technology company, his appointment is a move to strengthen its private equity division.

He will report to Dan Yoder, executive vice president and general manager of the private equity business unit.

Richards has nearly two decades of experience in alternative fund administration and financial reporting.

He joins from Boston-based State Street where he worked in hedge fund and private equity fund administration within the bank's investment solutions division.

Commenting on his appointment, Richards said: "NES Financial's next-generation third-party solution is poised to completely revolutionise private equity fund administration … They're doing fascinating things in the space."

Citi has appointed Sabrina Wilson as global head of electronic and algorithmic trading and regional head for Europe, the Middle East and Africa (EMEA) futures, clearing and collateral.

In her new role, Wilson will report to Jerome Kemp, the former J.P. Morgan executive, who is global head of Citi's futures, clearing and collateral business.

Wilson has 20 years of experience in futures and options, clearing, market structure, and electronic trading.

She joins from Deutsche Bank, where she was global head of electronic and algorithmic trading, and regional head of listed derivatives and markets clearing business for the EMEA. She has also worked at J.P Morgan and Goldman Sachs.

Okan Pekin, global head of prime, futures and securities services at Citi, said: "As we continue to build on the strong momentum of our franchise, we are delighted to welcome Sabrina Wilson to the team."

"This hire further demonstrates our commitment to attracting the industry's top talent and provide clients with consistent, market-leading solutions across the full spectrum of investment services."

RBC Investor & Treasury Services (I&TS) has appointed Michelle Hall as a director of UK business management.

In her new role, Hall will primarily be responsible for delivering business plans, status reporting and analysis of metrics to ensure internal governance and controls for the RBC I&TS UK business.

She is also responsible for global reconciliations within client operations.

Based in London, Hall will report to Joanna Meager, global head of client operations and head of RBC I&TS UK.

She has worked at BNP Paribas and J.P. Morgan Chase as an independent consultant, and was COO of the repo and exchanges business at LCH Clearnet.

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BNY Mellon has appointed Francis Giglio as Asia Pacific (APAC) head of depository receipts.

Based in Hong Kong, Giglio will oversee new business development and client relationship management.

He will also join the APAC Leadership Council.

Giglio joined BNY Mellon in April 2016 as director of depository receipts in the APAC region.

Previously, Giglio was general manager for APAC for Nasdaq. He has been based in the region since 2010.

In his new role, Giglio replaces Neil Atkinson, who has returned to London to take on the role of global head of strategic initiatives for depository receipts at BNY Mellon.

Christopher Kearns, CEO of BNY Mellon's depository receipts business, said: "Francis Giglio has been an integral part of the senior team in Asia Pacific."

He added: "His expertise and industry knowledge will be vital as we reinforce BNY Mellon's depository receipts leadership globally and in APAC."

David Cruikshank, BNY Mellon's chairman for APAC and chairman of the APAC executive committee, added: "BNY Mellon is well positioned to connect issuers in the region with the global investment community and Francis Giglio is the ideal leader to guide our depository receipts business in APAC."

The bank has also made two additional senior appointments recently.

Jamie Gleeson was appointed as head of relationship management for alternative investment services and Edwin Parker took over as director of business development for private equity, real estate and debt for Europe, the Middle East and Africa.

Standard Chartered has appointed Ryan Cuthbertson as head of product management, custody and clearing, securities services and transaction banking.

In his new role, Cuthbertson will lead the custody and clearing product team, identifying opportunities for new solutions.

He has experience in broker clearing, and in direct and international custody fields, working in Australia, Singapore, Hong Kong and the UK.

According to Standard Chartered, the appointment is part of a wider investment into the securities services business.

Last year, the bank announced plans to reorganise its sales, product, service, and technology and operations businesses under a newly-created global business line within transaction banking.

Cuthbertson will report to Margaret Harwood-Jones, global head of securities services and transaction banking at Standard Chartered.

Harwood-Jones said: "The recruitment of Ryan Cuthbertson shows our continued commitment to building a world-class team to deliver market-leading products and services to our clients."

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www.assetservicingtimes.com
Twitter: @ASTimes_

Group Editor
Mark Dugdale
markdugdale@assetservicingtimes.com
+44 (0)203 750 6017

Deputy Editor
Stephanie Palmer
stephaniepalmer@blackknightmedialtd.com
+44 (0)203 750 6019

Reporter
Drew Nicol
drewnicol@securitieslendingtimes.com
+44 (0)203 750 6022

Editorial Assistant
Jenna Lomax

Designer
James Hickman
jameshickman@blackknightmedialtd.com
+44 (0)203 750 6021

Associate Publisher
Joe Farrell
joefarrell@assetservicingtimes.com
+44 (0)203 750 6027

Publisher
Justin Lawson
justinlawson@blackknightmedialtd.com
+44 (0)203 750 6028

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