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A change of mindset

Fenergo's Kevin O'Neill explains why the shift from manual processes to automation is now more than ever seen as critically important

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Standard Chartered and Northern Trust launch Zodia Custody

SC Ventures, the innovation and ventures unit of Standard Chartered, and Northern Trust have entered into an agreement to launch Zodia Custody, a custody solution for cryptocurrencies.

Zodia is designed to enable institutions to invest in the emerging cryptocurrency assets that are changing how financial markets operate including transaction and settlement activities.

Under the agreement, which is subject to registration with the UK Financial Conduct Authority (FCA), all applicable regulatory filings and customary closing conditions, Zodia is expected to begin operations in London this year.

At launch, pending regulatory approval, Zodia will provide custody services for the most-traded cryptocurrency assets: Bitcoin, Ethereum, followed by XRP, Litecoin, and Bitcoin Cash.

According to Standard Chartered, these assets represent the majority of client demand and activity, accounting for approximately 80 percent of the total assets (equivalent to $395 billion) traded on the top cryptocurrency exchanges,

Maxime De Guillebon, CEO of Zodia, said: "Zodia was established to address the need for a cryptocurrency custodian that truly understands custody. We combine the risk management,

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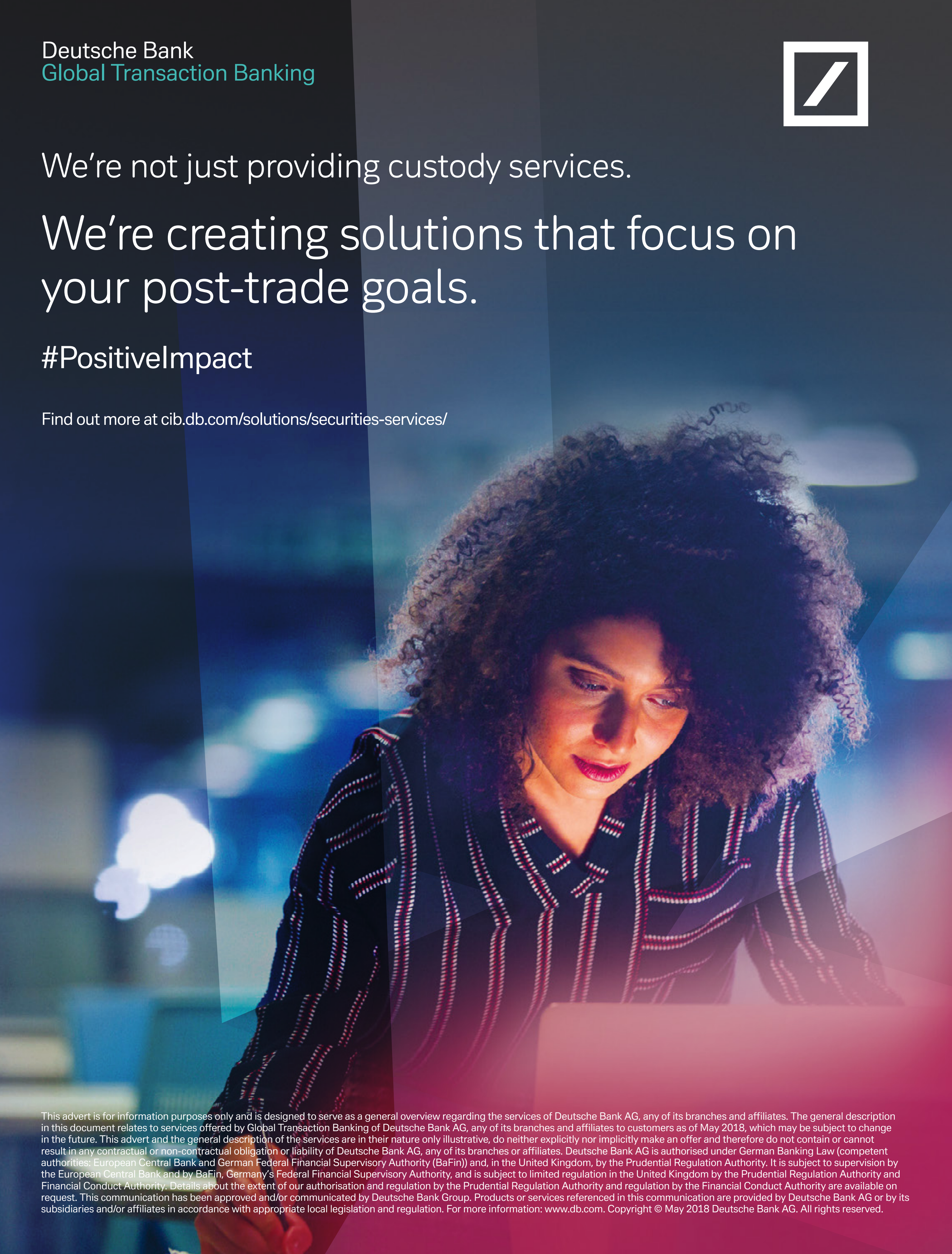
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compliance, governance and security approach of a regulated financial institution with the cutting-edge innovation of crypto asset and key management technologies."

BlackRock welcomes HSBC to its Aladdin Provider network

HSBC is set to offer access to its securities services products via BlackRock's Aladdin Provider technology.

Aladdin works as an operating system for investment managers that connects the information, people and technology needed to manage money in real time. By joining the Aladdin Provider network, HSBC Securities Services explained it will be able to enable asset managers and asset owners to connect with HSBC through a single platform –Aladdin.

Integrating HSBC's middle office, custody and fund administration services with Aladdin will help clients in a number of ways.

According to HSBC, it will help them access real-time data, streamline their workflows, reduce their manual processes and improve their operational efficiencies, for an enhanced user experience.

In the first half of this year, HSBC will begin rolling out its securities services offering on Aladdin to clients globally, starting in Hong Kong and Singapore.

HSBC currently administers $500 billion of assets for 20 global asset managers who already use Aladdin.

Sebastien Danloy, global head of asset owners and managers, securities services, HSBC, said: "Joining the Aladdin Provider network adds to our existing capabilities to connect to our clients' front-office platforms and to offer front-to-back solutions in an open architecture environment to the asset management community."

Broadridge selected by Danish tech firm to provide SRD II solution

Broadridge has been selected by BEC, a Danish full-service technology firm that develops and operates IT systems for financial institutions, to provide its solution for the updated Shareholder Rights Directive (SRD II).

Global in its scope, SRD II, which went live on 3 September last year, impacts any financial intermediary that holds or services European equities, irrespective of where the firm is located.

It applies to all types of financial intermediaries, including banks and brokers, wealth managers and central securities depositories (CSDs).

The regulation aims to increase the accuracy and transparency of communications between EU issuers and investors – facilitating more active shareholder engagement.

BEC is now live with Broadridge's end-to-end solution suite for SRD II covering global proxy management for retail shareholders, and also shareholder disclosure.

The firm is using the solution to support the regulatory needs across its network of 26 banks in Denmark.

The retail-focused solution provided by Broadridge has helped BEC to roll out SRD II compliance services across its network of banks, streamlining client communication and disclosure requests.

"BEC has an impressive network of underlying clients with a proven track record around innovation. Working together, we have enabled its network of clients to be ready quickly and efficiently for this

mandatory change," said Demi Derem, general manager of Broadridge's international investor communication solutions.

"After assessing viable solutions in the market, we determined that the Broadridge SRD II suite of solutions would best support our customers," commented Kim Bastholm, development director at BEC.

Bastholm continued: "As a full-service financial services technology provider, we recognised Broadridge's deep subject matter expertise in the SRD and its proactive role in helping the market respond to regulatory compliance challenges and regional complexities."

Denmark joins Eurosystem's TARGET services

Danmarks Nationalbank, Denmark's central bank, has applied to join the European Central Bank's (ECB) T2 payment system, the Eurosystem's new real-time gross settlement system (RTGS).

Upon approval, T2 would then include the Danish krone by November 2025.

Danmarks Nationalbank has also expressed interest in joining TARGET Instant Payment Settlement (TIPS) within the same time frame.

The inclusion of the Danish krone in the Eurosystem's payment platforms will enable market participants in Denmark to use T2 and TIPS services and to settle payments in both euro and Danish krone.

T2 and TIPS services support transactions in different currencies, as is the case for the current TARGET2-Securities (T2S) system, explained the ECB.

Securities settlement in Danish krone has been available on the T2S platform since October 2018. With the participation of Danmarks Nationalbank, payments in Danish krone will also be possible in TIPS and T2.

ECB noted that the connection to TIPS will allow Danish banks and providers of payment services to settle payments in both currencies within seconds.

"TIPS uses central bank money to facilitate transfers between individuals and businesses, irrespective of the opening hours of their local bank. TIPS was launched in November 2018 to settle instant payments in euro. However, other currencies can be supported as well," commented the ECB.

Guernsey revises its private investment fund rules

Guernsey is set to revise the rules of its successful private investment fund (PIF), expanding the fund regime with two supplemental models which remove the requirement for manager involvement.

The revisions are intended to create the most comprehensive and flexible suite of options of any private fund regime.

Guernsey says the PIF has been a popular addition to the Guernsey funds regime since it was introduced in November 2016.

PIF is used by new and existing fund promoters who have been able to quickly launch a simple and flexible product to private investors.

Following the feedback from a discussion paper during the summer, the Guernsey Financial Services Commission (GFSC) has now published a consultation paper

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inviting comments on three complementary approaches to PIF registration.

Alongside the current PIF model, two new routes are introduced removing the manager requirement including an alternative for qualifying investors only, with qualifying investors clearly defined.

The second route introduced is a "truly private structure" for family relationships only, reflecting Guernsey's position as a jurisdiction of choice for family office structuring.

Rupert Pleasant, chief executive of Guernsey Finance, commented: "The PIF regime already provided a streamlined, rapid route to market for managers not looking to a large investor base."

According to Pleasant, the GFSC proposed supplemental approaches to enhance Guernsey's offer and create a new benchmark for a private fund regime.

"These changes reflect the responsiveness of Guernsey's regulator and its willingness to listen to the market. It's tailoring of product to the family office market – an area of growing significance for Guernsey – is commendable," he said.

With a PIF, the fund manager makes declarations in respect of prospective investors' ability to sustain losses, the maximum number of investors, and the completeness and accuracy of the application.

Deutsche Bank gains China domestic fund custody license

Deutsche Bank China has received a domestic fund custody license from the China Securities Regulatory Commission (CSRC).

Upon completing the relevant administrative process, Deutsche Bank China will be able to directly provide custody-related solutions to funds established in China.

According to the Asset Management Association of China (AMAC), assets under management in China have reached RMB 56.17 trillion in Q3 2020.

Data has also suggested that over 1,200 new mutual funds have been launched in 2020, raising a record close to RMB 3 trillion.

In addition to the first wholly foreign owned mutual fund company approved by CSRC last year, as of November last year, more than 30 wholly foreign-owned enterprises (WFOE) have successfully registered as private fund managers with AMAC.

Deutsche Bank noted that this demonstrates the increasing attractiveness of China's domestic market.

Rose Zhu, Deutsche Bank China chief country officer, said: "This license comes at a time when many of our global institutional clients are actively exploring and acting on the unfolding opportunity to tap into the exponential China market, which is still fast growing and opening up.

At the same time, the booming domestic fund industry is looking for global expertise to foster further development."

Zhu continued: "This approval demonstrates Deutsche Bank's role in helping to further open China's financial market to the rest of the world. With the new license, we will extend our local services, and provide new opportunities to China's fund management market by leveraging our global expertise."

Apex offers suite of fund services to Frontera Capital

Apex Group has been appointed to provide its full suite of fund services to Frontera Capital Group (Frontera), an Abu Dhabi (UAE), UK and

US global frontier markets fixed income investment firm.

As part of this, Apex will support Frontera with fund management, administration, custody and corporate services.

The new partnership will enable Frontera to focus on its core competencies of deal origination, structuring and investing as Apex's single-source solution has a unified point of contact across all aspects and operational demands of the fund.

Frontera is currently raising $400 million for their new Luxembourg fund from European institutional investors with final close expected towards the end of Q1 2021.

The fund aims at delivering superior risk-adjusted returns by leveraging its unique experience in sourcing and structuring frontier market debt.

David Rhydderch, global head of financial solutions at Apex Group, commented: "Frontera plays a key role in providing international investors with access to, and understanding of, frontier markets. As they raise their new fund, we are excited to provide the range of solutions required to support their fund operations."

Rhydderch continued: "This is further evidence of our single-source offering presenting a compelling solution for investors looking to achieve efficiency and seamless integration throughout the value chain."

Vicente Pons, managing director and shareholder at Frontera Capital, said: "Having all our fund services needs met by one provider with all solutions available under one roof will allow us to focus on the job at hand: raising capital, structuring and deploying it in target frontier markets."

"Following their appointment, the Apex team has demonstrated exceptional expertise, international capabilities and a deep understanding of our strategy as well as the opportunities and challenges facing our business," Pons added.

Universal-Investment Group launches new digital assets platform

Universal-Investment Group has launched Enlyte, an investment platform for digital assets worldwide.

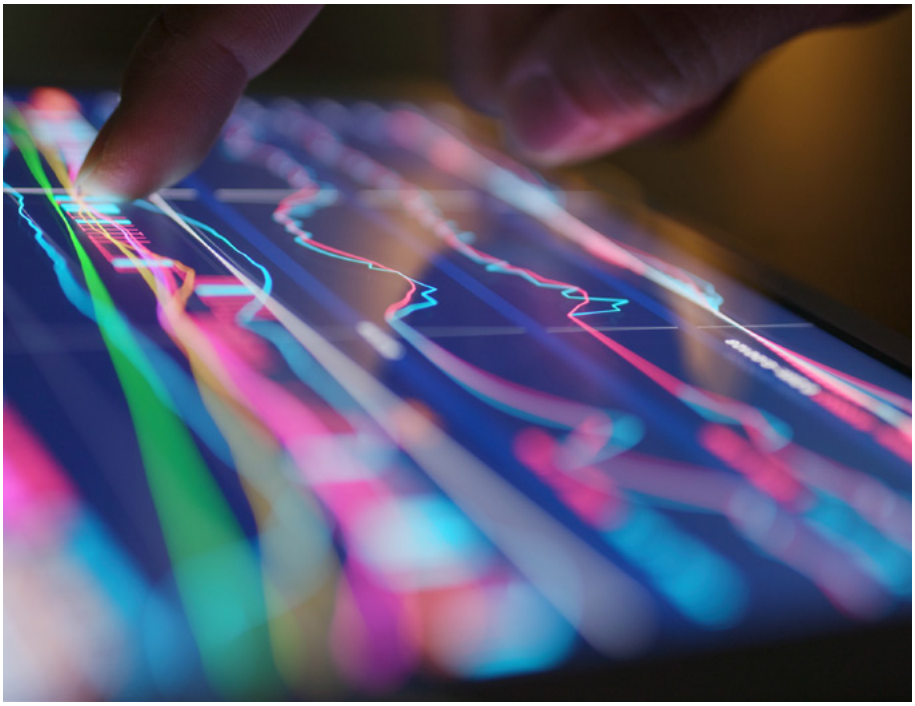
Enlyte, which is an independent platform that offers a holistic digital concept, covers the main phases of the investment process fully digitally on a platform that includes client onboarding and the issuance of token-based structures as well as administration and reporting.

Universal-Investment Group explained that asset managers and fund initiators can use the platform to issue, manage and distribute tokens. According to the group, digital assets will significantly broaden the available investment universe.

"The platform has been developed proprietary by the team around our Blockchain experts Daniel Andemeskel and Khai Uy Pham. Enlyte is the logical continuation of our innovation success story," said Michael Reinhard, CEO of the Universal-Investment Group.

In the context of the current regulatory framework defined by the German financial supervisory authority BaFin, Enlyte will start with the issuance of asset-backed security tokens.

With the upcoming expansion of the regulatory framework and planned law on the introduction of digital assets eWpG (Gesetz über elektronische Wertpapiere), soon further digital assets will be made available and offered to a wider range of investors with low minimum investment in the future.



Avelacom adds B3's market data to its service portfolio

Avelacom, a global connectivity and IT infrastructure provider for the financial services industry, is adding the Brazilian Stock Exchange (B3)'s real-time market data to its service portfolio.

B3 said this will provide investment banks and low latency trading firms with B3's native market data feeds to markets in North America, Europe, Middle East and Africa and Asia Pacific via Avelacom's 80 global points of presence (PoPs).

It will improve price discovery and arbitrage strategies across all derivatives, as well as access B3 markets for trial purposes.

This initiative reflects the strengthening demand to trade new markets, with Brazil ranked third, after China and India, among the most attractive markets that firms intend to engage with over the next year, according to the Acuiti's survey commissioned by Avelacom.

Alexandre Jahnecke, superintendent of technology Services at B3, said: "Expanding B3's global reach is definitely a top priority. The combined services of B3 and Avelacom's infrastructure will surely leverage B3's internationalisation plans, creating a better quality experience for our clients across key markets for market data, direct market access and other trading and, eventually, post-trade services."

Aleksey Larichev, CEO of Avelacom, commented: "Brazil is one of the most commonly cited countries in which financial institutions are interested in starting operations over the next 12 months."

"Adding low latency access to the B3's data centre for all key financial markets, combined with the existing hosting capabilities we provide in Sao Paulo, and the most direct fibre-optic routes between global exchanges all support the integration of Brazil's markets for global traders."

"The goal is clear, as soon as the regulatory framework allows it, we will expand our product offering to support the issuance of digital funds on the Blockchain," said Daniel Andemeskel, head of innovation management of the Universal-Investment Group.

Ocorian completes acquisition of Newgate Compliance

Ocorian, a financial services group and provider of fund services, corporate services, capital markets and private client services, has completed the acquisition of Newgate Compliance.

Newgate Compliance is a London-based compliance consultancy and hosted regulatory solutions provider for funds clients, including both established and first-time managers.

The deal, which was agreed on 22 September 2020, was subject to regulatory approval.

Newgate provides compliance consulting services, leveraging the GATEway, a proprietary software solution that enables clients to track and meet their financial conduct authority (FCA) regulatory obligations efficiently, as well as to comply with the spirit, principles and culture of the UK regulatory regime.

Ocorian stated that this acquisition reflects its continued strategy to enhance its service offering the "best support its clients' needs" for the present and future.

The suite of compliance and regulatory services provided by Newgate strengthens Ocorian's service offering to asset managers that operate in the regulated UK market by enabling Ocorian to provide them with a complete end-to-end administration solution.

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A change of mindset

The shift from manual processes to automation is now more than ever seen as critically important. Fenergo's Kevin O'Neill explains the last couple of months have highlighted that firms really need to embrace this transformational approach

Becky Bellamy reports

What are the biggest industry challenges facing transfer agency and fund administration firms globally?

The first thing, the pandemic has really shaken up the industry over the last number of months. Globally, the industry has been dealing with the fallout from this and it has raised a number of issues, particularly around how well businesses are prepared in terms of business continuity planning (BCP), disaster recovery, etc. and what processes are in place today to de-risk and mitigate against an event like COVID-19 happening.

A lot of businesses are re-examining their BCP, and how they can provide workers with a better working experience. As a result of this, some companies will become more operationally efficient in terms of how they manage their various books of businesses. The whole shift from manual processes to automation is now more than ever seen as critically important. Automating regular client reviews, risk assessments and regular maintenance requests will become the norm.

All of these tasks can be streamlined today through the use of technology and the last couple of months have highlighted that people really need to embrace this transformational approach.

Do you think the pandemic has helped to prepare firms for similar future events?

It is absolutely phenomenal the changes that will come out of this, particularly around improving client and investor journeys and the ability to be able to offer fund administration and transfer agency customers a streamlined digital and remote experience. This will allow them to provide data and documents in a more digitally efficient manner and avoid all the duplication of information requests that goes on in terms of reaching out to clients for data and documentation.

Moreover, I think by automating a lot of the investor regulatory rules, you are de-risking the experience for the customer, your business and from a regulatory compliance point of view as well. We have already seen so much transformation in the last six months that would normally take two to three years to complete.

> *The big area which I see as the fastest transformation piece is what I call an application programming interface first strategy*

Many new regulatory deadlines have been pushed back due to the pandemic yet regulatory change management is often slow and reactive. How can firms ensure they are adequately prepared?

When you consider all the regulatory reforms that are taking place, particularly around anti-money laundering (AML) and know-your-customer (KYC) rules, not just in Europe but in the US and globally, regulatory change management has become front and centre for every organisation. Even if there has been a slow down due to disruption from the pandemic, a lot of firms have used that time to fine tune their processes and see how they can automate a lot of those various different tasks. By tapping into the knowledge that is available via regulatory communities, they are speaking to practitioners within different markets to get an operational context on how best to adapt and change for those regulations. So, while things have slowed down on the regulatory side, this has been really good in terms of organisations using this time to become more disciplined and focused in terms of leveraging technology to address these regulatory pain-points.

In terms of client and investor onboarding, what are the key everyday hurdles impacting time to revenue?

It is all about the communication trail – for example, it's extremely frustrating for customers to receive multiple requests asking for documentation that has been previously supplied to another part of the business months ago. Leveraging the ability to provide a full 360-degree view of all the customer's information in an electronic format is absolutely critical. In addition, you need to be moving to managing on an exception basis, enabling a good bulk of your regular KYC reviews to be fully automated.

From the speed to market point of view, we are seeing a move towards integration with CRM solutions such as Salesforce and Microsoft Dynamics. This enables the front office to kick start the onboarding process and collaborate seamlessly with middle and back-office operations, without leaving their CRM experience, as well as utilising integrated client portals to easily request data and documentation from the end client/investor.

Why is it important to digitalise the end-to-end investor onboarding experience?

Filling out paper forms is a thing of the past, especially for millennials and generation X. They want an experience the same as when they walk into an Apple store or when they subscribe to Netflix where it's only 10 or 20 different clicks to get their required product or service within a rapid period of time. Financial services are on a transformation journey to expedite operational processes but I think organisations are starting to make those changes now to digitise their various end-to-end customer journeys.

These investor onboarding journeys represent the bulk of their onboarding requirements, but we have also seen onboarding of distributors and other counterparties transform from paper to digital journeys.

Looking to the future, what technologies do you think will offer the greatest efficiency gains for asset servicing firms?

From a client lifecycle management (CLM) perspective, it is getting the core basics and fundamentals right around AML and KYC, digitising those investor counterparties or distributor journeys and automating risk assessments and regulatory rules. Today, we have regulatory rules for over 120 different jurisdictions across the globe embedded in our solution. This helps automate those regulatory journeys which are critical.

The big area which I see as the fastest transformation piece is what I call an application programming interface first strategy. This enables our solution, for example, to surface and integrate with CRM solutions like Salesforce and customer portals in order to speed up that onboarding process in a compliant fashion but also deliver better client experiences and operational efficiencies for the organisation.

Keeping those core principles in 2021 will be critical. Adoption of automation within this space is in its infancy and organisations are slowly adopting new technologies but I see this accelerating over the next few years.

2021: Time for the asset servicing industry to shine

Maddie Saghir reports

Although last year was riddled with challenges, 2021 brings with it a sense of hope and an opportunity for the asset servicing industry to shine

January. Probably one of the most unpopular months of the year. The magic and excitement of Christmas seems like a distant memory. The skies are grey, the air is cold and the sun is rarely seen. It's a bit bleak.

But maybe this January will be different.

It marks the end of one of the worst and disruptive years in history. With the COVID-19 vaccine now being distributed, there is a pinch more certainty, and 2021 is already causing sparks of optimism. This year is also an opportunity to start a new slate on how societies are run and how investment strategies will underpin that change.

Last year put a huge strain on the financial services industry but it did provide an eye opener for a lot of firms. While the industry coped reasonably well under the pressure and challenges, it also encouraged people to rethink ways of working.

"When the impact of the pandemic struck our industry in March and April, we had to quickly adapt to ensure key services such as valuing funds and settling transactions continued to be delivered against a backdrop of significant volatility and substantial increases in transaction volumes," comments Penny Biggs, head of strategy for corporate and institutional services, Northern Trust.

The pandemic exposed vulnerabilities and risks in the absence of robust business continuity planning.

Chitra Baskar, chief operating officer and global head of funds and product at Intertrust Group, adds: "The smaller managers that were operating with minimal in-house teams and infrastructure were the most affected."

The key trend that emerged was the need to implement institutional-grade operational processes, according to experts.

Many larger managers also fully understood and embraced the importance of outsourced services, and it is believed that the continued trend for 2021 will be to have the right outsourcing strategy as well as a focus on due diligence and selection of service providers.

Handling and management of data is a significantly trending area and there has been a greater focus on it industry wide over the past few years particularly in terms of accessibility of data and greater timeliness

Bring on the data

Experts suggest that one of the main trends looking forward into the new year will be data. Although it has played a significant role in the industry for some time, this year it is expected to accelerate at an even faster pace. The expectation for most fund administrators and service providers will be to provide actionable insights and enhanced reporting by organising the data already in their possession, while overlaying data from external sources.

"Data is going to play an even more important role next year. Firms are increasingly demanding new data sets from existing and new data providers alike. However, not all of these data sets are mature and many lack the robust governance needed to ensure they can be digested by end users," says Andrew Barnett, global head, RIMES.

Barnett also observes that firms are beginning to identify a lack of innovation when it comes to utilising data. "More often than not, it can be imprisoned by outdated legacy technology, antiquated policies and contracts, as well as misunderstood by the people and teams that use it," he says.

This year, however, is already seeing the market asking for the provision of a managed data service, instead of buying more technology that will add an additional burden on their existing infrastructure.

Increasingly, firms desire models that have the flexibility to adapt to their strategy as well as being aligned with it. It has become apparent that firms want a model that will offer them greater choices in the data they use, as well as the flexibility to challenge the commercial models of the incumbent providers.

"Handling and management of data is a significantly trending area and there has been a greater focus on it industry wide over the past few years particularly in terms of accessibility of data and greater timeliness," adds Declan Quilligan, head of hedge fund services at Citco fund services.

Trends to expect

Some of the major trends from last year, mostly ones that resulted from the pandemic, are inevitably expected to continue this year.

When the major first effects of the pandemic hit in March, unlike the financial crisis, there was not significant investor redemptions or significant gating, which was an important differentiator between what happened this time around compared to 2008/2009.

From a practical perspective, the whole industry moved to a work-from-home environment, while certain tools and technology became immediately of more interest to the industry. For example, Citco noticed their client base had a big spike in interest in their outsourced treasury/payments offering.

"Rather than using a disparate array of counterparty systems, our clients were looking for a centralised solution without an abundance of fobs and our centralised treasury and payments system met their needs for secure and automated payment handling," notes Quilligan. It is expected that the increased demand for a centralised solution will continue to be a prominent trend.

Baskar suggests that outsourcing will continue to grow to leverage best in class infrastructure to build resilient operations and technology will drive another key trend for 2021 with adoption to cloud and hosted technology services.

Further key trends for 2021 will be the increased adoption of digital modes of working by the industry.

The focus is expected to be on the continued acceleration towards digitalisation to transform core operating models and the way the industry works. Experts suggest investment assets and the lifecycle management will be digital from the outset.

Opportunities to capture

There will be many opportunities to capture in 2021 around data, technology and also environmental social and governance (ESG).

ESG is a fast-growing part of the global investment landscape, and represents significant opportunity.

RBS International's head of institutional banking in London, Neil Walker, explains it is also a necessity, and the new European requirements on measuring and quantifying ESG performance are only the beginning.

"With further regulatory activity at the sectoral, national and international levels to follow in the next few years," adds RBS International's head of institutional banking in Luxembourg, Ian Harcourt.

On the data side of things, service offerings in this space plus continued interest in middle office solutions outsourcing and specifically in treasury and payments will be opportunities in 2021.

"I anticipate those organisations that provide secure portals to manager and investor alike and facilitate online investor transacting through these portals will also see a significant uptake in investor demand for these services," says Quilligan.

It is expected that there will continue to be a significant opportunity to serve clients' needs across the entire investment lifecycle.

Meanwhile, as investment managers grapple with managing rising costs and driving bottom line performance, and asset owners seek increased governance and control, experts see more reassessing their operating models and considering outsourcing options to help them strengthen key processes and focus more explicitly on areas core to their businesses.

In Northern Trust's 2020 survey of global COOs, it was identified that 85 percent of respondents had either already outsourced their trading desk or are interested in doing so in the future.

The survey also found that nearly half 45 percent are considering outsourcing data management in the next two years while approximately one-third are considering outsourcing foreign exchange and middle office functions.

"With the most successful institutions rethinking their operating models from the perspective of their whole office, seeking holistic changes such as outsourcing that can help them grow their businesses, this presents opportunities for asset servicers such as Northern Trust," comments Northern Trust's Biggs.

> *The asset servicing industry has a true opportunity to shine. Organisations are going to put laser focus on strategy, which will encourage competition and for asset servicing companies to innovate*

From Baskar's perspective at Intertrust, he expects to see a growth in private capital funds, particularly the debt and real estate asset classes as the biggest opportunity in the next year and beyond.

In addition, cross-border investment opportunities off the back of the global pandemic will present opportunities in the distressed asset industry.

Rimes' Barnett concludes: "The asset servicing industry has a true opportunity to shine. Organisations are going to put laser focus on strategy, which will encourage competition and for asset servicing companies to innovate."

He adds: "Further, investment managers are looking to buy additional services to ensure they can implement the best operating model in as hassle-free a way as possible and align to their third and fourth party supplier management requirements. All this leads to an exciting new chapter for management models and more revenue streams to the asset serving industry."

The Emerald Isle

Ireland continues to be an attractive fund domicile for global funds and this year is no exception with predictions of even further growth

Known as the Emerald Isle due to its lush green lands, Ireland continues to be an attractive fund domicile for global funds as well as an international fund distribution location. Partly due to a robust regulatory regime, multi-skilled workforce and unique status as an English first-language location within the EU, with extensive financial and cultural ties to the US, Ireland's fund industry is continuing to grow.

Over the years, Ireland has gained a reputation for having a well-established European centre of excellence for both domiciled and non-domiciled funds and is at the forefront of preparing for and reacting to regulatory developments.

The total assets of Irish domiciled alternative investment funds (AIFs) stood at €758 billion as of September 2020 and Ireland administers 40 percent of the world's alternative investment funds.

2020's February Monetary Insight research revealed that fund assets serviced in Ireland grew by 6 percent at the end of June 2019.

The latest data shows that overall Irish domiciled funds have increased by 1 percent from the beginning of 2020 until the end of September 2020.

"By contrast assets in aggregate in all European funds have decreased by about 1 percent over the same period," says Pat Lardner, CEO of Irish Funds.

Lardner adds: "The total net assets in the 7,800 Irish domiciled funds stands at €3.08 trillion, up from €3.05 trillion in January. This figure is split with about 75 percent of asset (€2,319 billion) in UCITS and 25 percent (€759 billion) in AIFs."

Ireland's financial services industry as a whole is focused on developing its skills base to best support client demands and remain competitive on the global stage, according to experts.

As the impact of the pandemic is felt across the industry, a focus for many companies is on how they may enable employees to work smarter using innovative technologies such as machine learning and artificial intelligence (AI).

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Pandemic impacts

Like many industries across the world, the funds industry has been affected by the pandemic. The pandemic especially created challenges for the industry during the peak volatility in March and April 2020, which put business resiliency plans to the test. According to Méliosa O'Caoimh, country head, Ireland, Northern Trust, it has also accelerated trends that were already underway, such as embracing new ways of working propelled by digitalisation.

"We can expect some of the processes in fund administration to continue to be the new normal, post pandemic. For example, the widespread use of electronic rather than postal methods for routine investor communications," she says.

The pandemic has indeed been a catalyst for change and it means the industry has become better prepared for the unexpected and overall the industry coped remarkably well.

"As an industry, we have proven to be extremely resilient and have continued to meet not just our daily deliverables for clients but also to support their change management and product development programmes," says Paul Kilcullen, Ireland country executive for BNY Mellon.

COVID-19 has been the second 'black swan' event in a little over a decade and unsurprisingly that volatility has brought increased regulatory oversight, not least in areas such as liquidity and money market funds.

Tadhg Young, country head of Ireland at State Street, comments: "The industry and its regulators will seek to learn lessons from this period, and we are likely to see a new wave of regulatory requirements requiring increasingly specialised support from service providers of scale."

Trends in Ireland

Prominent trends in Ireland currently include movement towards further increasing efficiency, and reducing costs. There has been a constant upward trajectory from the perspective of both assets under management and funds over the last ten years. The industry in Ireland has also noticed strides towards preparing for and reacting to regulatory developments.

Delving deeper into the trend of why fund managers continue to seek ways to increase efficiency and reduce costs, experts suggest this was an existing trend, driven by the competitive pressures of the industry, but has been given impetus by the financial strain created by the COVID-19 pandemic.

> *Net sales into Irish funds for the year to end September stands at €127 billion. This represents about 38 percent of the net sales into all European funds during this time*

O'Caoimh comments: "We see the trend for providers of all sizes to consider outsourcing functions that were previously seen as core to business activity. Previously, outsourcing tended to be limited to larger managers, but at Northern Trust we are seeing this trend across the spectrum of asset managers who are outsourcing functions such as currency management and drawing on our outsourced trading service, integrated trading solutions."

Meanwhile, Chitra Baskar, chief operating officer and global head of funds and product at Intertrust Group, says: "For our Intertrust Group Ireland office, we anticipate growth in the alternative investment fund (AIF) market and the strengthening of our fund administration and third party AIFM management company service offering. We're seeing new managers and existing clients require customised reporting and a greater focus on achieving standardised regulatory reporting."

In addition to an increase in appetite in AIFs, Ireland also saw a strong interest in environmental, social and governance (ESG) products and sustainable finance during the course of 2020. Experts expect this trend to continue to grow and become more prominent.

Elsewhere, exchange-traded funds (ETFs) have continued strongly despite outflows in March. According to Lardner, ETFs now stand at €553 billion, which represents an increase of about 2.5 percent year to date (end of September), and they have attracted net sales for the same period of €38.5 billion. Ireland accounts for 65 percent of all European ETF assets.

There has been a strong recovery in net sales and growth in Irish domiciled fund assets following the sharp downturn in March.

Lardner says: "Net sales into Irish funds for the year to end September stands at €127 billion. This represents about 38 percent of the net sales into all European funds during this time."

A time of tremendous growth

Amid tremendous growth within Ireland's fund administration business, Ireland has experienced an increase in Irish companies expanding their workforces as well as a rise in funds processing figures, especially over the last 10 years.

It has been suggested that many of the entities that have been set up in Ireland over the past years have been increasingly adding to their headcount and increasing the substance they have in Ireland.

While there is currently no quantitative data to support this just yet, experts do believe this to be the case and a survey is on its way this year to see how employment numbers have changed in this space over the years.

However, there is evidence to suggest that Ireland has been one of the fastest growing fund locations in Europe over recent years. Assets in Irish domiciled funds have increased by 62 percent since the end of 2015.

The increase has been across all funds types, with ETFs showing some of the strongest growth.

"Ireland has been able to further develop centres of excellence in ETFs, money market funds, and alternative investments."

"This is built on many years of leading industry experience and expertise alongside continuous product developments such as the launch of the ICAV fund structure in March 2015," Lardner comments.

Over at Intertrust Group, Baskar says: "We've grown both our fund administration and AIFM ManCo teams, hiring experienced individuals, improving efficiencies in reporting, and increasing regulatory oversight functions on our AIFM."

As well as this, State Street's Young identifies the key drivers of growth to be the depth of Ireland's talent pool and experience over more than three decades and a 'can do' attitude and work ethic that has seen Ireland's funds industry continuously move up the value chain. "That's also been supported by our open, transparent and stable regulatory and policy environment," says Young.

Low hanging fruit

By being well placed to continue the strong growth seen over recent years, Ireland has many opportunities that it can take advantage of.

One such opportunity is Ireland's broadening appeal as a home for alternative assets, and particularly for infrastructure and private equity, experts say.

Northern Trust's O'Caoimh highlights that key to this will be forthcoming reform of Irish investment limited partnerships to align them more closely with other fund jurisdictions and drive their attractiveness as vehicles for alternative investment funds.

Over at BNY Mellon, Kilcullen says: "Innovation, client focus, active engagement with emerging technologies and motivated talent will ensure our industry's long-term success in Ireland."

Environmental, social and governance and green finance are other areas where experts expect to see opportunities.

In fact, a recent study found that two thirds of the world's largest pension schemes expect to increase their allocations to climate-related index funds over the next three years.

State Street's Young explains: "On the asset management side of our business this is already giving rise to new reporting solutions designed to help clients better understand how their strategies perform against investment objectives, including climate focussed objectives."

"New solutions will be required to help clients to meet their regulatory obligations to beneficiaries, trustees and other stakeholders," Young concludes.

Alter Domus, a provider of integrated solutions for the alternative investment industry, has hired Tim Houghton as chief operating officer (COO) and a member of the group executive board (GEB).

In his new role, Houghton will oversee Alter Domus' operations across all products and services as the global fund administrator continues expanding in the US and Europe, Middle East and Africa (EMEA) markets.

Before this promotion, Houghton was Alter Domus' head of core products and group operations.

In total, Houghton has over 25 years of experience in structured finance and securitisation.

Prior to joining Alter Domus in Luxembourg, Houghton was a Chicago-based managing director and principal at Cortland Capital Market Services, now part of Alter Domus.

Prior to joining Cortland as one of its founding members, Houghton was a senior vice president at LaSalle Global Securities and Trust Services where he headed the Group's European CLO Services office. Before that, he was global co-head of business development.

Commenting on his new appointment, Houghton noted: "In this new role I will continue to lead our successful mission in supporting clients across multiple jurisdictions and asset classes, helping them navigate complex challenges and evolving regulatory requirements," he concluded.

The board of directors of the Luxembourg Stock Exchange (LuxSE) has appointed Julie Becker as LuxSE's next CEO and chair of its executive committee.

Becker will officially take over the reins of the exchange as of 21 April 2021, the date of the next general assembly, when Robert Scharfe, the current CEO, will step down after nine years at the helm of the exchange.

Robert Scharfe and Becker will work side by side in the coming months to ensure a smooth transition.

Becker specialises in regulatory and legal matters linked to capital markets. She joined the LuxSE in July 2013 and was appointed to the company's executive committee two years later.

She was further appointed deputy CEO of LuxSE in December 2019. Becker also founded the Luxembourg Green Exchange in 2016.

Elsewhere at LuxSE, the board of directors has appointed Arnaud Delestienne as a member of the executive committee of LuxSE, which came into effect on 1 January.

Delestienne joined the exchange in September last year as director of international capital markets.

In this role, he leads LuxSE's important international primary market activities and drives the company's overall commercial and marketing strategy.

Prior to LuxSe, Delestienne served at Clearstream for a total of 23 years, where he most recently acted as executive vice-president and headed its Eurobonds business line.

As of 1 January, the executive committee of LuxSE will include: Robert Scharfe (CEO), Julie Becker (dDeputy CEO and CEO as of 21 April 2021), Pierre Schoonbroodt (member), Laurent Pulinckx (member) and Arnaud Delestienne (member).

"Over the past seven years, Julie Becker has proven that she has the vision, competences, innovative spirit and leadership needed to steer LuxSE successfully towards a bright future," commented Frank Wagener, chairman of the board of directors of LuxSE.

Wagener added: "I am confident that under her leadership, LuxSE will thrive and further strengthen its position in the market and in the world."

The exchange has seen significant growth and success over the past years under Robert Scharfe's tenure. On behalf of the board, I thank him for his contribution and commitment, and congratulate Julie Becker on this important appointment."

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Harmonate has hired Richard Scheffrin as chief technology officer (CTO) for the data management and operations of the company.

Scheffrin was previously head of innovation engineering for FIS, a fintech company that deals with the transformation of merchant digital transactions and broad implementation of digital financial products and services.

He brings 25 years of software engineering and change management experience which Harmonate believes will help with continuing their growth.

"Richard Scheffrin's experience, leading pragmatic innovation and driving long term product strategy allows businesses to seize opportunities others can't," commented Harmonate CEO Kevin Walkup.

Walkup said: "Scheffrin permits us to scale to the demand for Harmonate's products that none of us honestly could foresee at the beginning of 2020. Now, 2021 is shaping up to be the year of the CFO strategist, who leads through a better, faster grasp of the key data within their domain, and can now leverage data and insights that have been traditionally outside their role. They are moving beyond the general ledger and establishing a new financial layer to power fund success."

Commenting on his new role, Scheffrin noted: "I have always felt strongly that long-term strategy and bleeding edge technology can drive companies ahead of their competition and can set the bar by which their industry will measure success."

The London Stock Exchange Group (LSEG) has appointed Julia Hoggett as CEO of London Stock Exchange plc, a regulated subsidiary of LSEG.

Meanwhile, Denzil Jenkins will continue as interim CEO of London Stock Exchange plc until Hoggett joins the group to ensure a smooth transition.

In her new capacity as CEO, Hoggett will report to Murray Roos, group director, capital markets, LSEG.

Hoggett joins London Stock Exchange plc from the UK's Financial Conduct Authority (FCA) where she was most recently director of market oversight, having previously led the Wholesale Banking Supervision Department.

Prior to joining the FCA in 2014, she spent four years at Bank of America Merrill Lynch (BAML) as managing director and head of the FIG Flow Financing Business for Europe, Middle East and Africa (EMEA), head of covered bonds for EMEA and head of short term fixed income origination in EMEA.

Hoggett also played a role in heading up BAML's green debt capital markets efforts in EMEA during her time there.

Before BAML, Hoggett was board member and latterly CEO of DEPFA ACS Bank and managing director and head of capital markets for the DEPFA BANK Group.

She began her career as an investment banker in debt capital markets at J.P. Morgan.

Hoggett commented: "Having spent my entire career in capital markets, I know the key role they play in providing vital capital to companies and

institutions and delivering returns for individual and institutional investors."

She continued: "I am delighted to be joining London Stock Exchange plc, and the wider group, at a time when London's role as a global financial centre is so important.

Clean and transparent markets are the underpinning of a vibrant and dynamic marketplace and will remain a huge focus."

Roos said: "Julia Hoggett brings to the group a deep understanding of primary and secondary markets from both the regulatory and commercial sector."

"I look forward to working with Hoggett as we continue to build on our position as a leading financial markets infrastructure business and the world's international exchange," added Roos.

Elsewhere, the LSEG recently launched its new pan-European share trading platform Turquoise in Amsterdam as part of its Brexit contingency plans.