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Rising to the challenge

Soc Gen's Gildas Le Treut, Stéphanie Gaudoux, and Alain Rocher say the pandemic has provided a tremendous catalyst for change and has created opportunities for service providers in France

Proxy Voting | CSDR Focus | Malta Insight | Industry Appointments

Alliance of 14 trade body call for CSDR buy-in delay

The global financial industry will be hard-pressed to amend internal processes to comply with "essential" changes to the Central Securities Depositories Regulation (CSDR) settlement discipline regime in time for the February 2022 deadline, according to a letter to EU regulators co-signed by 14 trade associations.

The mass lobbying effort, which includes the International Securities Lending Association, the International Capital Market Association and the International Swaps and Derivatives Association, is calling for the buy-in rules at the centre of the market's long-standing concerns to be held back from implementation schedule until it's fit for purpose.

"The implementation of the CSDR mandatory buy-in regime is a significant undertaking for the entire financial market, not only in Europe, but globally," the letter reads. "This involves not only extensive system developments, but also major client outreach across multiple markets and jurisdictions to undertake contractual papering and remediation in line with the requirements set out in Article 25 of CSDR."

The trade bodies note that a review of stakeholders' responses to the recently completed market consultation on the settlement discipline regime is not expected until Q2 at the earliest. Therefore, changes to the rules inspired by the market feedback will only be made public a few months before the regulation comes into force.

With the February 2022 deadline fast approaching, market participants will be undertaking a "major implementation exercise without any indication of the scope or timing of the review process".

"At best, this will result in ongoing implementation efforts and investment being rendered redundant; at worst, it will mean repeating the exercise. Creating such uncertainty around a regulatory implementation project of this profile and scale is damaging to the development and reputation of the EU's financial markets," the letter continues.

As such, the group is requesting that EU rule makers finalise the "essential" revisions to the buy-in rules before setting out a timeline for implementation.

Other signatories include: AFME, AGC, ASSOSIM, EACB, EAPB, EBF, EDMA, EFAMA, EVIA, FIA, FIA EPTA, ICI Global, which together with ISDA, ICMA and ISLA represent a whole swath of capital market participants.

The letter adds to the regular drumbeat of calls for amendments to the CSDR buy-in rules that has maintained a steady tempo for several years.

The European Commission has repeatedly delayed implementing the rules but has so far resisted lobby efforts to enact actual changes in part because the settlement discipline regime is baked into the level one text and therefore any changes require a major legislative effort.

However, industry stakeholders are quietly confident cracks are appearing in the commission's resolve. For example, the fact the scope of the scheduled review of CSDR was expanded to include the settlement discipline regime prior to implementation was widely seen to demonstrate that calls for change were no longer falling on deaf ears.

Elsewhere, the UK was publicly critical of the settlement discipline regime and chose not to on-shore it as part of the Brexit transition period, in a move that fanned the flames of discontent among market participants.

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FundRock's French private equity and real estate AIFM receives regulatory approval

FundRock's new alternative investment fund service FundRock France AM (FFAM) has received regulatory approval from the Autorité des Marchés Financiers, the French financial markets regulator. FundRock, a European third-party UCITS Management Company (ManCo) and alternative investment fund manager (AIFM), says its new service, will assist international and domestic professional investors.

The service will help investors access alternative asset classes including private equity and real estate, strengthening FundRock's presence in the alternative investment market in Europe and particularly in France.

Since the initiative was announced last year, FundRock says it has attracted a large number of new French regulated funds. Prior to the launch of FFAM, a team within FundRock had been managing these funds from its Luxembourg entity under the Freedom to Provide Services passport regime.

With the authorisation from the AMF, Jean Edouard Mazery, who is spearheading the new operation, will further develop the business in France.

Mazery comments: "We are pleased to be officially launching our French AIFM today and offer our clients an enhanced solution in the alternatives space. Our hand-picked team's local expertise combined with FundRock's strong pan-European track record and Apex Group's global capabilities create an unrivalled value proposition."

Xavier Parain, head of FundRock, adds: "We are delighted to have received authorisation from the AMF, which allows us now to focus on growing our French business.."

"Despite the difficulties arising from the COVID-19 pandemic, there remains significant demand from international investors looking to access French alternative asset classes, attracted by its solid economic fundamentals and a supportive legal and regulatory framework."

CACEIS services Theoreim's first two real estate funds

European asset servicing group CACEIS has been selected as the provider Theoreim's first two real estate funds. The first fund, Pythagore, is accessible through unit-linked life insurance contracts and is focused on investing in real estate investment funds, real estate club-deals, buildings and real estate mutual funds.

Meanwhile, the second fund FPS Newton is reserved for professional investors. This open-ended alternative investment fund is intended for investment principally into buildings, real estate club-deals and real estate investment funds.

CACEIS now provides depositary banking services for the two funds in addition to fund accounting and transfer agent services for the FPS Newton fund.

Romain Welsch, president of Theoreim, says: "With its integrated front-to-back offering, CACEIS sets the benchmark for asset servicing in the real estate market. It is essential for Theoreim to be able to rely on partners that are specialised in unlisted assets, have a well-established track record and have demonstrated their expertise to the market."

Arnaud Garel-Galais, group head of PERES coverage and business development at CACEIS, comments: "We are delighted to have been selected by Theoreim, an asset management company that offers innovative investment solutions."

HSBC acts as custodian for first-ever Saudi Arabia securities lending transaction

HSBC has acted as custodian and agent lender for the first-ever securities lending transaction in the Kingdom of Saudi Arabia. The transaction was conducted for a large regional asset owner, enabling HSBC, in its role as prime broker, to borrow Saudi Arabian equities from the asset owner and provide access to the Kingdom's burgeoning equities market for a global institutional investor.

According to HSBC, the transaction marks a key milestone for the Kingdom's capital markets and Saudi Vision 2030, which includes the financial sector as one of its central pillars to propel the country into the top ten financial markets globally.

Saudi Vision 2030 is driving growth in the Kingdom of Saudi Arabia's financial services industry with the market set to stand up tall among its global peers.

HSBC highlights that the Tadawul is already among the top 10 exchanges in the world, with securities valued at around $2.4 trillion.

Madhur Bhandari, head of securities services, HSBC Saudi Arabia, says: "With our on-the-ground expertise and deep local knowledge, we're pleased that HSBC was able to structure and support this first-of-its-kind transaction in the Saudi Arabian market. We expect further such transactions to follow."

Adnan Hussain, global head of agency securities lending, HSBC, comments: "Saudi Arabia's opening up of its capital markets to securities lending for the first time not only allows us to help asset owners receive potentially higher returns from their Saudi investments, but also facilitates more liquidity into the market and enhance price discovery."

"As the borrower of a broad range of Saudi equities from a large regional asset owner, HSBC is providing access to the Saudi market for our global clients. It was the first securities lending transaction in the Saudi market, and represents a key way of further developing and deepening the Kingdom's capital markets, in line with Saudi Vision 2030," adds Loic Lebrun, global head of prime finance, HSBC.

Since the Capital Markets Authority of Saudi Arabia started permitting foreign investors to directly access its capital markets in 2015, the extent and pace of developments has accelerated.

Saudi stocks are now included in the FTSE Russell and MSCI emerging markets indices, while there have also been consistent enhancements to the Kingdom's regulatory framework and market infrastructure, along with the publication of new rules relating to securities lending and borrowing.

In 2018, HSBC Saudi Arabia succeeded in becoming the first company to establish an electronic link for a custodian within the Saudi market.

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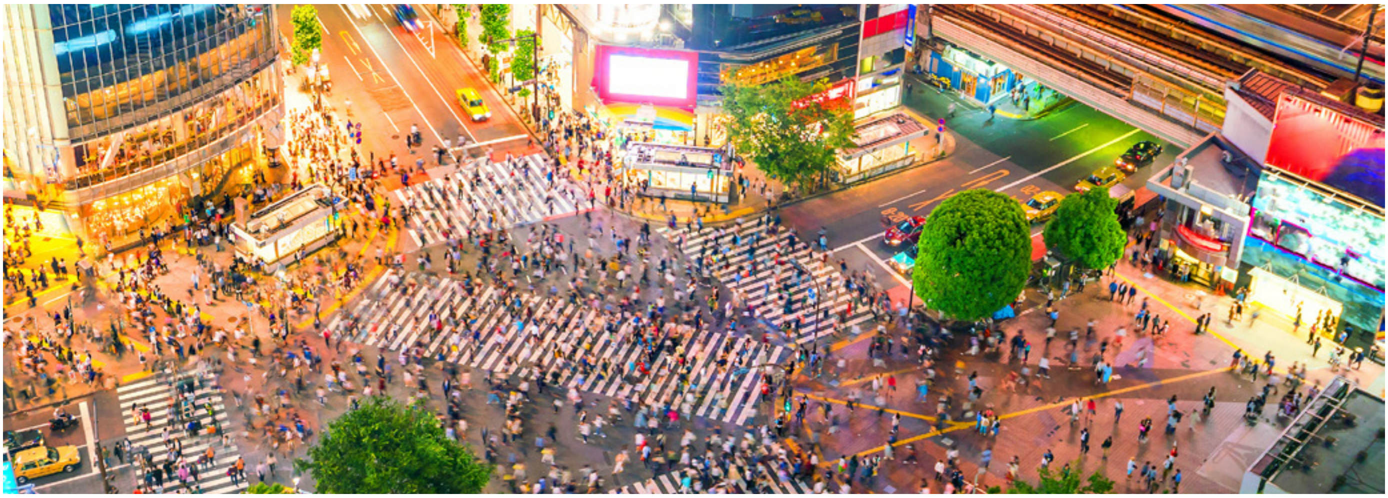

EFA to provide fund admin for Japan ASEAN Women Empowerment Fund

European Fund Administration (EFA) has been selected to provide fund administration to the Japan ASEAN Women Empowerment Fund (JAWEF), expanding its partnership with BlueOrchard.

BlueOrchard's JAWEF was launched in 2016 as the first fund of its kind investing through financial institutions in female micro entrepreneurs across the Association of Southeast Asian Nations (ASEAN) region in a range of frontier and emerging markets.

JAWEF aims to foster gender equality and women empowerment by providing financial opportunities to women.

The fund was initiated by Japanese developmental and commercial investors such as the Japan International Cooperation Agency and the Japan Bank for International Cooperation (JBIC).

In addition, it attracted capital from a range of Japanese private sector investors via its innovative blended finance structure.

EFA CEO Noel Fessey says: "At EFA, we believe that we all have a responsibility to help shape a better, more sustainable future. We are thankful to BlueOrchard for their continued trust and look forward to further growing our relationship for many years to come."

Maria Teresa Zappia, chief impact and blended finance officer and deputy CEO of BlueOrchard, adds: "We look forward to our continued cooperation with EFA and to further advance JAWEF's impact goals."

Fed provides examiner guidance for LIBOR transition plans

The Federal Reserve has issued guidance to assist examiners in assessing supervised firms' progress in preparing for the London Interbank Offered Rate (LIBOR) transition. The interagency statement notes that entering into new contracts that reference LIBOR after 31 December 2021 would create "safety and soundness risks".

In its letter, the Fed encourages its supervised firms to cease entering into such contracts as soon as practicable.

The extension of certain LIBOR tenors until 30 June 2023 will allow some existing LIBOR exposures to mature naturally, says the Fed.

"Examiners should review supervised firms' planning for, and progress in, moving away from LIBOR during examinations and other supervisory activities in 2021. Supervised firms should demonstrate progress towards moving away from referencing LIBOR in new products," says the Fed.

According to the central banking system of America, examiners should consider in assessing six key aspects of transition efforts including transition planning, financial exposure measurement and risk assessment, as well as operational preparedness and controls.

Further to this, examiners should consider legal contract preparedness, communication, and oversight.

"Supervised firms that are not making adequate progress in transitioning away from LIBOR could create safety and soundness risks for themselves and for the financial system. Accordingly, examiners should consider issuing supervisory findings and other supervisory actions if a firm is not ready to stop issuing LIBOR-based contracts by 31 December 2021," the Fed comments.

In addition to examination work, the Federal Reserve is working with both domestic and foreign supervisors, sharing information and discussing LIBOR transition preparedness in supervisory colleges and other forums as the global effort to transition away from LIBOR by 31 December 2021 continues.

Earlier this month, the Financial Conduct Authority (FCA) revealed the dates that panel bank submissions for all LIBOR settings will cease, after which representative LIBOR rates will no longer be available.

The Bank of England and FCA urged market participants to continue to take the necessary action to ensure they are ready.

The FCA has confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after 31 December 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the one-week and two-month US dollar settings.

Standard Chartered partners with BlackRock's Aladdin platform

Standard Chartered has partnered with BlackRock's Aladdin platform to offer integrated front-to-back office investment management solutions to mutual clients across Asia, Africa, and the Middle East. Aladdin works as an operating system for investment managers that connects the information, people and technology needed to manage money in real time.

Standard Chartered says it can now offer a "consistent and coherent" front-to-back experience through BlackRock's Aladdin Provider Network, bringing its expertise in providing solutions, operational resources and experience as a custodian and fund administrator to clients.

According to Standard Chartered, this further enhances its existing product offerings and unlocks additional value for asset managers and asset owners by providing access to real-time data and will streamline operational workflows across the investment management lifecycle.

For some of the bank's clients, this partnership also marks the first time that an integrated end-to-end solution is available in many of the emerging and frontier markets across its footprint.

Margaret Harwood-Jones, co-head, financing and securities services at Standard Chartered, comments: "This collaboration strengthens Standard Chartered's deep roots throughout rapidly developing markets across our footprint, by expanding the range of solutions we can deliver through a single, unified investment management platform."

Akiyoshi Takeuchi, head of BlackRock Solutions Asia Pacific, says: "We place tremendous value on Standard Chartered's adoption of Aladdin Provider Network. It symbolises a strong partnership based on our shared commitment to helping clients."

"Moreover, it underscores growing momentum in bringing innovative solutions deeper into emerging markets throughout Asia, Africa, and the Middle East," Takeuchi adds.

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ESG funds have soared in the UCITS market over the past five years

The number of environmental, social and governance funds grew at more than double the rate of non-ESG funds during the past five years in the UCITS market, according to EFAMA.

During the past five years, EFAMA reveals that equity and bond ESG fund assets increased by 197 per cent and 181 per cent, respectively, in this period.

Read the full article online

GLEIF launches new stakeholder group

The Global Legal Entity Identifier Foundation has launched a new CA Stakeholder Group in collaboration with the Certification Authorities and Trust Service Providersto drive the use of LEIs within digital certificates.

The group will facilitate communication between GLEIF, CAs and TSPs from across the world, as they collectively aim to coordinate and encourage a global approach to LEI usage across digital identity products.

Read the full article online

State Street to expand its fund connect ETF Digital Platform

State Street is opening its Fund Connect exchange-traded fund to support all ETF issuers regardless of their service provider.

Fund Connect ETF is a global online trading portal for the creation and redemption of ETFs, designed as a single point of access to many sponsors. The platform continues to expand its global footprint, by adding to its existing Asia Pacific presence with a new office in Hong Kong scheduled to open later this year.

Read the full article online

Diginex launches EQUOS Origin

Diginex, a digital assets financial services company, has launched a new token called EQUOS Origin (EQO), which can only be earned through trading on the EQUOS cryptocurrency exchange.

It will have utility within an already fully functioning exchange and is not being offered for sale to raise capital. EQO can only be earned by trading on or 'staking' on the exchange, with a minority portion of the daily allocation sent to the EQUOS treasury.

Read the full article online

Derivatives Service Bureau opens cybersecurity-focused consultation

Cybersecurity and measures to protect the cloud are front and centre of the Derivatives Service Bureau's 2021 industry consultation in the run-up to its 2022 OTC ISIN and CFI service provision.

The DSB is seeking to collaborate with the wider industry to promote data harmonisation — as it has done with past consultations — to make the market more efficient and resilient.

Read the full article online

Companies face rising pressure to improve ESG behaviours

Companies will face rising pressure to improve their environmental, social and governance behaviours as investors deploy new tools to influence them, according to NN Investment Partners' latest Responsible Investing Report.

Until recently, investors have had limited scope to use voting to influence specific ESG policies but this is set to change as companies will enable investors more to vote on their sustainability policies at annual general meetings.

Read the full article online

A story of growth

The attractiveness of Malta as a reputable financial services domicile has been driven by various critical pull factors, which have largely helped the jurisdiction to progress in having an industry that is represented by international asset servicing operators

Maddie Saghir reports

It's known for its short distances to the sea, beautiful beaches and great weather but Malta is also bursting with culture and history.

The economy in Malta has several different sectors but its financial services sector is said to be fast growing.

The funds industry is a particular area that has grown considerably. Although the funds industry itself may be considered small compared with its peers in more established and larger jurisdictions, the net asset value (NAV) of Malta-domiciled funds has continued to grow steadily at comparably higher rates in comparison with some other EU domiciles.

"The attractiveness of Malta as a reputable financial services domicile and in managing to attract financial services business to the jurisdiction, has been driven by various critical pull factors, which have largely helped the jurisdiction to progress in having an industry which is represented by international asset servicing operators operating in Malta, servicing both local and overseas clients," comments, Clare Farrugia, head of strategy, policy and innovation at the Malta Financial Services Authority (MFSA).

Malta's pull factors:

- Macro-economic stability
- Diversified finance centre
- Comprehensive legal and regulatory framework catering for various legal structures
- Comprehensive flexible framework for regulated investment funds
- Skilled, multilingual workforce
- Extensive network of double tax treaty arrangements
- Business community supported by professional service providers and a diverse ecosystem

Meanwhile, similar to any other country Malta was severely hit by the COVID-19 pandemic, and the primary talking point among financial industry players is how to gear up for the new post-COVID-19 era. Experts suggest that innovation in financial services is key to achieve new objectives.

Economic recovery is very topical in these difficult economic times, but other discussion topics, like the proposed solutions to restore Malta's reputation following the first results of the moneyval review, are also making headlines, according to Aronne Debono, head of business development and corporate services at BOV Fund Services.

Debono adds: "Not to forget the challenges potential investors face when opening an account with Maltese banks. It's not a hidden secret that there is a shrinking of Maltese banks' risk appetite."

The Maltese banks' are monitored by the same regulators that oversee the major EU banks, and customers cannot expect that they are given special treatment because they are being serviced by banks in a jurisdiction that has a business model that highly promotes economic activities, he explains.

As a country with an established strategic interest in fintech and in view of the European Union's Digital Finance Strategy, the MFSA expects that Malta will continue to see digital transformation driving development across the whole economy, not least in the financial services industry

The jurisdiction of choice?

Malta has been experiencing strong and consistent growth in its financial services industry and Farrugia says it is fast becoming the jurisdiction of choice.

Over the years, Malta has reached many milestones despite its size. Due to its innovative fund structures, cost-effective jurisdiction and efficient tax system, experts say it is now competing with international leaders such as Ireland and Luxembourg.

"What renders Malta an excellent jurisdiction for relocation and domiciliation is its ability to strike a balance between the two traditionally opposing forces – the need for regulation and compliance and the dynamic, ever-changing needs of the industry," comments Farrugia

Malta is also set to benefit from the aftermath of Brexit, largely due to its strong, historic relationship with the UK. The UK and EU are currently in discussions on equivalence, and they are committed to a memorandum of understanding to be agreed by March 2021.

However, Farrugia observes asset managers are not optimistic that the agreement will encompass passporting rights, and in this respect, the UK will instead become a 'third country' according to EU law.

"Malta's affinity with the UK, the similarity in terms of laws and the ability to re-domicile operations both into and out of Malta (applies to both funds and asset management companies) gives asset managers the possibility of continuing their operations in a seamless fashion within a professional environment," says Farrugia.

Weighing in on this, Debono notes that since Brexit was announced and over the past few years, Malta has seen a number of UK businesses involved in the field of insurance and to a certain extent, also in payment services, setting up a base in Malta.

"With regards to the investment services sector, Malta is seen as an attractive domicile for both the establishment of investment firms and funds," says MFSA's Debono.

The MFSA's professional investor fund (PIF) regime is a fully licensed vehicle and allowed to be managed by both EU and non-EU de minimis AIFMs. For asset managers, the MFSA's licensed de minimis AIFM framework is also considered an ideal option for start-up fund managers needing a licensed and regulated framework to start off their operations.

Malta's homegrown

Malta's wide-ranging toolbox caters well for emerging funds and start-up asset managers. The most common investment fund in Malta is the Professional Investor Fund (PIF). PIFs are a type of alternative investment fund (AIF). MFSA says the PIF regime is the licence of choice for smaller funds, which would benefit from certain exemptions contained in the AIFMD.

PIFs may be promoted to 'qualifying investors', as defined in the PIF rulebook and have a minimum entry threshold per investor of €100,000, or the fund's currency equivalent.

This type of fund structure is ideally suited as it has features that are attractive to small-sized asset managers and is aimed at the non-retail space and is able to cater for diverse investment strategies.

For other funds in Malta, on the investment strategy side, the diversified category is the largest in terms of net asset value as the multi-asset class has been a long-term favoured investment strategy, in respect of investment funds domiciled in Malta.

It has also been observed that equity strategies are also strong and notwithstanding the COVID 19 related turmoil in the capital markets in March 2020, total net asset value pertaining to this investment strategy remains a key component of the market size.

"Going forward, in terms of investment strategy and in view of the prevailing economic scenario, the authority expects to see more funds involved in the alternative lending space, as well as other alternative asset classes," comments Debono.

Challenges

Despite opportunities for continued growth, like any other jurisdiction, Malta has its challenges too. One such challenge is the moneyval test.

In 2019, Malta's anti-money laundering (AML) regime failed a review by international experts but was given additional time to get its house in order. Failing this new test risks being put on a list of untrustworthy countries, better known as the 'grey list'.

Farrugia explains: "Over the last year, the Maltese government has enacted a raft of reforms and changes across a number of watchdogs, from reforming

PIF regime benefits

Opportunities related to the PIFs regime include the following:

- **A licensed fund vehicle that can be internally or externally managed, by a de minimis EU/non-EU AIFM**
- **Low setup costs – Level of overall setup costs are relatively low and very competitive**
- **Licensed fund status – Although PIFs are not eligible for passporting, the fact that these funds are still subject to an authorisation process, including fitness and properness assessments by the MFSA and granted a licence, makes them more attractive for marketing purposes**
- **Service providers – PIFs are not required to appoint service providers that are located or are licensed by the MFSA (subject to such service providers satisfying certain prescribed criteria)**
- **A 'lighter' regulatory regime when compared to funds licensed in terms of the MFSA Alternative Investment Fund Regime – PIFs are exempt from risk spreading/diversification requirements and are not subject to borrowing restrictions. Also, minimal investment restrictions apply, and flexibility is afforded in terms of the investment strategy selected for the fund**
- **Eligibility for listing – In view of the licensing status of PIFs, funds established as corporate vehicles, are eligible for application for listing either with the Malta Stock Exchange or any other exchange outside of Malta**
- **Various legal structures available – PIFs benefit from the legal and regulatory framework, which caters for various legal structures (multi-fund/multi-class, SICAV, INVCO, LPs, Unit Trust, Common Contractual Fund and Incorporated Cell Company)**

the police's economic crimes unit to investing in additional resources for the MFSA, while the Financial Intelligence Analysis Unit was handed more powers."

Reviewing Malta's AML/Combating the Financing of Terrorism (CFT) systems and processes, ramping up defences against the increased risk of abuse given the growth, diversity and sophistication of the financial sector, and significant investments in human and IT resources has required a lot of effort.

Meanwhile, technological innovation and the need for operators to invest in infrastructure tools have come into sharp focus and are increasingly becoming an important competitive element in Malta.

MFSA's Debono comments: "As new threats and business models are emerging, key areas of focus are coming under increased scrutiny and supervision for both the MFSA and most regulators worldwide, driving the need for operators to adopt higher and more robust standards. Notable areas include retail investor protection, governance standards, liquidity management, operational and cyber resilience, data security, cross-border operations/ outsourcing risk and financial crime."

According to Debono, the above mentioned aspects are having a bearing on the operators' margins, especially on those having small-medium sized operations.

In mitigating such apparent challenges, throughout the supervisory process cycle and to the extent possible, the MFSA applies a risk-based approach in authorising and supervising entities, also applying the proportionality principle.

The availability of banking services, including correspondent banking and custody remain areas that industry stakeholders will continue to focus on, with the MFSA constantly looking at adapting the relevant regulatory frameworks and actively pushing for a single market in custody services in the European fund space.

Evolution

With both opportunities in the pipeline as well as challenges to overcome amid unprecedented economic turmoil and regulatory shifts, experts say authorised entities are undoubtedly feeling the pressure of change.

Debono affirms Malta still remains well-positioned for continued growth in the financial services sector. The MFSA's vision for the next few years is to build

> *As new threats and business models are emerging, key areas of focus are coming under increased scrutiny and supervision for both the MFSA and most regulators worldwide, driving the need for operators to adopt higher and more robust standards*

on the resilience of the sector and ensure it continues to be regulated to the highest standards serving in a sustainable manner both the national economy and, importantly, consumer needs.

COVID-19 has reinforced the need for MFSA to continue to steer the sector to a higher threshold of long-term sustainability and resilience. Through ongoing regulatory updates, the MFSA will be ensuring to effectively deal with key potential risks.

"This, in turn, will require greater focus in these areas and as well as further investment on the part of market operators, in order to address these risks," says Debono.

Debeno comments: "As a country with an established strategic interest in fintech and in view of the European Union's Digital Finance Strategy, the MFSA expects that Malta will continue to see digital transformation driving development across the whole economy, not least in the financial services industry."

Malta is home to a complete ecosystem of financial services which traditionally are (in addition to the ones mentioned above) pensions, private wealth, credit and financial institutions and insurance.

But Farrugia says one definitely cannot ignore the newest arrival — DLT and blockchain.

He concludes: "Malta is way ahead of many other countries in exploiting new technologies. Following the roll out of the world's first holistic regulatory framework for DLT, Malta is being labelled as the blockchain island and the government affirmed that it is expecting that the sector will account for 10 per cent of GDP by 2027."

An evolving space

With the influence of the pandemic and also SRD II, experts agree that the adoption of technology in the proxy voting process for annual general meetings has accelerated by several years

Maddie Saghir reports

Prompted by the disruptive pandemic, proxy voting and the approach to it has changed dramatically in a short space of time. Prior to 2020 proxy voting was dubbed as a 'largely manual' and 'outdated' process for many jurisdictions. The role that proxy voting plays in asset servicing is an important one. It involves a member of a decision-making body delegating their voting power to a representative to enable a vote in absence. Companies hold annual general meetings (AGMs) with shareholders to review their performance over the last year, but if the shareholders are unable to make it then they can pass their vote through their banks and custodians who vote by proxy on their behalf.

The covid restrictions meant that for many countries around the world, large gatherings were unable to take place causing a lot of markets to change their approach to issuing annual meetings for the first time. Where a physical meeting was previously the only option, experts identify that virtual shareholder meetings (VSM) became the norm, which bolstered the demand for VSM technologies, leading many registrars to rethink their VSM delivery products and services.

"The pandemic has been a catalyst for the adoption of digital solutions in proxy. In markets where physical meetings, wet signatures and manual voting cards were still a requirement, these processes were re-engineered through the collaboration of market participants, national authorities and regulators to allow investors to continue to exercise their corporate governance rights," says Demi Derem, head of international bank broker-dealer communication solutions, Broadridge.

A change in approach

Most jurisdictions provided relief by allowing postponement/ adjournment due to the outbreak of coronavirus but some jurisdictions passed necessary acts and laws to allow fully virtual annual general meetings.

For example:

- UK: A temporary provision introduced in June 2020 to Corporate Insolvency and Governance Act 2020, allows virtual AGMs till March 2021
- Germany: Relief provided under COVID-19 Mitigation Act (CMA) to allow virtual shareholder meetings; has been allowed in 2021 as well
- Austria: COVID-19 GesV, passed in April 2020, allowed virtual AGMs; model extended to 2021
- Switzerland: COVID-19 Regulation 3 brought in June 2020 to allow virtual shareholder meetings, has now been extended to December 2021
- Malta: Legal notice 288 of 2020 states AGMs/ EGMs may be held virtually
- US: Generally allowed to hold either hybrid or virtual-only meetings

IHS Markit's director, product management, Charu Kirti Jain says: "A large number of countries have also adopted partial virtual means that allow online delivery of AGM notice and materials like annual reports, director's profile, audited financial statements as well as webcasting/online conferencing of the AGM proceedings."

Additionally, Jain observes there was an increased regulatory push to address certain transparency issues in the proxy voting processes. As well as reviewing performance, AGMs look into executive compensation, dividend proposals and significant investment decisions, and the ever-increasing hot topic of environmental, social and governance (ESG) and the risks related to it.

The recently launched Shareholders Rights Directive II (SRD II), implementation in the European Union in September 2020, aims to bring standardisation and automation in shareholder identification and proxy voting communication processes throughout EU member states

"In the US, adoption of amendments to 17 CFR 240 by Securities and Exchange Commission (SEC) in November 2020, focused on changes around rules governing proxy advisory and proxy solicitation. This was done to ensure that the investors receive accurate and complete information in a transparent way from the proxy advisory firms in order to enable them take more informed voting decisions," says Jain.

Developments in technology

The pandemic has forced the industry to look at their current processes especially in light of the updated EU SRD II. Experts agree that the pandemic definitely sped up the adoption of technology and electronic means in the proxy voting process for AGMs by several years. The outbreak forced companies to put in contingency measures to minimise the disruption to their AGMs. Experts say these companies were supported by local regulatory authorities that passed necessary acts/laws to allow fully virtual AGMs. Some of these laws are applicable for the 2021 proxy season as well.

Jain observes that online delivery of AGM notice and materials like annual reports, director's profile et al; was adopted by many companies where legislative requirements either allowed or provided waivers for such mechanisms.

"By using technology to stream audio, video and presentations, to authenticate online attendees, receive questions, collection of votes, tabulation and declaration of results; several logistics for holding a physical meeting were not required," comments Jain.

SRD II in particular drove the requirement to speed up traditional processes, which meant the better utilisation of digital technologies – real-time processing and transparency across the chain of intermediaries being the biggest themes and objectives for many, according to Broadridge's Derem.

Looking at investor communications horizon, in early 2020 Broadridge took the conscious decision to not only update its current technology and platforms to be SRD II compliant but also to re-platform its various institutional- and retail-based proxy solutions under a new digitally-enabled, cloud-based infrastructure.

While Jain agrees there were certain regulatory measures like SRD II that were pushing these proxy voting processes towards standardisation and digitisation, he suggests COVID-19 accelerated the technology adoption for processes.

This includes processes like shareholder identification, meetings announcement digitisation and communication, shareholder interactions and voting procedures to bring in cost efficiencies and address increasing customer demand for online services due to remote working.

Challenges

Although SRD II has acted as a catalyst for change in speeding up processes in proxy voting, it has not come without its challenges.

SRD II was rolled out as a directive rather than a regulation allowing each member state to transpose local compliance as they saw fit.

Derem explains that in many cases, transposition included subtle differences and often additional requirements for both issuers and intermediaries. As a consequence, a number of interpretation and market practice issues occurred, particularly around messaging between counterparties, which are still being addressed.

"Key legal definitions, especially what constitutes a shareholder, added additional complexities for intermediaries reengineering their operating models to be SRD II compliant," affirms Derem.

Meanwhile, the EU is set to review implementation challenges in 2022/23, and Derem says many market participants are now starting to refer to as the start of SRD III. Further challenges within the proxy voting space include the execution of voting rights where the rights holders have no financial interest in the companies.

For many markets, the rights to vote are determined by the record date holdings and these markets have a significant timespan between the record date and the meeting date.

Jain explains: "As a result, the trades happening between this period transfer the financial interests in the companies to the new buyers, effectively the new beneficial owners; however, the voting rights remain with the sellers because they held shares as of the record date."

"Similarly, there could be funds that hold large quantities of shares in a company and hedging against these positions with put options; effectively having a zero or many times negative financial interest. A joint effort would be needed from the custodians and the financial intermediaries to put volumes of such empty votes in statistical context before addressing them."

An evolving space

While investment strategy and the ability to hold securities globally have evolved, do processing for meetings still remain largely manual. However, Broadridge's Derem says there are some common misconceptions, and it can be confusing — unless you are familiar with the process, it is easy to get lost.

Through the widespread industry usage of Broadridge-related proxy infrastructure and solutions, proxy over the last decade or so has benefited from extremely high levels of straight-through processing.

Nonetheless, Derem cites that some restrictive market nuances and local and national laws remain which have limited the full adoption of digital solutions.

He comments: "Downstream ancillary services provided by custodians such as lending, triparty collateral and sanction screening have also created complexities in the adoption of full end-to-end automation. Due to the pandemic and SRD II, the industry in certain ways has been forced to relook at its traditional operating models and replace certain manual processes with automation or digital communications. Whilst some of these electronic processes were introduced as emergency measures by local regulators and authorities, we are hopeful that some of these will become a more permanent fixture."

Looking to the future, Broadridge expects to see further global initiatives and focus on corporate governance and ESG as national authorities and regulators look to continue the momentum.

Jain predicts that the key element that IHS Markit sees metamorphosing over the coming years in this digital age is "the trust" that is bound to change form from physical entities to secure digital records.

As digital technologies evolve to replace human trust in institutions like governments, companies, banks, lawyers etc., their adoption in the proxy voting space is inevitable, according to Jain. A number of consortium-based distributed ledger technology proofs-of-concept are being explored by many industry players for application in proxy voting space.

Jain muses: "Whether it is the establishment of ownership of securities and linking of voting rights with those or about the collection of voting instructions and improves vote execution transparency or it is about the transfer of voting rights to corresponding proxies; the possibilities in this space are all trust-based and can be addressed by distributed ledger-based technologies. So, this is another trend that we see gaining strength over the coming years."

Rising to the challenge

Maddie Saghir reports

Despite new challenges over the past year, Societe Generale's Gildas Le Treut, Stéphanie Gaudoux, and Alain Rocher say the pandemic has provided a tremendous catalyst for change and has created opportunities for service providers in France

What trends are you seeing within France's asset servicing industry?

Stéphanie Gaudoux, head of coverage, France: Despite high market volatility and a significant increase in transactions in 2020, our industry and all service providers have risen to the challenge. The ability of our business and systems to adapt and to design new solutions to sustain business is testament to the success and, ultimately, an excellent sign of the resilience of our models.

Nevertheless, there are some major challenges created by the environment. Some of them have been around for a while such as low interest rates and continuous pressure on prices of service charges from the final investors. These challenges, together with the acceleration of the development of new technologies and the need to select the right one, means the financial industry has had to swiftly adapt.

The pandemic has reinforced the key role our industry has to play in innovation, digitalisation and even exploring new areas such as blockchain and cryptocurrencies.

At the same time, the long-lasting pressure on margins is continuing and asset managers are focusing more on their comparative advantages and consequently outsourcing part of their core business. For example, this can be seen in middle office activities and demand for software as a service for their portfolio management system (PMS). Asset servicers are investing a lot to meet these growing demands. At Societe Generale Securities Services (SGSS), we have developed CrossWise, a fully integrated front-to-back platform, for this purpose.

Meanwhile, interest rates have remained historically low, thus encouraging investors to seek alternative yield sources. Research shows that they plan to allocate more capital to private markets in 2021, with the expectation that over the next five years, it is expected to almost double again in size. Due to this move and the diversity of private assets, service providers are adapting their services to very specific needs. This strong demand helps the development of new niche players, such as fintech and regtech. Traditional players are invited to become more agile and innovative in data management. They have done it by improving client experience through co-construction and ever more digitalisation of their processes.

Gildas Le Treut, head of sales and relationship management: Another significant trend is the growing appetite for sustainable assets. This area is thriving with sometimes unstructured initiatives but, with new regulations underway, all asset managers will have pressure to add the environmental, social and governance (ESG) factor within their strategies. Service providers, such as SGSS, will be at their side to provide them with the necessary analytics. Finally we see new complex regulations continuing with the implementation of the Central Securities Depositories Regulation (CSDR), and the Sustainable Finance Disclosure Regulation (SFDR), etc. All these trends require rapid and large investments that asset managers either can't afford or may not be equipped to deal with, therefore they are addressing their needs to service providers who are able to mutualise their investments.

Where does France's financial services industry stand next to its competitors in Europe?

Gaudoux: The French financial industry can rely on its strengths and a dynamic local market with major international banks and asset managers. The financial industry benefits from talented highly-educated financial engineers, and very active and innovative fintechs in various areas.

In addition, Brexit should help the Parisian finance district and benefit from investments' transfer in Europe and asset managers' implementation in the largest financial centres. It also offers opportunities for job creation and income.

Last but not least, France is considered to be at the forefront in terms of ESG and impact investment and intends to promote its expertise in its dynamic move towards more standardisation of concepts, leveraging innovative investment methodologies and driving positive initiatives.

What opportunities are on the horizon for France within its asset servicing industry?

Treut: The pandemic has provided a tremendous catalyst for change and has created many opportunities and challenges for service providers.

Due to the rapid evolution, service providers must be at the side of fiduciary actors and move from simple service providers to true partners in many different areas: to support asset managers who need to meet all their commercial targets, address regulatory or operational challenges and to give them the ability to focus on their core activities and deliver performances. As such, asset servicers should be actively promoting new added-value services in several ways:

- With operational outsourcing solutions for the new part of the value chain (dealing desks, middle office, portfolio management systems, etc) but also providing integration in platforms encompassing the largest suite of services from the front office to post-trade functions. In SGSS, it is CrossWise, an integrated front to back service offer for mid-size asset managers developed with Simcorp. In the private market world, SGSS is also developing a new advanced middle office service incorporating the widest functionalities to meet highly demanding private markets clients.

- Taking the digitalisation of processes and communication to the next level is also one of the main outcomes of the COVID-19 crisis and we don't see this trend stopping. Asset servicers are at the heart of this evolution and invest a great deal in data management to deliver a better client experience. As an example, at Societe Generale, we have been migrating all customer accesses to wholesale banking services to a single web platform called SG Markets, integrating application programme interfaces.

- Supporting clients to navigate through regulations and to extract opportunities for business development is also a major request by clients. All regulations insist on transparency. For this need, SGSS is developing new possibilities for clients to enhance data usages through added value reporting covering the widest range of requests.

France's current thinking and work, therefore, essentially relates to revisions or new draft European directives and regulations

- Accompanying investors and asset managers in the operational implementation of their ESG strategies. Whether in the investment decision process or ESG data management, SGSS can help them in the pre and post trade controls, reporting as well as monitoring their commitments in terms of corporate governance.
- To support investors and asset managers' strategy in all asset classes while integrating ESG issues and the appetite for digitisation, service providers are building partnerships with specialists and with cutting-edge fintechs/specialists to bring together the best expertise. At SGSS, we have selected and integrated in the value chains, partners such as Simcorp for CrossWise or MFex for fund distribution or the Fintech Addventa for automated factsheets comments generation.

How has T2S and the success of blockchain technology helped the French asset servicing industry?

Alain Rocher, head of knowledge management strategy and market infrastructure: The European Target 2 Securities (T2S) platform has completely fulfilled its objective of streamlining and securing settlement-delivery at European level. It makes it possible to process all transactions on interest rates, shares and Undertakings for Collective Investments (UCIs) in the Eurozone while also offering high-performance collateral management functions. The advent of T2S has undoubtedly greatly facilitated the harmonization of the status and role of central securities depositories (CSDs) in Europe.

As for blockchain, it is perhaps still too premature to speak of success insofar as it is only really successful for the management of cryptocurrencies like bitcoin for which it was specifically created. Regarding security tokens, there are still points to be clarified, in particular the responsibility of the issuer of security tokens in a blockchain (remember that bitcoins have no identifiable issuer). There is also the protection of investors in listed securities to be considered, which is in fact posed differently in a decentralised infrastructure such as the blockchain, compared to a centralised infrastructure such as a CSD.

What regulations are ongoing in France?

Rocher: In general, French regulations are very dependent on European regulations. France's current thinking and work, therefore, essentially relates to revisions or new draft European directives and regulations.

The revisions concern, for example, CSDR; the regulation on central securities depositories and the Alternative Investment Fund Managers Directive (AIFMD); the directive on alternative investment funds, but also the Packaged retail investment and insurance products (PRIIPs) and Markets in Financial Instruments Regulation (MiFIR) for all matters relating to investor protection and information reporting, as well as how infrastructures work.

As regards new projects, they mainly relate to digital finance, sustainable finance and phase II of the Capital Market Union (CMU). In terms of digital finance, we are mainly focused on two legislative proposals on crypto-assets: one on the pilot regime for tokenised financial securities and the second on crypto-assets not currently covered by regulations (stable coins, utility tokens etc). Regarding sustainable finance, also known as ESG, for us, it is above all a question of seeing the impacts of the implementation of sustainability and transparency criteria on already existing regulations such as MIFIR, AIFMD or UCITS.

Phase II of the CMU impacts us on post-trade aspects and should only require a few adaptations of the Shareholders' Law Directive, as well as certain improvements in withholding and tax recovery procedures. Although this is not a regulation strictly speaking, we are nevertheless also following major market initiatives such as the technical consolidation of the T2S and T2 platforms scheduled for November 2022, which will be accompanied by the migration of Swift payment messages according to the ISO 20022 standard. The same applies to the launch in November 2023 of the Eurosystem Collateral Management System (ECMS) platform for collateral management by the central banks of the Eurosystem.

C3 on CSDR: compliance, controls and expertise you can count on: activate, validate, allocate

C3 Post Trade quantifies the scale of the challenge posed by CSDR's SDR and offers advice on how to prepare for strict settlement oversight

CSDR explained

The Central Securities Depository Regulation's (CSDR) settlement discipline regime is due to come into force on 1 February 2022. CSDR's goal is to improve the safety and efficiency of securities settlement systems across the European Economic Area (EEA).

The location of the settling party is not relevant and therefore firms that are based outside the EEA with trades settling in EEA CSDs and International CSDs (ICSDs) are impacted. UK firms will be impacted where their transactions are settling in EEA CSDs and ICSDs.

There are three pillars:

1. Measures to prevent settlement fails
2. Measures to address settlement fails
3. Measures to monitor settlement fails

Settlements in the UK CSD (Euroclear UKandI) will not be subject to the regime. Again, the location of the settling party is not relevant.

Settlement discipline is included in the current European Commission's consultation on CSDR.

The outcome is not yet known but current industry consensus appears to be:

- Interest penalties: these will happen
- Mandatory buy-ins: likely to happen so we urge firms to plan for the worst and hope for the best

What is the impact of CSDR?

The regime has a firm-wide impact, including on the front office and especially if mandatory buy-in requirements don't change.

- Firms will receive their first fails penalties reports on 2 February 2022
- Those with multiple CSD or custodian relationships will receive a report from each of them
- These reports will show the debit or credit interest associated with each fail
- Interest will then need to be validated and allocated appropriately, in line with internal policies and external regulatory and contractual obligations (such as MiFID)
- Monthly summaries need to be checked back to item-level daily reporting
- For a firm with 250 fails a day this means at least 20 reports and 5,000 interest debits and credits every month. Few will be individually material, but all need to be processed
- The first mandatory buy-ins are due a few days later. The timescales for these vary according to the instrument type, liquidity, and trading venue but will usually be after 4 business days (liquid shares) or 7 business days (most other transactions)

> *"Processing buy-ins will be hard to track and control. For example, the initiator needs to check that buy-in is feasible, select the agent, issue the instruction, process the result, cancel the original failed instruction, and keep their counterparty informed"*

Rob Denham, founder and CEO, C3 Post Trade

How should firms prepare?

The starting point should be an impact assessment based on an analysis of the expected penalty interest, potential buy-ins, their causes, the impact on clients and the front office, and regulatory and contractual considerations.

This will give the basis for determining the size and scope of the project needed and ensure that resources are appropriately allocated across the various workstreams.

Planning and preparation activities can be categorised as:

- Reducing fails across all impacted business activities (cash trading, repo, stock lending, etc) – fewer penalties, fewer mandatory buy-ins. A trade that settles on ISD (intended settlement date) won't ever be penalised or bought in. What changes are needed to improve settlement rates and reduce the time to resolve fails?
- Front office preparation – counterparty/broker performance needs to be reviewed, client impact including contractual changes assessed, etc. How will this be monitored and managed?
- Processing penalties – we conservatively estimate c.€1.5bn pa total debit and credit interest. These are significant new flows. How are they going to be validated and allocated? How will queries be resolved? Who is going to do this?
- Processing mandatory buy-ins – these impact a lot of business areas: front office, middle office / fund accounting, settlements, etc. Who will own these and coordinate across the firm?

> *Examples of issues buy-side firms need to consider include tracking indexes, lending costs, cash compensation, hedge transactions, proving best execution, and accounting for interest penalties. Sell-side firms need to ensure they validate and process interest penalties and buy-ins in line with client agreements and regulatory obligations*

Rob Denham, founder and CEO, C3 Post Trade

> *We estimate that over 10,000 firms globally will be directly impacted by the measures to address settlement fails: the introduction of cash penalties and a mandatory buy-in framework. This includes both buy-side and sell-side firms*

Ian Perham, CSDR product manager, C3 Post Trade

How can C3 help?

C3's CSDR fully-managed service takes the worry out of compliance.

We help ensure fewer fails and buy-ins, enable validation and allocation of penalties, and offer a comprehensive audit trail to keep track of everything.

C3 Benefits

- Calculate expected penalty interest and identify potential buy-ins
- Import and track penalty reports from CSDs/ICSDs, CCPs and custodians
- Experience a full audit trail of actions and approvals at your fingertips
- Leverage MI to monitor, manage and control your views

CSDR Timeline

Impact assessment	Implement change	Prepare for 'Go live'	CSDR Live
2021: Q2	2021: Q3	2021: Q4 and Jan 22	1 Feb 2022 — Feb 2022 Onwards

Impact assessment — 2021: Q2

Activate

- Calculate expected fail penalties and buy-ins
- Establish and initiate changes needed to reduce fail rates

Implement change — 2021: Q3

Activate

- Design and implement penalty and buy in processes and controls
- Replay calculation of fail penalties and buy-ins

Prepare for 'Go live' — 2021: Q4 and Jan 22

Validate

- Test reconciliation of expected penalties versus actual
- Test penalty and buy-in processes and controls

CSDR Live — Feb 2022 Onwards

Validate

- Calculate expected penalties and reconcile versus actual
- Manage buy-in process

Allocate

- Reporting to drive postings

C3 Workstream	C3's CSDR Offering
Activate	• An impact assessment covering expected penalty debit and credit interest, and number of buy-ins, the impact on clients and the front office, and regulatory contractual considerations.
Validate	• Have complete visibilty of daily fails and penalties per custodian, prime broker, CSD and CCP. • Calculate expected penalties and buy-ins. • Includes daily penalty reconciliation differences with a full audit trail of actions and approvals.
Allocate	• Generates postings - both agreed debit and credit interest, over/under, and other charges. • Our daily and monthly reporting features make management and control under CSDR so much easier. You'll have access to MI from historic data to identify and fix issues, receive alerts and be fully supported to validate penalties.
Additional Benefits	• Stay on top of files you've received and processed with our connectivity dashboard. • A comprehensive calculation of expected penalties. • Minimise buy-ins with countdown reporting. • Buy-in workflow management.

Gresham Technologies has appointed Harvey Colborne to lead business development and sales across the UK and Ireland.

Colborne brings extensive knowledge and experience of both the buy and sell-side, specialising in post-trade and data technology.

He joins from SEI where he worked as European sales director for investment manager services.

During his career, Colborne has also worked at J.P. Morgan, Schroders, and BNY Mellon, as well as technology providers such as Interactive Data and IHS Markit.

Gresham explains that the appointment comes at a time of sustained growth for the firm.

Commenting on his new role, Colborne says: "I'm excited to be part of Gresham at such an important stage in its development and to be working closely with the innovators and architects behind the industry's leading cloud-first, data control platform."

Spencer Black, head of sales, UK and Europe, Gresham Technologies, adds: "We are seeing exponential growth and demand for our Clareti Connect and Clareti Control Solutions as firms place data accuracy, control and connectivity at the very top of their business transformation agenda."

"With over 20 years of experience helping financial institutions build competitive advantage and proven success in driving growth, Harvey Colborne is the right person to help us continue our journey and gain even greater market share in the UK and Ireland."

Earlier in March, Gresham announced that a Luxembourg-based financial group selected its Clareti platform.

Ocorian, a provider of corporate and fiduciary services, fund administration and capital markets, has appointed Damian Resnik as its new managing director in Bermuda.

Resnik, who joined the group in June 2019 as client and operations director, will continue to build on Ocorian's presence in Bermuda, working with some of the leading asset managers in the region.

Previously, he worked at Fidelity International as head of Bermuda investment compliance. He has also served as vice president of fund operations at Hemisphere Management.

According to Resnik, Ocorian's reach and scale provide tremendous opportunities for clients who are looking to administer structures and transactions seamlessly across multiple jurisdictions.

He says: "Our team has a long-term commitment to delivering outstanding client service and I firmly believe that we add value to our clients and the wider market. I'm very excited about my new role and look forward to continuing to grow our presence in this key region."

Jason Gerlis, regional head of Americas for Ocorian, comments: "Our clients always come first and Damian's proven track record collaborating with our global team to deliver exemplary client service, refine our operations and steward our growth in Bermuda will ensure that we continue to be a global leader in this crucial region."

State Street has appointed Ann Fogarty, formerly of BNY Mellon, to executive vice president and deputy head of global delivery.

In her new role, Fogarty will have responsibility for State Street's custody, middle office, transfer agency and client service operations.

Reporting to Liz Nolan, executive vice president and head of global delivery, Fogarty will also join State Street's management committee.

Fogarty has experience in leading global, cross-business initiatives across all aspects of the trading lifecycle, and has experience with the global regulatory environment.

During her career, Fogarty has managed teams and projects across Europe, Middle East and Africa (EMEA), Latin America and the Asia Pacific region.

Most recently at BNY Mellon, Fogarty was an executive committee member responsible for leading the Global Operations organisation and supporting the client investment lifecycle and overseeing a team of more than 20,000.

She held a variety of senior positions since joining BNY Mellon in 1988, including head of EMEA investment operations and managing director leading the provision of fund accounting, transfer agency and middle office services to mutual, exchange-traded funds (ETF) and alternative fund clients.

Commenting on the appointment, Nolan says: "Ann Fogarty brings significant global operations expertise across all ranges of complex fund structures and jurisdictions."

Nolan continues: "She has a keen understanding of the needs of our clients and her depth and breadth of capabilities, particularly in the custody and fund administration space, will help us continue to scale our operating model while providing our clients with continued high-quality service and delivery."

Ultimus Fund Solutions has appointed Susan Cosgrove to its board of directors.

Cosgrove currently works as managing director and chief financial officer of the Depository Trust and Clearing Corporation (DTCC).

Cosgrove leads DTCC's global finance, treasury, strategic sourcing, real estate, corporate services, and new initiatives oversight teams.

She is a member of DTCC's management committee, management risk committee and co-chairs the investment and operating committee.

In addition, she chairs DTCC's Deriv/SERV board of directors, as well as the boards of several of the DTCC trade repositories.

Previously, Cosgrove has worked as managing director and general manager of settlement and asset services, overseeing all depository businesses, and the general manager for DTCC's equity and fixed income clearing services.

During her career, she has also taken on roles at Lehman Brothers, Maxcor Financial Group and PwC.

Ultimus CEO Gary Tenkman states: "[Susan Cosgrove] has long been instrumental in guiding DTCC's strategic approach to incorporating new technologies and using fintech to drive efficiencies and reduce risk and costs. She is a powerful advocate for finding the right balance between innovation and disciplined, structured decision-making."

"Cosgrove's vision is aligned with Ultimus' ongoing commitment to leveraging the industry's most advanced technology to streamline our operations and provide new solutions for investment managers and their clients. We are excited about the rich experience and insight Susan brings to the table and welcome her contributions to our business," Tenkman adds.

Cryptocurrency custody provider Brane has bolstered its management team with the appointment of Jerome Dwight as president.

Dwight was formerly CEO of BNY Mellon's Canadian business, and global market head at RBC, where he led the bank's international expansion of corporate and institutional global custody and wealth management services across the Americas and Europe.

With the addition of Dwight to the management team, Brane chairman Adam Miron has become interim CEO.

Miron is the founder and former chief operating officer and chief brand officer of HEXO.

"By recruiting an executive of Jerome Dwight's calibre to our management team, Brane is taking a major step toward realising our vision: providing world-class custody for cryptocurrencies – the world's newest asset class," Miran says.

Meanwhile, Brane board member and Ontario's 24th Premier Dalton McGuinty, adds: "With Jerome Dwight joining our roster of talented executives, Brane is positioned to become the most trusted partner for clients seeking to understand and unlock the power of the blockchain and crypto assets. Brane is rapidly becoming a Canadian innovation success story."


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