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Temenos joins forces with digital asset fintech Taurus

Banking software company Temenos has joined forces with Taurus, the Swiss digital asset and blockchain infrastructure fintech, to help banks bridge the gap between traditional investments and digital assets.

Taurus' technology, which can integrate and manage any digital asset through its full suite of products, is now available to Temenos' clients through Temenos MarketPlace.

The collaboration between Temenos and Taurus allows banks to provide custody to a range of digital assets and also create tokenised products of their choice.

Depending on their business model and regulatory framework, banks will be able to create, manage and service tokenised assets leveraging Taurus-CAPITAL and Taurus-PROTECT functionalities.

Following a thorough landscape review and evaluation process, Temenos says it selected Taurus as a partner because it wanted to deliver simplified access to digital assets for its banking clients.

Taurus recently received a securities firm license from the Swiss Financial Market Supervisory Authority (FINMA) to operate the first independent regulated marketplace for digital assets in the world.

Alexandre Duret, product director at Temenos, says: "We believe that digital assets represent new opportunities for banks and wealth managers. Investors are increasingly aware of the performance of cryptocurrencies, which can effectively participate in the diversification of a portfolio."

Duret continues: "But other applications of blockchain technology, such as tokenised securities have the potential to transform the value chain with simpler issuance procedures, greater liquidity and real-time settlement."

Sébastien Dessimoz, managing partner at Taurus, explains: "Digital assets represent a major shift in the industry and we see an acceleration in demand since 2020. We are pleased to collaborate with Temenos, the world-leading banking software, and be able to make available our technology to Temenos' client base of more than 3,000 banks and financial institutions worldwide."

"Taurus end-to-end platform will allow Temenos clients to manage any digital asset and create products in a couple of clicks," Dessimoz adds.

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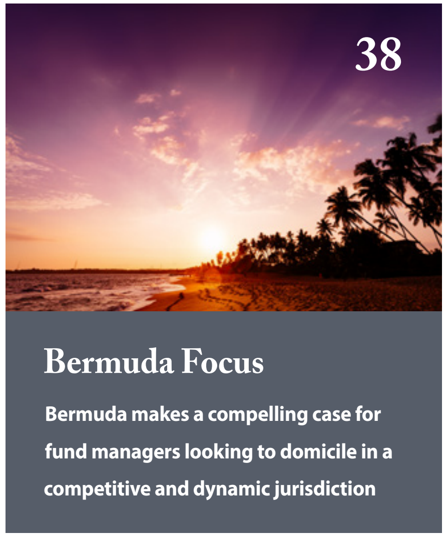

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CSC enhances fund services footprint with depositary license in Ireland

CSC, provider of business, legal, tax and digital brand services, has expanded its fund services footprint by securing a specialised depositary license from the Central Bank of Ireland.

Last year CSC obtained an Irish fund administration license, which was approved by the Central Bank of Ireland after a six-month application process.

The new depositary license further enhances its capabilities in Ireland and advances its long term strategy of providing a comprehensive suite of multijurisdictional alternative investment, capital markets and corporate solutions.

CSC says it anticipates fund administration and depositary licenses in Luxembourg to follow shortly, which will complement service offerings in Ireland and the Netherlands.

"We're delighted to be among the first companies to receive authorization to act as a depositary of assets other than financial instruments in Ireland," says Paul Whelan, managing director of depositary services for CSC Global Financial Markets in Dublin.

Whelan continues: "I'd like to thank the Central Bank of Ireland for engaging with us throughout the process.

This license allows us to provide our clients with additional services while delivering the high level of support and expertise they expect."

John Hebert, president of CSC Global Financial Markets, comments: "Attaining our depositary license in Ireland is another important milestone in building a leading services offering for fund managers and enhancing our global capabilities."

"Our clients' interests are our top priority, and our team-based approach allows us to work in concert with them, no matter the market, service, asset type, or location", Hebert adds.

Broadridge completes Itiviti acquisition

Broadridge has completed its previously announced acquisition of Itiviti, a provider of trading and connectivity technology to the capital markets industry. The acquisition is set to extend Broadridge's back-office capabilities into the front office and deepen its multi-asset class solutions.

According to Broadridge, this will better enable the company to help financial institutions adapt to a rapidly evolving marketplace. The addition of Itiviti's footprint in Asia Pacific and Europe, the Middle East and Africa also increases Broadridge's scale outside of North America to better serve global clients.

Itiviti is a global capital markets technology service provider offering solutions that financial institutions use to consolidate their trading infrastructure.

It has offices in 16 countries and, according to Itiviti, it serves 24 of the top 25 global investment banks and over 2,000 leading brokers, trading firms and asset managers across 50 countries.

Itiviti will become part of Broadridge's Global Technology and Operations segment and its senior management team, led by CEO Rob Mackay, will remain with the company to drive future growth.

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J.P. Morgan selects TradingHub's new trading analytics tool

J.P. Morgan Securities Services is set to offer TradingHub's Trading Analytics solutions including its new Transaction Efficiency and Accuracy Monitor (TEAM) solution. TEAM is a new tool that enables financial services firms to evaluate execution costs at the order, trade, instrument or asset class-level, and compare against peers on an anonymised and permissioned basis. J.P. Morgan will offer this solution to its institutional clients through its open data and analytics platform.

TEAM's utilisation of customer consortium data enables buy-side firms to monitor and lower their trading costs by identifying brokers providing best execution. The tool also offers sell-side institutions greater transparency into their market share and quality of execution versus that of their peers, supporting continuous improvement of service.

Analysing published market data alongside its dataset of anonymised and permissioned client trades, TradingHub's proprietary modelling determines accurate mid-prices intraday across asset classes and product types.

The data also supports TEAM's order routing tool which simulates order execution with different brokers over different time periods.

According to J.P. Morgan, TEAM is of particular importance to compliance teams, as it aids in the monitoring of execution quality across asset types and venues, and the identification of trading patterns associated with particular instruments.

Richard Crozier, head of product for data and analytics at J.P. Morgan Securities Services, explains: "Providing clients with access to unique services which help them manage transparency across the trade lifecycle is more important than ever."

"We're excited to be working with TradingHub and offer TEAM as part of our growing platform."

Neil Walker, chief executive and founder of TradingHub, comments: "We are delighted J.P. Morgan has identified TEAM as a highly novel and valuable product and is giving its clients access to our market leading trade execution analytics service."

Walker adds: "This important relationship with J.P. Morgan will give more asset managers access to our services in a seamless and efficient manner via its open platform."

Apex Group acquires fund services provider in Israel

Apex Group, a global financial services provider, has acquired Tzur Management, a fund administration services provider with offices in Tel Aviv, Israel and New York.

The deal will further enhance Apex's geographic reach and ability to deliver high quality services to clients globally, on a local basis.

The acquisition of Tzur will add 90 employees, assets under administration of $13 billion and a new jurisdiction to the group's footprint.

Founded in 2011, Tzur is a full-service, multi-disciplinary fund services manager serving clients in the global alternative investment market.

Tzur's clients are now set to benefit from Apex's global, cross-jurisdictional reach and additional services including digital banking, global compliance solutions and environmental, social and governance ratings and advisory.

Peter Hughes, founder and CEO of Apex Group, comments: "This acquisition is further evidence of our commitment to building a unique business, with an unrivalled density of high quality, locally delivered services for our clients."

Hughes notes: "The addition of the Tzur business enables us to expand into the Israel market and further strengthen our regional presence."

"As the alternative funds industry continues to attract capital, we will continuously evolve our offering to provide tailored advice and support to these investment strategies and structures."

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Sanne rejects Cinven's £1.35bn offer

Sanne, a provider of alternative asset and corporate administration services, has rejected a proposal of £1.35 billion from Cinven, a global private equity firm, to buy out the firm. This follows Cinven's proposal made on 4 May to Sanne regarding a possible cash offer for Sanne at 830 pence per share which could be made by a company to be incorporated by the Cinven funds.

Additionally, eligible Sanne shareholders would also retain the right to receive the final dividend of 9.9 pence per share declared on 19 March.

Cinven must announce its intention to make an offer by 11 June or state that it does not intend to make an offer.

The deadline can be extended with the consent of the Panel on Takeovers and Mergers. In December last year, Sanne entered into an agreement to acquire Private Equity Administrators (PEA), a private equity fund administrator. The acquisition was intended to provide an opportunity to increase the scale of Sanne's Guernsey operations with the potential to drive cost synergies going forward.

The fund administrator also became the first successful applicant to secure a specialised depositary licence from the Central Bank of Ireland.

The licence marked a significant milestone for its Irish business as the licence will allow it to further enhance its capabilities in Ireland and its multi-jurisdictional proposition for alternative fund managers, according to Sanne.

Speaking on its financial performance in 2020, Sanne said it was "resilient...with continued investment in organic initiatives and our technology strategy".

The fund administrator noted that the business continues to enhance its global footprint and expand its product expertise. Last year, Sanne totalled a net revenue of £169.7 million with an underlying operating profit of £48.0 million. It also gained £22.5 million in new business wins throughout 2020.

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Deutsche Bank and STACS complete POC on the use of DLT for digital assets

Deutsche Bank Securities Services in Singapore and Singapore fintech Hashstacs (STACS) have completed their proof-of-concept (POC) referred to as Project Benja.

Set in the context of tokenised securities in the securities market, the teams worked on digital assets interoperability across platforms and related custody, digital securities and cash delivery-versus-payment practice, distributed ledger technology (DLT) to traditional systems connectivity, operating model evolution and smart contract templates. This also included those involving sustainability-linked digital bonds.

Deutsche Bank's domain expertise and the respective teams' technical designs were combined with STACS' live DLT platform which allows for end-to-end bonds lifecycle management.

The POC results were then tested with industry participants — UBS, Malaysia National Stock Exchange Bursa Malaysia, and Union Bank of the Philippines — whose perspectives enriched the POC with more holistic assessments.

Through their involvement, Deutsche Bank and STACS were able to remodel and optimise the workflows involved to create a 'bond in a box' DLT platform.

Deutsche Bank explains that this unlocks new efficiencies with rapid smart contracts issuances, and tested the integration with payment modes like UBIN and Diem, digital custody and asset servicing, and environmental, social, and governance (ESG) financing transparency needs.

The POC follows on from the news in February when Deutsche Bank revealed it was exploring options to start offering digital currency custody services as well as other crypto-specific services for institutional investors.

Prior to that, in January, Deutsche Bank and STACS noted they would explore a POC related to the technological and practical feasibility of digital assets interoperability.

STACS, in collaboration with Deutsche Bank Securities Services, was awarded the POC grant on 29 October 2020, which provided funding support for experimentation, development and dissemination of nascent innovative technologies in the financial services sector.

The POC grant is part of the Financial Sector Technology and Innovation scheme under the Financial Sector Development Fund administered by the Monetary Authority of Singapore.

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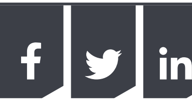

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Digivault gets FCA's approval to become custodian wallet provider

Digivault, the digital asset custody business of Diginex, has received approval from the Financial Conduct Authority (FCA) to become a custodian wallet provider under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations (MLR).

The move marks Digivault as the first standalone digital asset custodian to receive the FCA's approval.

It also represents a key milestone for Digivault's strategy to provide compliant and secure custody services to corporate and institutional investors in crypto assets.

Digivault's cold solution includes a network of secure third-party vaults owned by vault services provider Malca-Amit.

The warm custody solution combines the best of cold and hot custody by incorporating a physical break on the internet through a series of hardware and software firewalls.

Digivault also provides custodial services for assets in Bitcoin, Ethereum and USDC, as well as other assets that are hosted on ERC-20 and ERC-1400 protocols.

Rob Cooper, CEO of Digivault, says operating within the FCA's MLR framework provides our clients with the assurance that their assets are being custodied within the highest possible standard of governance, control and oversight.

Richard Byworth, CEO of Diginex, comments: "The FCA approval is continued validation of our strategy to deliver fair, transparent and compliant crypto products for institutions. Digivault's market leading custody solution is a foundational pillar of the Diginex ecosystem and acts as a key enabler to the EQUOS Exchange, over-the-counter and lending business lines."

The FCA registration follows a recently announced partnership with Torstone Technology to deliver post-trade settlement and digital asset custody to institutional clients via Torstone's settlement platform.

Digivault will leverage the Torstone Technology cross-asset platform including cryptocurrencies and tokenised assets, giving clients the flexibility to handle all of their crypto trading in a single post-trade solution leveraging Digivault for digital asset custody.

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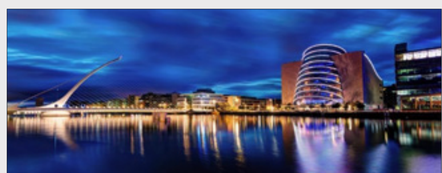
Don't risk progress made with LIBOR, says BoE governor

The transition from LIBOR was always going to be challenging, but Andrew Bailey, governor of the Bank of England, says to those looking for an easy descent by substituting LIBOR for credit sensitive rates, "risk much of the good progress that has been made".

Bailey explained that although these rates may offer convenience as a short-term substitution, they present a range of complex longer term risks.

Read the full article online

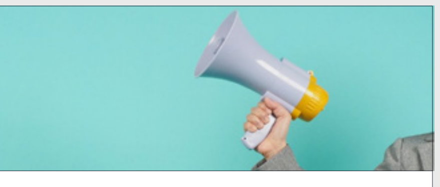


Bridgepoint and Astorg to acquire Fenergo

Bridgepoint and Astorg have signed a definitive agreement alongside Fenergo's management team to acquire Fenergo from Insight Partners.

The acquisition follows a period of expansion for Fenergo and will drive investment in the firm's software as a service strategy, product line development and support an expanding team through the next phase of growth.

Read the full article online

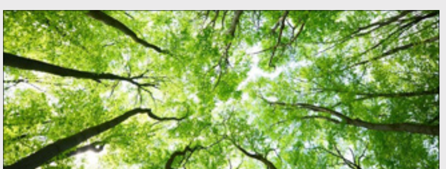


EFAMA calls for ESAs to address data costs associated with SFDR

Data costs as a key issue that needs to be addressed in relation to the Sustainable Finance Disclosure Regulation, according to the European Fund and Asset Management Association.

This issue was listed among six other key issues in EFAMA's response to the joint European Supervisory Authorities consultation on taxonomy-related sustainability disclosures in SFDR.

Read the full article online



IHS Markit to provide ESG services for Toronto Stock Exchange

IHS Markit is set to deliver environmental, social and governance services for the Toronto Stock Exchange and TSX Venture Exchange.

The exchanges will leverage IHS Markit's multi framework ESG reporting and data distribution platform, ESG Reporting Repository, to its issuers. TSX and TSXV will recommend the use of the repository to approximately 2,300 public companies listed on the exchanges at no additional cost.

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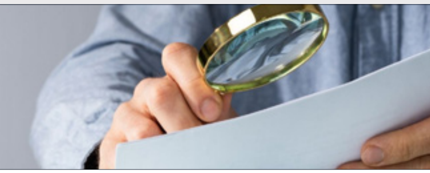

deltaconX to provide regulatory reporting services for Cardano

deltaconX's regulatory platform has been selected by Cardano Risk Management to provide its clients regulatory reporting services under European Market Infrastructure Regulation EU and UK.

Cardano Risk Management is offering its risk management and execution services to more than 50 European and UK based pension funds, through its entities in the Netherlands and the UK.

Read the full article online

Euronext reveals the success of rights offer as part Borsa Italiana acquisition

Euronext has revealed its rights offer which was launched on 29 April 2021, concurrently with the completion of the acquisition of Borsa Italiana Group has proceeded successfully.

The final gross proceeds of the offer amount to €1,820 million, corresponding to the issuance of 30,506,294 ordinary shares at a subscription price per share of €59.65.

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A new lens

Although the COVID-19 pandemic saw the corporate actions industry face many challenges, it has provided a significant catalyst to change. Industry experts discuss the lack of standardisation, increasing external demands, the optimum vision for corporate actions space and more

Why does the management of corporate actions play an increasingly critical role in meeting increasing external demands?

Daniel Schaefer: The processing of corporate actions is becoming more commoditised. Clients expect low-touch processing and want it to work as smoothly as possible. But complex corporate actions are still lacking a degree of standardisation and harmonisation across markets, posing greater operating and financial risks, and, therefore, requiring service providers to be very close to the markets and issuers.

Regulators, especially in Europe, increasingly require intermediaries in the process chain to pass on information to shareholders (and instructions from shareholders back to the issuers), to enable investors to execute their shareholder rights. In Europe, the two Shareholder Rights Directives (SRD I and SRD II) have had a huge impact on how corporate actions are processed by intermediaries.We are seeing further initiatives to improve corporate actions processes, for example, by the European Central Bank, which is a key driver behind the newly created Corporate Events Group and the SCoRE standards for corporate actions.

George Harris: Corporate actions management has always been a dominant feature within the operational framework. Not only does it attract strong attention from the investor and ownership community but also carries a high risk quotient associated with the operational management of the lifecycle of the event. However, what appears to be emerging is a greater amount of scrutiny paid to the end to end process culminating in continuous reportable activities within the overall operational eco-structure whereby the investor and ownership community is just one interested party. Specifically, the need to capture the key economic detail of the corporate action event, the applicable decision points and the predicted and actual outcomes are key referential points required to be published to multiple information consumers.

These demands are required to be met either as a feature of any Service Level Agreement/ Description between parties or are considered as in-scope reporting points to meet any regulatory demand, including SRD II or theSecurities Financing Transactions Regulation (SFTR). This has given rise to having to warehouse this data within an enterprise data management solution thus allowing a managed control of content and distribution

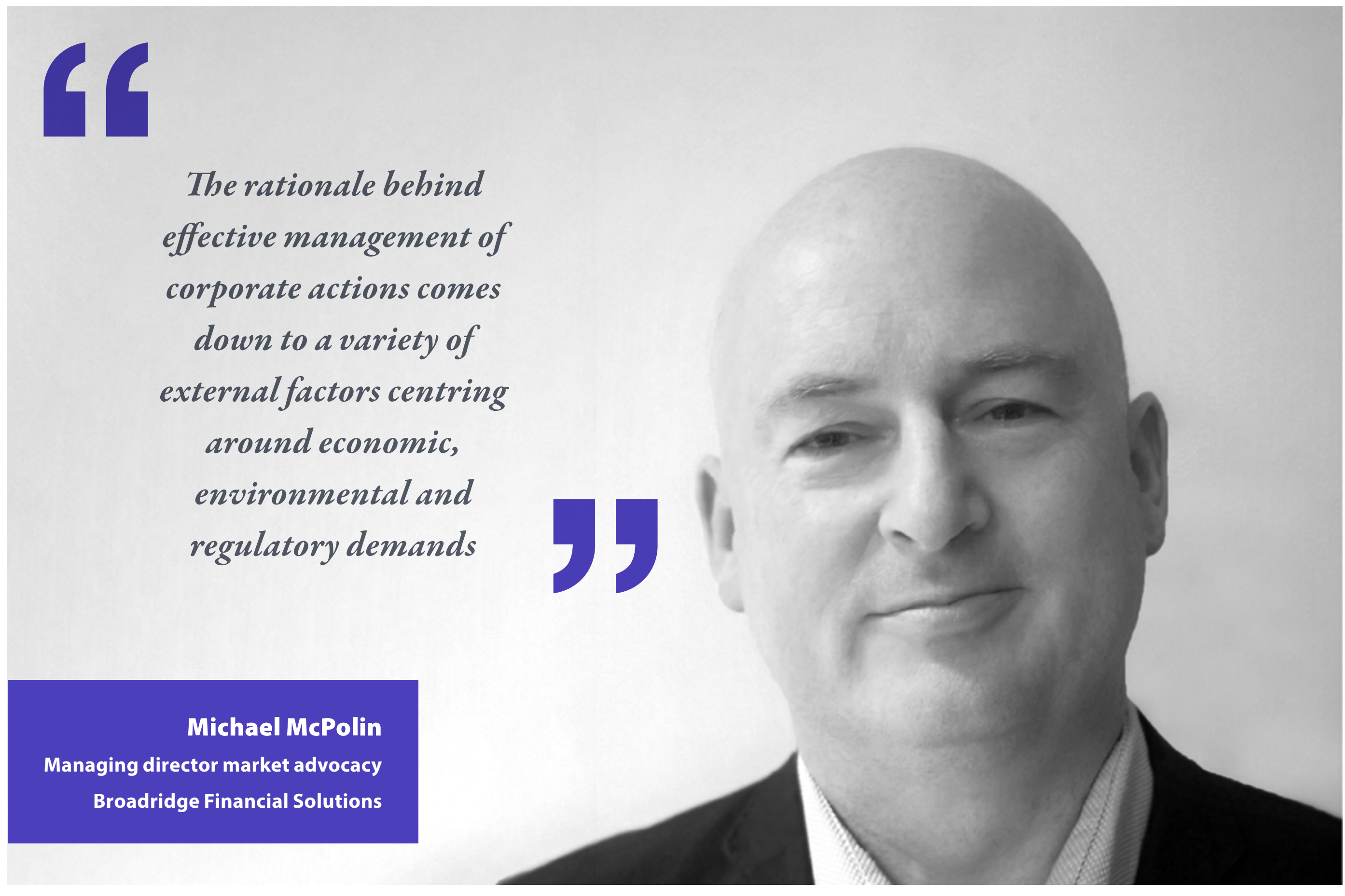
Katie O'Connor: The increasing demand for self-servicing, real time information access and modern digital tools provide both challenges and opportunities in the corporate actions space. Given the complex nature of corporate actions, the need to ensure timeliness and accuracy in every step thereafter — dissemination of the corporate action information to investors, collection of elections and passing instructions to the street, and paying out correctly, further adds to these risks and operational costs and creates several potential points of failure. In addition to the above challenges, there has also been the introduction of several new regulations as regulators look to protect investors and maintain confidence in market integrity. We are seeing newer regulations such as SRD II increasing transparency around corporate governance and setting performance parameters by which intermediaries must pass on corporate event notifications to clients.

Market infrastructures around the world are also evolving. DTCC in the US is completing the reengineering of corporate actions processing by DTCC to move to the latest ISO 20022 standard. Various European market infrastructures, driven by T2S harmonisation efforts are following suit and the ones in Asia Pacific (APAC) are not far behind.

All of these changes require continuous product and technology change investments with the growing demand from clients to provide accurate data and information on a real-time basis through modern open platforms and application programming interfaces (APIs). The API adoption is increasing at a rapid pace and their adoption can improve the efficiency not only around client communication but also interactions with the street including counterparties, market infrastructures and solution providers. Coupled with an increased demand for portals which give asset owners increased transparency and control over their corporate actions.

Sharde McCorkle: There are numerous reasons why the management of corporate actions is so critical especially in today's financial climate but, my short answer is the customer and here's why: corporate actions are a pillar of the post-trade lifecycle support ecosystem and it's our service that produces and supports economic stability and business continuity within the broader operations support model. The role of corporate actions continues to become increasingly critical as the demands of the marketplace evolve and the expectations of client service collide. Over the years we've seen corporate actions progressively morph into a complex business that must keep up with the challenges of the clientele it serves. As such, the considerations that are on the radar of all lines of business lie within systemic risk, enhanced security instruments, time management combined with multi-market processing, trade activity, and the overall impact of the current events we face.

When it comes to processing and meeting the external demands of event management, it's crucial that financial bodies consider the big picture in order to attain the best results. How many times have we witnessed the consequences of failing to optimise performance and the downstream implications that include everything from regulatory penalties to financial loss (not just for the



firm but also the customer), and of course reputational damage in the eye of the public and in the confidence of the client? The external demands for timeliness, speed, accuracy, transparency, and value are becoming increasingly more present and the days of leaving elections on the table, overlooking event complexities, and operating with a business as usual (BAU) state of mind are no more. So, when we think about the criticality of managing corporate actions in today's landscape, I think the consistent question we should ask is how the mismanagement of corporate actions will simultaneously influence external demands and what are the internal consequences of overlooking them. Ongoing dialogue to ask the right questions positions us to strategise and when we consider our strategy, we are met with the opportunity to develop the right answers to put our best efforts forth first for the customer and ultimately for the business.

Michael McPolin: The rationale behind effective management of corporate actions comes down to a variety of external factors centring around economic, environmental and regulatory demands. The industry has seen increasing corporate action volumes and event complexity in response to the demands of capital markets in a time when regulators have a diminishing tolerance for errors within financial institutions. This coincides with the industry experiencing a sustained period of price compression and reducing profit margins.

New regulation such as SRD II has introduced performance standards that require intermediaries to facilitate the distribution of corporate action announcements on the same business day, whilst the world is experiencing a global pandemic that has required all industry participants to apply business contingency solutions with staff working remotely from home and the industry seeking to adapt operating models to comply with global lockdown challenges.

Operations teams are under pressure to maintain operational integrity due to the risk and potential for financial losses associated with corporate actions whilst driving an efficiency agenda to include new technology, digital solutions, and managed services. Demand for increased returns on investments has also seen the front office seeking increased speed and accuracy of corporate actions data so they can optimise investment performance.

Matthew Ruoss: We look at corporate actions a little differently than our fellow panellists in that we analyse how our customers can achieve the best possible value from any given corporate action. Given that investors are pressing asset managers and others to secure every basis point they can and are more closely scrutinising the decision-making process as a result, firms must be very diligent in how they manage the process, beyond just operational efficiency.

The problem of value lost through sub-optimal decision making around corporate actions — namely voluntary acts like rights issues and scrip dividends — are substantial. Our data shows that each year, over one billion dollars is missed out on just on scrip dividends. Ensuring that funds capture this intrinsic value that's otherwise being left on the table is critical.

This pressure gets tighter when you consider the huge influx of assets into ESG-compliant funds. More than just environmentally-focused considerations, firms are having to demonstrate good governance — not just with their investment selection, but in how they manage these investments.

Good governance demands good stewardship of the assets, and we're seeing more pension funds casting a closer look at how their managers handle corporate actions.

What challenges does the lack of standardisation cause within corporate actions? And how should this be addressed?

McCorkle: Standardisation in the industry has grown to be quite subjective. Often, we look at it from the perspective of uniformity or maybe the use of best practices across various parts of the corporate action lifecycle but, I believe recent times have demonstrated that standardisation must be coupled with an assessment of the outcome. Are we achieving the desired results? The desired results are ultimately what sets market players apart and the key here comes down to how are we putting standardisation into practice. In corporate actions, the lack of standardisation from an information perspective alone can have severe impacts from missed opportunities to legal ramifications.

To address the challenge, we must first re-evaluate our current methodology for developing standards and then assess how they are being applied. As an industry, we frequently evolve by looking at what we can do better or differently based on our lessons learned and risk incidents, but those times are perhaps the most critical and often too late. The need for standardisation and corporate actions are relative. As the scope of processing grows the demand for consistency and control grows with it. In corporate actions our ability to be proactive struggles in part because there are many moving parts to the overall process, but the other stumbling block has been outdated practices. In the future, reliance on enhanced collaboration across the industry will be the driving force behind standardisation. It is the building block to sharing information from credible sources that can be leveraged across firms, ongoing conversations with governing bodies that publish standards and turn them into actionable duties, and agreement and insight to what the standards should be. Once inclusivity becomes a part of the process periodic reviews by those responsible for exercising them, and secure prompt transmission of data, currency, and communication will be a leap forward in tackling the controllable challenges that overshadow the industry.

Schaefer: Over the course of the last 15 to 20 years, corporate action processes have been improved significantly. After the introduction of the ISO15022 standard 20 years ago and its constant enhancement by groups such as the Securities Market Practice Group (SMPG), there have been significant achievements.

The focus was first on high volume corporate action events such as dividends, interest payments and redemptions, where the greatest impact could be achieved. This has resulted in a very high straight-through processing (STP) rate across the industry for these types of events. However, more complex events can still be challenging and these have been addressed, too. The banking industry has constantly worked on harmonising and standardising these events. At the same time, issuers and issuer agents have found themselves obliged by the legal framework — for example, requirement for physical documents — or by tax laws to process events in ways that sometimes run counter to previously agreed industry standards. Historically, banks have worked on standardising and harmonising corporate action processes. Going forward, issuers and their interest groups are likely to be much more involved in these discussions. When looking at attractive investments, standards in corporate action processes have not always been a primary focus. This is changing, however, since institutional investors are placing more emphasis in their investment decisions on additional factors that impact their returns, such as the cost of inefficient corporate processes and the risk of operational losses.

McPolin: The lack of standardisation within corporate actions usually references the messaging protocol in the investment chain. Issuers and issuer agents have traditionally not invested in messaging such as SWIFT and consequently intermediaries are required to capture event announcements issued in multiple formats and translate them into SWIFT messaging for onward distribution in the investment chain. This lack of standards in a chain that may contain multiple intermediaries, combined with a lack of automation, carries significant operational risk with potentially significant financial losses being incurred because of error.

Other challenges due to lack of standardisation include the cost and effort in data validation to mitigate risk, delays in the distribution of corporate action notifications and a reduced deadline to the front office to make an investment decision.

To address these market challenges, issuers and issuer agents can introduce industry standards such as SWIFT, APIs to distribute a digitised golden source event, and intermediaries can invest in technology and enhance existing standards adoption to provide efficiency and reduce risk and cost in the industry.

The introduction of the SRD II is a good example of how regulation has started to drive automation and the adoption of standards by mandating the use of machine-readable and standardised formats which are interoperable between operators and which allow STP for event announcements.

O'Connor: Lack of standardisation and manual processes built around legacy technology architectures further exacerbate the risk of errors and financial losses. While progress has been achieved across the industry in tackling these challenges through the adoption of technology, the ability to fully optimise this investment is restrained due to other weaknesses in the investment chain that do not or cannot comply with industry reporting standards.

The lack of standardisation increases the risks associated with inconsistent information across markets and events, further exacerbated by the manual touchpoints and the deadlines driven nature of events. These errors can expose a financial institution to huge financial and reputational risks and losses. One of the major risks of errors occurs from the failure to collect, correctly interpret and validate corporate actions information in time, resulting in poor data quality or delay in the dissemination of information down the entire chain of intermediaries to the end investment manager.

To mitigate these risks, market participants and industry associations need to push towards harmonisation and standardisation of corporate actions across markets. The financial institutions need to invest in technology and services to ensure the corporate action data is validated through a precise process of mapping, normalising and consolidating announcement information from a variety of best-in-breed sources for

the relevant asset classes and markets and their agents and then resolving conflicting information to arrive at a single golden corporate action record. A cost-effective proposition is to utilise a managed corporate action data validation service, like Managed Corporate actions from IHS Markit, which delivers this validated information. Also leveraging modern technology for workflow automation to eliminate risks of errors and delays from manual processing is equally important to mitigate these processing risks.

Ruoss: Standardisation is important, but is it realistic? The markets themselves aren't standardised to the effect that would enable a fully automated, end-to-end corporate actions lifecycle.

Instead of chasing after a holy grail like the single 'golden record', a more realistic step towards operational harmony is a collaboration between market participants. More specifically, where asset managers, securities services providers and other stakeholders utilise and share more of their data in a way that enables faulty data to be much more easily recognised. A matching system built on this level of collaboration would have a similar effect on enhancing data quality than an all-encompassing, yet far-off 'golden record' would. It's also highly feasible, as it's what our clients rely on us to already do.

Harris: Particularly in the absence of a single record of truth published by the source, standardisation remains an important principle of corporate actions to defend against interpretive risk but I see the route of the problem is how we provide issuers with incentive and the necessary platform to broadcast their event to industry. ISO 15022 and ISO 20022 have their rightful place as standardisation enablers but burgeoning technologies/vehicles such as distributed ledger technologies and arguably APIs may provide legitimate alternatives providing added sophistication to the services that product owners/consumers may wish to avail themselves of. The business outcome remains active risk management whilst providing a product or service offering needed by clients and regulators alike.

Why is it important for organisations to recognise the difference between expense management and expense reduction?

Harris: This question does suggest that there remains a belief that expense management and expense reduction are synonymous, they are not. Managing the commitment of the issuer to the legal or beneficial owner community in terms of a corporate action event has an inherent complexity that needs to be tackled through a combination of people, platform or process.

Furthermore, identifying an organisation's risk appetite and business aspirations will allow the command of an appropriate business case to determine a short, medium or long term organisational goal. With this known and understood managing the expense base versus any growth, need will determine the appropriate return on investment which should include an expense management clause.

O'Connor: While closely related, the difference between expense management and expense reduction is critically different. While it is important to look for simple ways to reduce expenses, it is important to look at the entire cost of business.

For example, while implementing a new solution can be more costly upfront, the risk of continuing to rely on manual process and out of date technology can lead to financial losses in other areas, such as sub-par trading due to inaccurate or incomplete data, or the losses occurred due to mistakes made during processing due to the risky nature of manual processes.

McPolin: Expense management adopts a model which assumes that expenses can increase as long as the profit margin is maintained. In theory, this should facilitate strategic investments, supporting the business as well as its product roadmap. Expense reduction is normally focused on achieving efficiencies via cost reduction inclusive of automation. A revised operating model, such as through the adoption of a mutualised, shared services approach, is also a key enabler for transforming cost/income ratios.

McCorkle: Expense management and expense reduction are often used interchangeably, but I think, there is a co-dependent relationship between the two. It's important that firms recognise the difference to effectively manage them. One reveals the condition of the business and the other influences the condition of the business. The management of expenses is an indicator of stability and creates opportunities to reduce expenses that influence budgets and bottom-line performance. A firm's ability to manage its expenses ultimately produces a financial record and visibility into productivity. It is the gateway for decision making based on business conditions and controlling costs.

While expense management and expense reduction are fundamental responsibilities of any process owner, it must encompass a front to back comprehensive plan that incorporate both direct and indirect expenses. Cutting or underfunding investment in process improvement/automation can and often leads to additional cost through manual processing resulting in additional cost associated with people and subsequent operational errors which can far exceed the benefits of expenditure reductions. The savings can be wiped out by lost business opportunities, client dissatisfaction and reputational issues equating to lower revenue. Today's leaders need a balanced, forward-thinking approach to today's budgeting challenges that are both tactical and strategic.

Schaefer: Expense management and expense reduction are separate concepts, but they are linked. Expense management is the day-to-day control of specific items or categories of expenditure to ensure that those expenditures remain within budgetary targets. Expense reduction is an organisation-wide policy arising from a specific management decision. The decision for expense reduction will often be taken in response to an expectation of lower or uncertain revenues against which to set future costs. An expense reduction policy can be implemented through measures including automation, headcount reduction, general efficiency, improved controls, and even cessation or disposal of underperforming activities.

Expense management will form part of the plan for expense reduction, but expense management will be practised in any well-run organisation, even in the absence of a specific expense reduction programme. It is clearly important for an organisation to understand the relation between these separate concepts in order to achieve effective control of its performance.

In line with these two concepts, banks should bear in mind that investing in the automation and standardisation of corporate action processes will lead to operational risk reduction and reduced costs for manual processes in the medium term.

Ruoss: There isn't a bank or asset manager that can say they've never lost money on a corporate action. The losses seem small, but added up, they are staggering. While no operating system is perfect, recouping many of these potential losses is far simpler than stakeholders. Yet, that requires an investment that still doesn't rank highly on most priority lists.

Corporate actions are often seen with the same lens that we use for compliance functions: the aim is to get things right to avoid losses. And that's an incorrect mindset. Corporate actions, when done right, can lend themselves to being a profit centre, rather than a cost centre. The missed value in voluntary event elections is large, yet the area is perfectly placed, with the right technology to recapture that and deliver it to clients. This is all possible with the correct technology in place and allows the corporate actions department to contribute to the performance of its firm, rather than simply focus on avoiding losses.

What factors are key to consider when deciding whether to develop a solution in-house or select an external technology partner?

O'Connor: Technology is a significant contributor to the simplification of corporate actions. In response to all the challenges in corporate actions processing, firms have focused upon the need to continuously improve efficiency and reduce risk by investing in rules-based workflow automation technology and digitalisation tools, either building or buying market leading asset servicing solutions. These solutions facilitate increased efficiency and risk reduction by automating the end-to-end workflow with the aim to increase STP rates. This creates time and resource to focus upon the identification and resolution of exceptions.

Building these tools and technologies is an important investment, however, requires expertise in both the corporate action space and software development. Finding the right team to lead your business though this is vital to a successful project.

The benefits of working with a technology partner can be substantial — from cost savings to efficiency gains. Technology partners should challenge ideas and provide innovative approaches to problem solving. Partners can also help by setting up processes, strategies and frameworks — as well as provide technical advice on how to configure a particular part of the resulting application.

Many technology partners are providing solutions in the cloud, which allows firms to lower the total cost of ownership (TCO) and simplify implementation and maintenance of solutions compared to the traditional model of on-premises deployment and upfront licensing costs. The compelling economics of cloud is especially very valuable to a firm that was earlier struggling to replace their legacy technology platforms that were hindering the digital transformation efforts as it is much easier for them to now implement modern technology solutions in the market.

Schaefer: From a corporate actions point of view, the flexibility of the processing system is of utmost importance. We are seeing new ways of processing corporate action events on a daily basis.

In addition, evolving standards and increasing harmonisation across markets lead to the need to be able to react to a changing environment. Participants involved in the corporate actions process are constantly developing new features that help reduce operational risks for those who adhere to the ever-evolving standards, for example in the annual SWIFT standards releases.

A system must also be flexible to cater for customisation based on individual client expectations. In order to serve clients well and enable seamless communication with them, it is vital to be able to adjust messages to comply with client requirements.

The same holds true for specific market requirements. Those who are connected to markets across the globe — comprising central securities depositories (CSDs), global custodians, sub-custodians, investors — will need to be able to adhere to diverse local market standards, which sometimes differ from global market practices.

Ruoss: Firms of every size will have their complexities. What it ultimately comes down to is cost and internal expertise.

Outsourcing is far more common in asset management than it was a decade ago. Stakeholders are more willing to collaborate with technology partners if they know that the provider has the technology and the expertise that would be difficult to replicate. They're also more willing to partner if they can clearly understand the value it brings in terms of revenue.

With the advent of newer protocols that enable implementation — such as cloud computing and API's — using an external technology partner delivers expertise and resource that may be otherwise out of reach for many firms.

Harris: There are several factors that should be considered when deciding a build versus buy solution but these must be the right fit for the organisation for the immediate and long term need. It is important not to be myopic when it comes to the platform solution that best fits the operation, why choose a platform that has limited connectivity to other platforms or one that does not comply with market standards. Increasingly organisations are focusing more upon the ability of technology platforms to assist with the complexity, volume scale and interoperability within their eco-structure; one that 'partners' well with the other applications through a rich, sophisticated and evolving product set.

One other major consideration is whether you can form a strong business relationship with the technology organisation throughout the overall relationship. People buy people whereby it is important that those you deal with are equally like-minded and ideally from a similar background as those choosing the product/platform for their business. This approach will forge an enduring partnership that will be adept in tacking opportunities from the implementation of the product through to any unforeseen activity deserved of resolution within the platform. Considering these factors will assist in the perpetual and often philosophical decision as to whether to grow organically or externally partner with a solutions provider.

McCorkle: Putting yourself in a position to make a sound judgement or decision is the very first step. We often begin this process with information gathering, understanding, solution analysis, and strategy development. The decision to build or to buy

technology is a crucial one from an operational perspective, a time management perspective, and a cost efficiency perspective, the latter often being the component with the most focus — yet not always the most important factor.

The very first consideration is the business requirements. What are the current needs? What are the antiquated processes? What are current system limitations? Where do we see the future of business? And how will we get there? Once the requirements have been established, we can begin to have dialogue around the pros and cons of existing technology and the effort to enhance its functionality. When it comes to corporate action processing the critical considerations stem from the processing lifecycle and extend to risk reduction, centralisation, and increasing capacity.

As you undergo an in-depth vetting process, you'll begin to frame out the advantages and disadvantages taking into account the spans of control of each technical approach, the upfront costs, long term costs, the time to build and integrate with legacy technology, ongoing maintenance, compliance, and capability and customisation to name a few. Such considerations become the core components that endorse your decision and allow stakeholders to feel secure with the outcome. Many times, the need for new technology is so great and so urgent that we become overwhelmed by the task at hand but, the value of the screening processing is that it removes speculation and creates room to focus efforts on the next steps. This is the start of progress and the foundation that supports the heavy delivery lift to follow.

McPolin: While the development of in-house solutions has traditionally been an approach taken by the larger industry participants who feel they have the technology resources, capability and talent to execute, the cost to develop and maintain and more importantly keep current can be prohibitive.

The use of external specialist providers often offers compelling benefits that business owners, operations and compliance teams generally find hard to overlook.

External specialist partners offer a host of benefits as they are likely to have established best in class market solutions developed and enhanced over several years and built upon market leading technology. Some platforms are maintained via mutualised functionality developments mean-

ing that user groups drive change and shared development. This approach can deliver lower running costs and an enhanced time to market. Using an external technology partner also provides the flexibility to scale up and down development resources in response to business demands and market changes which are essential in a fast moving environment.

How has the COVID-19 pandemic affected the corporate actions space?

Harris: The pandemic has brought into sharp focus the agility of organisations to manage their operations, be that the volume peaks and troughs associated with deferred dividends or platforms being robust enough to defend from cyber attacks for home-workers. The last year has certainly challenged the toughest business continuity planning in a way no one would have imagined. Reliance upon the ability to deploy technology to those practitioners requiring access no matter where in the world they may reside was both a key and limiting factor that may be of interest to clients and regulators alike, particularly if there were any forms of service interruption. Furthermore and considering that corporate actions operations are often identified as offshore or outsource candidates to lower cost regions, this may have compounded the impact that the pandemic would have had on providing uninterrupted service to clients.

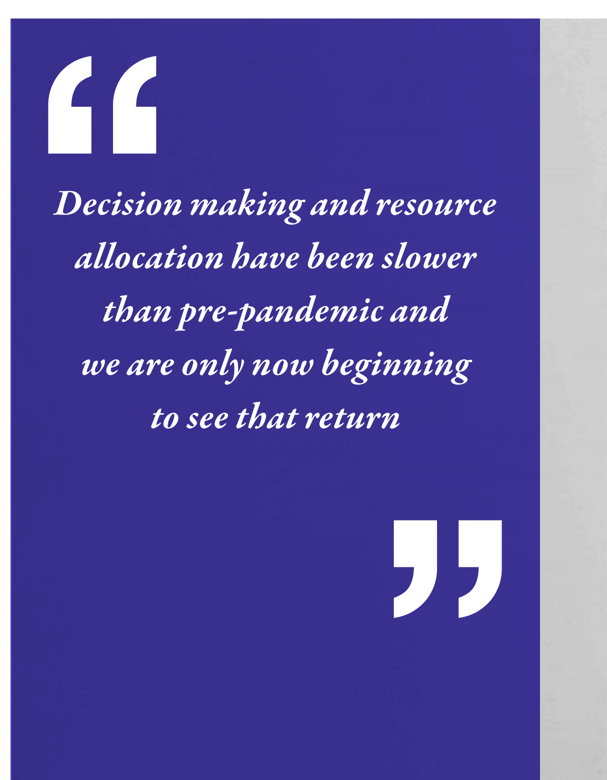
McPolin: COVID-19 has brought many challenges to the world of the corporate action, but it also has been a significant catalyst to change, most notably it has been a key driver in the awareness and adoption of digital solutions. This has been evident in many areas, from working from home and communicating with our teams and clients via digital communication applications, to influence the way we work on a daily basis by accelerating the removal of manual physical processes such as wet-signature requirements and medallion stamps, as well as the physical execution of some regulatory reporting and tax documentation procedures.

McCorkle: The pandemic has given us all new spectacles to view the world and a new way to define mobility. The shift in our personal and professional lives has given us a newfound appreciation for the value of preparation and expectancy. It also challenged us to develop our thought processes and our technical prowess. I think we can all agree that one of the most severe effects of the pandemic has been on people interaction. Limitations for contact did not translate into a reduction in communication. Instead, we have made a case for the value of remote working and the necessity of automation and technological advancements. We've even exposed the significance of bridging domestic and global networking gaps as our reliance on digital communication took on greater responsibility.

For years there has been a stigma in corporate actions that says the nature of the business is too risky not to have a physical presence for processing, however, in the face of adversity we found ways to effectively conduct business with minimal interruption yet an increased level of external risk. As a result of the pandemic, the reliance on people and technology have proven to be invaluable in this space and has set the tone for re-establishing our operational business models. I think COVID has heightened our awareness of immediate changes versus the long-term results. It is our responsibility and decisions that we make today that will determine how we navigate through external challenges and how rapidly we can adapt to change tomorrow.

O'Connor: The recent global market volatility, as a result of the pandemic, has continued over an elongated period with economic impacts still evolving and impacting investor confidence. After the WHO declared COVID-19 as a pandemic, several governments and regulators recommended to banks to refrain from making distributions during this period. We have seen thousands of dividend and meeting cancellations globally in the US, Europe, the Middles East and Africa (EMEA), and APAC across different industry sectors such as oil and gas, real estate, auto, construction, hotel and leisure. There are many event extensions across the globe with meetings accounting for the most volume and extending to the later part of the year. Apart from meetings and distributions, several subscriptions offer, rights distributions, stock splits, tender offers, and bonus issues have also seen an impact. With some panic created due to a few stock exchange closures, and companies not being clear about the cancellation of meeting and dividend, operations teams had to go the extra mile to track down the right data from multiple sources and closely monitor which companies are eliminating dividend payments or other events to notify client or address increasing number updates on corporate actions and a high number of client queries.

Additionally, the industry has had to operate under business continuity planning (BCP), with most offices closed and staff still working from home because of the global lockdown. After the initial teething problems, remote working has proven to be a relative success so much so that several major organisations are exploring revisiting their operating models to incorporate greater adoption to either a permanent or rotational basis. We can see more focus upon new technologies and tools that can enhance the robustness and efficiency of remote working. But beyond that COVID-19 and the associated remote working has also shone a spotlight on the need for financial institutions to accelerate their internal transformation programmes, such as replacing legacy platforms with market leading technology solutions or outsourcing non-core activities for specialist managed service providers. This would enable operations to have access to accurate data, real-time workflows,



risk dashboards providing them with the transparency and capability to collaborate better in order to mitigate risk and maintain service delivery in this age of remote working

Ruoss: There have been immediate impacts, and there are longer-term ones to come. On the former, we've seen clients have to adapt to a new working future, where teams will interact in a much different manner. Decision making and resource allocation have been slower than pre-pandemic and we are only now beginning to see that return. When it comes to the longer term, there is still some lingering uncertainty about the financial health of many corporations. It may be that many companies will need to carry out some form of restructuring, whether this is raising capital, merging with other companies or potentially other, much more complex and innovative structures. And, of course, these restructurings lend themselves to increased corporate action volumes.

It's highly likely then that we are going to see an uptick in event activity in the next few years, just as we did after the financial crisis of 2007/2008. It is also likely that we are going to see these events being far more complex than normal. Unfortunately, the higher the complexity, the more likely it is for managers to not only miss value through sub-optimal elections and errors, but to miss out on more of it.

Schaefer: Fortunately, as part of many years of process optimisations, a lot had been done already that allowed the industry to manage the situation well for corporate actions.

The handling of physical paper documents for corporate actions has been reduced significantly over the course of the last few years. Therefore, banks were able to react quickly, with corporate actions employees able to work from home.

Some manual processes had to be adapted quickly to address the fact that different people working on a process were not physically present in the same office, such as maker/checker.

For some remaining paper-based processes, digital signatures have been introduced, where they were not already in place.

These changes are here to stay, with a hybrid model of working more flexibly, enabled by a higher degree of digitisation of the processes.

What influence has the asset-owning industry had on improving efficiency and reducing risk within the corporate actions process?

Ruoss: Asset owners are helping to lead the charge on governance, by looking more closely at how asset managers and securities services providers are managing processes such as corporate actions. In the past, these operational areas might have fallen down the pecking order. But now, because of the growth of low-cost funds, the push for fee reduction and other developments, asset owners are favouring fund managers that handle corporate actions and other potentially profitable operations in a responsible manner.

The knock-on effect of this has been that good managers are taking their fiduciary responsibilities far more seriously. Gone are the days when the industry would need to become down on by regulators before it adopted best practices. Custodians too have a role to play in facilitating these efficiencies because of the vital role they hold in the corporate actions processing lifecycle.

O'Connor: The influence that the asset-owning industry has on the corporate action space can not be understated. By driving and adopting standardisations, the corporate action space can continue to produce some innovative technology and grow with the increased regulations as well as the volume increase, we have seen in the last several years. Asset owners can continue to demand more timely, accurate information which can result in better decision making and more transparency across the industry.

McPolin: The adoption of new technology platforms and industry standards such as SWIFT and API connectivity have seen the asset owners contribute to efficiency and the reduction of risk in the investment lifecycle. As all elements of the investment industry seek to achieve efficiency, risk reduction and enhance returns on investment, the continued use of technology solutions should be seen as the path to green.

Harris: The asset owning industry has overall responsibility as a member of the intermediary chain than just alpha generating activity. Specifically, it is the interest of the industry to identify best practices and mechanisms that optimises the efficiency of the corporate actions process throughout the lifecycle of the event. One such opportunity is to tackle the challenge of disparate event notifications and the need for each recipient to normalise them before consuming them downstream to process the event. Having an issuer generated notification published on a common platform will remove all interpretative risk and the threat of associated operational losses if incorrectly assessed. So where does this influence occur, this may be through an IPO process whereby investors, underwriters or listing authorities ensure Issuers' commitment to such publication methods. This could also be through corporate engagement and governance particularly if an issuers track record of comprehensible announcements to the market may have historically caused intermediaries problems.

McCorkle: Efficiency and risk reduction are embedded in the fabric of the asset-owning industry and it's probably one of the biggest ongoing challenges of corporate actions. They coexist with a mutual purpose that translates to the downstream participants which can sometimes work for us but against others who play a role in the process. To say that we've achieved efficiency without concurrently reducing risk in my opinion is not efficiency at all, but it is an improvement. The biggest influence of asset owning relative to efficiency and risk is the attentiveness to value, reporting, governance, and controls. From a corporate action processing point of view, there is a long list of risks that we consistently try to mitigate such as accuracy, information flow, misinterpretation of key data elements, untimely responses, reconciliation errors, and the list continues. But the nature of the business is the reason why we have such a presence and influence over the improvements throughout the years.

As a by-product of efficiency, diminishing risk is always at the top of the corporate action to-do list. One of the biggest contributions is the use of streamlined data. Not only does this reduce the margin for inconsistency, but it also enables the use of information for multiple purposes. The advancements we've made in reducing manual touches/paper handling and producing electronic records/audit trails are also a testament to both efficiency and controls. The development of end-to-end processing engines that offer transparency to take more than just the event level risk into account but also creates the ability to manage the entire transaction surely supports our efforts to become less prone to risk and more effective. While we cannot solve for every risk or systematise the entire lifecycle, we have made headway since the times past. Leveraging the influences of our industry counterparts we're able to create risk profiles for events and assign risk values to its elements to better recognise, measure, and regulate risk. As a former analyst, I can say this essentially is the delicate balancing act that occurs between the complexities of the business and the sophistication of the tools and resources available to us.

Schaefer: Asset owners can directly influence issuers by asking them to adhere to generally accepted standards and can ultimately decide not to invest in their products. Issuers understand this, and that their decisions impact their investors. Accordingly, if election periods are short, or corporate actions are structured in unnecessarily complex ways, this can impact the investors' ability to make decisions and impact them financially. In order to be attractive to investors, issuers, therefore, have to bear in mind that large scale investors, who might sit in another country, speak a differ-

The next 12 months will call for the corporate action arena to do some investing into our business processes and capabilities using the hard lessons of the previous year

Sharde McCorkle
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Sionic

ent language and hold securities through chains of intermediaries for all kinds of reasons, must still have the possibility to exercise their rights.

Looking to the next 12 months, what do you think the optimum vision is for the corporate actions space?

Schaefer: We do currently have very good discussions with all actors involved in the corporate actions process. In Europe, SRD II has brought all parties closer together and new standards such as ISO 20022 messages are being implemented.

Especially in the space of general meetings and proxy voting, where proprietary standards and even fax messages have remained on the whole standard in most markets, the introduction of ISO 20022 messages will be a major leap forward. The use of ISO 20022 is particularly being driven by the implementation of SRD II across European markets, and is likely to spread to other markets once global actors start using the new messages. In general, ISO 20022 will probably see a push for adoption, with T2S, SRD II and the upcoming migration of payment messages being catalysts for market players to look into the new message formats.

General trends such as APIs will also have an important role in the space of corporate actions, but any such use must be underpinned by generally accepted data formats, where the only generally accepted standards are the ISO 15022 and 20022 formats.

Harris: With the backdrop of the pandemic, 12 months seems an eternity. However, in response to the question, I think the next 12 months are likely to be focused on organisational introspectives as to how they performed during the pandemic in the management of corporate actions.

This may accelerate initiatives that had not been previously considered or did not have a strong enough business case to justify advancement. Perpetuating technology solutions to support the business is likely to be considered foremost in dealing with some of the challenges that the pandemic threw up; in some cases, organisations are engaging fintech organisations for a quicker time to time to market where they traditionally may not have considered such partners. 2021/2022 is likely to be the year to "circle the wagons".

Ruoss: It's exciting to consider the impact of next-generation technologies like artificial intelligence (AI), but we're still a long way off from these advances really taking hold in corporate actions processing.

Instead, asset managers, custodians and other securities services providers must steel themselves for what could be a significant amount of voluntary corporate actions, which could have a sizable impact on revenues, depending on whether these parties understand what will deliver the most growth for the client.

We're squarely focused on doing just that, ensuring that our clients have the means to capture the full value hidden within these actions.

McPolin: I would say the increasing demand we are seeing from buy-side clients for real-time information access and best-in-breed digital tools looks set to continue and provides an opportunity for the industry to leverage technologies such as APIs and open platforms for its benefit.

API adoption, for example, is increasing at a rapid pace due to its ability to improve the efficiency of client communications and also provide real-time data straight to the front office. Real-time data can benefit clients by optimising return on investments and maximising the value of interactions with counterparties, market infrastructure, and solution providers, by streamlining operations, reducing risk and providing an enhanced client experience.

In the aftermath of the pandemic, I would expect to see the continued development and adoption of the digital solutions to market challenges which may be supported by further descriptive regulatory engagement such as SRD II to drive the use of technology, standards and automation, as the industry continues to drive towards efficiency throughout the investment life cycle.

McCorkle: Within the next 12 months I think the optimum vision for corporate actions will be to accelerate the path forward and that is for two reasons; to make up for lost time and we've got a second wind. In corporate actions, time is always of the essence and so over the next year market players will look back on lost opportunities and recuperate them where they can.

The second wind has refreshed us with a new mindset, new effort, and a glimpse of what we can do in unfavourable, unprecedented circumstances. For months we've all contemplated going back to normal, but I think now we are starting to embrace the new state of our environment and we're starting to customise our trails to continue moving in the right direction. My colleague Jim Monahan previously addressed what the path forward will entail post-pandemic and, I think he accurately confronted the top three areas firms will need to cultivate and refine over the next few months, and that's people, process, and technology.

The route, I believe to achieving the optimum vision requires a new lens. The new lens will still view corporate actions as one of the riskier aspects of asset servicing operations but, it will now also consider corporate actions as a steward of post-trade processing. In this capacity, firms will focus more on proactive efforts to prioritise risk management, strengthen controls and of course, delivering a client experience that is second to none.

The new vision is one of the accelerated settlement cycles and improved infrastructure transformation, coupled with enhanced cognitive functionality for continuous automation and streamlined STP experiences. With that comes rethinking about resources. Placing people in the right environments, re-establishing relationships, redefining roles, reassessing vendor/outsourced services, and even reengineering how we think about corporate actions.

In all, I think the next 12 months will call for the corporate action arena to do some investing into our business processes and capabilities using the hard lessons of the previous year. My foresight for corporate actions envisions the road to recovery as a new but familiar journey. Last year served as a rest stop that revealed our deficiencies. This year we're collecting fuel to remove and rebuild obsolete practices. And in the years to come, we'll continue to renovate and repair to keep building efficient people, processes, and technology to best serve clients and the industry.

O'Connor: Operating models will need to evolve in response to the pandemic with all financial institutions looking to introduce remote working on either a permanent or rotational basis. As part of this revised operating model, there will be greater use of communication channels including Zoom and Microsoft Teams by the industry to support client, team and industry engagement which should result in cost savings to the industry on travel and entertainment.

Focus upon achieving risk reduction, process efficiency and enhancing the client experience will be a key element of the operational model review with clients looking to technology and outsourcing for options for solutions.

Given the reliance on manual touchpoints and processes, developments in new technologies such as robotic process automation can help increase operational efficiencies by automating the basic repetitive tasks without impacting the technology infrastructure.

Using robotics, web scraping and AI techniques to source corporate action data directly from newswires, the web, vendors and other providers and then analyse the unstructured data in disparate formats using AI and machine learning, to normalise can help reduce the manual validation efforts and timeliness issue for corporate actions.

Everything to play for

Becky Bellamy reports

Juliette Kennel and Giles Elliot discuss the findings of ISSA's latest ISO 20022 report and how the association will play its part in helping to promote and making ISO 20022 more accessible and easier to use

What does the adoption of ISO 20022 mean for the securities services industry?

Juliette Kennel: Always a great question. ISO 20022 is actually three things the conceptual layer (the business model), the logical layer (the message models) and the physical layer (the technical syntax). What most people talk about is the messages but potentially more interesting to the future is the business model element.

This can be used to design and describe a number of business processes that may not be part of ISO 15022.

The securities market uses the ISO 15022 standards extensively and they cover the vast majority of the high volume interactions between participants very well with high straight through rates. There are areas, some of which we highlight in the International Securities Services paper, where the ISO 15022 messages have not got the structure to

allow straight-through processing (STP) and efficiency but ISO 20022 messages have.

These include such areas as account opening for which existing ISO 20022 logic exists and corporate actions where further capabilities can be built out to increase automation. The feedback from our membership and others is that full adoption of ISO 20022 lacks a business case but focused adoption can improve the client outcomes and efficiency.

What challenges exist around the adoption of the ISO 20022 standard?

Kennel: As above the business case for full adoption is challenging to make, this is partly as the end clients such as asset managers are often insulated from the market messaging by their providers and hence are unaware of the improvements that could flow to them by changing the standards.

But there is clearly an investment cost for key market players to make this change and it forces firms to assess the benefits relative to existing message automation and depth of content.

Interestingly, payments moving to ISO 20022 is creating both an opportunity and a challenge — aligning to payments has logic but also creates a resource constraint on the ability of securities players to move simultaneously, hence the desire to move only after the payments industry.

Additionally, there is an industry agreement that for corporate actions and settlement flows ISO 20022 and ISO 15022 message sets should evolve in lockstep, which constrains the evolution of ISO 20022.

How will the adoption of the ISO 20022 data model bridge the gap between the old world and the new?

Giles Elliot: To quote from the report: “All survey participants overwhelmingly agreed that ISO 20022 provided a good foundation on which future innovations could be unlocked by enabling interoperability across markets.”

The interoperability question is one of the biggest facing the industry at the moment. Until now we have failed to have globally interoperability in the securities markets; adding complexity, risk, confusion and on occasions affecting client service.

Not all interoperability challenges can be solved by adopting ISO 20022, but for those that we can solve we should act now as an industry to resolve

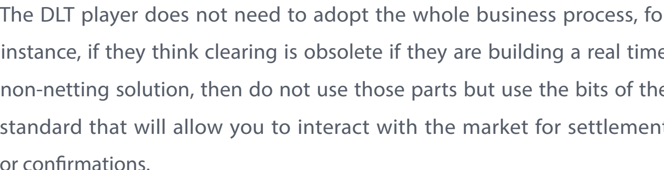
Not all interoperability challenges can be solved by adopting ISO 20022, but for those that we can solve we should act now as an industry to resolve.

The potential fragmentation between distributed ledger technology (DLT) and digital asset platforms and legacy platforms is a live problem — all talking the same business models and logical layers would reduce that problem to a simpler though still complex debate about rules, laws and regulations rather than an even more complex problem of translations in addition.

How will automation around corporate actions benefit from the adoption of ISO 20022?

Kennel: Corporate actions — this is a generic and wide term for everything from mandatory coupons and dividends to proxy voting and everything between. The surveyed participants believe that there is an opportunity from the adoption of ISO 20022 within this wide arena to enhance automation and expand data coverage to facilitate stronger risk management and client performance. The adoption of the ISO 20022 and clearer market practice rules will increase the STP of corporate actions towards those seen in settlements and reconciliations which will, in turn, increase client satisfaction, increase efficiency and reduce risk.

ISSA has formed a working group to consider how we can make the process of adoption proactive rather than reactive, and what would make sense where



What is driving the adoption of ISO 20022?

Kennel: The feedback from ISSA participants is that unless forced to adopt, they will remain on existing standards. At the moment there are two main drivers for ISO 20022 adoption — regulation of course and the actions of the financial market infrastructures who have been leading the way with ISO 20022 adoption, particularly at platform renewal time. The bulk of momentum is not being driven by individual firm's business cases. However, there was a strong view that we should be able to extract broader benefits and encourage industry driven adoption. ISSA has formed a working group to consider how we can make the process of adoption proactive rather than reactive, and what would make sense where. It will also be interesting to see the impact of the payments migration to ISO 20022, some members are saying this will not change the case for securities, others are not so sure.

How is the rise of digital assets affecting the adoption of ISO 20022?

Kennel: As we mentioned earlier digital assets have the opportunity to positively impact the adoption of ISO 20022, but could also add to the complexity. This is one area where the working group thinks that we as an industry can make a positive difference.

A digital asset platform is not going to become a market leader by re-inventing the securities industry without having the access to the greatest number of clients. The ISO 20022 framework means that you can take the business model and logical layer and say use a different syntax and still fit within the framework.

The DLT player does not need to adopt the whole business process, for instance, if they think clearing is obsolete if they are building a real time non-netting solution, then do not use those parts but use the bits of the standard that will allow you to interact with the market for settlement or confirmations.

This we believe will result in reduced complexity and a higher chance of success for the disruptor as disrupting the whole value chain and moving the dematerialise securities market onto your platform is extremely hard in an acceptable timescale.

What are the next steps for the industry? And what will ISSA be working on in this area?

Elliot: The paper makes four recommendations:

- ISSA should help educate and inform the securities industry on issues related to ISO 20022 adoption and business drivers
- The securities industry should focus on developing ISO 20022 capabilities in areas that are sub-optimal in current operating models, rather than attempting to force a holistic migration agenda
- ISSA should look to promote interaction between ISO 20022 and other key industry standards
- The industry should collaborate to define a set of standardised utility application programming interfaces

As part of these recommendations, ISSA will play its part in helping to promote and making ISO 20022 more accessible and easier to use.

The DLT Standards Working Group will look at the ISO 20022 standards in their work and how they can be used in DLT.

ISSA will also look at forming an API Standards Working Group to align with ISO 20022.

As an association, we are committed to improving interoperability with other industry standards, create a best practices paper to help the industry proactively drive adoption and finally measure the adoption over time to allow the industry to benchmark itself.

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A harmonised infrastructure

Maddie Saghir reports

The Nordics boast a harmonised infrastructure, which works particularly well when responding to regulation, but technology will be the key to unlock further opportunities for success

Although they are not known for being one of the largest volume regions for asset servicing, the Nordics maintain their spot as being extremely attractive to international investors. The Nordics consists of Denmark, Norway, Sweden, Finland, and Iceland, as well as the Faroe Islands, Greenland, and Åland.

All of these countries have their own strengths and weaknesses when it comes to asset servicing, so experts suggest it is difficult to name a clear standout from the others.

"Rather than one country spearheading the asset servicing industry, what stands out for the region is that the Nordic countries aim to act as one, as the region focuses upon risk reduction, process efficiency and enhancing the client experience," observes Richard Wilson, director, corporate actions and securities processing, IHS Markit.

Meanwhile, the introduction of new tax measures has further enhanced the collaboration within the region as Finland and Denmark join forces to address the withholding tax regime.

Indeed, the Nordics have a harmonised infrastructure that works in their favour, particularly when it comes to responding to regulation.

According to Wilson, the harmonised market infrastructure on a modern scalable platform across the Nordic countries and regions will allow the industry to respond to regulatory change while reducing risk, increasing efficiency, and enhancing the client experience.

Financial market infrastructures have evolved significantly over the last few years, also driven by a changing regulatory environment and a continuous structural need to deliver ever more scalable processes and products.

Market harmonisation initiatives have aimed to increase the efficiency of European financial market infrastructure.T2S as well as the Central Securities Depository Regulation (CSDR) have both led to higher levels of standardisation.

"We also see an increase in service integration, for example, many organisations start to offer their clients the possibility to benefit from integrated trading, clearing, settlement and custody infrastructures: an approach that Deutsche Boerse has been successfully providing to its customers for over a decade now," says Thilo Derenbach, head of European custody products, Clearstream.

With recent developments in the Nordics, and future ones in the pipeline, experts believe that this region is only going to continue to grow from strength to strength, and technology will play a crucial role in this.

Developments and opportunities

Last year, Euronext completed the settlement of shares to acquire VP Securities, the Danish Central Securities Depository, which further provided the opportunity for further harmonisation and operational synergies within the region.

As part of the wider Euronext group, experts say it is envisaged that VP Securities can further leverage the scale and size of Euronext to provide additional expertise to the domestic market.

IHS Markit's Wilson affirms: "The marketplace is currently awaiting the release of a new asset servicing platform across the Euronext group, which will, in turn, provide the VP Securities the opportunity to modernise their support for the asset servicing industry within Denmark and Norway."

Modernising the asset servicing systems within the VP Securities, even in an automated market such as Denmark, will allow the depository to differentiate its service offering and focus on the value chain of the depository, to the benefit of its participants.

Meanwhile, the Swedish and Finish CSDs are owned by Euroclear. After the migration Swedish and Finnish markets decided to go slightly different ways. Finland decided to migrate to T2S, while Sweden decided to follow the development without joining.

"Due to this development in harmonising the markets with major European standards has progressed with different pace and priorities. Besides that, the same owner has brought similar practices and structures for the two markets in many other areas, for example on cyber security issues," explains Janne Palvalin, head of sector and infrastructure, Nordea.

With these developments in place, experts identify there are even more opportunities for the taking in Nordics. This is as market accessibility continues to attract both domestic and international investors to look to the Nordic region.

"The safe haven of Danish mortgage bonds, the Norwegian movement to green/environmental, social, and governance (ESG) funds and Sweden's ability entice entrepreneurs and attract capital to launch companies through the exchanges, provides extensive opportunities and growth for the asset servicing business," affirms Wilson.

Elsewhere, Palvalin identifies that Sweden is having a strong commitment to harmonise the market with major European standards, bringing further opportunities to foster Nordic harmonisation.

The marketplace is currently awaiting the release of a new asset servicing platform across the Euronext group, which will, in turn, provide VP Securities the opportunity to modernise their support for the asset servicing industry

At the same time, central banks are having active plans for developing the market infrastructure to meet future requirements and bringing the use of liquidity, securities and collateral closer together, according to Palvalin.

Additionally, Palvalin suggests Nordic companies are becoming more and more international with a continuously increasing number of foreign owners or all the time increasing interest among Nordic investors to invest globally.

Challenges

Amid developments and opportunities in this region, challenges of course remain. Challenges are particularly prominent in the area of tax, especially as there have been a number of tax changes in recent years.

Tax regime changes, driven from enhanced scrutiny, are said to be placing increased operational costs and burdens on custodians to provide data and mitigate tax risk through reporting to enable sub-custodians to comply with the regional tax regime changes. Custodians are also facing volume challenges. Due to the size of the region and therefore its limited ability to produce significant custody and asset services at scale, there is a development towards provider consolidation and exits.

"The ability to combine the asset servicing volumes of the Nordics with a wider geographic reach on one platform — as Clearstream does together with partners in the region — is, therefore, a relevant proposition. Clearstream has taken the strategic approach to work with partners who are local market experts and to closely collaborate with these partners," Derenbach affirms.

In line with challenges facing asset servicing firms globally, regulation is another area that requires extra attention.

For example, the Shareholder Rights Directive II has democratised the bank's asset servicing offering, as large volumes of retail investors request services and access to data, previously only supplied to institutional clients.

"While progress has been achieved by custodians in tackling these challenges through adoption of technology, the ability to fully optimise this investment is restrained due to other weaknesses in the investment chain who do not, or cannot, comply with industry reporting standards," Wilson cites.

Modern tools like NLP-based chatbots can assist in client servicing for basic corporate actions information queries and assist in the decision-making process with additional information

Technology is key

Technology plays an active role in mitigating challenges faced in the industry, and for all future developments, technology will play an important role.

Palvalin suggests that harmonisation between the Nordic markets and other European markets will create further possibilities for various market participants to develop their systems and create new services to cater to a larger market base.

"Nordic markets benefit also from the fact that all players including authorities, central banks, exchanges, CSDs and intermediaries have been closely investigating both possibilities and risks of new technologies, solutions or instruments," Palvalin notes.

IHS Markit's Wilson believes that given the reliance on manual touchpoints and processes, developments in new technologies such as robotic process automation can help increase operational efficiencies by automating the basic repetitive tasks without impacting the technology infrastructure.

Using robotics, Wilson notes that web scraping and artificial intelligence (AI) techniques to source corporate action data directly from newswires, the web, vendors and other providers and then analyse the unstructured data in disparate formats using AI and machine learning, to normalise can help reduce the manual validation efforts and timeliness issue for corporate actions.

Intelligent automation can also be used to analyse reconciliation breaks and patterns at different steps in the corporate actions lifecycle to help operations with faster resolution of such breaks.

"Modern tools like NLP-based chatbots can assist in client servicing for basic corporate actions information queries and assist in the decision-making process with additional information," Wilson comments.

Weighing in on this, Clearstream's Derenbach says: "On the securities side, we expect a wave of technological changes heading toward the asset servicing industry based on the broader adoption of APIs, robotic process automation (RPA), distributed ledger technology (DLT) and cognitive systems that will drive dramatic change and create lasting impact. These technology developments offer enormous potential to improve efficiency, reduce risk and enhance the quality of service for clients."

Derenbach concludes: "State-of-the-art technology is key for developing the market in the Nordics. It fosters flexibility, provides the ability to react quickly to market changes and supports high-quality services for our customers. This is not only a Nordic phenomenon but certainly a global development."

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An exceptional island

Maddie Saghir reports

Aside from its beautiful beaches and sunshine, Bermuda makes a compelling case for fund managers looking to domicile in a competitive and dynamic jurisdiction

Bermuda brings to mind images of pretty pink sand beaches and beautiful blue seas. Its financial services industry prides itself on being one of the more developed jurisdictions in the region compared to its Caribbean peers. Bermuda has perhaps the largest and most sophisticated asset servicing ecosystem. It offers an infrastructure that is unsurpassed in the offshore world (both in the Caribbean and globally), with established and knowledgeable industry service providers.

A clear differentiator for Bermuda in the asset management space is its nexus to the insurance industry and the jurisdiction's dominance in servicing insurance-linked securities (ILS) structures. With this in mind, there is much to play for in Bermuda, and experts say its financial services industry is only going to continue to grow. And, while the island's trust business is stable, there is real positivity in other markets such as insurance and reinsurance, which are well positioned to take advantage of the hardening market conditions.

There have also been a number of recent mergers of insurance managers which have created larger firms and more competitive pricing as a result.

Its asset servicing industry's Q1 results have revealed a steady flow of registrations for holding companies, investment partnerships and insurance entities. Industry players in Bermuda are excited for the future of its financial services industry and say technology will be key as it will open the doors to many opportunities.

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Renewed confidence

Bermuda's growth and chances for future opportunities coincide with its renewed confidence since it regained its spot on the EU's 'white list'.

Bermuda returned to this list in February last year for the first time since 2017. The private sector worked collaboratively with the government, along with the active involvement of the Bermuda Monetary Authority (BMA), to implement reforms specifically relating to collective investment vehicles.

The decision to move Bermuda onto the 'white list' was made by EU finance ministers at the meeting of the Economic and Financial Affairs Council (ECOFIN). The EU blacklist was first introduced on 5 December 2017 as part of its efforts to clamp down on tax avoidance and harmful tax practices. Out of the 92 jurisdictions initially chosen, 17 including Bermuda, were added to the list. Bermuda also featured in the EU's 'blacklist' in March 2019 but was later moved onto the 'grey list' in May.

Ross Webber, country head, Apex Bermuda, highlights: "Bermuda's inclusion on a so-called EU 'grey list' has not had a significant negative impact on our industry. There is always jurisdictional arbitrage when financial institutions are searching for the most suitable domicile for their structures and it is important not to get too excited, or disappointed, with regard to the EU's listing – no matter its colour."

Webber notes that the EU isn't the only game in town and the island currently has a total of 80 treaty partners, including 41 bilateral Tax Information Exchange Agreements (TIEAs) and 76 co-signatories of the Council of Europe's Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

Damian Resnik, managing director of Bermuda at Ocorian, identifies that the cooperation between the BMA, the Bermuda Finance Minister and the private sector demonstrated Bermuda's commitment to upholding a robust and transparent regulatory compliance and economic substance regime.

According to Resnik, for existing market participants and for those thinking about conducting business in Bermuda, the news reaffirmed that it remains a high-quality international business jurisdiction.

In the funds space, Bermuda did witness some shift from funds domiciled in Caribbean islands to Bermuda's more attractive position. However, there were other compelling factors behind this shift too, such as Bermuda's regulations relating to local audit sign off.

ESG is of course on everyone's radar and Bermuda's thriving ILS sector fits well into this investment strategy and is a sustainable investment

"Some other jurisdictions insist on the expense and logistics of local audit sign off whereas Bermuda remained flexible and more competitive in this regard," says Webber.

While in other jurisdictions, funds are required to be audited by a local auditor, Bermuda does not have this requirement. Instead, a Bermuda authorised or registered fund can appoint an auditor that is based anywhere as long as the BMA deems them fit and proper to act in that role.

It is also important to note that in addition to the reinstatement to the white list, Bermuda has also gained EU Solvency II equivalence and US Reciprocal Jurisdiction status in reference to its commercial insurance sector. Meanwhile, its anti-money laundering regime was deemed compliant by the Caribbean Financial Action Task Force.

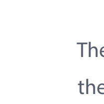
Taken together, Resnik suggests this international recognition for upholding a sound regulatory environment makes Bermuda a compelling case for fund managers looking to domicile in a competitive and dynamic jurisdiction.

Asset servicing trends

Players in Bermuda's asset serving industry have noticed a few notable trends.

Firstly, it is expected environmental, social and governance (ESG) concerns will play an increasingly important role in fund domiciling deci-

We are seeing growing interest in Bermuda as a jurisdiction which is supportive of, and well equipped for digital assets



sions. The BMA has already taken steps to keep pace with these expectations by incorporating ESG matters into its strategic plans for existing supervisory frameworks.

Sarah Demerling, member of the AIMA ExCo and partner at Walkers Bermuda, says: "ESG is of course on everyone's radar and Bermuda's thriving ILS sector fits well into this investment strategy and is a sustainable investment."

Asset servicing firms are starting to deploy technology in this space in order to provide more efficient service and better insights to clients.

Digital assets are another prominent trend in Bermuda's asset servicing industry. Apex's Webber comments: "We are seeing growing interest in Bermuda as a jurisdiction which is supportive of, and well equipped for digital assets. Our Bermuda office is Apex's digital assets centre of excellence and we have been fielding a number of inbound enquiries relating to cryptocurrency funds. With the valuation of Bitcoin on an upward trajectory and the recent successful Coinbase IPO, we see continuing interest from sophisticated institutions and accredited investors seeking exposure to the asset class."

The BMA says there have been legislative developments in the fintech sector. The Bermuda Government demonstrated its commitment to ensuring Bermuda's leadership role in the fintech sector through the passing of the Digital Asset Business Act 2018 (DABA).

DABA established the foundation for a comprehensive legislative and regulatory framework designed to support and facilitate growth in Bermuda's fintech.

According to the BMA, the passing of DABA allows Bermuda's funds to offer more innovative investment strategies, within a legal framework that fosters financial stability and investor protection.

Regarding registration trends, the BMA has reported several new private fund registrations. This fund class is regularly used for private equity structures, as well as professional funds that have been established to support ILS transactions.

The latest statistics show the period Q3 2020 to Q4 2020 saw an increase in the total number of funds from 708 to 829 (up 17.09 per cent) due to steady increases in private fund, professional closed fund registrations.

The portfolio also saw an overall increase in the total net asset value of 4.11 per cent to BD$205 billion, primarily as a result of positive market performance for the funds' underlying portfolios during Q4 2020.

Bermuda's funds regime

The IFA categorises Bermuda funds as either registered or authorised, with a range of fund classes to accommodate the various types of investment fund arrangements. The BMA's regulatory framework remains fit for purpose, giving consideration to the investor base's sophistication, international standards of best practice and the level of regulatory oversight the fund is seeking.

According to the BMA, some funds prefer a higher level of regulatory oversight and this feeds into the way the fund is marketed.

The key elements embedded in the BMA's framework include the requirements for the operator to be fit and proper; to appoint fit and proper service providers; and to facilitate transparency and disclosure.

The fund's class determines the level of prudential oversight. Due to their public nature, authorised funds and, more specifically, retail funds are subject to a higher level of prudential oversight and more frequent reporting.

At the other end of the spectrum registered private funds that do not promote and are open to no more than 20 participants; and professional funds that are open to only sophisticated investors), prudential requirements are tailored accordingly, explains the BMA.

AIMA's Demerling states: "Bermuda's fund regime is very versatile. It is a menu approach so depending on the strategy the vehicle can be supervised to a lesser or greater extent depending on the sophistication of the investors or whether the manager is an emerging manager or SEC registered."

As Bermuda caters for the US market as well as the UK and Europe and Asia, Demerling highlights there is an ongoing challenge to ensure international compliance with global requirements.

However, Bermuda has demonstrated its commitment in this area. Weighing in on this, Webber adds: "Innovative legislative and regulatory developments implemented over recent years have invigorated Bermuda's asset management and private equity industries and created a highly responsive capital market for investors."

In terms of regulation, the BMA is a pragmatic regulator, which means its goal is to apply the regulations sensibly.

BMA comments: "As a result, our legislation is principles-based rather than rules-based. There are provisions built into the legislation that allow for modifications and waivers where the investment fund is able to demonstrate, to the BMA's satisfaction, that appropriate alternative arrangements are in place, or the risks that the requirement was intending to mitigate do not exist."

An exceptional island

Compared to its Caribbean peers, Bermuda arguably has more advantages to offer. Following recent EU initiatives, experts are noticing more people jurisdictionally shopping and they are pleasantly surprised to see that Bermuda's funds regime is one that they are already familiar with when dealing with offshore structures, be that a company, partnership, LLC, segregated account or unit trust.

Webber explains: "Bermuda does not require GPs of partnerships to register in Bermuda in order to act as a general partner which keeps costs and filings to a minimum."

Ocorian's Resnik comments: "Bermuda has always been looked upon as one of the more developed jurisdictions in the region. From its world class regulatory environment and modern infrastructure that can withstand hurricanes with minimal disruption, to its financial services industry dedicated to harnessing cutting-edge technology, Bermuda provides an ideal environment to facilitate the needs of its vast client base."

Innovative legislative and regulatory developments implemented over recent years have invigorated Bermuda's asset management and private equity industries and created a highly responsive capital market for investors

Meanwhile, there are also similarities in the frameworks of that of Bermuda and its Caribbean peers.

This is because many of the BMA's regulatory counterparts in the Caribbean are ordinary members of the International Organization of Securities Commissions (IOSCO), the global standard setter for the asset management sector; and IOSCO's core principles underpin members' frameworks. However, there are distinct factors that distinguish one jurisdiction from the other.

For example, Bermuda has benefited from the enactment of complementary legislation that has afforded Bermuda-established funds more flexibility.

The BMA says: "Bermuda has also benefited from its reputation as a world-class centre of commerce. As one of the world's leading (re)insurance and financial centres, Bermuda is also a jurisdiction of choice for funds. These attributes make Bermuda an ILS transaction flagship jurisdiction—ripe with talent and expertise in the area of ILS, including the BMA's experience in ILS, which fosters pragmatic application of the regulatory and supervisory framework."

Indeed, the island has much to offer for further development. The BMA will continue to work with stakeholders to leverage growth opportunities for the investment funds sector, taking advantage of Bermuda's lead position in insurance alternative capital.

AIMA's Demerling concludes: "We are very excited for Bermuda's future. In addition to welcoming managers to physically relocate to the Island, which is becoming more attractive in this post-COVID world, Bermuda is embracing technology which opens the doors to many opportunities."

Exactpro, a software testing services provider for financial market infrastructures, has hired Hiroshi Matsubara (Matsu) as director of business development for Asia Pacific (APAC).

Matsu, who is responsible for leading the firm's expansion in the region, will spearhead the company's expansion by serving the company's clients in Japan and the entire APAC region. He joins Exactpro after establishing earlier this year his own consultancy firm — Pine Grove Research — focused on new technologies in financial markets.

Since 2007, Matsu has also been serving as co-chair of the Japan regional committee of the FIX Trading Community and has been taking an industrial thought leadership role.

Previously, he spent 17 years overseeing product marketing and communication activities in Fidessa (now ION Group) in Asia after holding various product marketing positions both in Japan and overseas (UK and US).

With a career spanning over 30 years, Matsu started work in the marketing of financial information and electronic transaction products by joining Reuters (now Refinitiv, part of LSEG) as a graduate trainee in 1987.

Matsu comments: "This is an exciting time to be joining Exactpro's global team. As financial markets transform and face further digitalisation challenges, with the evolution of distributed ledger technology and digital assets, it is now more critical than ever to ensure the highest levels of system quality assurance. I look forward to working with the team to drive Exactpro's growth into Japan and the wider APAC region."

Iosif Itkin, CEO and co-founder of Exactpro, adds: "We are very pleased to welcome Matsu to the global Exactpro team. Matsu will be able to draw on his extensive industry experience to build on the success of Exactpro as we look towards growing our presence and expand our offering to clients in APAC."

Northern Trust has appointed Arthur Hill as senior vice president, head of product management for asset servicing, based in Chicago.

In his new role, Hill will lead product strategy and development, overseeing a global team of asset servicing product leads. He joins with more than 25 years of experience in the financial services and insurance industry.

Most recently, Hill worked at Capgemini as senior director for its global insurance and financial services group.

In previous roles, he has led initiatives for financial services clients in the US, UK and other countries, delivering strategy, process improvement and digital enablement programmes.

"Arthur Hill brings expertise developed over a rich career of program and team management, strategic planning, execution and solution innovation that drives client experience and digital enablement," says Paul d'Ouville, head of asset servicing product and client solutions at Northern Trust.

"We're excited to have his multi-dimensional experience and leadership working on behalf of our clients as the business continues to drive new and innovative product capabilities in support of the whole office for asset owners and asset managers alike."

Dawn McGuire has been appointed as managing director, Americas at Goal Group as the company scales up its US business.

McGuire will lead Goal's growth by capitalising on the roll-out of its subscription-based cloud delivery model, and guide the New York-based team to further raise the bar in operations, client service and research excellence.

She joins with experience in building, leading a growing three global information reporting and withholding tax practices.

Most recently, McGuire worked at Ernst & Young as principal where she advised chief financial officers, tax directors, legal and operations leaders of Fortune 500 companies on IRW obligations and minimise the risk of non-compliance, among other responsibilities.

Prior to Ernst & Young, she worked at PwC as tax manager, information reporting and withholding tax where she served as an IRW consultant to large financial services, venture capital, internet and automotive companies.

"With her deep knowledge of tax, legal and operational matters, Dawn McGuire is the perfect choice to take our world-leading tax reclaims and securities class actions business to its exciting next stage of growth," says Stephen Everard, CEO of Goal Group.

Commenting on her appointment, McGuire states: "As the focus on corporate governance intensifies globally, investors are more motivated to seek redress from an ethical as well as financial perspective. If investment intermediaries do not empower their clients to make their voices heard and submit every eligible claim, they are failing to maximise returns and neglecting a vital fiduciary duty."

"With the right external support, fund managers and custodians can transform reclaims and recoveries from a burdensome duty into a lucrative competitive differentiator," she adds.

McGuire's appointment is the latest in a series of new hires. Goal Group recently named Tom Grande to lead the firm's New York sales team.

Last month, Simon Cleary also joined Goal as a consultant covering Asia for its Asia Pacific region.

Earlier this year, John Binder and Shane McLay were also recruited.

Calastone has appointed Tatyana Dachyshyn as director, global money market funds.

Based in London, Dachyshyn will report to Edward Lopez, chief revenue officer at Calastone.In her new role, she will focus on managing and expanding Calastone's institutional money market fund offering across the globe.

Dachyshyn brings with her fifteen years of experience within global business development, asset management and capital markets. Most recently, she served as executive director, global liquidity at J.P. Morgan Asset Management.

Calastone's Money Market Services offering helps companies, public sector organisations and financial institutions balance their security, liquidity and yield objectives when investing surplus cash.

Using its new distributed market infrastructure, based on distributed ledger technology, liquidity fund managers are directly connected to their investors, using a fully automated trade process.

Darrell Tucker has joined the growing executive team of Drawbridge, a provider of cybersecurity software and solutions to the alternative investment industry.

Tucker takes on the role of managing director, client services, with responsibility for managing global client engagement. In this role, Tucker will also be responsible for identifying methods to enhance the overall client experience for Drawbridge platform users and driving customer success.

During his career, Tucker has gained 20 years of client engagement, technical services, growth development and operational experience in the financial services industry.

Most recently, he served as managing director of sales and business development at Siepe, a cloud and data analytics provider.

Prior to Siepe, Tucker spent ten years at Abacus Group, where he began as director, technical services before being elevated to managing director, business development.

Earlier in his career, he was the head of US project management for options-IT and technical director for BNP Paribas' prime brokerage division in the Eastern region.

Commenting on the appointment, Jason Elmer, CEO, Drawbridge, says: "Darrell Tucker's deep industry knowledge, leadership experience and client service expertise are a perfect fit for Drawbridge, and we're thrilled to welcome him to the team."

According to Elmer, now more than ever, alternative investment firms need a trusted and reliable cybersecurity partner to help them navigate the evolving threat landscape and manage their most complex cybersecurity programmes. Tucker comments: "I'm thrilled to join Drawbridge at such an exciting time in the company's history to expand our culture of service excellence, enhance client delivery and ensure our clients maximise their use of the Drawbridge platform."

Neil Macdonald is set to join State Street as head of the asset managers segment in Asia Pacific (APAC).

In the newly created role, Macdonald will lead State Street's engagement strategy for asset manager clients in APAC, including strategic direction and solutions structuring, and will have responsibility for the overall growth of the segment.

Based in Hong Kong, Macdonald will report globally to Donna Milrod, head of global asset managers segment and global clients division, and regionally to Mostapha Tahiri, CEO for APAC.

Macdonald will join State Street from KPMG, where he was the head of the Wealth and Asset Management Centre of Excellence.

In this role, he built a consulting business focused on the needs of wealth and asset managers in Hong Kong Special Administrative Region (HKSAR) and mainland China. Prior to KPMG, Macdonald was the chief operating officer of global investment solutions at J.P. Morgan Asset Management and chief operating officer for BlackRock's institutional clients in Europe, Middle East and Africa.

Before entering the asset management industry, Macdonald held a number of senior positions in the banking sector, including Barclays and NatWest Bank. He has nearly two decades of experience in the asset management industry.

"Asset managers are a key segment for our APAC business which continues to be a growth engine for State Street. We are excited to create this new role dedicated to supporting asset managers to achieve sustainable growth as they navigate the rapidly evolving and vibrant Asia Pacific marketplace and harness the power of innovation and transformation," says Tahiri.

According to Tahiri, Macdonald's experience and deep understanding of asset managers' needs will strengthen our positioning to be an essential partner and trusted advisor for asset managers in the region.

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