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The primary source of global asset servicing news and analysis
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Driving change for the better

Standard Chartered's Madeleine Senior speaks about the bank's emerging market focus and its drive to promote diversity and financial inclusion

Australia Update

Good news for Australia's asset servicing industry

Regulatory Compliance

Industry experts discuss the regulatory initiatives that are having the biggest impact on their business

Northern Trust unveils alternative initiative

Northern Trust has launched a machine learning-powered document capture capability as the foundation of a multi-year investment to digitise alternative asset servicing.

The initiative is set to enhance the experience for asset owner clients that invest in complex private markets and unlisted assets.

Digital document capture enables Northern Trust to streamline historically manual workflows by automating the receipt and processing of alternative asset documents and fund manager reports on holdings and performance of hedge funds, private equity and other alternative assets.

Northern Trust explains that its proprietary solution combines robotic process automation and cloud-based technology to provide transparency and data standardisation that enables greater understanding of portfolio risk and performance.

The intelligent document capture solution deploys custom-built robotic process automation that enables self-service operations to collect documents from emails, whether in the form of download link or within the email text.

Documents are stored on a cloud-based drive where intelligent tools extract identifying details such as the type of document and the name of the fund company; tasks which were previously performed manually.

Automated document capture enables Northern Trust's alternative asset servicing teams to focus on more strategic aspects of the process and reduces the need for manual intervention when coordinating saving, storage and categorisation.

Pete Cherecwich, president of corporate and institutional services at Northern Trust, comments: "As alternative asset classes continue to grow in importance to institutional investors, Northern Trust is committed to driving efficiency and reducing operational risk through the use of emerging technologies."

Cherecwich adds: "Digital document capture is a huge step forward, and only the start of our larger plan to enhance alternative asset servicing for the benefit of our clients."

The proprietary document capture tool is the first in a series of releases supporting Northern Trust's strategy to harness emerging technologies to digitise alternative asset servicing, a growing sector of its asset servicing business.

Last month, Northern Trust was appointed to provide fund accounting, transfer agency and global custody services to Fundsmith's Luxembourg-domiciled umbrella, Fundsmith SICAV.

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W: www.assetservicingtimes.com
T: @ASTimes_

Editor: Becky Bellamy
beckybutcher@blackknightmedialtd.com
+44 (0)208 075 0927

Reporter: Maddie Saghir
maddiesaghir@blackknightmedialtd.com
+44 (0)208 075 0925

Contributor: Maria Ward-Brennan
mariawardbrennan@blackknightmedialtd.com

Designer: James Hickman
jameshickman@blackknightmedialtd.com
+44 (0)208 075 0930

Associate Publisher: John Savage
johnsavage@assetservicingtimes.com
+44 (0) 208 075 0931

Publisher: Justin Lawson
justinlawson@blackknightmedialtd.com
+44 (0)208 075 0929

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UK regulator calls for feedback on climate disclosure rules

The Financial Conduct Authority (FCA) has published new guidelines relating to climate disclosures for UK listed companies.

These build on rules introduced in December 2020, applicable to the most prominent listed commercial companies in the UK, which uphold many of the recommendations of the Taskforce on Climate-related Financial Disclosures.

In its latest proposals, which are subject to consultation, the UK watchdog has advised that coverage under these disclosure rules be extended from premium-listed commercial companies to include issuers of standard listed equity shares.

These also propose that a disclosure obligation be introduced for asset managers, life insurers and pension providers that fall under the FCA's supervisory responsibility. The authority has called for industry feedback on these proposals by 10 September 2021. These provisions form part of wider FCA consultation on environmental, social and corporate governance (ESG) standards in capital markets, including green and sustainable debt markets and the role played by ESG data and ratings providers.

FCA executive director of consumer and competition Sheldon Mills says: "Managing the risks of climate change and transitioning to a cleaner and less carbon-intensive economy will require high-quality information on how climate-related risks and opportunities are being managed throughout the investment chain."

"Climate-related disclosures do not yet meet investors' and market participants' needs," says Mills. "The new rules will help markets, investors and ultimately consumers understand the impact of climate change and make better informed decisions."

The FCA recently published a "remit letter" defining responsibilities that it should bear regarding the government's commitment to move to a net-zero economy by 2050.

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MJ Hudson acquires Clarus Risk

Asset management consultant MJ Hudson has purchased Clarus Risk, a specialist in investment risk and risk reporting automation.

Guernsey-registered Clarus Risk is active primarily in the regtech segment and supports investment management firms with aggregate assets under management of close to £10 billion on its platform.

This is the fifth company to be acquired by MJ Hudson in the data and analytics area in the past 36 months, and follows its take over of fund performance analytics provider PERACS in December 2020.

Prior to this, MJ Hudson acquired investor relations and marketing analysis company Meyler Capital in March 2020, ESG reporting and advisory firm Spring in July 2019 and Amaces, a foreign exchange and custodian benchmarking provider, in December 2018.

Clarus Risk was established in 2011 and offers risk and regulatory reporting functions primarily to alternative investment fund managers and investors via a software-as-a-service (SaaS) solution or as a managed service.

The deal will reinforce MJ Hudson's capability in investment risk reporting, liquidity stress testing and automated regulatory reporting for UCITS, Packaged Retail and Insurance-based Investment Regulation products (PRIIPs) and Annex IV transparency information under the Alternative Investment Fund Manager Directive (AIFMD).

The Clarus team, including its leader Max Hilton, will all move to MJ Hudson. The firm will operate as MJ Hudson Quantitative Solutions, with intentions to extend its activities in London and to build its roster of quantitative engineers and risk professionals.

Chief operating officer and head of MJ Hudson's data and analytics division Odi Lahav says: "Clarus' fintech business model fits well into our current product suite. With the addition of Clarus, we can now offer clients enhanced levels of transparency, reporting and analytical solutions across the critical areas of their business."

Clarus managing director Max Hilton says: "MJ Hudson's continued focus on the research and development of data-driven analytical tools, as well as its proven ability to attract blue-chip clients for these products and services, makes this the perfect home for our growing and evolving product set."

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Ocorian acquires Nordic Trustee

Ocorian, the financial services group and provider of fund, corporate, capital markets and private client services, has acquired Nordic Trustee. Nordic Trustee provides trustee and agency services for bonds and direct lending in the Nordic region from Altor Fund IV, subject to regulatory approval. Ocorian explains that the transaction reflects its strategy to further build its capital markets offering. With offices in Oslo, Stockholm, Copenhagen and Helsinki, Nordic Trustee is led by CEO Cato Holmsen and a management team. The team will continue to run Nordic Trustee's business and secure the company's role as an independent bond trustee and loan agent in the Nordics.

Frederik van Tuyll, chairman and CEO at Ocorian, comments: "This exciting acquisition allows Ocorian's clients to tap into the fast-growing Nordic bond and direct lending markets. The transaction also significantly expands the breadth and depth of solutions that Nordic Trustee can offer their clients and help them to be even more successful."

"We share a single-minded focus on building long term client relationships founded on excellent client service, something which Nordic Trustee is renowned for. We are looking forward to working with the whole team at Nordic Trustee to best support our clients' needs, now and in the future."

Holmsen adds: "This is great news for everyone at Nordic Trustee and our clients. We are delighted to be partnering with Ocorian and welcome this opportunity to team up with a fast-growing global business."

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Brock University selects CIBC Mellon as custody provider

CIBC Mellon has been appointed by Brock University to provide custody, institutional accounting and pension benefit payment services to the Brock University Pension Plan, as well as access to data and investment information via its global enterprise's portal.

Brock University, which selected CIBC Mellon after conducting a thorough review of the Canadian market, sponsors a hybrid pension plan, which contains both defined contribution and defined benefit components.

The Brock University Pension Plan combines both characteristics to provide plan members with the opportunity to benefit from the investment performance of the pension fund, as well as offering members protection against market downturns through the provision of a Minimum Guaranteed Pension.

Josh Tonnos, associate vice president, financial services, and chief financial officer, Brock University, says: "We look forward to working collaboratively with CIBC Mellon's seasoned client service team and to tap into their global enterprise's intuitive and powerful technology. I am confident we will benefit from their operational expertise, including their decades of experience as a leading provider of benefit payment disbursement services."

Alistair Almeida, segment lead, asset owners at CIBC Mellon, adds: "We are honoured to bring on the Brock University Pension Plan and look forward to providing exceptional operational support so they can focus on growing their pension fund for Brock's employees and pensioners."

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BoE confirms supervisory action against Euroclear UK and Ireland

The Bank of England (BoE) has initiated supervisory action against Euroclear UK and Ireland in connection with an outage in its CREST settlement system in September 2020.

The outage, triggered by a failure in messaging software, caused the UK central bank to postpone one of its periodic gilt purchase operations under its asset purchase programme. EUI commissioned an independent assessment into the causes of the outage and has already commenced remedial action on the basis of its recommendations.

"In light of the incident's serious and disruptive nature, and recognising the importance of ensuring implementation of these remedial actions, the Bank has issued a direction under section 191 of the Banking Act 2009 requiring EUI to implement the recommendations of the independent reviewer," said a BoE statement.

"The Bank is also using its powers to require EUI to appoint a skilled person to assess the implementation of the recommendations."

This skilled person will provide a final report on its findings to the central bank in the first half of 2022. The BoE said that its supervisory action does not imply that a regulatory breach has taken place and this does not represent an enforcement action.

LCH EquityClear boosts services offering

LCH EquityClear has added clearing services for the Euronext Growth Oslo Market (EGO).

EquityClear is LCH's UK-registered equities clearing service, with connectivity to 16 trade venues and 19 Central Securities Depositories (CSDs) across Europe.

LCH says that this new partnership will provide EquityClear members with a choice of trading venue. Members can also net positions across all the markets that EquityClear clears, significantly reducing settlement and operational costs. Underpinning the entire service is EquityClear's proprietary Equity Risk Analysis algorithm (ERA), which delivers cost-efficient management of trades and positions by spotting offset opportunities across all of EquityClear positions, LCH explains. EquityClear clears for 16 exchanges and trading venues. Multiple subsidiaries, market segments and trade feeds are cleared for several of these.

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HSBC gains new global custodian mandate from True Potential

HSBC has been appointed as third-party administrator by True Potential for all of the 34 UK authorised funds offered on the firm's in-house platform, which has £17 billion assets under management (AUM). The new mandate will see HSBC provide depositary, global custody, fund accounting and transfer agency services to these funds. True Potential is an original financial technology firm with a strategy to offer its financial advisers and clients the best suite of technology, platform and funds, all designed and managed in-house.

According to Neil Johnson, senior partner at True Potential, as part of that plan, True Potential now runs its own in-house authorised corporate director (ACD), which enables the firm to innovate and bring forward new ideas quickly and with a much greater degree of control.

"We are pleased to have appointed HSBC to work with us as we continue to grow our platform AUM, currently standing at £17 billion and adding a further £500 million every month," says Johnson.

Michelle Butler, head of business development and client management, Europe, securities services, HSBC, comments: "We are delighted HSBC was awarded this new mandate to provide a range of global custody and fund administration services to True Potential's UK authorised funds, and to support its newly formed in-house ACD."

HSBC's appointment was made after a detailed procurement and due diligence process.

Broadridge to provide regulatory trade and transaction reporting for BayernLB

Broadridge has been selected by Bayerische Landesbank (BayernLB) to streamline and consolidate its regulatory trade reporting commitments.

BayernLB will utilise Broadridge's regulatory trade and transaction reporting solution to provide a single strategic solution to regulatory trade reporting commitments.

This will include regulatory commitments for the Securities Financing Transactions Regulation (SFTR), the European Markets and Infrastructure Regulation (EMIR), and the Markets in Financial Instruments Regulation (MiFIR).

In leveraging Broadridge's solution, BayernLB will also benefit from a consolidated, integrated data model that can be extended and adapted with ease to accommodate additional new reporting jurisdictions and changes to existing regimes. It will also reduce operational costs, risk and complexity, and enable the Landesbank, which is owned by the Free State of Bavaria and the regional savings banks, to concentrate efforts on core activities, Broadridge explains.

Peter Graml, head operating office, treasury products service at BayernLB, says: "We are very pleased that our decision to adopt Broadridge's trusted reporting solution not only delivers significant operational efficiency gains and positions us well for future change, but also enables us to dedicate an even higher proportion of our resources to developing customer service relationships and focus more of our attention on what makes us truly unique."

Hugh Daly, head of capital markets data and regulatory solutions at Broadridge, adds: "We are extremely proud that Broadridge continues to be the provider of choice for globally recognised financial institutions looking to streamline and de-risk their regulatory reporting process."

DTCC provides first electronic certificate as part of dematerialisation efforts

The Depository Trust & Clearing Corporation has launched its new underwriting central platform, an automated service for electronic certificates of deposit.

The new platform provides a paperless process for the delivery of CDs, increasing efficiency through automation and providing greater transparency into the eligibility life cycle.

Read the full article online

Man Group selects corfinancial's Salerio to migrate OASYS trade processing

corfinancial's post-execution trade processing solution Salerio has been selected by Man Group, to assist in their migration from the OASYS US securities trade processing flows to the DTCC's institutional trade processing central trade manager platform.

Last year, DTCC announced that it would decommission OASYS on 31 October 2021.

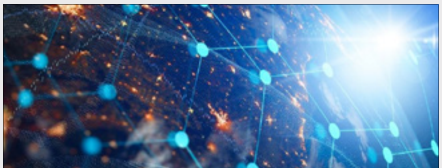
Read the full article online

ESMA registers first two repositories under the Securitisation Regulation

The European Securities and Markets Authority (ESMA) has approved the registration of two securitisation repositories (SRs) under the EU Securitisation Regulation.

The European DataWarehouse, located in Germany, and Netherlands-based SecRep become the first two SRs to be licensed under this regulation.

Read the full article online



Ivno and CloudMargin combine blockchain technology with collateral management

CloudMargin and Ivno have entered into a strategic partnership that leverages Ivno's distributed ledger technology (DLT) and CloudMargin's collateral management capabilities.

The partnership will enable market participants to benefit from minimising transfer costs, settlement failures and cash trapped in transit while optimising liquidity via tokenisation solutions.

Read the full article online

Six global banks to leverage SWIFT's new transaction management platform

BNY Mellon, BNP Paribas, Citi, Deutsche Bank, Standard Chartered, and the Bank of China have endorsed SWIFT's new transaction management platform.

The six banks are all preparing to use the platform's expanded capabilities to enable new services, improve efficiency and reduce costs when the platform goes live in November 2022.

Read the full article online

European Commission issues Interim Report on CSDR

The European Commission has released an interim report on the Central Securities Depository Regulation (CSDR) to the European Parliament and European Council.

This follows a targeted consultation process which ran from 8 December 2020 to 1 February 2021, to which 91 stakeholders responded.

Read the full article online

A story of growth

Maddie Saghir reports

The year kicked off with good news for Australia's asset servicing industry when ACSA revealed the value of assets under custody for both Australian and foreign investors rebounded over the final six months of 2020

Australia's institutional investment industry continues to grow on the back of mandatory contributions from workers to their superannuation (pension) funds, a strong bounce back in market valuations, and the ongoing attractiveness of Australia as an investment destination for overseas investors.

Underpinning all of these factors is confidence in the stability and efficiency of Australia's financial system.

The year kicked off with good news for Australia's asset servicing industry when the Australian Custodial Services Association (ACSA) revealed the value of assets under custody for both Australian and foreign investors rebounded over the final six months of 2020 on the back of the global market performance. This was primarily due to the strong rebound in equities markets.

As of 31 December 2020, the Australian asset servicing industry held over $4 trillion (AUD) in assets under custody — 14 times larger than in 1996 when ACSA began collecting statistics.

Business conditions in Australia rebounded quickly in the second half of 2020, underpinned by government economic support and the perceived relatively strong management of the COVID-19 virus — both of which resulted in a strong market economy backed by local and foreign interests.

Experts observe this market confidence contributed to significant stock market returns, where the S&P 500 rose from 2,498.08 in April to close the year with a gain of 50.70 per cent without dividends.

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Meanwhile, the ASX 200 rose from 5,076.80 at the end of March to 6,587.10 at the end of December — a 29.75 per cent gain exclusive of dividends.

According to FRS, this market confidence also attracted strong investment in Australia as well as strong customer confidence levels.

Having reached a low in March 2020, country data from March 2021 showed that consumer confidence in Australia had increased by approximately 27 per cent, compared to the US which experienced an increase in consumer confidence by approximately 12 per cent over the same period.

Over the past 25 years, ACSA says change has been constant over this period of growth, in terms of client mix, average client size, service roster and of course regulation.

According to the association, asset allocation has continued a steady global path. In 1996 around 15 per cent of total assets for Australian clients were invested offshore. That figure is now well over 30 per cent.

Asset type continues to be dominated by traded markets, although private assets are increasing as the institutional investors grow beyond the Australian listed market and look to other markets for assets.

Meanwhile, efficiency in custody and investment administration has been achieved through the innovation of ACSA member firms, and collaborative systemic focus on standards and common practice. Never before have so many assets been serviced by so few.

A story of growth

Superannuation fund consolidation is gaining significant momentum in Australia, and experts believe this is only going to continue to grow.

In the 2019/2020 financial year, Australia saw five major merger announcements. The average transfer of funds under management (FUM) was AUD $22.7 billion. Since 30 June 2020, a further seven mergers have been announced and experts believe the amount of merger activity is only going to continue to increase.

"As funds grow in size, there is a need for collaborative focus on common standards and increased digital connectivity between funds, managers and their service providers," comments Lewis Moreline, head of fund services product, securities services, Australia and New Zealand, J.P.Morgan.

Experts say successor fund transfers are being announced at breakneck speed, placing custodians under pressure to be nimble through transition and to protect their businesses while decisions around their assets under administration (AuA) are being made without their input.

According to Matthew Baldwin, global business development at FRS, this has resulted in some material shifts in the market in terms of custody arrangements and the emergence of 'master custodians', and these changes will continue as the trend for super fund consolidation shows no signs of abating.

Aside from this growth trend, industry participants in Australia are also seeing increased interest and adoption of exchange-traded funds (ETFs). Martin Carpenter, head of securities services at Citi Australia, says this trend is significant with Citi's asset management and wealth platform clients.

Carpenter observes: "In the case of asset managers we are seeing a notable increase in interest in launching active ETFs a trend we expect will continue to gain momentum and with wealth platforms, the allocation to ETFs has continued its impressive growth trajectory."

Elsewhere in Australia, there is an increased focus on tax, tax governance and the operational effectiveness of tax control frameworks.

"Tax efficiency is also a major contributor to investment performance, and superannuation fund regulations such as Your Future, Your Super put a further spotlight on tax in relation to returns for members," comments Moreline.

The long and short of it

Although Australia's asset servicing industry has seen considerable growth over the years, it has never had to deal with the likes of the pandemic that struck the world in 2020. In terms of Australia's custody sector, experts say COVID-19 disruption continues to impact the way the industry works, and the way the industry thinks about work.

In the short term, Robert Brown, CEO of ACSA, says: "Flexibility is essential, but often taken for granted as highly regulated and process intensive businesses adapt to lockdowns."

"Although services are highly automated, there remain challenges in weeding out residual manual processes like wet-ink signatures, faxes and paper-based cheques."

ACSA's CEO also identifies several other short and long term trends:

Short term

- Regulation continues to dominate the industry landscape. Regulatory compliance is adding complexity and cost
- Questions from investors and regulators about environmental, social and governance (ESG) towards asset owners and fund managers continue to drive more requirements for more granular and richer data
- Proxy voting process improvement, with ACSA leading industry and government consultation on the adoption of a true entitlement date to remove ambiguity and improve transparency for institutional investors and listed companies

Long term

- Crypto assets and distributed ledger technology, while they are capable of so much, ongoing work is required to ensure they are safely deployed and regulatory aware
- Consolidation — fewer and larger superannuation (pension) funds, and as a consequence the potential for more specialisation in service provision including component outsourcing
- Challenges for funds as they put in place the necessary governance and resources for multi-vendor solutions

Carpenter says: "Citi's asset owner customers are already used to dealing with constant change, both locally and around the world."

"These changes can relate to regulation, taxation and investment strategy, as well as black swan events like the COVID-19 pandemic. In such an environment, asset owners lean on global entities like Citi for its significant resources and experience managing the changes and challenges trustees face."

At Northern Trust, head of client services for asset servicing and head of Sydney office, Sally Surgeon, suggests the past 12 months have accelerated some ongoing trends that have been underway for a few years. This includes scale and efficiency considerations that will result in changing operating models and continued outsourcing.

According to Surgeon, institutional investors are realising great value in outsourcing their back, middle and select front office functions such as institutional brokerage to service providers like Northern Trust who have a global operating model, innovative technology solutions, as well as proven scale and experience to meet the ongoing needs of sophisticated institutional investors. Additionally, Northern Trust expects data demands to continue in the face of changing market dynamics and increased regulation.

"During the onset of the COVID-19 pandemic, asset servicing providers were processing and reporting unprecedented volumes of transaction activity as institutional investors responded to the evolving market volatility," Surgeon states.

During this time, the role of asset servicing providers in maintaining consistent servicing and providing up-to-date portfolio information has never been more important.

Weighing in on regulatory changes, FRS' Baldwin highlights: "Because regulatory changes now stipulate that accountability for the management of investor funds is no longer the sole responsibility of custodians, the custodians' clients are now placing increased scrutiny on the oversight solutions deployed to manage their end clients' investments. This is to ensure that they are able to safely and effectively service their own members and account holders."

However, this adds an extra layer of accountability for custodians that needs to be implemented and managed, which means that they are acutely aware that legacy technology creates unacceptable risk in a distributed model.

"As a result, we are having more frequent conversations with custodians operating in the Australian market who are looking for better ways to decrease investor and regulator risk and increase operational efficiencies," comments Baldwin.

There has also been a renewed focus on the optimisation of next generation technologies to further automate operational processes, including the use of machine learning and robotics.

Citi's Carpenter adds: "This strongly positions Citi given the continued investment and focus on this key priority for the firm. There has also been an even greater assessment of the contingency plans within our own operating environment, including between processing hubs but also in respect to external suppliers and vendors."

Keep an eye out for issue 270 of Asset Servicing Times for part two of the Australia country profile, which will dive into the technological trends in Australia.

Driving change for the better

Maddie Saghir reports

Standard Chartered's Madeleine Senior speaks about the bank's emerging market focus and its drive to promote diversity and financial inclusion

Madeleine Senior joined Standard Chartered in June 2019 as managing director, regional head of financing and securities services, Americas and Europe based in London.

Her industry career spans over 27 years, during which she has developed extensive management and sales experience and sat on multiple asset management, fund administration and securities services industry boards.

Before joining Standard Chartered, she was based in Australia as the regional managing director of a global custodian, responsible for establishing a capital markets division in Sydney as well as overseeing an international asset management business and defining the business strategy across Australasia.

She describes herself as very fortunate to have lived and worked in many of the world's most exciting and dynamic cities. She has led Europe, Middle East, and Africa sales teams, including business development, product evolution, marketing, and strategy across 28 countries for asset owners, asset managers, insurance companies, hedge funds and sovereign wealth communities.

Prior to that, she was managing director in the Nordics, opening a new office in Sweden in 2009, and has extensive knowledge and experience in those markets.

Beyond financial services, Madeleine speaks regularly at diversity councils and Women in Leadership forums and is a passionate advocate of these initiatives. She is also a qualified teacher.

What attracted you to join Standard Chartered?

I was attracted to Standard Chartered by its network across emerging markets, the quality of its brand and its progressive and purpose-led culture.

By joining the bank, I recognised the opportunity to make a real difference in the countries in which we operate by doing the right thing in all we do: by our people, our clients, our environment and the communities we work in.

The bank creates an environment in which energised and inspired individuals can flourish and are encouraged to disrupt and challenge the status quo by being better together. It is a dynamic environment to work in and I was excited to be part of it.

I am a former English teacher and an enthusiastic advocate for diversity, inclusion and respect. Consequently, it was motivating to see the work that the bank was doing in promoting gender equality, educational access and financial inclusion in communities around the world.

For example, our global community programme, Futuremakers by Standard Chartered, is a bank-wide initiative to tackle inequality by encouraging greater economic inclusion of young people in the markets that we service. In 2019 and 2020, Futuremakers programmes reached more than 366,000 young people across 35 markets.

Why is Standard Chartered different to other global custodians?

Our emerging market focus sets us apart. Standard Chartered operates in 59 markets in the world's most dynamic regions — in Asia, Africa and the Middle East — with financing and securities services (FSS) focused on 40 of those markets. Operationally, these can be some of the most challenging markets to navigate and every one is different in terms of the readiness of inbound investors, investment restrictions, language, culture, currency and regulatory requirements.

Our proximity to these markets, and our strong connections within them, enables us to work proactively with regulators and exchanges, informing decision-making and driving reform on behalf of our clients while promoting better access to employment, educational opportunities and economic growth. To be successful in these markets, we innovate at speed, channelling talent, technology, product development and investment expenditure into dynamic growth, inclusion and market access.

What are the most popular markets currently for inbound investors?

Many investors are looking beyond traditional western markets and are keen to access our insights and proximity to dynamic emerging markets. Markets such as China and India have seen rapid growth and continue to receive keen interest from global investors. Even so, foreign participation in China's onshore market remains relatively small, with considerable potential for further growth. Foreign inflows are expected to climb to a record CNY1.5 trillion (US$230 billion) this year, as the economy begins to recover from the COVID-19 pandemic, coupled with new simplified access reforms.

We are seeing continued interest in India, both via foreign portfolio investments (FPI) and foreign direct investments (FDI). US investor clients, in particular, are keen to access FPI via the National Stock Exchange of India (NSE) listed futures, options and to access securities lending activity there. Others prefer the FDI route into infrastructure, real estate or distressed debt.

Throughout 2021, we have seen increased interest in Africa. Investors are keen to align with the United Nations' 17 Sustainable Development Goals, which cite Africa as a key recipient market for impact investment. It has become easier to do business in many parts of the region as a result of economic reforms, investments in technology and innovation, and improvements in infrastructure.

However, Africa remains a challenging region without expert insights, solutions and support, given the diversity across countries at varying stages of development. Hence, Standard Chartered plays a crucial role in helping clients to navigate this.

The Middle East is also becoming a more important region for investors. For example, Saudi Arabia's inclusion in the MSCI emerging market index in March 2019 has driven new investor interest, while the UAE has also seen significant growth in investor activities this year.

The financing and securities services business goes beyond securities services to include prime brokerage and agency securities lending.

Why did Standard Chartered combine these business units?

Our clients want us to operate as one bank and we recognised that we could build on the linkages between these businesses to offer complementary solutions for our clients and to become more efficient and interconnected internally. By combining these products, our FSS division offers full lifecycle product development, access to talent and affords greater client transparency and choice.

What are your clients' current priorities across the business segments you support?

Four themes particularly stand out: market access; client experience; risk awareness, and values-led investing.

Specifically, clients are seeking greater diversification by extending their exposure to emerging markets in search of new yield opportunities.

Technology advances, innovation and the ability to co-create, inform and influence change are critical for sophisticated clients — especially in the markets in which we operate. Pricing transparency, cost efficiencies, direct market access and seamless connectivity are key to creating an excellent client experience.

Clients are becoming more aware of, and sensitive to, credit, currency and counterparty risk. Consequently, they are seeking full transparency over who is transacting on their behalf and how this takes place.

Finally, customers across all segments are seeking to incorporate environmental, social, and governance (ESG) principles on behalf of their own clients and across their own activities.

Where do you identify major successes through the initiatives you have outlined?

The UN Sustainable Development Goals provide a framework for sustainability programmes from national governments and multilateral agencies. However, financial institutions also have an important role to play in promoting economic growth that is environmentally and socially sustainable and that advances essential development objectives. We can do this by working in partnership with key agencies, governments, other financial institutions and corporations to offer financing and promote change.

Standard Chartered is taking a lead in promoting these development goals through a variety of ongoing projects. For example, in October 2018 Standard Chartered and the World Bank sold the world's first sovereign blue bond for the Republic of Seychelles to protect marine areas. We also brought together a coalition of banks to form the Illegal Wildlife Trade Financial Taskforce, which aims to mobilise the global financial system against this catastrophic environmental, social and financial crime.

Elsewhere, for the past 20 years we have been working to improve health and safety, environmental, social and labour practices in Bangladesh's economically critical ship recycling industry.

At a business unit level, we have seen tremendous growth across our FSS business. Our prime brokerage business has grown exponentially — and so too has our agency securities lending franchise, where we recently appointed a global head to focus on the expansion of this exciting area of growth.

Our custody business has secured substantial wins across all markets that we service and we are now in the top three providers by assets under custody and clearing volumes in several countries, including Taiwan, Kenya, Singapore and the UAE.

We continue to advance our innovation agenda, with our successes in Application Programming Interfaces (APIs) and blockchain recognised through awards by leading independent industry publications.

Most importantly, after a challenging year for us all, we continue to expand our client relationships, while our talented people are engaged, energised and keen to make a difference. This bodes well for a dynamic and diverse future, full of innovation and change for the better.

What are the strategic priorities for Standard Chartered's Financing and Securities Services unit for the coming 12 to 24 months?

I mentioned earlier that I was particularly attracted to Standard Chartered's market network and culture, and the difference the bank seeks to make in the countries in which it operates.

Over the next 12 to 24 months, I expect to see FSS reinforcing its position and influence as a market leader in the 40 markets in which we operate today, supporting clients' growth ambitions through our digital solutions, market insights and domain expertise.

At the same time, we want our business, and our clients' businesses, to 'grow well', with diversity and inclusion, and environmental and social considerations central to the way we think, act and interact, whether with clients, partners, regulators or the wider market.

The devil is in the data

Industry experts discuss the regulatory initiatives that are having the biggest impact on their business and lessons to be learnt from regulatory data integrity and control processes

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Which regulatory initiatives are having the most impact on your business during 2021?

Prenisha Pillay: The past year was an especially challenging time for the financial services industry; not only did firms have had to adopt a new operating model but they also had to do more with less.

There is no respite from the onslaught of compliance requirements as regulators continue to revise existing regulations or introduce new ones.

One thing is certain — regulations remain vital tools for reducing risk, keeping markets in order and above all, protecting investors, businesses and economies.

Tania Narciso: **Canada's regulatory structure is relatively complex, consisting of provincial regulators, federal regulators and industry self-regulatory organisations.**

Jurisdictions participating in the Cooperative Capital Markets Regulatory (CCMR) System continue to work together towards implementation of the CCMR, with the overall goal of modernising Canada's capital markets, making them more competitive and better protecting investors. Participating jurisdictions of this long-term initiative are reviewing timelines for the launch of the Cooperative System to support a smooth and secure transition for market participants.

As part of global financial institutions' phasing-out of the London Interbank Offered Rate (LIBOR), and other unsecured interest rates, various regulatory authorities have announced support in favour of rates based on actual underlying transaction rates. As of 15 June 2020, the Bank of Canada (BoC) has taken on the role of publishing the latest data for the Canadian Overnight Repo Rate Average (CORRA), Canada's replacement rate. According to the BoC, CORRA measures the cost of overnight general collateral funding in Canadian dollars using Government of Canada treasury bills and bonds as collateral for repurchase transactions. We continue to be very active both with changes to our own systems and processes and in supporting clients through the transition.

Globally, the pandemic has disrupted operations and stopped many firms preparing for new or changing regulations.

Years of uncertainty surrounding Brexit have also interrupted compliance plans. As firms based in (or trading with) the UK face a new combination of domestic and foreign obligations, the 'principle of mutual equivalence' will be key to determining future requirements.

2021 sees the onshoring of Securities Financing Transactions Regulation (SFTR), the European Market Infrastructure Regulation (EMIR) and the second Markets in Financial Instruments Directive (MiFID II) and UK entities need to comply by the end of the year. Given the scale, complexity and extent of the changes of the regulatory changes, a forward-thinking and strategic approach to data management is needed to avoid problems further down the line.

Christine Strandberg: For SEB as a Nordic custodian, providing Nordic sub custody to international financial institutions and global custody to Nordic financial institutions, the regulatory initiative with the most impact during 2021 is the Central Securities Depositories Regulation (CSDR) settlement discipline regime.

In the Nordic markets, the central securities depositories (CSDs) have generally implemented most of the CSDR changes, and so has SEB – but that does not mean that our clients already use functionality such as partial settlement and hold and release, and hence we expect a test-intensive second half of 2021.

The remaining changes to be implemented are those related to penalties and buy-in. The CSDs have performed the bulk of the development, and CSDs and CSD participants are getting ready for the penalties reporting dry-run starting in September.

SEB will support the dry-run from the start, and we hope our clients will use the opportunity to perform the best possible end to end testing — in production, with real-life transaction scenarios of every kind. That said, the number of outstanding questions related to penalties and, even more, buy-in, will make autumn a very interesting time – for everyone from CSDs, central counterparties (CCPs), trading participants and custodians. Finally, the question of whether re-papering is required remains.

In addition to CSDR, the Shareholder Rights Directive (SRD II) is not yet finalised. One of our home markets, Norway, is an EEA market and SRD II is accordingly not yet implemented/transposed in Norway. Draft acts were submitted to parliament in April, but no entry into force date has been set and the responsible Ministry will also issue more detailed provisions supplementing the legislative changes. Implementation is not expected before 2022.

ISO 20022 messages will be used for general meetings and shareholder identification disclosure, but specifications for the communication flow are dependent on government guidance on whether the nominee or account operator is considered as the intermediary for nominee-registered securities. With the implementation in Norway, and changes in the EU markets to improve the general meeting messaging, we expect to be working with SRD II-related development for another year at least.

Valérie Nicaise, global leader of regulatory reporting, BNP Paribas Securities Services

As a leading securities services provider, our role is to help our clients, including asset managers, asset owners and alternative investors, adapt to regulations. We provide them with powerful reporting solutions that reduce their administrative burden and are compliant with the latest regulatory requirements.

In 2021, as far as reporting is concerned, our areas of focus regionally and globally include:

- Assessing the impact of ESG-related regulation — notably the Sustainable Finance Disclosure Regulation and the EU taxonomy — on existing reporting for institutional investors, as well as the impact on clients' data needs. We have been actively participating in the associated European working groups such as FinDatEx in order to define a standardised way of exchanging ESG data between market participants and to improve existing data templates for other regulations.

- Investing globally in our data solutions in order to improve the consistency and coherence of reporting for different regulatory regimes. For example, EMIR in the European Union (EU), Monetary Authority of Singapore (MAS) and Australian Securities and Investments Commission (ASIC) all require forms of over-the-counter (OTC) transaction reporting and we have invested in developing consistent, high quality reporting across these regions, which is particularly valuable for clients with operations across multiple jurisdictions.

- Rolling out a new solution in Europe to provide PRIPS KID reporting for UCITS funds, which is due to replace the existing UCITS KIID reporting in 2022.

We provide clients with powerful reporting solutions that reduce their administrative burden

Often firms have to undertake reporting across multiple regimes and jurisdictions, how can or should this process be streamlined?

Strandberg: Some market-related differences will likely always exist, but where the business need and content is the same or similar, regulators should strive to use standardised messages in a consistent manner.

Perhaps a regulatory reporting market practice group could be an idea. Not necessarily for firms providing the reports to regulators, but for the regulators to agree between themselves on how to perform a specific type of regulatory reporting, across markets — and not just in the EU. In the short to medium-term, we believe that it would be beneficial for the entire securities market if the UK after Brexit would continue to mirror EU Regulations.

One such example can be found in the SFTR territory where repository reporting currently is identical but where the situation quickly could change after ESMA's upcoming requirements.

Chris Probert: Firms have historically approached reporting in a siloed manner, with operating models tailored to individual reporting jurisdictions and often underpinned by a legacy architecture. As the reporting landscape has become increasingly complex, firms should migrate to a more holistic operating model for the purposes of ongoing compliance. Ideally, this will consist of a centralised horizon scanning and impact assessment function, with the subsequent federated implementation of new regulations or changes to regulations.

In addition, given that reporting offers only minimal competitive differentiation and multiple synergies exist across different regulatory jurisdictions, firms should look to leverage regtech across the reporting stack — from horizon scanning, reporting eligibility, report generation, submission through to QA — to significantly improve their ability to evidence and demonstrate their compliance. As well as increasing automation, this will reduce costs and enable the focus for reporting to shift from purely an administrative burden to a value-add process within the firm while decreasing the risks associated with incomplete and inaccurate reporting.

Nicaise: Regulatory reporting across jurisdictions and asset classes can be challenging, firstly due to the multiplicity of requirements which may at first appear similar but differ on closer examination. Secondly, the diversity of instruments and asset classes in our clients' portfolios often necessitates separate treatment from a regulatory perspective, such as OTC derivatives or private equity instruments.

In this complex environment, regulators are paying increasing attention to the coherence and consistency of reporting across reporting regimes. Therefore, we see it as a real priority to develop an ecosystem across geographies and asset classes, through greater mutualisation of data, tools and teams.

At BNP Paribas Securities Services we have invested in a global operating model that combines local expertise, aimed at monitoring local regulation and building relationships with local authorities, with centralised centres of expertise responsible for providing solutions globally.

Our centres of excellence in Europe and Asia Pacific play a vital role in streamlining our reporting processes. We have started to build a dedicated platform, which leverages the latest tools and technologies from partners. Using this platform, we can implement key functions such as calculation, report filing and dissemination, from a single, integrated system.

Narciso: Canada is home to a wide array of institutional investors at varying places along a continuum of complexity and sophistication. Institutional investors large and small face common challenges around capturing, measuring and reporting investment information sourced from and delivered to a multitude of systems and people.

Many managers are reaching the limits of complexity their current operations can absorb. They are identifying opportunities to replace an interconnected web of augmented, adapted and customised legacy components with a more systematic solution to managing investment information.

Asset owners and asset managers alike face complex risk pressures such as complying with new regulations, managing transparency concerns and mitigating investment risks across diverse asset classes. They need the support of robust analytical tools on the front lines of risk management.

The stakes continue to grow and the data challenges are gaining focus for many firms given the increasing number of internal and external stakeholders depending on data — boards, investment management teams, compliance teams, regulators and more — clients are looking to their providers to create a data management process that simply gathers the loose data spread across locations, systems, and teams, and makes it readily available for when they need it.

We are seeing clients working with specialist consultants as well as looking to our global enterprise for skill sets that they don't intend to hire or grow in-house.

As clients come forward, they want the ability to enlist our help to use software more efficiently, answer their questions around data, develop queries and perhaps most of all to allow them to focus on achieving their target state for information and the datasets as quickly as possible.

Firms often end up creating multiple data silos and fragmented processes cobbled together using legacy technology, spreadsheets and other workarounds

Prenisha Pillay, FIS

Prenisha Pillay, head of GTM strategy, data management solutions, FIS

The risk of non-compliance can overshadow a strategic approach to data management. Firms often end up creating multiple data silos and fragmented processes cobbled together using legacy technology, spreadsheets and other workarounds that are complex to maintain and defeat the original purpose of control and transparency. Rather than ending up with multiple solutions to manage the data integrity demands of different regulations.

A unified data management strategy must always be the starting point for meeting regulatory requirements across different regulations and jurisdictions — and provide all the visibility and control that each new regulation requires of a firm. As regulations continue to multiply for financial institutions, so do the challenges for data management. Despite the growing complexity of reporting demands, the answer is surprisingly simple — a centralised, standardised control framework for managing regulatory data.

At the foundation of your control framework should be the ability to collect, transform and validate data across the trade life cycle. That way, you'll be better placed to solve not just a single regulation but many, with proof that you're reporting accurate information and are accountable for the process of preparing your reports.

Are firms equipped with the right approach and tools needed to manage high volumes, data quality issues and complex reporting relationships required to evidence their control framework?

Strandberg: This is a challenging area and further improvements are certainly possible. Seeing the resource use across the board, and how much firms struggle, might indicate that the answer is the opposite..

Narciso: Along with experiencing fundamental changes in the industry, we continue to see clients investing to drive data management and data intelligence as a key competitive advantage. Clients are striving to address their data needs despite significant margin pressure. The external challenges presented provide us with real opportunities to manage the quality of data and make it accessible to a broadened set of stakeholders. As data needs continue to change, our clients are talking to us about addressing three main themes: the simplification of data processes, accessing advanced skillsets on-demand, and managing growth.

Prenisha Pillay: A recent data integrity survey that FIS carried with financial services executives revealed that there is a growing divide between data integrity leaders and firms that are finding their way. Data processing and reconciliation to ensure the accuracy of reporting data continues to be an arduous, time-consuming and risk-laden process. The challenges don't come as a surprise — processing of ever-increasing trade data, the complexity of new instruments, coupled with compliance requirements and audit demands, especially when using legacy technology. Apart from these challenges, legacy technology creates more widespread challenges, including system performance issues, and ultimately delays in the regulatory reporting process.

The emergence of next-generation technologies such as APIs, advanced workflow and Artificial Intelligence (AI) — specifically machine learning — has dramatically improved efficiency in the data management lifecycle. Volume-intensive processes which consume data from a very complex data landscape not only benefit from smarter data integration, but quicker and more accurate analysis and evaluation. This will ensure that you have total integrity in your data. Regulators not only want assurance that the numbers are correct, but that you know where trades have come from and what has been done to them along the trade life-cycle.

Advances by those leveraging technology and data to streamline and enhance their operations are often matched by the gaps that remain for others, whose middle-office infrastructure and data management capabilities remain inadequate for today's investment landscape.

Those who have gaps between data and operations are working to understand how to catch up, and how to incorporate the lessons learned by those who have initiated this transformation.

Institutional investors are also under tremendous and rising pressure to exercise good governance — from regulators, boards, trustees, governments and individual members. Governance audits or reviews should be regularly undertaken to review compliance, best practices and areas for potential improvement.

With managers coming under increased scrutiny, the fact that an in-house team can potentially enhance governance may become even more crucial. Complexity rises further for multi-employer plans operating on behalf of a larger set of underlying organisational public and private sector stakeholders.

According to CIBC Mellon's pension research, half of the respondents see stronger governance as a key benefit of operating with an in-house team. However, on the other hand, 84 per cent of pension funds say they will outsource at least some of their regulatory reporting work over the next 12 months.

Nicaise: When outsourcing, our institutional investor clients are still responsible for reporting to their own clients and their regulators. The key issue is this: how can they control the quality of reports provided by their providers without controlling every single data point?

The best approach is to put in place a robust, automated data quality control at the very beginning of the value chain, data quality checkpoints at sensitive steps of the process, and finally, relevant data quality indicators at the end of the value chain.

As a securities services provider, our role is to provide information that enables clients to control the quality of regulatory reporting that we perform on their behalf.

Of course, it isn't possible to perform data quality checks for every single data point, given the high volume of data. Therefore, we provide synthetic indicators enabling clients to detect errors. If a client suspects an error, our online tool enables them to drill down and control the data at the most detailed level of granularity. It requires investment in the control framework in addition to the reporting production itself, and for this control framework to be incorporated from the beginning as part of the project plan rather than added on afterwards. This is where a strong partnership between the outsourced services provider and institutional investor is key, as the service provider can help to integrate and manage the control framework from the very beginning.

> *Ultimately, firms will need to adopt a strategic approach to regulatory reporting and move away from retrospective, sample-based controls*
>
> **Chris Probert, Capco**

Chris Probert, partner and UK data practice lead, Capco

A large majority of firms have typically built regulatory reporting solutions in-house, leveraging legacy data architecture, technology platforms and workflow tooling. As the complexity of regulatory requirements, scope of reporting, volume of fields and number of required reports increases, these solutions are often not scalable. Defining and implementing an effective end-to-end control framework on existing reporting infrastructure, therefore, remains a key challenge for most firms.

The challenge is often exacerbated by a poorly defined data strategy, lack of an enterprise-wide golden source of data, and an absence of clear ownership for sourcing and aggregation, which ultimately result in poor overall quality of data. This can severely limit the effectiveness of existing controls, as ongoing data issues may often mask true reporting exceptions, resulting in further delays in issue investigation and resolution.

Ultimately, firms will need to adopt a strategic approach to regulatory reporting and move away from retrospective, sample-based controls towards a real-time front-to-back control framework, which will not only prevent reporting breaches from occurring but also enhance transparency on any open exceptions, accelerate issue resolution, and mitigate overall regulatory reporting risk.

Firms can benefit from an enterprise data repository. However, the nirvana of a golden record source for use across the enterprise has its challenges. How are firms tackling this challenge?

Narciso: As the demands of data have changed, we also see that clients are requesting an evolving hybrid model as institutional and wealth investors evolve their operations over a long-term plan.

They want to be able to integrate a wider range of data sets, focus resources on complex analysis but also be prepared to allocate operations functions to their asset service provider. This has provided many clients with the best of both worlds, minimising in-house operational activities but continuing to leverage technology to better meet their information delivery strategic objectives.

A standardised, scalable platform or data repository can serve as a powerful tool for institutional investors, their stakeholders and their service providers:

Valérie Nicaise: Many legacy operational platforms are not designed to import external data, and rely on data being created directly within the platform. Different platforms need different levels of granularity of data and updates at different times. As a result, many firms still use manual and bespoke processes which prevent an enterprise approach to data management and make it difficult to maintain a golden record source.

Some investment firms are tackling this by redesigning their architectures to introduce data warehouses, data lakes or data hubs, all of which have different roles, in order to control the storage, maintenance and distribution of reference data and their subsequent golden records more effectively.

Another important element is data governance. Firms can improve their data governance by assigning ownership of key processes such as the creation and maintenance of data to data stewards. These individuals have ultimate responsibility for the firm's data quality, defining rules for the creation and maintenance of the golden record, and recommending upgrades to legacy platforms where necessary.

> *Different platforms need different levels of granularity of data and updates at different times*
>
> **Valérie Nicaise, BNP Paribas Securities Services**

a scalable platform means that the rising cost of innovations, new necessary capabilities and further enhancements to the user experience can be amortised across many players rather than shouldered by one firm. Moving to a standard provider platform simplifies the support model, and in turn, helps free firms to focus more of their time and resources on their core responsibilities as institutional investors.

A transition to a standardised industry platform certainly simplifies most implementations, given that the target state will have commonalities with prior conversions and enable the incorporation of lessons learned.

The transition from a customised model can nonetheless be an intricate process. As always any change will mean potential risks to productivity and process, and no matter how smooth the new user experience or new capabilities that open up on a target platform, change will still require users to take on their daily tasks in a novel way. Almost every smooth system conversion requires thoughtful planning, regular communication and a clear and well-documented set of requirements and success criteria, all the while recognising the need to address new demands and opportunities encountered during the transition.

Probert: There has been a shift in how firms approach this problem over the years. Building one single golden record is not easy, especially in the financial services sector where standards are poor and reference models are either high in coverage or detail, but never both. This has led to changes in the way firms are approaching the problem.

Older data architecture patterns are slowly being replaced by more 'modern' methods which are centred around a semantic layer.

This is a key architectural feature of a data mesh, but has high relevance in financial services for a range of on-premises and/or cloud deployments.

The key difference here is instead of building a rigid hard single version of 'truth' (which may not be everyone's version of the truth) they create a model on which views can be spun up as needed from a standard catalogue of terms.

> *Perhaps the question should be whether an enterprise data repository is always feasible from a business case perspective*
>
> **Christine Strandberg, SEB**

Pillay: The utopia of data management is the golden source. And as the true, definitive, fully accurate and verified version of your internal data, it should form the basis of reporting and other analytical processes.

There are knock-on benefits, too. With a golden copy of data, you're better placed to optimise not only regulatory reporting but also business processes and analytics. However, while the golden copy is much prized, it is also hard-won as it requires a well thought-through design and extensive maintenance.

The focus should not solely be on building a golden record source of data. The same principle of data lineage, data quality and accuracy should be applied across organisations. wherever control and transparency are required to drive decision-making.

This approach should naturally extend across your data integrity platform and reporting toolkit which will ensure that your regulatory data is complete and accurate and reporting is generated by a well-controlled process.

Christine Strandberg, regulatory manager, Investor Services, Large Corporates & Financial Institutions, SEB

Perhaps the question should be whether an enterprise data repository is always feasible from a business case perspective.

Complex operational structures, possibly involving multiple legal entities, with several different platforms and business needs, would likely find a centralised repository more difficult to achieve than smaller firms.

SEB recommends a centralised approach. However, in some scenarios one source/repository catering for all needs may be more costly than, say, two sources which focus on different parts of the business and therefore have different requirements with regards to timing, detail and reach.

Are there any lessons to be learnt from regulatory data integrity and control processes that can be applied to other complex data processes?

> *In my experience, the standard and integrity of this data mean it can be used beyond regulatory reporting*
>
> **Valérie Nicaise, BNP Paribas Securities Services**

Nicaise: Regulatory reporting requires strict, permanent and systematic data integrity and control processes.

Data tracking and auditability are also key characteristics of regulatory reporting data.

As a result, regulatory reporting books of records have a high quality of data, accuracy, completeness, consistent with market standard formats and auditability and tracking.

In my experience, the standard and integrity of this data mean it can be used beyond regulatory reporting: for example, for risk management in adhering to Solvency II.

Another example is where this data can be used as an input into a centralised data lake for funds' online marketing or distribution purposes. In this way, regulatory reporting data can offer a real opportunity to improve an investment firm's data quality for other purposes, benefitting the investment firm's value chain and its clients.

Strandberg: To a great extent, regulatory data is business and client data. The same processes and requirements apply to regulatory reporting as the underlying business processes subject to such reporting.

Probert: There are two key lessons that firms can take from the regulatory data integrity and control process.

Firstly, clear standards are important — with clear definitions and standards of data quality comes not only enhanced transparency on issues but also a position from which clear aggregations can be derived.

The second relates to market collaboration. The market has started to work together on defining standards for regulatory data, as many of the types of

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data (even non-regulatory based) are not unique to them, so collaboration is an important step in jointly solving the challenges relating to those standards.

Pillay: As data continues to increase in volume, variety and velocity, so do the challenges for data management. Despite the growing complexity of data integrity processes, the answer is surprisingly simple — a centralised, standardised control framework.

At the foundation of your control framework should be the ability to collect, transform and validate data across the trade life cycle. For the visibility that auditors and regulators demand, you'll need to establish a rigorous reconciliation or validation process to ensure the accuracy of cash and trade flows.

For the control aspect, you must make sure that you enforce accountability through a robust approval process.

Tania Narciso, chief compliance officer, CIBC Mellon

Investment in reporting, digital and data capabilities can enable growth, efficiency, oversight and risk reduction, and strategic support is available for legacy system replacement.

Many plan sponsors still rely on legacy systems, and manually manipulate Excel files to manage their data. This is one of the main challenges, and one of the leading factors when they consider migrating their technology and data solutions to cloud-based systems.

In the past, investments in data management were usually premised on streamlining operations to create new efficiencies and lower costs.

Today though, many different investment institutions all recognise a material competitive advantage for those able to manage and leverage their data more effectively.

Emerging technologies, from AI to machine learning, create powerful new capabilities that allow asset owners to recognise and act on trends in the data that wouldn't otherwise be evident.

Data science and proficiency in managing big data also allow asset managers to create a systematic and continuous approach to audits, through discerning emerging risks in real time and establishing independent automated controls.

The difference between technology's slower adopters and those on the cutting edge will become more pronounced as investment strategies gravitate toward ever more complex and as new innovations widen the gap between those who can bring these capabilities to bear and those who can't.

Data science and proficiency in managing big data also allow asset managers to create a systematic and continuous approach to audits

The Association of the Luxembourg Fund Industry (ALFI) has re-elected Corinne Lamesch as the chairperson of the association following its annual general meeting.

The appointment is effective immediately and her second mandate will run for two years. In addition, a new board of directors has been elected. The new directors include Ravi Beegun, Hermann Beythan, Craig Blair, Finbarr Browne, Jeanne Duvoux, Michèle Eisenhuth, Ilias Georgopoulos, Jean-Marc Goy, Bettina Graeber, Lize Griffiths, Helmut Haag, Ludovic Hallet, Joseph Hendry, Ulrich Juchem, Daniela Klasén-Martin, Corrine Lamesch, Steven Libby, Maria Löwenbrück, Francesca Pryn-Gigli, Geoff Radcliffe, Philippe Ringard, Barbara Schots and Robert White.

Commenting on her re-election, Lamesch comments: "I feel honoured to have been entrusted with the chairmanship of ALFI for another two-year term."

"Looking back at my first mandate, it wasn't quite what I had expected - we had several unpredictable challenges to overcome together as an industry. However, despite these challenges the Luxembourg investment fund industry rallied together and remains robust, proving to be a strong pillar of the Luxembourg economy," Lamesch adds.

In line with the ALFI Ambition 2025, the association will continue to focus on the key objectives set out in 2020. While there is still a lot to do, Lamesch explains that the long-term impact of climate change and other sustainability issues are front and centre of the asset management industry.

She says: "It is certainly one of the positive effects of the pandemic that the necessity to look beyond financial return is recognised by more and more people and organisations. Other industry trends continue to keep us on our toes, such as the quest for user-friendly technology for funds."

Private assets retain their appeal for investors of all kinds in pursuit of returns, according to Lamesch, and the importance of long-term savings to mitigate the pensions' gap continues to grow.

"Finally, our diversity and inclusion efforts are also taking shape with the launch of the ALFI Diversity and Inclusion Forum towards the end of 2020," she concludes.

Fenergo has hired Stella Clarke as chief strategy and marketing officer and Alan Molloy as chief product officer, to strengthen its leadership team for its next phase of growth.

The appointments follow Fenergo's recent acquisition by Astorg and Bridgepoint.

Clarke joins with experience in banking technology, operations and enterprise financial software roles in capital markets, wholesale banking and fintech firms across Asia and Europe.

Most recently, Clarke held roles at Murex where she headed up a strategic global marketing practice. Previously she has also held positions at DBS Bank in Singapore, including head of technology and operations in wholesale banking for treasury and markets, and wealth management.

Meanwhile, Molloy brings more than 30 years of experience leading product and technology teams for a range of organisations. During his career, he has worked at firms including Paddy Power, FINEOS, Allied Irish Banks and McKinsey.

Marc Murphy, CEO, Fenergo, says: "Stella Clarke and Alan Molloy have a strong vision of where we need to go as we embark on this next chapter of growth and platform evolution."

"Both have proven track records in leading diverse high growth software firms with experience in financial services, SaaS, cloud and digital transformation. They perfectly complement our existing team's skills in accelerating growth."

Apex Group, a global financial services provider, has appointed Michiel van der Maat, as commercial director, corporate solutions.

Based in Amsterdam, van der Maat will be responsible for the development, planning and execution of commercial strategies, driving business development and organic growth in the region. In the new role, van der Maat will work alongside Apex's existing commercial team in the Netherlands, including Henk Pieter van Asselt and Joris Groot, Europe, the Middle East and Africa sales.

van der Maat brings over 14 years of experience in international legal and tax advisory, and corporate solutions, working in the US and the Netherlands.

He joins Apex from Intertrust Group, where he spent over seven years, latterly as director, corporate services in the Netherlands.

Prior to this, he led Intertrust's San Francisco operations and increased market share and regional brand recognition. He started his career at EY, advising multinationals and private equity firms on international tax structures and cross-border transactions.

Apex says this appointment further demonstrates its commitment to its presence in the European market and to deliver a range of locally delivered solutions in the industry, including banking, depositary, custody, fund administration, corporate solutions and environmental, social, and governance (ESG) services.

Matt Claxton, global head of corporate solutions at Apex Group, comments: "The Netherlands continues to be a crucial hub for our clients' international operations and we are seeing an increasing demand for our corporate solutions."

Claxton adds: "We are delighted to welcome someone of Michiel van der Maat's calibre to our existing corporate solutions team of over 30 multilingual professionals in the Netherlands and are excited for the valuable experience he brings as we seek to grow, develop and diversify our offering for clients."

Jennifer Peve has been appointed as head of strategy and business development at the Depository Trust & Clearing Corporation (DTCC), and joined the DTCC Management Committee on 2 July.

Peve will have responsibility for the firm's global corporate strategy, digital product development and strategic partnerships and alliances reporting to DTCC president and CEO Michael Bodson.

In her new role, she will maintain strategic alignment across DTCC and ensure coordination and adaptability in the formulation and execution of the firm's strategy.

She will also bring increased focus on leveraging new technologies to enhance the post-trade environment and position DTCC as the bridge between legacy and emerging technologies.

In doing this, Peve will build on initiatives she has previously led such as Project Ion — DTCC's future vision of an alternative digital settlement service — and Project Whitney— DTCC's digital product offering for private securities.

Peve joined DTCC in 2015 as executive director, business development and fintech strategy office.

She was promoted to managing director in 2018 and assumed expanded responsibilities for global partners and innovation.

Previously Peve served as executive director, over-the-counter product management, at CME Group.

Bodson comments: "Jennifer Peve is a proven leader who has the unique ability to understand, conceptualize and shape the future of the post-trade environment as well as the application of new and emerging technologies to drive the creation of creative and effective products and solutions for our clients."

"Peve will bring together our corporate strategy, digital product development and strategic partnerships and alliances as we continue to make significant advances in transforming the post-trade environment and introducing and utilising new technologies to drive down costs and risks for our clients," Bodson adds.