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Digital to the core

Industry experts explain how the banks in Singapore want to nurture a start-up culture that can drive change

Transfer Agency

Transfer agents are now embracing advances in technology

Payments Infrastructure

Bringing payments infrastructure up to speed is key

ESMA: European Commission "needs to clarify certain aspects of CSDR"

The European Commission "needs to clarify certain aspects of the Central Securities Depositories Regulation" (CSDR) to provide legal certainty regarding the use of distributed ledger technology (DLT) utilised by Central Securities Depositories (CSDs), according to a new report by the European Securities and Markets Authority (ESMA).

The report, entitled "Use of fintech by CSDs", has been compiled to inform the European Commission's proposals on this topic in the framework of the review of CSDR.

In the report, ESMA spoke to national competent authorities (NCAs) and other relevant market players about their plans to use DLT for securities services in the coming future, and whether the current regulatory framework represents a barrier for them to implement their projects involving DLT.

ESMA underlined to the European Commission that it should clarify whether digital addresses held in a DLT platform can be considered "securities accounts" and whether data recorded on a DLT platform can be considered as "credits" and "debits" within the meaning of CSDR.

Staying on the issue of segregation requirements, ESMA also questioned whether Article 38 of CSDR can still be respected when segregated records are maintained on the DLT platform enabling the identification, at any time, of the assets that belong to a particular client, distinct from another client's assets or from the CSD's own assets.

Article 38 outlines requirements for the protection of securities of participants and those of their clients.

ESMA called attention to whether reconciliation measures under CSDR can be satisfied through real-time data sharing on DLT — ensuring that the integrity of the issue is preserved, essentially checking that the number of issued securities is equal to the sum of securities recorded on the DLT.

Regarding operational requirements, the association recommended to the European Commission to amend Article 35 of CSDR to allow CSDs to deploy DLT solutions using other communication standards or protocols if international open communication procedures and standards are not available for this specific type of technology.

Article 35 of CSDR highlights communication procedures with participants and other market infrastructures.

In cases where internationally accepted standards are not "available on a fair, open and non-discriminatory basis to any interested party" or do not exist, the competent authority of the CSD may allow that CSD to use other messaging standards,

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Group Editor: Bob Currie
bobcurrie@blackknightmedialtd.com
+44 (0) 208 075 0928

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

Senior Reporter: Jenna Lomax
jennalomax@blackknightmedialtd.com
+44 (0)208 075 0936

Reporter: Rebecca Delaney
rebeccadelaney@blackknightmedialtd.com

Reporter: Carmella Haswell
carmellahaswell@securitiesfinancetimes.com

Designer: James Hickman
jameshickman@blackknightmedialtd.com

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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until international standards become available, ESMA suggested.

Commenting on the complexities of settlement of securities and of cash in a DLT environment, ESMA recommended the European Commission does not modify the definition of settlement in Article 2(1)(7) of CSDR, but suggests that this could be initially clarified through a Q&A, with amendments to be made thereafter, if necessary.

Article 2 of CSDR outlines definitions of areas surrounding the regulation, with section (1) outlining the meaning of a CSD and section (7) highlighting the meaning of a settlement: the completion of a securities transaction.

To collate the findings of the report, ESMA asked the opinions of the CSD NCAs, 17 CSDs and the European Banking Federation.

ESMA said: "The number of respondents having indicated that the current rules leave risks emerging from new technologies unaddressed is relatively low. Concerning DLT, while CSDs generally recognise its disruptive potential in the field of CSD services, its deployment is extremely limited at this stage. Presently CSDs are not using DLT but rather investigating its use and planning to use it in the coming years."

Having said this, the association still underlines the importance of clarification around the DLT technology used by CSDs for the years to come, to which it commented: "The feedback received by ESMA shows that many CSDs are planning to deploy DLT in the next three to five years."

"[DLT] technology could facilitate integration in post trading by providing an infrastructure ensuring that every user has a consistent and updated view of the assets for which it is responsible and that the same assets can be transferred with a high degree of automation."

It added: "The impact that this technology could have among others in issuance and settlement justifies the attention it has attracted from the industry and from policy makers." ■

Apex acquires ARM Swiss Representatives

Apex has acquired ARM Swiss Representatives (ASR), an independent Swiss Financial Market Supervisory Authority (FINMA)-regulated firm, providing Swiss representation and distribution services to foreign fund managers.

The acquisition expands Apex's local presence in Switzerland, while also supporting Apex's expansion strategy for fund marketing and distribution services across Europe.

The acquisition will allow ASR's client base to access Apex's single-source solution which includes locally delivered services across depositary, custody, digital banking, management companies, fund administration, middle-office and corporate services. It also houses an environmental, social, and governance rating system.

Founded in 2014, ASR provides compliance and regulatory services to 350 fund managers, who manage approximately 630 individual international funds, seeking to market their funds in Switzerland. In addition, ASR acts as the distributor in Switzerland for a number of fund managers operating across a diverse range of investment strategies.

The acquisition of ASR follows the recent launch of CSSF-regulated FundRock Distribution S.A. to provide fund distribution solutions to non-EU asset managers, and the acquisition of Senasen Group, a digital marketing platform provider designed to connect limited partners and general partners while supporting the capital raising process.

The acquisition of ASR is subject to FINMA approval, expected in Q3 2021.

Peter Hughes, founder and CEO of Apex Group, comments: "The acquisition of ASR builds on our industry leading role as one of the first management companies to offer distribution services in Europe. "

"We look forward to welcoming the team whose extensive knowledge of the Swiss market and regulatory landscape offers a highly attractive and complementary addition to our offering and further strengthens our compelling client proposition."

Anne Empain, co-founder and CEO at ASR, says: "We are delighted to be joining the global Apex Group, which will enable us to access a wider audience of foreign managers and promoters seeking to market their funds and financial services to Swiss investors." ■

CRISIL partners with RiskBusiness

CRISIL, a Standard & Poor's (S&P) global company and provider of high-end risk, data analytics and research solutions, has partnered with RiskBusiness Services. The partnership integrates CRISIL's risk and compliance management playbook, Compass, with Graci, a fully integrated 360 vision governance, risk, audit and compliance (GRAC) solution by RiskBusiness.

Compass provides domain expertise for end-to-end management of governance, risk, compliance and regulatory change — from design to implementation.

It is leveraged by clients for strategising, designing and uplifting target operating models, creating fit-for-purpose policies, standards and guidance documents, implementation and transformation. This includes automation of controls and workflow automation for banking and financial services organisations.

Graci covers all aspects of GRAC across the non-financial risk spectrum of small, medium and large financial services firms.

The platform is accelerated by high-end technology enablers such as artificial intelligence (AI) powered data collection applications and a digital assistant.

The combined GRAC solution is holistic yet modular and can be tailored to suit the ever-changing needs of financial services organisations, according to CRISIL.

Charu Madaan, global head of CRISIL's non-financial Risk Practice, says: "We are pleased to launch this joint initiative where we are collaborating with an organisation that focuses on bringing together innovative technology that can cater to the ever-changing requirements of banking and financial services organisations across the world in the GRAC space."

"The potential of our Service+ offering is designed to help businesses of all shapes and sizes in the banking and financial services industry keep pace with today's rapidly changing regulatory environment."

Mike Finlay, CEO and chief product architect, RiskBusiness, adds: "The combined products and services will provide firms with fully automated processes to stay on top of continuously changing regulatory demands, while at the same time providing a proactive 360-degree view of their businesses and exposure to risk." ■

Documents going digital, though costly manual processes still exist, Acadia survey finds

In a recent Acadia survey, 80 per cent of respondents said that they are moving toward agreement digitisation, highlighting that their documents are at least partially digitised.

In the survey, conducted in collaboration with data company Likezero, respondents said despite this move toward digitisation, costly manual processes still exist and many additional legal hours are necessary to compensate.

The results also highlighted that even with some degree of automation in data collection and aggregation, firms were still split when it came to whether their internal systems are able to take agreement data from multiple sources, with just 30 per cent of respondents confident that internal systems were connected.

Time-to-market challenges impacted nearly all participants as onboarding and negotiation steps slowed the process down, the survey found. Acadia reasoned that this can lead to lost investment or trading opportunities as markets shift and clients find other counterparties to trade with. The result also underlined a glaring need for digitisation in both new and amended agreement processes, Acadia said.

The manual processes of interpreting and capturing data at inception is error-prone and it can go unnoticed for years, resulting in a sudden and significant adjustment to profit and loss when corrected, Acadia added.

Commenting on the results, John Pucciarelli, head of industry and regulatory strategy, says: "The financial crisis highlighted the importance of data and created a path for both buy-side and other sell-side institutions to enhance their agreement process."

He adds: "Nearly 15 years later, financial markets are still living in an age where documents are creating data rather than data driving document creation. Our findings reflect what we are hearing from clients — there is a strong desire for digitisation in agreements and it is time to fast-track this movement."

The survey was fielded by Aite-Novarica Group between 11 June and 7 July 2021.

Aite-Novarica Group gathered quantitative data and qualitative information from market participants to better understand the degree to which agreements have been digitised at each firm, the challenges associated with manual processes and the estimated time taken to search and amend International Swaps and Derivatives Association (ISDA) agreements.

Audrey Blater, research director at Aite-Novarica, comments: "While ISDA documents were the focus of our study, we found agreement digitisation stretches across an array of legal trading agreements, including those tied to repo and the to-be-announced markets."

She adds: "ISDA agreements tended to be the farthest along the digitisation maturity curve, despite respondents considering them to be in the early- to mid-phases of digitisation." ■

Assets under custody surge to new record, ACSA reveals

Assets under custody surged by 10.9 per cent to a new record of $4.4 trillion in the six months to 30 June 2021, according to the Australian Custodial Services Association (ACSA). According to ACSA chief executive, Robert Brown, the record result occurred on the back of valuation impacts and ongoing confidence in the key services provided by the securities services industry.

The statistics for the six months ending 30 June found that J.P. Morgan ranked the highest in the top ten total assets under custody for Australian investors.

As of 30 June 2021, J.P. Morgan had $1.07 trillion assets under custody, which marked an increase of 9.8 compared to 31 December 2020.

Northern Trust continues to take second place with $722 billion for six months ending 30 June compared with $661 for the six months ending 31 December 2020.

Citigroup takes third place with $673 billion, which represents an increase of 14.2 per cent compared to the six months ending 31 December 2020.

NAB Asset servicing came in fourth place with $577, an increase of 7.1 per cent compared to $539 on 31 December 2020.

State Street took over from BNP Paribas in fifth place with $545 billion assets under custody, which represents an increase of 18.2 per cent compared to the six months ending 31 December 2020.

BNP Paribas, HSBC, Clearstream, Netwealth, and BNY Mellon followed the top five.

The statistics showed that asset servicing providers settled over 14 million trades during the six months to 30 June 2021.

This equates to 110,000 settled trades per day on behalf of clients.

Brown comments: “Our members reported a bounce of 19 per cent for assets held offshore for Australian investors, compared to an increase of only 7 per cent for assets held onshore. While part of this differential is the result of currency valuation changes, it also reflects the long-term trend of institutional investors seeking returns beyond Australia.”

Brown explains that the new record of assets under custody, as well as significant trade and processing volumes, continue to be seamlessly supported by ACSA members on behalf of clients, and demonstrates continual efforts to improve efficiency across the service chain.

He continues: “Efficiency in custody and investment administration has been achieved through the innovation of ACSA member firms, tapping the right technology partnerships, and ongoing collaborative systemic focus on standards and common practice.”

“Over time, innovation will continue in support of client’s growth, as well as changes to investment mix, including increased appetite for investment into direct assets such as private equity, debt and infrastructure,” Brown concludes. ■

Foreign banks permitted to become direct clearing members of Russia's NCC

Moscow Exchange has introduced separate trading member and clearing member status for participants on the Russian execution venue and central counterparty. From today, foreign banks with clearing interests in the Russian market will be able to offer sponsored access to National Clearing Centre (NCC), the group's central counterparty clearing house (CCP), enabling their clients to hold cash and collateral in the foreign bank's accounts with NCC.

Under these changes, non-residents are authorised to take Individual Clearing Member (ICM) status, allowing them to trade on MOEX and independently clear and settle trades.

This will also provide non-residents with access to the Deposit with CCP segment of the money market, enabling them to manage cash positions in Russian rubles and foreign currency.

Moscow Exchange Group, NCC's parent company, says that this will enable international clients trading on Moscow Exchange to minimise credit risk and to boost the volume of trading in Russian assets supported on MOEX.

NCC chief executive Eddie Astanin says: "These developments mean that NCC, as a qualified central counterparty, becomes a counterparty to trades executed by non-residents, ensuring settlement of the trades. This service will reduce the risks of non-resident clearing members which, in turn, will increase their trading limits on the Russian market."

NCC will also act as tax agent for trades conducted on MOEX by non-resident clearing members and their customers, processing withholding tax and income tax on their behalf.

Speaking about this development, MOEX managing director for sales and business development Igor Marich says that international participants account for close to 50 per cent of trading volume on the exchange's equity and derivatives markets.

"Developing business with international participants strengthens MOEX's position as a pricing centre for Russian assets and is part of our strategy. The opportunity for international financial institutions to become direct clearing members in all markets will allow them to expand their operations," says Marich. ■

Alternative fund managers predict increased popularity of IFCs

Research from Ocorian has revealed that 85 per cent of alternative fund managers expect to see increased demand for investment vehicles to be based in international financial centres (IFCs) over the next three to five years.

Ocorian says this was driven by a skills gap and potential tax increases in their local jurisdictions to combat the impact of COVID-19.

On a regional basis, Asia-based fund managers are the most bullish about the use of IFCs for funds and other investment vehicles with 96 per cent anticipating this, the research highlights.

This was ahead of North America and Africa (both 92 per cent), and considerably ahead of Europe, which saw only 60 per cent of investors expect to see an increase.

Meanwhile, local skills shortages in their existing jurisdictions were cited by 81 per cent of respondents as the biggest driver behind the growing popularity of IFCs, closely followed by likely tax increases resulting from the economic impact of COVID-19 (74 per cent).

The impact of Brexit (35 per cent) and increasingly complex local regulation (22 per cent) are likely to have much less influence on their choice of IFCs, Ocorian's research finds.

The study highlights how investor preference is playing a crucial role in encouraging fund managers to redomicile their funds to an IFC, with 71 per cent of respondents citing this factor, ahead of attractive structuring and distribution options (53 per cent and 49 per cent, respectively).

According to the study, the three IFCs expected to attract the largest amount of new capital into their tax efficient structures in the next three to five years are the British Virgin Islands, Barbados and the Cayman Islands, followed by Bahrain, Dublin and Curacao in fourth and joint fifth places, respectively.

Simon Burgess, head of alternative investments at Ocorian, comments: "International financial centres are already the preferred location for many alternative fund managers but there is every sign that the relationship will become even closer in the years to come as qualities including access to talent and competitive tax rates prove even more compelling."

Burgess adds: "Against a highly competitive fundraising climate it is little surprise that fund managers will switch to a new international domicile that is in keeping with investor preference, too."

Ocorian commissioned independent research among 100 senior-level alternative fund managers including hedge funds, private equity, real estate, venture capital and infrastructure working in Europe, North America, Africa and Asia to assess their operational readiness as they plan their post-COVID-19 pandemic investment strategies. ■

Talos unveils updates to its digital assets platform

Talos, a technology provider for the institutional trading of digital assets, has launched a new feature on its platform that allows clients to define and trade synthetic pairs.

Clients can now trade or provide prices in pairs like bitcoin and euro (BTC-EUR) by automatically combining the FX and the digital asset legs to derive a cross rate with a tighter spread.

Non-US clients looking to trade between their home currency and crypto will typically encounter wider — if any — spreads, which Talos says forces them to trade via more liquid pairs like BTC-USD.

According to Talos, its new functionality significantly streamlines the FX leg, reducing the operational burden and the associated market risk for such scenarios and improving execution costs considerably.

By marrying FX and digital assets, Talos delivers an end-to-end solution that gives an investor direct access to a global pool of both FX and crypto liquidity, as well as the ability to move efficiently from asset to asset.

Additionally, through Talos' digital asset trading platform, investors can see all active trading counterparties along with available quantities across all supported FX and synthetic markets.

Using the platform's FX capabilities, the system will arrive at a single cross-rate price based on the quantity required and will then concurrently execute both the FX and crypto components of the transaction.

Anton Katz, co-founder and CEO of Talos, explains: "Digital assets are traded worldwide by the retail sector and institutions alike, but the majority of the liquidity remains in USD-denominated pairs. Given the rapidly increasing number of non-US institutional clients we're now seeing, the ability to trade seamlessly from any fiat currency to any cryptocurrency should significantly reduce trading costs and bring further international players to our platform."

"We believe that the rise of initiatives like DeFi, Central Bank Digital Currencies, and the tokenisation of traditional asset classes will benefit from a unified technology supporting all of them. The addition of the synthetic crossing functionality is yet another example of our commitment to help institutions interact with this new world through a familiar lens," adds Katz. ■

SmartStream upgrades AI-based reconciliations service

SmartStream Technologies has launched SmartStream Air Version 4 to provide continuous streaming of reconciliations using AI cloud-native technology.

The new version of SmartStream Air manages large volumes of data, supporting both real-time and continuous reconciliations.

Read the full article online

Crestbridge receives CBI approval to provide fund administration services in Ireland

Crestbridge has received regulatory approval from the Central Bank of Ireland to provide fund administration services in Ireland.

The approval is part of Crestbridge's wider group strategy for European growth and follows the opening of its Dublin office back in March.

Read the full article online

Broadridge onboards UBS onto distributed ledger repo platform

Swiss investment bank UBS has joined Broadridge's distributed ledger repo platform, following its launch in June.

The addition of UBS aids the expansion of the DLR network, leveraging Broadridge's fixed income platform.

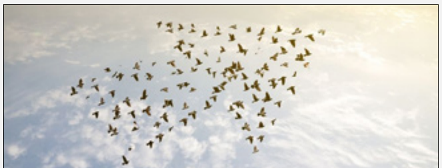
Read the full article online

Digital asset bank Greengage secures £2.5m funding from IOVLabs

Digital asset bank Greengage has received a £2.5 million institutional investment from Gibraltar-based portfolio firm IOVLabs Fund.

Greengage's stated ambition is to become the first digital asset merchant bank and this partnership will help it create solutions enabled by RSK Blockchain and RSK Infrastructure Framework.

Read the full article online

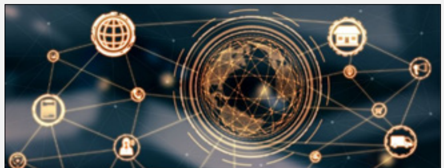


Apex Group expands US presence with new acquisition

Apex Group has acquired Greenough Consulting Group, a provider of finance, accounting, and human resources services to technology companies, venture capital and private equity funds.

The acquisition is set to enhance Apex's ability to deliver high quality service to clients of all sizes, via locally based experts.

Read the full article online



Volante launches new PaaS programme

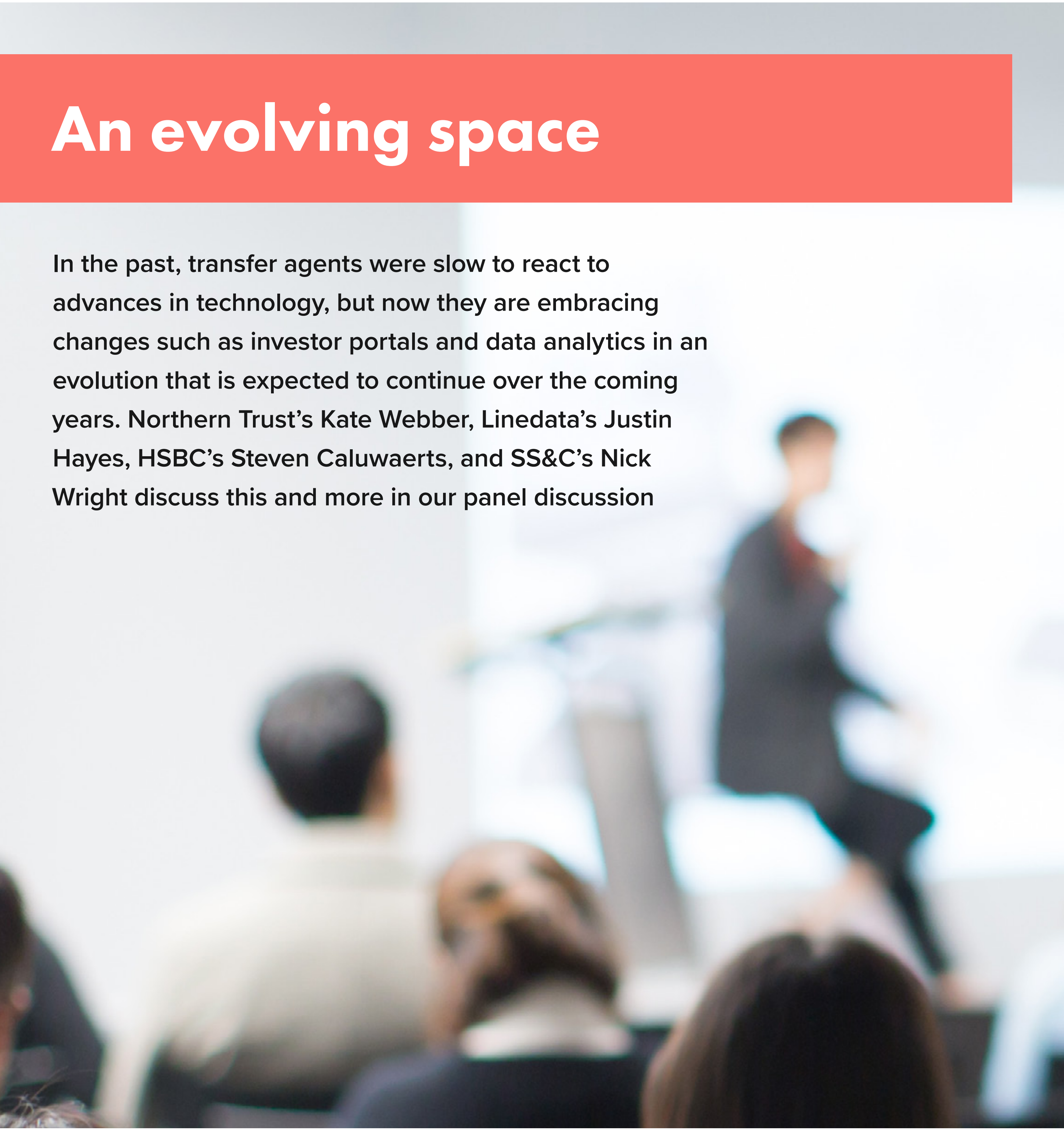
Volante Technologies has launched its latest payments as a service programme, the Volante Experience.

The Volante Experience onboarding packages are tiered similarly to customer relationship management or enterprise resource planning software as a solution platform.

Read the full article online

An evolving space

In the past, transfer agents were slow to react to advances in technology, but now they are embracing changes such as investor portals and data analytics in an evolution that is expected to continue over the coming years. Northern Trust's Kate Webber, Linedata's Justin Hayes, HSBC's Steven Caluwaerts, and SS&C's Nick Wright discuss this and more in our panel discussion



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What trends are you currently seeing within the European transfer agency market?

Nick Wright: We see several interconnected themes emerging throughout SS&C's Global Investor and Distribution Solutions (GIDS) business across the UK, Luxembourg and Ireland. Asset managers increasingly view transfer agency (TA) as their interface to distributors and investors. Client experience is a key theme, and organisations are seeking to simplify and optimise the end-to-end experience. As a result, there is a desire for greater service efficiency, notably faster investor onboarding, know your customer (KYC), anti-money laundering (AML), know your distributor (KYD) and reporting.

Many asset managers using super-management company (ManCo) structures are increasingly looking to distribute funds from different fund domiciles into a single target market. Such movements often follow mergers and acquisitions (M&A) or the need to rationalise overlapping fund ranges. These structures require a more cohesive distribution support model with standard onboarding, dealing, settlement, statements and retrocession functions across multiple domiciles.

Transfer agency evolved from registration and dealing services to embrace market entry and distribution support at the turn of the century. The next phase increasingly sees TAs providing distribution analytics and intelligence to help asset managers identify opportunities and threats to asset gathering and retention. Central to these developments is a growing understanding of the considerable value hidden in buried data that already exists throughout asset managers' business. For example, building and maintaining a client book of record (CBOR) and analysing it in combination with broader market data will enable asset managers to elevate the investor experience. The next step will be delivering data in much shorter time frames, to be used in near real-time, to inform investment decisions.

Steven Caluwaerts: We have seen an acceleration of digital transformation combined with some slowdown in regulatory changes due to the impact of the pandemic. Similar to the wider asset management community, TAs are using technology and more automation to enhance the client experience. Partially driven by digitisation but also because of the pandemic, a lot of TAs are exploring new ways of working with a more flexible operating model. Another trend is an increased commercial activity among asset managers looking to optimise their operating model for the distribution of their funds.

> *"We've seen an acceleration of digital transformation combined with some slowdown in regulatory changes"*
>
> **Steven Caluwaerts**

They are looking for an enhanced shareholder experience, consolidation of activities, higher levels of automation, and access to new markets and distribution channels. 'Global TA' is generating a lot of interest in the market as well.

Justin Hayes: COVID-19 has accelerated a greater push for the digitisation of the TA market. Millennial 'digital native' investors are certainly driving this change in expectations, but investors of all ages are demanding greater transparency, 24/7 access to information, and even the ability to trade. This has meant the demand for investor portals has grown significantly. Funds are increasingly complex, fund managers are looking to glean insights from investor data and trading patterns, and systems need to accommodate this two-way flow of information. All of that comes at a cost in a very competitive industry with increasingly depressed margins.

Kate Webber: TA is recognised as a key function forming part of the entire end-to-end service provision. It is the point where the asset managers meet their clients. At an industry level, bringing the legacy technology stack up to date to facilitate future trends is of key importance. This can be covered in two broad categories — the provision of near or real-time data in meaningful ways; and, secondly, services that are akin to those offered to clients in other industries, from banking to telecoms. We anticipate TAs offering a broader range of services to distributors across Europe or linking with existing service providers in a seamless way, including application programming interfaces (APIs).

How are the transfer agency needs of asset managers changing? Are providers keeping up?

Caluwaerts: Asset managers consistently want good quality service at a competitive cost through increased automation and self-service tools. Nowadays, that expectation translates into an enhanced shareholder experience for them; a wider range of TA service offering, both geographically (by fund domicile and countries of distribution) as well as thematically (by traditional funds, pension funds, private equity, exchange traded funds, or ETFs, environmental, social and governance, or ESG, funds, and so on); and enhanced support to the asset manager in the oversight of their distribution network. These services are expected to be delivered with a high level of automation at a competitive price.

In general, providers are meeting asset managers' requirements, although we are seeing few administrators developing a globally consistent service offering across multiple fund domiciles. A substantial portion of existing administrators are focusing on one or a couple of key markets.

Wright: SS&C has been delivering TA to asset managers for more than 30 years. However, the pace of change continues to accelerate. The speed of change is primarily driven by the cost of doing business and downward pressure on fees, regulation, new technology, new fund types and instruments, distribution patterns, and the need to continuously improve client experience. All of these trends have led to the need for continuous digital transformation in the asset management space.

COVID-19 restrictions have brought on the need to finally and fully do away with paper-based servicing models: faxes, wet-signatures on documents, the receipt and issuance of cheques, paper-based contract notes, and statements. As a result, SS&C has invested heavily over the last five years in digitising the service and reporting models to investors, distributors and asset managers themselves. These digital layers enable a much greater self-servicing, act as a 24/7 buffer over legacy underlying register systems and allow more seamless servicing across multiple fund ranges and domiciles.

The next generation of robotic process automation will increasingly harness artificial intelligence (AI) to automate complex but repetitive processing activities and decisions, freeing transfer agency staff to focus on higher-value investor and distributor-facing activities.

"COVID-19 restrictions have brought on the need to finally and fully do away with paper-based servicing models"

Nick Wright

Webber: Asset managers are looking at technology both to manage costs and to create service excellence to support their fund distribution, investor onboarding and other activities pivotal to their ability to retain clients and grow.

This means, for example, using data and digital technology to allow an investor to visualise all their investments in a single place, or provide a distribution team with the real-time valuation status of every investor in their funds. At Northern Trust, we have developed our enhanced digital technology platform, Northern Trust Matrix, to deliver these types of experiences for our clients and their investors, which represents a move to increasing automation across the industry.

Hayes: The TA function is more relevant now than ever as the investor experience is of huge importance. Heightened regulatory focus on transparency and money laundering means TA services are constantly under evaluation. Additionally, investors want to access information in real time and with greater transparency. Some investors, such as those invested in private equity, require more granular details in their reporting. They want to understand why the investment is going ahead, the particulars behind it, and very detailed holdings reports. Due to cost pressures, there is a greater need for automation and movement away from the archaic methods of postal mail and fax.

For some years, there has been a perception that TAs will be replaced by technology, but today TAs are still very present. How are transfer agents affected by new technological developments?

Hayes: Transfer agents have struggled to remain profitable in a market with low margins, and we have seen considerable consolidation, but the TA function is more relevant than ever due to the importance of the investor experience and the TA's role in regulatory compliance. The transfer agent's expertise is of huge importance in providing investors with access to information in an efficient, compliant manner, and technology will play an important role in making sure this happens.

Caluwaerts: The transfer agent is the face of the fund to investors. Although the interaction between the fund and the investor might change, there will always be a requirement for the fund to maintain a shareholder register and to service those shareholders.

What we are seeing in reality is TAs embracing technology to evolve their platforms to a more digital service offering and most asset managers preferring that model, rather than a fully automated service using distributed ledger technology (DLT) that replaces the TA role.

'Disruptive' technologies are being explored by both existing TAs as well as aspiring service providers for future needs, but the impact would be across the entire distribution chain and not just the TA itself.

Wright: Over the years, SS&C GIDS has proven remarkably adaptable in adjusting to changing market needs and accommodating new participants and service models into the value chain, such as order routers, aggregation platforms or central security depositories.
In recent years, the often-cited 'disruptor' technology has been blockchain and DLT, seeking to offer more efficient 'tokenised' fund distribution and settlement.

SS&C is involved in several such DLT initiatives, and while there are potential efficiency gains, the legal and regulatory requirements tend to make these more marginal than transformative. Moreover, DLT seems to work best when trading is between a known and already trusted set of participants and limited underlying market liquidity. As a result, DLT tokenised fund models may find a more natural home in servicing institutional investors for the proposed UK Long-Term Asset Fund (LTAF) market than servicing retail investors.

SS&C recently announced our Lyric platform to enable our ecosystem to leverage such new technology further, whether AI, machine learning (ML), DLT, or robotics. The intent is to move recordkeeping and services to a cloud-hosted infrastructure that is data-driven and operates globally in a move away from the historic batch processing. We believe we should, and will, continue to disrupt our operating model for the benefit of our clients.

Kate Webber, global product lead, fund services at Northern Trust

Transfer agency is now more pivotal than ever, both in terms of data provision and connection with the investor. We see asset managers choosing asset servicers who have modern architectural foundations for their technology stack, where they are able to incorporate new technology developments and react quickly to change. Microservices, and the ability to incorporate these into an overall service model, are seen to be critical in developing the best service solutions. Operating in a heavily regulated environment and reacting to continuous change are seen as necessary attributes.

How are transfer agents adapting to an ever-changing market?

Justin Hayes, global product manager, transfer agency, Linedata

Over time, TAs have improved their operational processes by using automation and embracing digitisation to remain competitive. It is a highly cost-sensitive sector, so in the past many firms have been reluctant to invest in technology or change long-established processes. However, a range of factors — from the ubiquity of online banking and e-commerce, to a younger pool of investors, and most recently the pandemic — has tilted the playing field. I believe we now are seeing substantive changes and those firms that have moved assertively are reaping the benefits.

Webber: At Northern Trust, we are digitalising our business to deliver accurate, reliable, real-time data, and using the power of digital technology to provide that data in whichever format clients wish to receive it. We are continuing to roll out this functionality via our Matrix platform for European TA clients. Data is fundamental to the future of our industry, both for effective decision making by asset managers and their clients, but also to service the future needs of our regulators. It is about relevant and usable data for our clients.

"Data is fundamental to the future of our industry, both for effective decision making by asset managers and their clients, but also to service the future needs of our regulators"

Kate Webber

We are also seeing the emergence of cryptocurrencies as an asset class both within hedge funds and exchange-traded notes. While highly volatile, they are seen to be an important investment option for many institutions and retail millennials and, therefore, important to service for the immediate term. As these asset types evolve, they will be one to watch.

Wright: Globalisation is a key trend. Many of our clients continue to consolidate their TA relationships to a single provider across fund ranges and regions. The benefits are increased standardisation, a more direct customer experience and a seamless distribution effort. At SS&C, we differentiate ourselves by offering a truly global TA solution.

Another area of adaptation is the increased servicing we are offering to the wealth, insurance and life and pension business. Being part of SS&C Technologies enables us to provide integrated end-to-end solutions, not just TA.

Caluwaerts: The only constant is change. Any professional TA has been managing significant changes over the last decade and has proven it has the structure to adapt to an ever changing market.

What other challenges are European TAs facing?

Webber: Regulatory change can be both a challenge and an opportunity. In gathering the data for the regulator, we also should look at how we can use the same information to improve other outcomes for asset managers and investors. Adapting to future hyper personalisation will be a key requirement for the future, but one that may emerge slowly. There are still a number of investors who have not chosen to adopt digital tools at this time. Digital servicing is important, both for attracting new clients and managing costs, so understanding how to improve adoption rates is important.

Wright: One of the biggest challenges facing European TAs is the limited way many have been looking at the TA business. Today's transfer agents do not just provide registration and dealing services — they need to be a true distribution partner, providing a core and differentiated part of their overall proposition. A true partner should be able to support you through a crisis such as the recent COVID-19 pandemic. At SS&C, for instance, we leveraged our technology to provide extra capacity to our clients. At the same time, we reconfigured clients' systems and shared best practices for business continuity to help clients train staff. A true partner needs to continuously invest in adopting the latest technologies to improve the offering, enable a controlled risk environment, and constantly improve its ability to support all channels. SS&C is continuously thinking about and tackling these challenges.

Hayes: In short, it is cost, regulation, and complexity. Cost is a huge challenge due to the competitive market. TAs need to grow their book of business without a linear rise in costs, so they need to automate as much as they can. Cutting costs is critical to make that margin, which is why forward-thinking firms are investing in straight-through processing (STP), automated reporting tools and investor portals for quick communication and information sharing. Staying on top of regulatory changes and ensuring compliance is another hurdle. AML/KYC rules are particularly tricky, as TAs need to deal with variations in regulations between each jurisdiction, and each new regulatory update brings with it with greater stringency. But as money launderers are adapting and becoming more sophisticated year-on-year, these new directives are critical to ensure AML standards remain a step ahead. There is a lot of pressure on fund administrators to have the right procedures in place, or risk fines and reputational damage. Institutions are therefore keen to go above and beyond the regulatory requirements. A third factor is fund complexity. The ever-changing fund environment and the rise of hybrid investment products presents an array of operational and reporting challenges. There are huge costs involved to ensure that systems are enhanced to cater for fund administration, data flows, and detailed regulatory and investor reporting requirements.

Steven Caluwaerts, director, global distribution and transfer agency, securities services, HSBC

For the main, TAs are constantly looking at improving the customer experience, operational efficiency and delivering new digital capabilities to clients and their investors. The challenge is doing that in practice, while onboarding new clients, keeping their current clients content and managing regulatory change.

As elsewhere, European TAs have adapted, and are adapting, to new ways of working because of the pandemic, including working from home and now moving to a hybrid model of working.

Do you think there should be more interaction between smaller fintech and TAs? And why?

Nick Wright, CEO, SS&C Global Investor and Distribution Solutions

A significant amount of innovative thinking around retail financial services products and propositions occurs in start-up fintech businesses, unconstrained by existing business models and often with younger and more forward-thinking staff. As a result, fintech has less to lose and is prepared to take higher risks than more established and regulated businesses. However, the difference in scale, mindset and timeframes establishes a meaningful dialogue between mainstream financial service providers and fintech businesses. Still, initiatives such as TISAtech in the UK are beginning to create bridges between the two sides. As a technology and service organisation, we embody the best of service and innovative technology. We review and adapt our operating model to incorporate the latest and greatest technology into our ecosystem. A recent example of this is our acquisition of Vidado, software that transforms handwriting, faxes, and low-DPI scans into digital text. We found the tech hugely valuable and have since integrated it into our workflow optimisation tools.

"While fintechs can solve a problem through their specific technology, TAs will typically have the depth and breadth of knowledge and capability that a fintech ordinarily would not"

Steven Caluwaerts

Webber: Absolutely. Fintechs often focus on specific but valued challenges and overcome them well. Recent research by Temenos showed that asset managers are looking to avail themselves of a wider set of technology services offered by fintechs. Conversely, they are also looking to manage a smaller number of vendor relationships. This dichotomy can be solved by asset servicers creating those relationships and incorporating key elements and features from fintechs into their overall service provision.

Caluwaerts: Through industry forums, we already see these types of exchanges happening. While fintechs can solve a problem through their specific technology, TAs will typically have the depth and breadth of knowledge and capability that a fintech ordinarily would not. Fintechs and TAs can work together to introduce innovations into the distribution chain to the benefit of the whole funds industry.

How do you see the transfer agency role changing over the next five years?

> *"In the past TAs have been very slow to react to advances in technology"*
>
> **Nick Wright**

Wright: Over the next five years in the TA space, the main battleground issue will be around the collection, collation, analysis and interpretation of data from a myriad of different sources for distribution, regulation, governance and oversight purposes. The ability of TAs to build on the data they have for each client, and across their broader client base, and to enrich it with data from external feeds will allow transfer agents to offer real Enterprise Data Management (EDM) services. Asset managers' expectations will move from receiving data once a month to accessing this intra-day in real-time.

At the same time, service delivery models will change, and we anticipate increasing levels of cooperation and interoperability between TA providers. For example, as asset managers rationalise their fund range structures and domiciles and distribute these into an ever-increasing number of global markets, we will see the development of a sub-transfer agent market akin to the sub-custody market. Local or regional TA servicing would be selected and provided by the best equipped servicing agent. Then, the necessary details are fed in real-time to the principal register keeper in the fund domicile.

Hayes: In the past TAs have been very slow to react to advances in technology. However, recently they have embraced changes such as investor portals, API interfacing, process automation, and data analytics. I expect to see the same steady uptake over the next five years, along with a greater reliance on AI, ML and blockchain. The investor experience will be key, and both types of technologies will only enhance that, with AI/ML facilitating process automation, and blockchain enabling investors to deal directly with the fund rather than through a broker/distributor. Both technologies should also reduce the administrative burden around AML/KYC checks and processing.

Caluwaerts: There will always be a need to provide a high quality TA service offering to investors. However, the channels used for distribution are changing.

These are becoming more digital, so you will see mobile apps replacing legacy technology, for example. That evolution will mean the investor will experience much closer to real-time dealing and settlement, and a more personalised and more instant service.

In the not too distant future, we expect TA to be made up of microservices, which each provide an element to an ever-changing value chain, and then it will be packaged together to create a global model. There are opportunities both to develop these microservices using innovative technologies and to be more creative in packaging these together.

Some TAs might end up specialising in some specific market or in some specific microservices, but globalisation means global asset managers still require providers that can offer a global service to enable the efficient distribution of funds and a satisfying shareholder experience through the use of state-of-the art microservices.

We also expect technology giants to venture into the distribution value chain with a focus on the non-regulated microservices (such as trade capture or data analytics), but that is unlikely to be within a five-year time horizon.

Webber: Data will be the foundation of most activities, from AML to distribution to oversight. Asset managers will look to collaborate ever more closely with their transfer agents to make best use of the data that TAs can provide and tools they offer to help them understand and use this data.

For the transfer agent, being that first connection to a client's investment data and getting that initial touchpoint right — capturing, recording and delivering information accurately and in real time — opens up further opportunities to deliver products and services to clients and to support them in exploring their future business priorities. ■

Digital to the core

Industry experts explain how the banks in Singapore want to be digital to the core, embed their services in the customer journey, and nurture a start-up culture that can drive change

Maddie Saghir reports

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Technology is a key driver of growth for the financial services industry in Singapore. Experts say technology is critically important and a key enabler in the government's push towards a 'Smart Nation' and financial sector priorities are set out in the Financial Services Industry Transformation Map. Despite the COVID-19 pandemic, one of the bright spots for the Singapore economy in 2020 was the financial services sector, which registered 5 per cent growth in 2020 while the overall economy shrunk by 5.4 per cent.

Meanwhile, the full year 2021 outlook for the financial sector is expected to be positive 4.7 per cent, while the overall economy is projected to grow 4-6 per cent, according to the Singapore Ministry of Trade and Industries report from 25 May 2021. These statistics point to the fact that, similar to China, Singapore is set for growth in its financial services sector.

More recently, several multinational financial institutions have publicly announced that they will boost their hiring in Singapore in the thousands and the Monetary Authority of Singapore (MAS) projects 6,500 new jobs will be added in 2021.

A major share of these new roles are likely to be in the wealth management and technology sectors.

Alvin Goh, Association of South East Asian Nations (ASEAN) head of securities services, Citi, explains: "The continuous efforts to develop and deepen Singapore as a wealth and fund management hub, consolidate and strengthen its position as a key global foreign exchange centre, promote Singapore as an environmental, social and governance (ESG) financial centre and push to entrench technologies in the financial industry will provide the pillars for positive and sustainable growth."

Technology and development

Technology will be key to continuing the development of Singapore's financial services industry, and is supported by industry and government-backed initiatives including various grants. Technology is central to how Singapore financial services are produced, distributed, and consumed.

Industry participants observe that the Singapore financial sector has harnessed technology across various functions, from risk management, business analytics to customer services. It is now among the most tech-enabled financial centres, with a vibrant fintech ecosystem and solid digital infrastructure foundation.

According to Andrey Yashunsky, founder and CEO, Prytek, the banks in Singapore want to be digital to the core, embed their services in the customer journey, and nurture a start-up culture that can drive change.

Noor Adhami, head of securities services, HSBC Singapore, comments: "Innovation within the financial institution space has also been prominent — for instance, HSBC has been leading the exploration of digital assets to transform capital markets infrastructure. In 2020 we executed Asia's first public bond issuance on a distributed ledger technology (DLT)-enabled platform with SGX and Temasek in Singapore."

Technology innovation has received a further boost with the launch of more than 40 innovation labs in Singapore. In some cases, these have received grants to drive development in artificial intelligence, data analytics, and other emergent technologies.

"Singapore's progress in creating an integrated financial services ecosystem using technology and data as the backbone is impressive," says Adhami.

Testament to this creativity is the growing use of application programming interfaces (APIs) across financial institutions and fintechs, along with the introduction of foundational digital infrastructures, including digital identity and data exchange. Meanwhile, there has also been progress made in the payments space since Singapore opened up its payment systems to non-banks enabling interoperability in November last year.

Industry participants have also observed that Singapore has also been actively exploring distributed ledger technology (DLT). For example, Project Ubin provides an example where the regulator is collaborating with the industry to explore DLT for clearing and settlement of payments and securities.

Prytek's Yashunsky suggests that the pandemic has fundamentally changed the banking and financial services industry. "As a result, many financial institutions in Singapore have repositioned their strategy to focus on developing and strengthening their digital capabilities to address the changing needs of their employees and customers," he says.

Meanwhile, the government is helping to support this growth through the work of MAS and the Infocomm and Media Development Authority (IMDA).

Ready, Set, Growth

Singapore's asset servicing ecosystem is set to continue on its growth trajectory, underpinned by new fund structures, its strong focus on digital and leading in innovation.

Technology will be a major key to this boost. Experts also believe that asset servicers will continue to innovate with digitalisation and automation to reduce operational costs while providing best-in-class service to clients.

"Singapore is a progressive funds hub with its flexible investment fund structures such as the Limited Partnership, and the VCC — a corporate structure designed for investment funds," Adhami affirms.

Among other factors, the focus on ESG and financial inclusion will see more investors participating in the market. Singapore's asset servicing sector needs to be prepared to support this demand, and to service new innovative products (ESG, digital assets) and evolving business models (wealth and distribution).

For HSBC, Adhami says: "We are increasing our talent pool, strengthening our digital capabilities and enhancing our expertise in servicing ESG-themed products to support the continued growth in Singapore."

At Citi, Goh believes that Singapore will see comprehensive adoption of technologies such as robotic process automation and natural language processing. Additionally, Goh states the future will see the development of capabilities to service emerging digital asset classes and distributed ledger technology in the post-trade space to reduce latency and improve reliability and efficiency.

Goh concludes: "Singapore will strive to consolidate and enhance its position as one of the key Asia Pacific (APAC) financial hubs for wealth and fund management, which in turn will incentivise asset managers to manufacture fund products locally. The next phase is to promote connectivity with other fund jurisdictions in APAC through fund passport schemes or bilateral fund recognition regimes." ■

Need for speed

Bringing payments infrastructure up to speed is key for maximising the opportunities from a real-time payments world

Maddie Saghir reports

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Over the past 12 months there has been an increase in countries implementing real-time payment systems. Having the correct, up-to-date, infrastructure and technology in place is key to utilising the opportunities in this space. Real-time enables payments to be settled almost instantaneously and can offer enhanced visibility into payments. Asset Servicing Times finds that this can be by enabling better cash management and by helping businesses better manage day-to-day operations by improving liquidity. With the US and EU set to mark their four-year anniversaries for real-time payments and SEPA Instant Credit Transfer scheme (SCT Inst) respectively, the popularity of these programmes is reflected in the fact that global real-time payments transactions increased by 41 per cent in 2020 compared to the previous year.

Industry participants have noticed significant acceleration of digitalisation throughout the pandemic, as financial institutions have had to turn themselves into remote organisations with a focus on straight-through processing for a wider range of consumer and business payments.

Carlo Palmers, head of market infrastructures, SWIFT, the global provider of secure financial messaging services, says: "The biggest trend in payments is the shift towards instant settlement and 24x7 operation."

"This is rapidly becoming the norm in some domestic markets, where use of physical cash is increasingly rare. And we're seeing movement toward real-time in cross-border payments as well."

Accelerating to real-time

Real-time payment systems provide multiple benefits. Srinivas Chintakrinda, senior director, product management, Volante, explains: "Not only will they give consumers and businesses much more choice in the way they make payments, they will also speed up the transfer of money to ultimately help support the type of instant, 24x7 commerce necessary in a post-pandemic world."

SWIFT observes that many countries are developing real-time payment instant schemes in response to customer expectations for the same seamless, real-time experience for payments that is taken for granted in the digital economy, whether watching a film on demand or ordering goods with one click.

"Many of the existing domestic schemes are also broadening their scope now to process transactions from abroad. The benefits are many, particularly for businesses, which benefit from immediate availability of funds with low transaction cost," says Palmers.

Meanwhile, Ainsley Ward, vice president of payments solutions, CGI, highlights that there is inherent value in being able to keep hold of your cash until the very last moment. He adds that real-time systems allow businesses to work their capital more effectively and manage cash flow more efficiently.

Andrew Bateman, executive vice president, buy-side solutions at FIS, says: "The on-demand nature of real-time could mean a chance for forecasting processes or daily cash processes, and they would need the ability to adapt and respond to changes in balances throughout the day."

There is a lot of work being done on integration and Bateman believes this is where there's an opportunity to be disruptive, with many providers focused on application programming interfaces (APIs) and streamlining connectivity. Once you get that right, according to Bateman, it makes everything else easier. Technology is enabling the acceleration of real-time payment and market participants have seen a rapid increase in the number of corporate treasuries embarking on digitisation projects supporting the digital end-user experience. Getting payments and infrastructure ready and up-to-speed seems critical to be best positioned to maximise the opportunities from a real-time payments world.

"We have a number of insurance customers looking at using real-time payments through our payment factory solution. In this case, a policy holder making a lower-value claim could be assessed and settled in real time," comments Bateman.

For example, last year FIS completed a project with an insurance company wanting to settle real-time claims for its business in Asia. FIS used the local instant payment network to initiate a real-time payment into the client's account.

Another example is the collaboration with SWIFT and the financial industry. Palmers says: "The world is changing fast and developments such as artificial intelligence (AI), machine learning and digital currencies are all set to have a major impact on financial services. SWIFT is playing a role in assessing emerging technologies."

The group is currently working with the global financial community to harness these for innovative solutions that can solve industry challenges, operate at scale in payments and transform the services that the SWIFT community offers its customers.

The ability of APIs, for example, to communicate and sync data between multiple parties in real-time makes the technology critical to the digital transformation of financial services.

Additionally, banks are moving their payments processing structure to the cloud. CGI, for example, has been at the forefront of cloud-based payments for a few years. CGI put its first bank live on a dual-cloud Azure and AWS solution in 2019 and has seen growing demand that accelerated with the onset of the pandemic.

Not only do banks get flexibility in deployment through the cloud, they are able to reduce infrastructure costs through resource elasticity and gain significant advantages from automated patching services and self-healing technology.

Inherently deploying payment processing to the cloud increases resiliency and helps to deliver high availability without the need to own major data centres in numerous locations.

Challenges

The advantages of real-time payment do not come without drawbacks. While utilising the cloud for a payment processing structure can be beneficial, this requires enhanced technology that is designed to leverage cloud capabilities and not everybody has the right technology in place just yet.

Interfacing with a legacy mainframe can be difficult technically; moving to the new ways of working with cloud can be challenging for teams that have been working with the same systems for more than 30 years.

Palmers comments: "Many banks' payments processing applications operate on older generations of technology, and are embedded in complex integrations with the rest of the bank."

"They often still work well, and they are risky and costly to change, so despite the advantages of cloud many banks are yet to fully embrace it for all payments."

And it's not just the behind the scenes considerations — such as ensuring the correct technology for the cloud is in the right place — cybercrime is a major challenge in this area too.

Volante's Chintakrinda explains: "Any time that a new way to move money is invented, there will inevitably be fraudsters and bad actors attempting to use those mechanisms to serve their interests."

> *"Any time that a new way to move money is invented, there will inevitably be fraudsters and bad actors attempting to use those mechanisms to serve their interests"*

While the risk is lowered because real-time payments systems have been specifically designed to prevent some of the more common types of fraud, there is a technological risk for banks if they do not properly plan for the transition to real-time payments. For instance, when SEPA launched, many banks in Europe decided to start with payment receipt but when it came to sending payments they found they could not meet the 24x7 immediate clearing service level agreements of instant payments. As a result, they had to redo their technology approach.

Chintakrinda suggests this is a mistake that could have been avoided by testing send and receive at the same time, even if both were not rolled out immediately to their customers. This is particularly important with November 2021 looming as a deadline for participating in TARGET Instant Payment Settlement (TIPS).

SWIFT is currently exploring how machine learning could help identify fraudulent payment instructions. It is also examining AI-based anomaly intrusion detection systems that could learn and model users' normal behaviour patterns on the SWIFT network over time and alert the system administrator when anomalous behaviour is detected. There are many other opportunities for AI to help streamline processes and reduce risk, as well as dramatically improve the customer experience.

SWIFT is building an in-house machine learning sandbox environment that will provide a highly secure hub where the group can train and evolve machine learning models under the strictest data privacy conditions.

"This provides important opportunities for the development of advanced technologies that can improve automation and compliance processing and provide insights into customer behaviour," says Palmers.

Regulation is another area that poses challenges. The industry needs support from regulators when it comes to real-time payments. Experts say this is the case in Europe. While the protections that Payment Services Derivative (PSD2) and General Data Protection Regulation (GDPR) have placed can seem a little onerous for banks to manage, ultimately they are creating a low-cost, secure and fair payments market that works for all. Outside of the EU, however, things are a little murkier.

In Canada there is large demand from the corporate sector to create access models similar to those in Europe, yet little regulatory movement as parliamentarians continue to deprioritise and stall legislation.

According to Ward, this is driving the adoption of parallel systems and the splintering of a market that needs standardisation and centralisation to achieve economies of scale.

In the US, where regulators had initially taken a hands-off, market-driven approach, pressure applied by lobbyists has resulted in the creation of FedNow and acceleration of the programme.

"Ultimately, as banks bear the cost of both creation and deprecation due to real-time payments they will often push banks against introduction, but ultimately if they were to seize the opportunity it could be massively beneficial for them and their clients. Proper regulation makes sure that this happens, rather than waiting for seasoned bankers to do the right thing," Ward comments.

The future of payments is certainly digital. Real-time payments provide plenty of opportunities, but having the right technology in place is crucial. Cloud makes it much easier to facilitate real-time payments, as do the increased digitalisation of straight through 24x7 payments. For banks, it will be important to modernise their technology if they want to move quickly in these areas and compete with more agile fintechs. ■

Goal Group has promoted Vicky Dean to managing director, Europe, Middle East and Africa (EMEA) and global head of client services with immediate effect.

As managing director, Dean will be responsible for for key functions and activities at the company's EMEA headquarters including sales, client services and operations.

The dual role reflects Goal Group's newly centralised client services delivery model, designed to maintain excellence in service standards and promote consistency across EMEA, the Americas and Asia Pacific (APAC) as the business enters a phase of growth.

Bryan Gray, brand ambassador for Goal Group in the APAC region, will report to Dean, alongside the other client services managers across EMEA, the Americas and APAC.

Dean joined Goal Group in 2014 and progressed to senior leadership positions in both the EMEA and Americas businesses.

Stephen Everard, CEO, Goal Group, says: "Vicky Dean's dedication and meticulous work is often remarked upon by our clients."

"Her appointment to the roles of managing director, EMEA and global head of client services recognises the high standards she sets herself, her wide-ranging capabilities and outstanding contribution to our company over the years."

"Bringing the global management of our client services function under the remit of one managing director makes perfect sense as we win a growing number of new mandates and take on increasing volumes of business in both withholding tax reclaims and securities litigation recoveries."

Apex has appointed Andrea Gallenca as head of private market sales Australia.

Based in Sydney, Gallenca will oversee the group's private markets sales operations in Australia in an effort to grow its Asia Pacific (APAC) offering across fund administration, corporate solutions and environmental, social and governance (ESG) services.

Gallenca brings more than 18 years of experience in the private funds industry, with a focus on fund administration, trust and corporate services.

Prior to joining Apex, Gallenca was head of sales at Alter Domus Australia. Before that, he worked as director of global business development at TMF Australia.

Apex has also appointed Prakash Kharel as head of real estate for APAC. He joins Apex in Singapore from Revantage Asia, provider of corporate services to Blackstone's real estate investment structures and investment entities, where he was head of finance.

Apex opened its first office in Asia in 2007 and now has seven offices across the region with more than 190 employees.

This latest appointment follows Apex's recent hires of Debbie Lee as country head of China and Claudia Bolanos as head of corporate services, APAC. On 1 July 2021, Apex confirmed that it had made a successful bid for Australian fund administrator, Mainstream Group.

Valerie Mantot-Groene, head of APAC at Apex says: "Asia's private markets, including real assets, have continued to mature, supported by several new and updated onshore fund structures introduced over the last year."

She adds: "As service providers, we must be equipped with the best talent in the market to deliver our single-source solution to meet the increasingly sophisticated service requirements of our clients. We look forward to working with Andrea and Prakash, who join at an exciting time for our business in the APAC region as we grow our locally delivered financial services offering."

J.P Morgan has appointed Tom Casteleyn as the head of global custody for Europe, the Middle East and Africa, a position that will include responsibility for UK direct custody.

Based in Brussels, Casteleyn brings 25 years of securities services expertise leading custody strategy, product delivery and managing client relationships.

Casteleyn spent 16 years at BNY Mellon, most recently as global head of custody. He also held various roles across its European market offering.

Meanwhile, Scott Markowitz has been appointed as head of direct custody for the Americas with responsibility for the business in the US, Latin America and Canada. He will be based in New York.

Markowitz spent four years at HSBC where in his most recent role as head of securities services for the Americas, he was responsible for all aspects of the custody business including sales, strategy, product development and operations.

Prior to this, Markowitz spent 15 years at BNY Mellon in a number of client service and relationship management roles in New York and Tokyo.

Both Casteleyn and Elson will report directly to Hannah Elson, head of global custody at J.P. Morgan.

Elson comments: “Building upon our industry leadership and strong momentum, Tom Casteleyn and Scott Markowitz will drive our custody investment strategy and help grow our client franchise in each region.” ■

Harneys has appointed Yucheng Fan as a partner in its investment funds practice.

Fan will be based in Harneys’ Hong Kong office.

A Japanese and Mandarin speaker, Fan specialises in Cayman Islands and British Virgin Islands (BVI) law, advising on the structure, formation, launch and maintenance of private equity funds, venture capital funds, corporate venture capital funds, hedge funds and unit trusts.

Commenting on Fan’s appointment, Maggie Kwok, Asia head of funds and regulation, says: “We are delighted to welcome Yucheng to the team.

We are committed to expanding our investment funds offering and believe that Yucheng’s practice, extensive track record and multilingual language capabilities will help us go from strength to strength.”

Harneys advises on Cayman, BVI, Cyprus and Luxembourg funds, including formation, restructuring and closure, both in planned and distressed scenarios.

The firm also has an offshore regulatory practice which provides regulated clients with essential legal support. ■

State Street has appointed Taro Kuryuzawa as country head for Japan.

Based in Tokyo, Kuryuzawa will report to Mostapha Tahiri, CEO for Asia Pacific (APAC).

In this newly created role, Kuryuzawa will be responsible for State Street’s business activities in Japan, including driving strategy, developing talent, pursuing growth opportunities, as well as managing relationships with Japanese clients, partners, officials and regulators.

Kuryuzawa joined State Street in May this year, from Deloitte Tohmatsu group where he was most recently head of institutional investor coverage in Japan and global lead client service partner, overseeing large insurers and global institutional investor accounts in Japan.

Prior to Deloitte, he held a number of senior positions at Citigroup, including its global private equity fund, CVC International, for almost a decade.

With offices in Tokyo and Fukuoka, State Street offers trustee, middle office outsourcing, global custody, offshore fund services and a front-to-back asset servicing platform (State Street Alpha) as well as other services. ■

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