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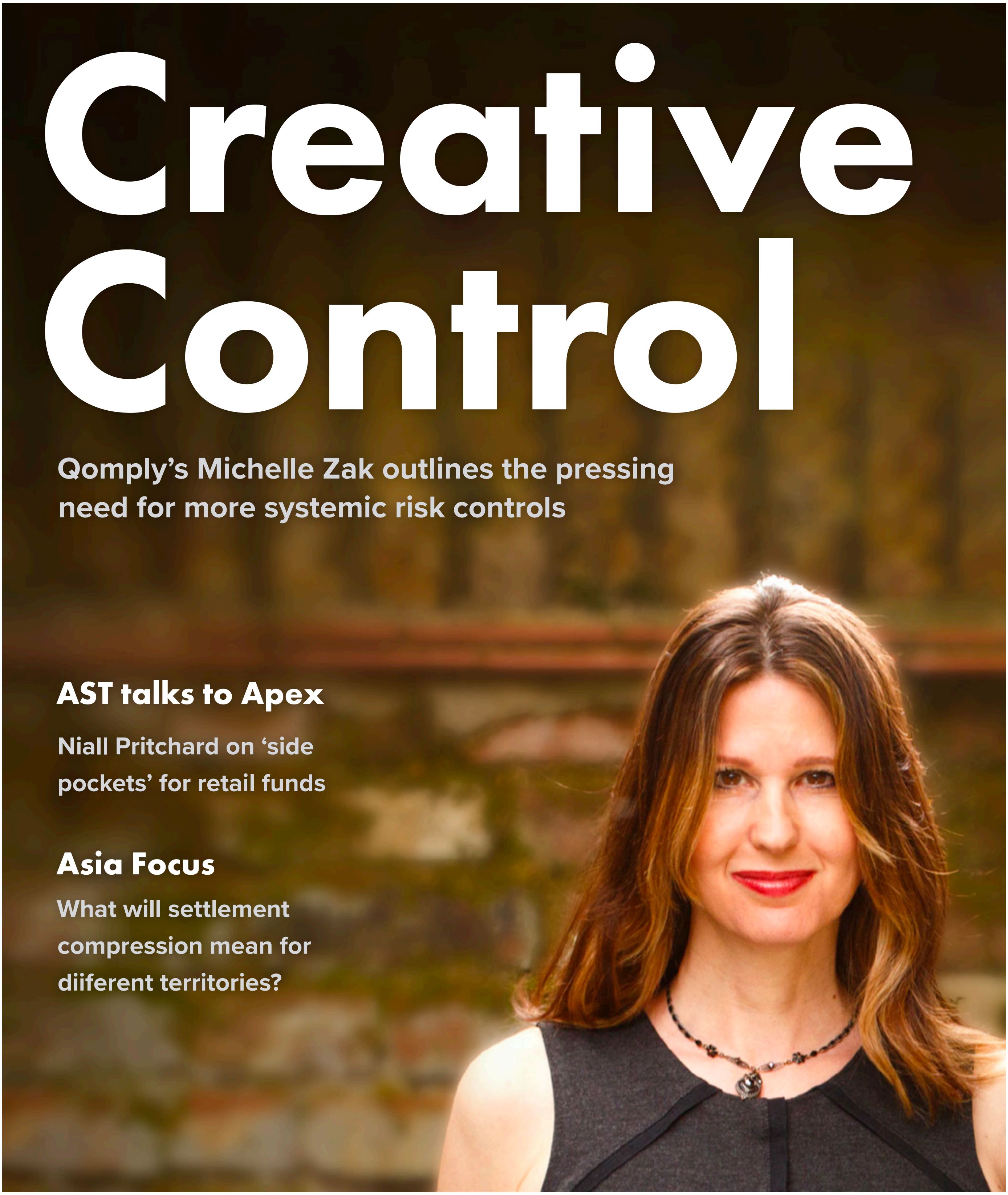

DTCC claims further advances in corporate action

The Depository Trust Company (DTC) has processed the US market's first fully-automated voluntary organisation ISO 20022 instruction within its newly automated Voluntary Reorganization service.

DTC, the central securities depository arm of DTCC, indicates that this is an important landmark in helping firms to manage voluntary organisations in a fully straight-through processing (STP) environment, and to remove manual interventions from the corporate actions process.

This moves DTCC towards its goal of achieving full end-to-end automation of the corporate actions lifecycle and to reducing risk and cost traditionally linked to corporate actions processing.

The New York-based market infrastructure specialist notes that corporate events processing is becoming increasingly complex owing to a rise in the use of financial instruments, including securitised derivatives and structured equities which are backed by other securities or triggered by market conditions.

This has prompted firms to employ sizable teams to process voluntary instructions. DTCC's Voluntary Reorganization service is designed to improve clients' ability to manage and execute corporate actions instructions around time-sensitive events, doing so within an automated environment.

The company reports that it currently processes more than 600,000 reorganisation instructions each year.

DTCC released the Voluntary Reorganization solution after rigorous testing with Broadridge, which currently services more than 60 of DTCC's corporate actions clients.

DTCC executive director, asset services business management, Ann Marie Bria, says: "This is a major milestone made possible by the partnership and support of Broadridge, our clients, and key stakeholders across the industry. Having end-to-end automation throughout the corporate actions lifecycle will allow the industry to utilise fixed data formats and a standardised set of rules, creating new efficiencies while reducing risks and costs." ■

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

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

Reporter: Rebecca Delaney
rebeccadelaney@blackknightmedialtd.com

Reporter: Carmella Haswell
carmellahaswell@securitiesfinancetimes.com

Lead 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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SEC Philippines joins ANNA

The Association of National Numbering Agencies (ANNA) has announced that the Securities and Exchange Commission (SEC) Philippines has joined the association as partner.

ANNA is a global organisation dedicated to supporting efficient capital markets through the use of the International Organisation for Standardisation (ISO) standards.

It has more than 120 global members and partners allocating ISIN, FISN and CFI codes for more than 200 jurisdictions.

The announcement was confirmed at ANNA's 30th Anniversary General Meeting, hosted by Euroclear Bank SA/NV in Brussels on 2 and 3 June 2022.

Commenting on the announcement, ANNA chairman Dan Kuhnel says: "The past year has been very busy, with ANNA celebrating the 40th anniversary of the ISIN, and the 30th anniversary of ANNA itself." ■

Euronext completes migration of Core Data Centre following Brexit

Euronext has completed the migration of its Core Data Centre and its related colocation services from Basildon, UK, to the Aruba Global Cloud Data Centre IT3 in Bergamo, Italy.

Relocating Euronext's Core Data Centre from the UK to Italy, into a green data centre facility, was a strategic decision made by Euronext in April 2021.

The dynamic created by Brexit, and a strong rationale for relocating Euronext's core European trading activities back into the European Union, were two key factors surrounding the decision.

This move allows Euronext to fully control and directly manage its core IT infrastructure. It also allows the generation of colocation revenues, embedded in the upgraded synergies.

The Core Data Centre migration has also been timed to pave the way for the migration of the Borsa Italiana

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equity and derivatives markets onto the Euronext Optiq trading platform, expected in 2023.

The new Core Data Centre is entirely powered by renewable energy, much of it self-produced through a large photovoltaic system and a hydroelectric unit.

It also benefits from cloud computing to reduce the number of servers.

Stéphane Boujnah, CEO and chairman of the managing board of Euronext, says: “The migration of Euronext’s Core Data Centre to Italy, 14 months after the closing of the Borsa Italiana Group acquisition, marks a milestone in bringing back the Core Data Centre to the European Union which handles 25 per cent of European trading volumes.”

He adds: “I would like to thank all our teams, our clients, and our service providers for this successful project, which will benefit the whole of the financial ecosystem, while helping our clients reduce their own carbon footprints.”

GCEX granted two licenses by the Danish Financial Supervisory Authority

GCEX, which enables brokers, funds and professional traders to access deep liquidity in digital assets and foreign exchange (FX), has been granted two licenses by the Danish Financial Supervisory Authority (FSA). The digital brokerage has been granted a Virtual Asset Service Provider (VASP) license and authorisation to provide currency exchange to professional clients.

The VASP license grants GCEX permission to provide clients with services such as exchange between virtual currencies and fiat currencies, exchange between one or more types of virtual currency and transfer of virtual currencies.

GCEX, which is also regulated by the UK Financial Conduct Authority, has offices in London, Copenhagen, Glasgow and Kuala Lumpur.

GCEX’s suite of trading technology allows clients to automate onboarding, offer and trade digital assets. It also houses FX indices, with liquidity and solutions for clearing.

Lars Holst, founder and CEO of GCEX, says: “As Brexit has completely changed the landscape for UK-regulated brokerages in terms of passporting, we believe it is very important for us to be regulated in an EU country.”

“The Danish FSA license, therefore, is a major milestone for the business. The fact that we have permission to run a crypto exchange globally from Denmark is also very significant.” ■

Deutsche Bank, Mashreq and Standard Chartered to onboard CLSNet

Deutsche Bank, Mashreq and Standard Chartered are to onboard CLSNet, CLS's standardised, automated bilateral payment netting calculation service for approximately 120 currencies.

They will join the growing CLSNet community of global and regional banks to further standardise and centralise post-trade processes in an effort to reduce risk, enhance efficiency and improve liquidity for foreign exchange (FX) market participants.

All trade instructions sent to CLSNet will be validated and matched up to the predetermined cut-off times between counterparties for each currency.

This ensures that only matched trade instructions are included in the automated net calculation and that there is a single common record of the net payment obligations, says CLS.

By automating the netting process via a centralised platform, users benefit from greater operational efficiency and increased risk mitigation for currencies that are not currently eligible for CLSSettlement, CLS adds.

Commenting on the mandates, Lisa Danino-Lewis, chief growth officer at CLS, says: "The addition of Deutsche Bank, Mashreq and Standard Chartered demonstrates the appeal of CLSNet to all market participants exploring ways to mitigate settlement risk, reduce operational costs and optimise liquidity for their post-trade foreign exchange trading processes.

"Given the sharp focus on settlement risk mitigation across the industry, CLS is collaborating with market participants to further evolve CLSNet and to facilitate adoption for a wide range of participants."

Paul Scott, managing director, financial markets operations at Standard Chartered, comments: "We are delighted to be part of the growing network exploring with CLS risk mitigation via automated payment netting calculations, while providing an enhanced settlement offering for our clients and benefiting from significant operational efficiencies."

FundRock Distribution opens new office in the Netherlands

FundRock has expanded its subsidiary FundRock Distribution S.A. (FundRock Distribution), with the opening of a new office in the Netherlands.

The office, located in Amsterdam, will supplement the firm's existing multinational team, supporting asset managers across borders with local market insight and global connectivity.

FundRock offers third-party management company and fund distribution services, with a range of fund administration, middle office, banking, depositary and custody services offered through the Apex Group.

The company already has an established network in key jurisdictions including Luxembourg, the UK, Ireland, France, Abu Dhabi and Singapore.

Xavier Parain, head of FundRock, comments: “We are excited to announce the further expansion of FundRock Distribution with the opening of a new office in the Netherlands. This announcement signals our strategic intent to represent asset managers across their portfolio wherever they are in the world — helping them to tackle the increasingly complex regulatory requirements of cross-border fund distribution and supporting their asset raising activities. We look forward to announcing further geographic expansion in 2022.”

Arnaud Gérard, head of distribution at FundRock, says: “Our presence in Amsterdam will help our clients to more efficiently and effectively distribute their funds across Europe and the rest of the world with the highest standards of governance and regulatory compliance.”

Temenos launches NAV oversight and contingency solution

Temenos has launched Multifonds Navigator, a net asset value (NAV) oversight and contingency solution available to asset managers who outsource their fund accounting operations to third-party administrators.

The new cloud-based subscription service provides independent, automated NAV and Investment Book of Records (IBOR) validation that addresses the increasing industry calls for transparency, accountability, and operational resilience.

Multifonds Navigator provides an estimated NAV and IBOR valuation that is calculated across asset classes and multiple jurisdictions automatically.

This allows asset managers to independently verify their fund administrator’s NAV calculation and also provides a contingency solution in the event of an unplanned outage.

Multifonds Navigator is designed to free up resources by creating automated, repeatable processes, presenting asset managers with an opportunity to further streamline their fund operational functions.

From a UK perspective

Niall Pritchard, managing director, UK at Apex Group, talks to Asset Servicing Times about the changes Brexit has brought to the funds space, and the UK Financial Conduct Authority's consultation on 'side pockets' for retail funds in response to the Russian invasion of Ukraine

What are the most pressing regulations for UK-based asset managers today? What have been your clients' main concerns to ensure their compliance?

Like many other countries, the UK has been increasing requirements for the disclosure of the risks and effects of climate change to promote sustainability across the financial chain and support its ambition to become a net-zero economy by 2050.

This is part of the UK Government's commitment to introduce mandatory disclosure obligations across the economy by 2025, aligned with the Task Force on Climate-related Financial Disclosures (TCFD). In December 2021, the UK Financial Conduct Authority (FCA) revealed its final rules that require asset managers, life insurers, and FCA-regulated pension providers to disclose against the TCFD framework. In addition, the UK FCA is expected to propose its Sustainable Disclosure Requirements this year which are expected also to apply to these businesses.

Firms must publish an annual TCFD entity report in a prominent area on their main website, explaining how they take climate-related matters into account when managing or administering investments. They must also include a statement to confirm their compliance with the rules. Disclosures on products and portfolios, including a core set of climate-related metrics, must be made public on the company's main website and be included in client communications.

Complying with these new regimes will be challenging and require expertise in environmental issues, ESG regulatory guidance and data gathering. Our clients are seeking a broad range of services that can help asset managers, asset owners and standard-listed companies to understand and comply with the FCA's new TCFD disclosure rules.

How has your firm helped to prepare its clients for the changes that Brexit has brought, particularly in terms of fund registration and redomiciling? What has been your experience in helping them prepare for these hurdles?

We have evolved and expanded the scope of services to better support clients to navigate the opportunities and challenges of Brexit. In 2021, we acquired FundRock, a leading UCITS management company (ManCo) and Alternative Investment Fund Manager (AIFM)-offering solutions for European based funds.

Via FundRock, we can offer clients support through ManCo services as well as distribution services to act as investment adviser and distributor of shares and units of funds. Under this Markets in Financial Instruments Directive license, we are able to act as global distributor or sub-distributor of the funds, managed by our affiliates. We leverage our free provision of services through the EU to offer a long-term and stable solution to our clients.

In addition, Apex's Business Acceleration Services (also known as BASE) is a turnkey solution which enables fast and efficient business expansion support.

This includes advice on cross-border regulatory requirements, local jurisdictional complexity and non-compliance risks which can pose new challenges for today's CEOs and chief financial officers in a post-Brexit Europe.

How much significance will the UK Government's proposed Fund Regime hold for the everyday activities of both the UK investment funds industry and UK-based asset servicers in particular?

We are expecting the reputation of the UK's fund location and administration to be enhanced.

In terms of legislative progress associated with the review, the UK Government has already made sure long-term asset funds can be launched, and from April 2022, the UK has become a more attractive location for asset-holding companies as well as unlisted real estate investment trust permits.

We hope for further reforms arising from the review — for instance, a UK Professional Investor Fund (PIF) that will plug a gap in the UK funds offering. The PIF will be particularly useful for funds holding UK real estate. This will allow defined contribution pension schemes to invest in less liquid assets, in line with counterparts across the globe.

The Russian invasion of Ukraine has affected financial markets, with some Ukrainian assets becoming illiquid or untradeable. Broadly speaking, how is Apex helping both its UK-based clients and international ones to navigate this?

Apex works in close conjunction with AIFMs, directors and managers on any Ukrainian assets held to ensure that we apply any agreed fair value pricing. Where we act as depositary on the fund, we will look to review the proposed pricing of the underlying assets to ensure there is appropriate justification of the pricing to be applied.

In response to the Russian invasion of Ukraine, the FCA's consultation on 'side pockets' closed on 19 May. The consultation was initiated in response to the significant practical challenges in disposing of Russian and Belarussian assets — in the context of suspensions and extensive global sanctions. What will this mean for fund managers?

The normal mechanisms for determining accurate and reliable valuation for some securities have either become difficult or stopped completely, and the FCA has therefore proposed the potential use of 'side pockets' for investments impacted by the Ukrainian war. The proposal allows authorised fund managers to structure the fund using separate new classes of units to hold the affected investments, referred to as side pockets. These side pockets allow new investors to enter the fund without sharing the exposure to the affected investments; existing investors to sell the units which relate to assets that are not affected investments and some funds to end their current suspension of dealing.

We have extensive experience of supporting funds in other global jurisdictions where the use of side pockets is commonly applied. The initiative allows investors to continue to trade on the remaining assets in the fund — in line with standard dealing timeframes. Our systems are built to support clients that have this requirement. ■

Niall Pritchard
Managing director, UK
Apex Group

Creative control

Michelle Zak, co-founder and managing director at technology provider Qomply, analyses the collapse of US firm Archegos Capital Management, and how its US$10 billion loss in 2021 highlighted the need for the industry to increase the introduction of systemic risk controls

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An unfortunate but highly concentrated exposure to a handful of equities ultimately led to the collapse of Archegos Capital Management, a US family office, in March 2021. Approximately US$10 billion in losses were sustained by Archegos' counterparty banks, including Credit Suisse, Nomura, Morgan Stanley, UBS and Mitsu. This is a reminder that systemic risk still exists as a clear and present danger. Since 1998, with the collapse of Long Term Capital Management (LTCM), there have been a number of initiatives introduced by regulators, aimed at transparency and systemic risk management. Further tightening occurred with the second Markets in Financial Instruments Directive (MiFID II), European Market Infrastructure Regulation (EMIR) and Securities Financing Transactions Regulation regimes which were introduced or fine-tuned to avoid a repeat of the crisis of 2008.

It could be argued that most notable systemic failures have been linked to a significant macro event, with market turbulence acting as a catalyst for correlated contagion. In the case of Archegos, the markets were calmer and quieter, suggesting this disaster was the result of a failure in systems and controls.

However, Archegos slipped below the radar of US regulators as they were outside the reporting requirements of the U.S. Securities and Exchange Commission (SEC) and Financial Stability Oversight Council (FSOC).

In the US, Archegos was classified as a family office and, as such, were not subject to reporting requirements. Archegos was able to put on highly leveraged derivative trades known as total return swaps without having any disclosure requirements.

Family office, by definition, is a reserved, US classification for investment companies that do not deal with the public in an investment advisor capacity, and its dealings are solely for the investment purposes of clients, comprised of family members or family entities.

So how is it that the over-leveraged positions of Archegos were not spotted in the EMIR reports submitted by their European counterparties?

In his paper, Antoine Bouveret, senior economist at the European Securities and Markets Authority (ESMA), openly discusses the usage of EMIR data to highlight the "steep increase in concentrated exposures", undertaken by Archegos across a two-month period from February to March 2021, which preceded its ultimate demise in March 2021.

Using EMIR data submitted by European counterparties, ESMA identified that five principal stocks accounted for over-leveraging equivalent to 360pct of its net exposure during this two-month period.

According to Bouveret: "Archegos positions with EU counterparties are analysed [...] two months before its demise there were warning signs that Archegos had substantially increased its exposures to a few stocks, making the firm highly vulnerable to adverse market developments related to these shares. Our analysis shows how supervisory data can be used for risk monitoring purposes. We also review data gaps and reflect on the regulatory lessons learned from the collapse of Archegos."

The EMIR transaction reports, submitted by European counterparties, highlight some of the challenges in spotting evidence of systemic risk using valuations and margin requirements in advance of a widespread unwinding. When reviewing data retrospectively, it is easier to spot the issue. However, analysing massive datasets looking for correlated risk exposure in real-time is a resource-intensive undertaking.

ESMA has not specifically provided comments regarding Archegos and whether their monitoring algorithms had flagged any breach in exposure thresholds. It may be safe to presume that the event may have gone undetected.

For the efficient surveillance of systemic risk to occur, there is a reliance on data quality and systems and controls – from the counterparty level to the local jurisdictional level, and to an inter-jurisdictional level in the case of ESMA and the UK Financial Conduct Authority (FCA).

According to Zach Johnson, director of regulatory consulting at Kroll: "This is precisely why the regulators harp on about 'data quality', and the need for firms to have the appropriate systems and controls in place."

"By the time firms engage us, 50 per cent of them have already received a tap on the shoulder by the regulator with regards to poor data quality and the need to tighten their systems and controls. Being on the front foot would not only avoid any potential regulatory scrutiny, but also assist in the wider agenda of effective monitoring and surveillance, so that the entire industry benefits," continues Johnson.

To this end, there has been a continued focus on data quality and systems and controls as the underlying themes. ESMA's work programme for 2022 certainly serves as evidence as it ranks data quality highly across various initiatives.

In the work programme, ESMA outlines plans to develop "supervisory methodologies for data analysis and quality monitoring", as well as the "enhancement of data analytical systems and methodologies including preparing future use of machine learning techniques and big data infrastructure, and the possible delegation of data quality activities."

The work programme specifically notes that "ESMA will continue monitoring the consistent implementation of EMIR in relation to over-the-counter derivative requirements, in particular regarding clearing and bilateral margin requirements."

In April 2022, ESMA released a data quality report that highlighted some of the findings in their review of EMIR reporting. Entities exceeding an error tolerance level of 1pct on aspects of their reporting were notified by ESMA.

According to the Authority, 15 counterparties across seven jurisdictions were notified for follow-up. They have published their findings of jurisdictions that have the highest number of abnormal values in EMIR, reporting across key valuation and margin metrics.

Malta, Germany, France, Denmark and Cyprus ranked amongst the highest with abnormal values, although it is unclear as to how metrics were applied; that is, by either percentage of reports, or by absolute numbers. Either way, Malta and Cyprus appearing in the list against larger jurisdictions certainly raises an eyebrow.

In the UK, the FCA has not yet released any further statements regarding the data quality specifically relating to EMIR reporting. Although, if ESMA and the FCA initiatives are in-step, then perhaps it is simply a matter of time.

It is clear that EMIR transparency reports provide regulators with an artillery of data. Threading together valuation and margin data for underlying instruments across entities can be effective in identifying areas of concentrated exposure.

Johnson concludes: "The challenge for regulators now remains in calibrating surveillance tools and training algorithms to identify issues before they become unmanageable. As for the firms, whilst they may not have an overarching view of exposure, they can certainly be more proactive in identifying issues by implementing the appropriate level of systems and controls, while taking quick corrective action when thresholds are breached." ■

Qomly is an award-winning technology firm that empowers financial firms to meet their regulatory transaction reporting requirements for MiFID, EMIR and SFTR.

Qomly forms an essential part of a firm's systems and controls framework — providing customers peace of mind that their transaction reports are as complete and accurate as possible.

Michelle Zak
Co-founder and managing director
Qomply

Looking East

Brian Bollen analyses current market access to Asia and the continent's approach to ESG reporting, as well as the wider effects of shortening settlement cycles for a number of its territories

It will surely come as little surprise to many Asia-focused readers that Beijing has the world's highest concentration of dollar billionaires, according to analysis of the global ultra-rich distribution by MoneyTransfers. Home to 145 billionaires, the city retains its first position globally after swelling its 2020 ranks with another 35 such individuals.

"China continues to rip big from its optimisation of the investment market by liberalising and facilitating investments," says MoneyTransfers' CEO Jonathan Merry. He adds: "The trickle-down has seen certain regions emerge as investment hubs. One of these is Beijing. Its modernisation and dynamism provide the perfect scene for incubating business ideas, particularly in technology."

The analysis shows China is the only country with over one thousand individuals whose net worths exceed $1 billion. It added 259 ultra-rich persons to bring its total to 1058, about 400 more than the US.

All change

Shifting back from the personal to the institutional, Franck Dubois, Hong Kong-based head of Securities Services, Asia Pacific (APAC) at BNP Paribas, identifies several points as being particularly worthy of current attention in the APAC region.

One, the investment outlook in general. Two, the shortening of settlement cycles in a number of territories. Three, the evolution of the regulatory environment, especially the accelerated focus on ESG issues. Four, the search for yield and diversification of investment by institutional investors.

"APAC is well known for being a very fast growing region and growth continues to be strong," Dubois highlights. "Despite certain reservations, we remain optimistic about continued growth, although there is little doubt the pace is slowing. China is the most important country in the region in this context and growth has slowed.

"Inflation is suddenly very high globally and that presents a challenge for all the institutional actors, whether they are investors, brokers or custodians. Higher inflation places even more pressure

> ***"On ESG reporting, transparency and sustainability, increasingly, post-trade service providers are receiving questions around our sustainability strategy and undertakings as part of our clients' due diligence assessments"***
>
> ***Margaret Harwood-Jones, Standard Chartered***

on the industry to become more efficient. Secondly, the plans for the US to move to a T+1 settlement cycle in 2024 strongly suggests this will become the standard globally, moving mostly from T+2. India started its move to T+1 in February this year, while China, including the northbound Stock Connect, already has a T+0, or same-day settlement regime.

"Growth in investment in non-listed assets has been very fast in recent years and again this has clear implications for custodians. We are growing dedicated teams to support the asset class and we have heavily invested in new technology which is industry-leading."

Margaret Harwood-Jones, managing director, global head of Securities Services at Standard Chartered, also identifies four main themes that are prevailing across its footprint and with clients in Asia. These are: market infrastructure enhancements and settlement cycle changes; simplification of foreign investor market access; ESG and sustainability – reporting, transparency and spurring green and sustainable finance growth; and digital assets – market developments and the opportunities for market players.

She outlines: "We see the next wave of capital market regulators and exchanges in Bangladesh, Sri Lanka and Vietnam taking reference from markets with a central counterparty (CCP) model and the benefits in mitigating credit and liquidity risks in the settlement process by establishing their own CCPs in their home markets. Standard Chartered, through our experience with other CCP setups and settlement processes, has been working closely with these local market infrastructures and regulators in sharing best practices and recommendations."

Harwood-Jones adds that while this is happening, the Philippines, India, and Bangladesh are all looking at changing their settlement cycles this year. In India, the rapid introduction of a new T+1 settlement cycle raised concerns over operational deadlines and foreign exchange liquidity amongst international investors.

Market custodians including Standard Chartered have been in conversations with market regulators and infrastructure, to collectively voice client concerns and proposed an extension in the custodial confirmation deadline to allow for more settlement processing time.

A similar story is playing out in Bangladesh, where feedback is being shared with the Bangladesh Securities & Exchange Commission (BSEC) on the potential misalignment that the proposed shortening of the equities settlement cycle to T+1 and an extension of the bond settlement cycle to T+2 may create in the market and the need for an alignment of timeline with the proposed new CCP (Clearing Counterparty Bangladesh Limited) and the CCP model, to support a shortened settlement cycle.

Market access

As markets emerge from the shadow of the Margaret Harwood-Jones, Standard Chartered pandemic, there is a concerted effort in the markets to simplify and encourage foreign investor market access.

Foreign investors' corporate documentation and account opening requirements were relaxed following a series of custodian advocacy to the Thai and Malaysian depositories.

Foreign investment limits were loosened when the Reserve Bank of India (RBI) changed investment limits applicable to foreign portfolio investors for investment in debt securities, and in the Philippines where the amended Foreign Investment Act now allows qualified foreign investors (QFI) to do business or invest in a domestic enterprise up to 100 per cent of its capital.

Harwood-Jones says: "On ESG reporting, transparency and sustainability, increasingly, post-trade service providers are receiving questions around our sustainability strategy and undertakings as part of our clients' due diligence assessments.

"On digital assets, market infrastructures are recognising the importance that digital assets will play and are pushing ahead with initiatives that capture the growing investment interest or leverage on distributed ledger technology (DLT)."

Yen Leng Ong, country executive, south east Asia, Northern Trust, notes that Asia's financial infrastructure is young in comparison to other continents, which presents both opportunities and challenges. Opportunities are arising from advanced technologies that create agile infrastructure to adapt to new solutions and services. However, the regulations to support the new advancement are not in line with the capabilities. For example, regulation on crypto assets versus the consumption of the cryptocurrencies.

Leng Ong also draws attention to increased ESG investment by large asset owners in Asia, pushing up demand for assessing the

The traditional custody model is evolving. Custodians are not only moving up the value chain from back-office service provider to middle office to front office, but also shifting from product provider to enterprise partner.

As APAC investors increase in size and sophistication, this has accelerated the dynamic of custodians moving from providing core custody solutions to becoming an enterprise-wide partner centred around data.

Clients still expect leading custody solutions but now also expect full data integration and interoperability across platforms and an application programming interface architecture in the custody ecosystem.

APAC has been seen and will continue to be seen as an attractive place to invest, there are several reasons for this but centered around one key theme opportunity: growth.

APAC has outpaced most major markets in the world in terms of asset growth (15 per cent last year) and this growth is expected to continue.

China, Singapore and India led growth last year and are expected to continue to grow in the long-term.

We would be remiss not to mention China. The China story is not new and we believe the long-term fundamentals largely remain unchanged. We continue to see market access becoming easier for investors, this has recently been further demonstrated by the long-awaited launch of ETF connect, it shows continued mutual commitment to expanding and enhancing market access between the capital markets of mainland China and Hong Kong.

Joe Bisco
APAC head of strategy, State Street

performance measurement approach on this asset class. The near-term asset servicing client expectations are to see automation for investment in unlisted assets.

Currently the majority of contracts are in paper form, shifting from one stakeholder to another, and making the data-capturing process challenging.

"Singapore remains as an attractive hub for many financial institutional investors who have an eye for South Asia investment, due to its strategic location and purposeful infrastructure presence, including a forward-thinking financial regulator and sound governance in security," Leng Ong says.

Major players in the financial services industry are seldom modest about the contribution they make to ongoing development in Asia. At the start of this year, for instance, HSBC issued a bulletin to highlight that it had become the first international custodian to facilitate a qualified foreign trade on the Beijing Stock Exchange (BSE).

The trade was placed by Samsung Securities for its underlying product – Samsung RMB Qualified Foreign Institutional Investor Trust. Samsung Securities, for the benefit of those who might not know, is a top-tier broker dealer in South Korea, which has been actively investing in China.

BSE commenced trading on 15 November 2021, marking what HSBC describes as a "key step forward" in China's efforts to spur innovation and to improve capital financing for small- and medium-sized enterprises. It is the third stock exchange in the mainland, in addition to two existing bourses in Shanghai and Shenzhen.

Suvir Loomba, global head of direct custody and clearing at HSBC, says: "This first trade emphasises our commitment to be the go-to bank for QFIs in China. Our swift response to BSE's establishment allows our clients to access the new stock exchange in China once they wish to."

HSBC adds that as of early December 2021, 663 offshore institutions had obtained QFI licenses, according to the China Securities Regulatory Commission, among which HSBC services 248 QFIs as an onshore custodian bank. ■

Digitisation and data are top of mind for both custodians and their clients. It is the case both in Asia and globally. Digitisation is omnipresent as we see the increasing importance of the adoption of new technologies to continuously improve the way things are done in our industry. Data is the other key theme: simply put, data is king. We consider data to be an asset class in its own right and this view is increasingly supported by our clients that wish to interact with it to improve their own processes.

While always respecting data confidentiality, we feel that data is a true differentiator, one that provides a clear competitive advantage. We continue to invest in application programming interfaces so that our clients can better connect, access and utilise data in ways that benefit their ability to do business.

Reducing costs, increasing bandwidth for expansion, and reducing operational risks is another trend. This has translated into many clients outsourcing their middle and back-office functions to their custodians.

Julie Kerr
APAC, co-head of sales, securities services, Citi

David Giannone appointed global head of business development at RBC I&TS

RBC Investor and Treasury Services (RBC I&TS) has appointed David Giannone as global head of business development and as a member of the executive operating committee.

Based in New York, Giannone will lead RBC I&TS' global sales efforts, which will be focused on building new client relationships for the bank.

Prior to taking up this newly-created role, Giannone was managing director and head of US at RBC I&TS, responsible for business development and client coverage efforts in the region, a role he began in 2017.

During this time, he was also responsible for establishing and growing client relationships with global asset managers.

Giannone first joined RBC in 2014 as director of business development, and was instrumental in expanding RBC I&TS' presence and client roster in the US.

Giannone has more than 25 years' experience in the financial services industry.

Prior to RBC I&TS, Giannone served at Dreyfus, Fred Alger Management, BNY Mellon, and BNP Paribas. ■

AccessFintech has appointed Paul Perdoni and Andrew Miller as head of European sales and head of US sales, respectively.

In their new roles, Perdoni and Miller will be responsible for leading the sales efforts for all products and asset classes across the AccessFintech Synergy Network. The network has grown significantly across global financial institutions, including buy-side, sell-side, custodians and vendors, to cover assets such as settlements, pre-matching, regulation, loans, payments confirmations, and derivatives. Launched three years ago, the Synergy Network is part of AccessFintech's efforts to evolve the financial operating model through data and workflow collaboration.

Perdoni most recently served as head of strategic accounts at Capitolis. Before this, he managed the major and strategic accounts sales team globally for CME Group's Traiana business.

Miller previously held the position of senior director at OSTTRA, operating a market infrastructure for post-trade processing and risk management across asset classes. He began his career as a terminal sales executive at Bloomberg LP.

Commenting on the sales appointments, Roy Saadon, CEO of AccessFintech, says: "Andrew and Paul join at a critical time for AccessFintech as both the number of its participants and transaction volume meaningfully increases across the Synergy Network. Both have incredible financial markets expertise and unparalleled client reach. I am absolutely thrilled to be working with them as we continue to further drive collaboration for our clients' operational workflow."

Standard Chartered appoints Simon Kellaway

Standard Chartered has appointed Simon Kellaway as global head of sales, financing and securities services (FSS).

Kellaway assumes the role in addition to his existing responsibilities as the regional head of Greater China and Northeast Asia for FSS. He will continue to be based in Hong Kong and will report to Margaret Harwood-Jones, global head of FSS, and Sharad Desai, global head of financial institution client coverage and global head of financial markets sales and structuring.

Kellaway, who joined Standard Chartered in 2019, has 30 years' experience in the international banking industry.

He has successfully led several strategic initiatives for the FSS business, including the acquisition of Royal Bank of Canada Investor Services in Hong Kong.

Commenting on the new appointment, Harwood-Jones says: "This is a critical leadership role which will further enhance our client engagement strategy to address client needs more efficiently, holistically and consistently across our footprint. We are immensely excited to appoint Simon to this expanded role while maintaining our senior leadership presence in Asia."

Desai adds: "Simon has demonstrated his abilities in bringing fresh perspectives to the table in the service of client objectives. We look forward to Simon's continued leadership in driving business partnership and client strategy." ■

Charles River Development has promoted Thomas Fiorentino from assistant vice president of investment management to relationship manager.

Based in Boston, Fiorentino has been with the company since September 2019.

Prior to Charles River Development, Fiorentino was a client support specialist at Intercontinental Exchange from January 2018 to October 2019.

Before Intercontinental Exchange, Fiorentino was a securities lending associate at eSecLending from May 2015 to December 2017.

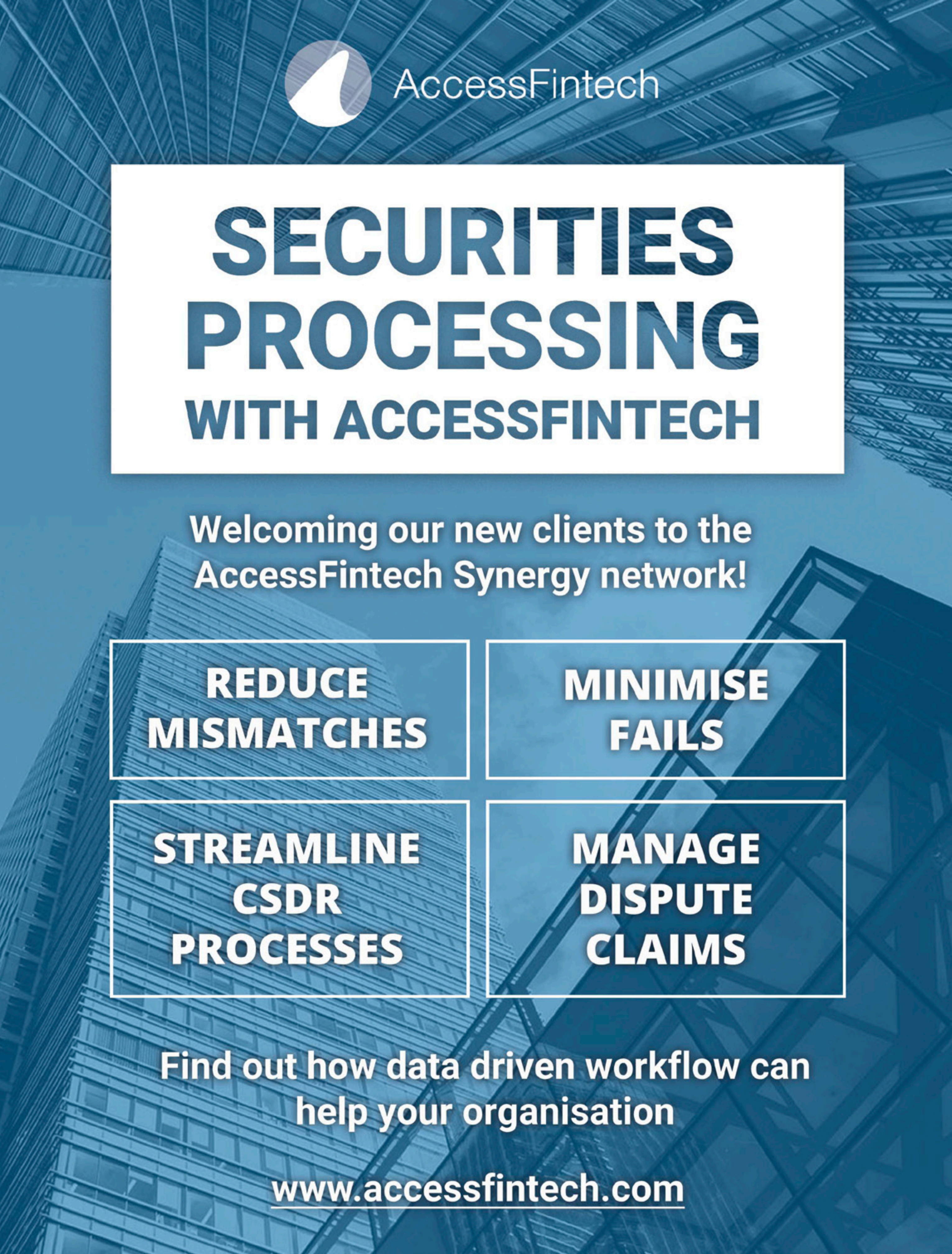
He also served as part of the client cash team — global operations at State Street in 2015.

JTC names Helier Le Main to lead ICS team

JTC has appointed Helier Le Main as head of the firm's institutional client services (ICS) team in Jersey.

In his new role, Le Main will assume responsibility for the strategic development and performance of JTC's ICS division on the island, including employer solutions, funds and corporate services.

Le Main previously led the employer solutions team in Jersey, Guernsey, Edinburgh and London following JTC Group's acquisition of RBC cees in 2021. Before this, he held several senior roles at RBC across the fiduciary services, and corporate and institutional businesses. ■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