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ISSUE 310 8 March 2023

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## Asset servicing industry celebrates International Women’s Day

Today, 8 March, marks International Women’s Day (IWD). It is a global day celebrating the social, economic, cultural, and political achievements of women. This year the global theme is Embracing Equality.

The first IWD gathering took place in 1911 and was supported by over a million people.

Commenting on how far the asset servicing industry has come for womens’ roles and equality, Keisha Bell, DTCC head of talent management and diversity, equity and inclusion at DTCC, says: “The financial services landscape should focus on nurturing and retaining female talent throughout their full careers. This will help make significant strides towards achieving gender equity in our field while ensuring diverse perspectives across organisations.

“The gender pay gap persists, and women continue to encounter roadblocks to career advancement. To bridge this divide and achieve gender parity, it will take a collective and sustained effort from individuals, companies and the industry as a whole. Progress is possible with continued industry efforts towards greater gender diversity, coupled with supportive policies and initiatives.”

Claire Bridel, COO at Liquidnet, says: “I think International Women’s Day should serve as a reminder of the strength, resilience, and invaluable contributions of women across the globe.

“While the financial industry has made significant progress towards diversity, there is still a long way to go. We need to continue to have honest conversations about the state of diversity in this industry, leaders must take ownership of this issue, regardless of gender and create an environment where women are more empowered.

“Having spent decades in this industry, I can confidently say that empowering and investing in women drives greater innovation, growth, and success.” ■

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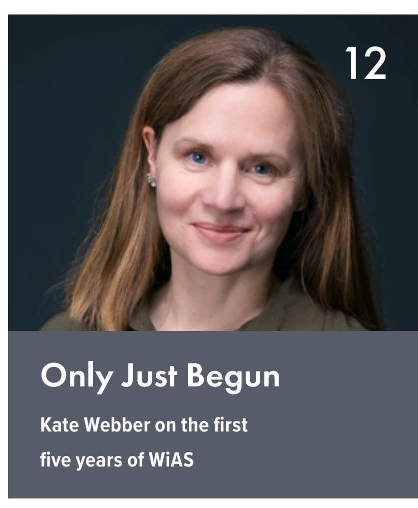

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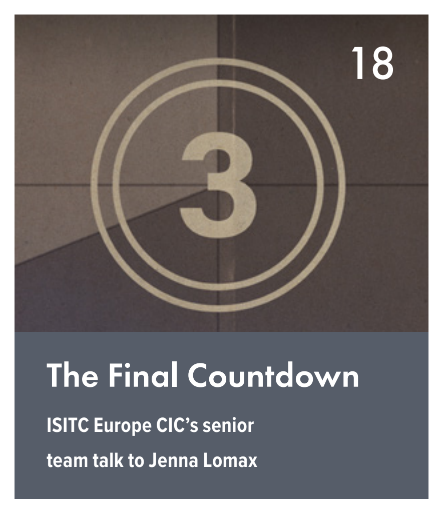

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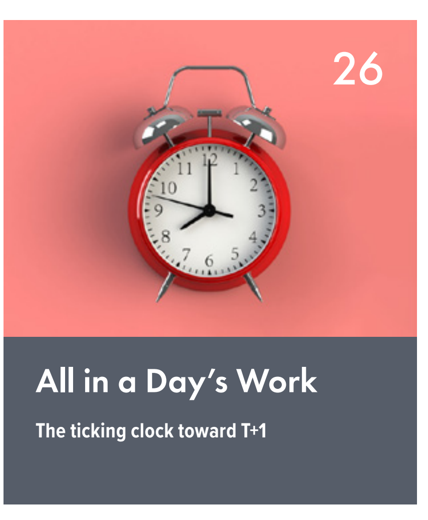

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## AFME launches T+1 taskforce

The Association for Financial Markets in Europe (AFME) is to launch an industry taskforce for T+1.

The group will consider whether Europe should move to a shorter settlement cycle, following the lead of other jurisdictions around the world.

Additionally, the question of when this move would happen will be discussed. The changes that would be necessary to allow for a T+1 cycle in Europe will be identified, along with a timeframe and action plan.

Adarm Farkas, CEO of AFME, says: "With the US having announced its intention to move to T+1 settlement by May 2024, the discussion on whether Europe should follow suit has become more pressing. Addressing this important topic will require a collaborative approach, and therefore all impacted stakeholders are encouraged to join the industry taskforce."

Pete Tomlinson, director of post trade at AFME, comments: "AFME is convening this industry taskforce to ensure all aspects of T+1 adoption in Europe are considered, including direct economic costs and savings to the industry, as well as less tangible factors such as global alignment and market attractiveness. It is important that such a move is carefully considered.

"A rushed approach is likely to result in increased risks, costs and inefficiencies, particularly given the unique nature of European markets which have multiple different market infrastructures and legal frameworks." ■

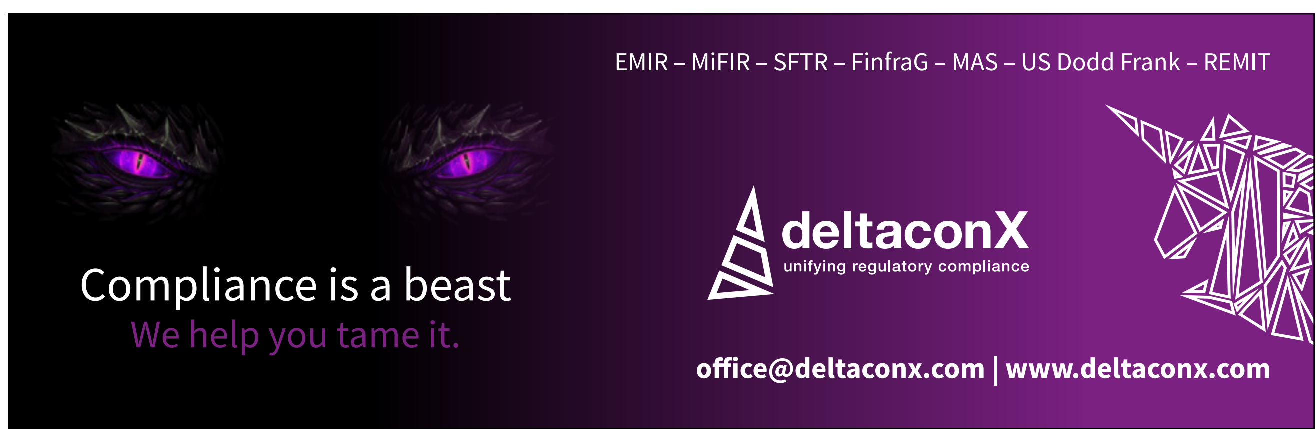
## SIX partners with FundGuard for data services

SIX has partnered with FundGuard to deliver global pricing, market and reference data to asset managers, asset owners and asset servicers. The partnership integrates SIX end-of-day market prices, security master data and corporate actions notifications with FundGuard's SaaS investment accounting platform, which allows access to data in real-time.

The offering is available to clients using FundGuard's IBOR, ABOR and NAV Contingency solutions.

Other ESG, fund compliance and regulatory-driven data sets from SIX will also be available through the combined platform.

Shai Popat, head of product and commercial strategy for financial information at SIX, comments: "The partnership we have developed with FundGuard allows our mutual clients to embrace the new data economy with agile technology and high-quality data. Our shared focus on using collaboration and innovation is central to solving market challenges and future proofing our clients' operations."



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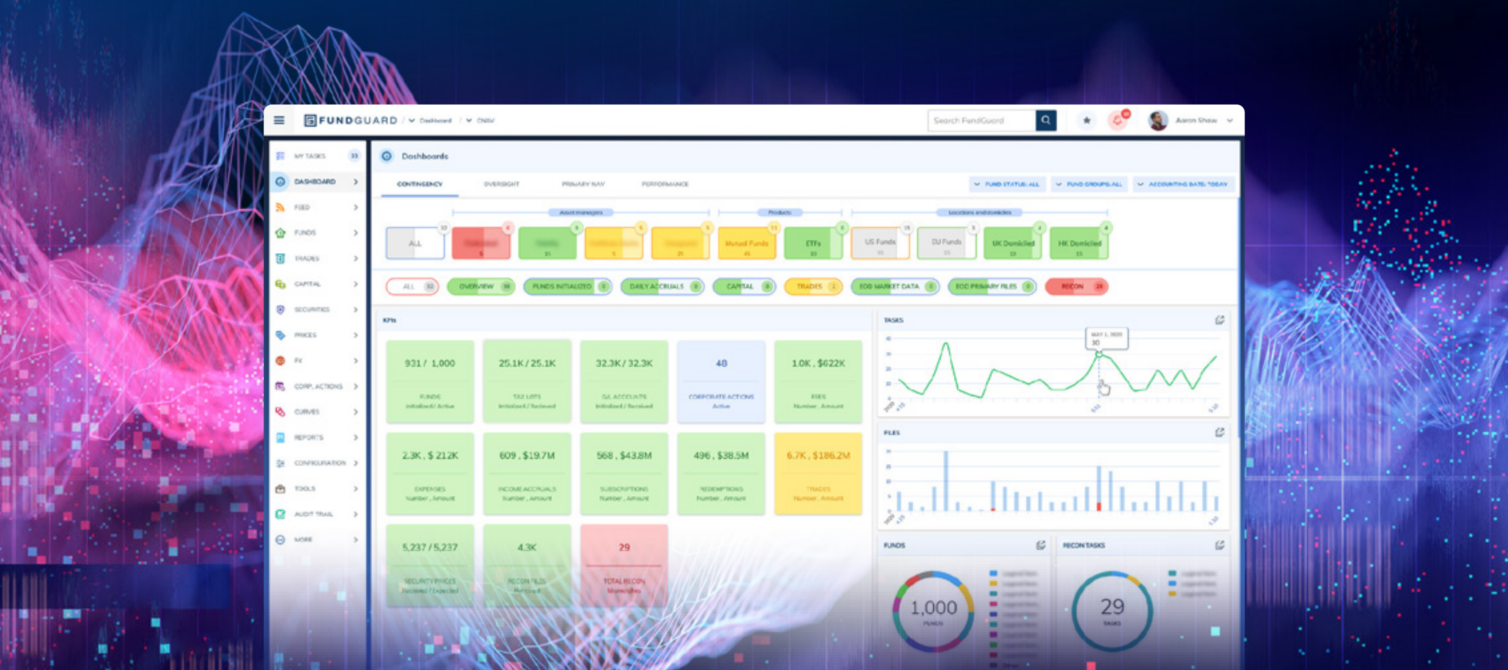

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Lior Yogev, CEO and co-founder of FundGuard, says: “Modern trading, the front office and dashboards cannot function efficiently without accurate and highly controlled data that is consistently, immediately and seamlessly integrated.

“By integrating the leading data and services from SIX with FundGuard’s cloud-native, front-to-back and cross-industry operating model, our common clients will benefit from better data, better analytics and the ability to scale quickly — all the while reducing total cost of ownership and removing operational silos.”

**Euronext withdraws its indicative offer to acquire Allfunds**

Euronext is to withdraw its indicative offer to acquire 100 per cent of fund distribution firm Allfunds’ share capital. Euronext made an indicative offer of €5.5 billion (US $5.8 billion) on 22 February to purchase the fund platform company.

However, on 28 February, Allfunds released a statement saying: “The Allfunds board considered that the terms of the proposal were inadequate. Allfunds subsequently entered into discussions on terms with Euronext, but no agreement was reached and discussions have been terminated.”

A spokesperson for Euronext told Asset Servicing Times: “Euronext withdrew this offer as a consequence of the due diligence process that has been carried out and what resulted from it. Euronext did not receive a rejection of its offer from Allfunds.”

The news comes after Euronext confirmed the expansion of Euronext Clearing to Euronext derivatives markets in January. The expansion of Euronext Clearing will allow Euronext to manage the entire trading value chain of its markets by the end of next year.

**Broadridge publishes 2022 global class actions report**

The total settlement value for global securities class actions was up 142 per cent over the course of 2022, according to a recent report from Broadridge Financial Solutions (Broadridge). The company’s fourth annual “Global Class Actions Report” reports more than US $7.4 billion in settlement recovery opportunities, 21 per cent more claim filing opportunities and similar increases in securities and financial antitrust class action asset recovery opportunities.

Broadridge’s report considered more than 160 global cases involving financial instruments with claim filing deadlines in 2022. The ten most complex received in-depth analysis, with this year’s report naming the Steinhoff global settlement, the SIBOR/SOR antitrust litigation and the Teva securities litigation as the top three.

Looking at the key trends in global class action, Broadridge cites a focus on ESG, including greenwashing prevention and event-driven securities litigation, as a factor in the sector’s growth. The broader range of services provided by broker-dealers, many of whom now offer claim-filing and asset recovery services to clients, is also a contributor, the report adds.

A consistent increase in special purpose acquisition company and cryptocurrency-related securities litigations has similarly helped to boost figures. However, Broadridge notes that 2022 was likely have been the last year to see an upward trend in this area.

Steve Cirami, Broadridge global class actions leader, comments: “By most metrics,

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securities settlement activity in 2022 drove one of the busiest years we've ever seen, led by more than ten mega-settlements exceeding US $100 million, including the second largest securities settlement outside North America."

### Coöperatie Univé picks BNP Paribas for custody services

Netherlands-based Coöperatie Univé U.A. (Univé) has selected BNP Paribas to provide its global custody services. Univé is a cooperative insurance company offering car, home and health insurance.

In addition to providing custody services, BNP Paribas will supply Univé with regulatory reporting services as well as investment and financial administration.

Univé will also gain the local expertise of BNP Paribas' operational and relationship management teams located in Amsterdam.

Arjen Schouten, chief financial and risk officer at Univé, comments: "Univé is a cooperative that puts their members at the forefront of their strategy. From our providers, we expect that same client-focused approach. We are confident that in BNP Paribas's Securities Services' business we found a committed and experienced provider that meets this expectation. We look forward to an extended, successful and trustworthy relationship."

Mark Schilstra, head of the Netherlands and Nordics for Securities Services at BNP Paribas, says: "We are delighted that Univé have chosen us as their new asset services provider in the Dutch market. This mandate win highlights our strong position in the Netherlands and ability to offer front-to-back solutions tailored towards our insurance clients' needs."

### Majority of UK firms unprepared for EMIR REFIT, Novatus finds

UK-based companies remain concerned about EMIR REFIT and its implementation, a recent report from regulation and ESG consulting services Novatus Advisory (Novatus) has found. The 'EMIR REFIT Readiness Report' polled 100 market participants on their current plans for the new regulation, scheduled to come into effect in April 2024.

A lack of preparedness remains a crucial issue, with 21 per cent unsure of what will

be needed for the regulation's practical application. Only half of those surveyed believe that they have enough time to prepare for the implementation date.

The majority of firms (59 per cent) will comply with EMIR REFIT using an in-house approach. However, 37 per cent of this group have no action plan in place and a further 3 per cent have not yet considered the requirements at all.

Under the REFIT, reporting fields will increase from 129 to 203. This inevitably increases technology concerns with data reconciliation, necessitating automated XML solutions.

Compatible with ISO 20022, these platforms will heighten the complexity and scale of companies' technology builds.

Firms who are unable to meet the implementation date put themselves at risk of remediation, by which they may lose significant amounts of money and time catching up with market and regulatory requirements.

According to Novatus' report, current EMIR regulation has already caused 90 per cent of firms to review or assess their reporting, with 76 per cent still experiencing remediation.

Matthew Ranson, partner and co-founder of Novatus, says: "Due to the vast number of changes the regulation is bringing, time is already tight for firms to be compliant. Remediation is clearly an issue that many respondents have faced under the current regime, and this is only set to become more of a problem if firms do not implement changes quickly. If firms are unprepared and don't have technology in place, there is a real risk that remediation will be a considerable, and costly, long-term problem."

## Broken or failed payments negatively impacting staff workload, finds LexisNexis Risk Solutions

Failing payment systems are negatively impacting staff workloads, according to LexisNexis Risk Solutions.

The finding, which was included in LexisNexis Risk Solutions' 'True Impact of Failed Payments' report, outlined that 64 per cent of 400 payment executives interviewed said they are negatively impacted by a broken payment system.

Rapid digital acceleration in the payments space raises customer and supplier expectations for payments experiences. Therefore, balancing speed, accuracy and safety is essential to improve the aforementioned statistic, LexisNexis Risk Solutions says.

Problems with bank beneficiary name and address details are the most common source of payment delay or failure (21 per cent), the report found. These details are also the single largest data payment element to be manually checked by humans, which can lead to more errors being made.

Companies that have the highest levels of straight-through processing (STP) payments and automation are very sensitive to failed and delayed payments, and estimate they lose a significant number of customers due to these factors.

LexisNexis Risk Solutions found that companies with more than 10,000 staff lose a higher percentage of customers than small companies. The average payment team size for the largest companies is around 1 per cent of the total workforce, with similar results in all regions.

Other than in APAC, banks tend to have smaller payment teams than corporates, due to a higher level of automation, LexisNexis Risk Solutions outlines.

The 'True Cost of Failed Payments' study was independently conducted in the autumn of 2022 by Capgemini Invent on behalf of LexisNexis Risk Solutions. Capgemini Invent did not identify LexisNexis Risk Solutions as the research sponsor to participants.

The study surveyed 400 payment executives representing leading corporations, financial institutions, banks and non-financial corporations across the APAC, EMEA, LATAM and North America regions.

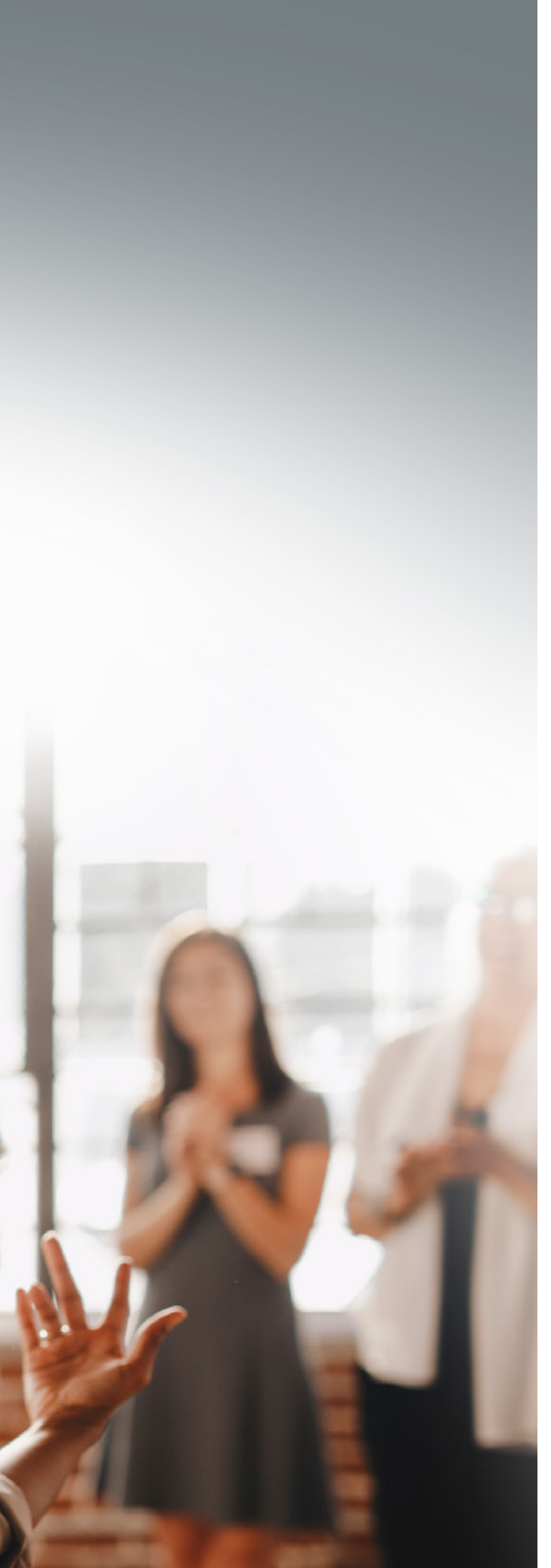
Dalbir Sahota, senior director, payments at LexisNexis Risk Solutions, comments: "Our report shows that failed payments are detrimental to customer retention, increase staff workloads and create additional costs. Businesses must keep up with the competition at a time when technology and real-time payment initiatives are rapidly changing the marketplace."

He adds: "STP offers an automated way for companies to give customers a smooth payment process and the report illustrates the value of investing in this area. Free tools may sound attractive, but the financial reality is unappealing, with our report showing low STP rates among those that use the most basic of searches. Sophisticated payment data solutions enhance service levels and reduce costs associated with failed and repaired payments." ■

asset servicing times

# Only just begun

**Kate Webber, head of product strategy at Northern Trust, and Ana Jordan, general counsel at Embark, speak to Lucy Carter about the work that Women in Asset Servicing has done over the past five years — and what comes next**





The financial world has long had a reputation for being a boys' club, and the asset servicing industry is no exception. After two decades in the sector and seeing a notable lack of women in senior roles, Kate Webber established Women in Asset Servicing (WiAS) to improve female representation across the industry and facilitate women's rise to senior positions.

The group is underpinned by four main goals: to recruit and retain women in the industry, nurture talent, improve female visibility within asset servicing and attract the next generation of women in the business.

## Being heard

WiAS offers workshops, mentoring schemes, networking events and more, taking a holistic approach to women's professional — and personal — development.

The 'Finding Your Voice' workshop is an example of this. Since 2019, the sessions have been "helping participants to discover how best to present their voice on any topic they want." Working with a professional coach, the session concludes with each participant delivering a five-minute speech on a topic of their choice.

The initiative is run in collaboration with Informa, who approached WiAS after having difficulty getting female speakers onto their panels: "Women either did not get the opportunity to be put forward by organisations or more importantly, when they did, they would pull out because they were having an impostor syndrome moment, or a confidence issue," Webber explains.

"Although participants may not always go on to do a lot of speaking, they do use the confidence that they build from [the workshops]. That's very important," Webber stresses. The skills learned through WiAS initiatives "are not just related to what we do, but are far more wide-reaching," she explains, having an influence on women beyond their ability to sit on a panel. In the last year, the 'Finding Your Voice' workshops have led to participants receiving a We Are The City Tech 100 Women award and a Heroes Award.

"WiAS is not prescriptive about what people want to do within our industry," Webber assures. By taking a broader approach, the organisation allows individuals to take what they need from its offerings and use the resources they gain in a way they see fit. "Everybody has a different goal, everybody has a different career path "

images by lunakate/stock.adobe.com

"We won't tell someone how to do something; instead, we'll give them the skills that enable them to be the best that they wish to be, to carry on being individuals."

## Soft skills

WiAS' events place a focus on 'soft skills,' which are much neglected in what Webber points out is a "relationship business." Building such skills and understanding where improvement is needed is how both men and women become better at their jobs, she says.

People working in asset servicing need to be able to connect with one another, to connect with their clients and to be self-assured in their capabilities.

Building that confidence is a tenet of WiAS' mission. After researching why women get "stuck" in non-senior roles, the organisation found that bravery, accurate self-assessment of skills and networking were three key areas where support was needed.

The development of soft skills "is where we can really drive change" in the industry, Jordan believes, "making sure that we have a really strong pipeline of confident women" ready to take the helm. WiAS' network and events can provide the support and opportunities needed to "equip people with the right skills and confidence" and help them to be the best they can be in their roles, she adds.

## Embark

WiAS' partnership with digital retirement and savings platform Embark, which began in early 2021, "has been a real force for good," Webber enthused. Since the partnership began, WiAS has seen a 150 per cent increase in its membership. "They've given us time, passion and ideas," along with "a sense of professionalism that we couldn't get ourselves."

Embark, which has been a part of Lloyds Banking Group since January 2022, provides WiAS with the "firepower" to make their events more effective, allowing them to reach a greater audience and raise their profile in the industry. This, in turn, has helped to create bonds with other organisations and expand the network that WiAS has cultivated. LGBT Great, Women in Platforms and City CV have all worked with the organisation in 2022, and plans are afoot for more collaborations in 2023.

Embark is equally as animated about WiAS' mission: "it's something extremely important and energising for people," Jordan explains. "They want to be part of something that's driving change within our industry."

The organisation truly is a passion project, and "the fact that the membership has grown so much reinforces that there's a need for this," Jordan observes. "[WiAS] is filling a gap, and it's making a big difference."

## Ensuring genuine diversity

Across the industry, concerns about unreliable or outright false claims of ESG credentials remain prevalent. In the diversity, equity and inclusion sphere, whispers of performativity and 'box-ticking' abound, with companies' commitments to their initiatives far more superficial than may be desired.

Webber and Jordan advocate for a shift from a quantitative to a qualitative approach to combat this issue.

"Targets are important," Webber affirms, "but we're getting to a tipping point where we're going from just plain numbers to more nuanced areas." What roles are women holding in the industry — are they stuck in what Webber dubs "mushy middle management," or are they making impactful decisions about the business? "We have to make sure that it's not just about numbers, but about putting the right people in the right roles," she asserts.

Once women are in these more senior positions, the work is far from over: "you've got to have the right support structures in place," Jordan says. "It's not enough to put someone in a role and leave them to it." Access to mentors, sponsors and leadership tools are essential to ensure that people can "thrive and operate at their best," she adds, "able to leverage other people's experiences and skills" and benefit from the "hints and tips" of those who have come before them.

Jordan emphasises the need for change on an institutional rather than individual level: "Inclusivity is not just getting one person into a role that's available now," she argues. "What are you doing about your pipeline? How are you investing in your talent?"

Inclusivity is not a one-step programme — it requires a strong infrastructure that runs through an organisation from the ground up. Businesses "constantly need to hold themselves to account," she says, and "make sure that unconscious bias isn't creeping in."

Currently, leadership pathways within asset servicing organisations "are very traditional," Webber notes.

"They're built on how the people in power became leaders themselves." If a different form of leadership is to be achieved, one that gives a wider range of people the opportunity to hold senior roles, then these pathways need to be reshaped.

"At the moment, we're asking women to change the way that they are thinking in order to support their careers. It's now important that we start to challenge organisations to changing their frameworks," Webber argues.

Organisations need to understand the reasons that women aren't reaching executive roles — and take action. "You won't have people who are board-ready unless you get them prepared through their 20s and 30s," Webber says.

"If we wait for current leadership pathways to do it for us, in a decade's time we will be in exactly the same place as we are today," she predicts.

These high-level goals are not going to be achieved overnight. "You can't change a millennium in a heartbeat, but we do need to speed things up a little," Webber stresses.

Research suggests that, within the next five years, women will own 60 per cent of investable wealth in the UK. In order to effectively serve this growing demographic, the industry must adapt to its changing clientele.

This doesn't mean that women only want to be served by women, Webber explains. Rather, "they want to be able to feel that the people that are servicing them are representative of them. They have to feel that they're not being talked down to."

Those working in asset servicing need to be aware of their clients' needs, and for some organisations, that may require a cultural shift. WiAS is keen to work with men as well as women, helping all those in the industry to work at the best level that they can.

"Everyone needs to be a part of this conversation," Jordan says, adding that "there's plenty of research that shows the benefits that diversity and inclusion brings to risk management frameworks, to good conduct, to healthy working cultures, and to innovation." It's in the interest of companies in asset servicing to embrace change and give voices to those who have often been muted in the past.

## Women's health in the workplace

Society at large is, belatedly, beginning to acknowledge the menopause and the impact that it has on women's lives. Light is being thrown onto the lack of support offered to women going through the menopause, reinforcing the fact that many workplaces and corporate structures have not been built with women in mind.

Organisations like Embark are putting mechanisms in place to help employees experiencing the menopause, offering a Let's Talk service with access to a range of resources, running self-care workshops for those affected and providing a dedicated Healthline, giving employees access to trained nurses.

"It's something that impacts all workspaces and all employees," Jordan emphasises, whether they are experiencing the menopause themselves or know someone who is. In order for organisations to effectively support their employees, "the first step is talking about it," she states. "That conversation shouldn't just be between the people who are directly going through it — everyone needs to be aware of it."

That being said, how much can reasonably be done by organisations like WiAS to combat an issue that is so deep-rooted in society?

Difficulties around the menopause go far beyond work life; "your days can't stop because you've got a migraine," Webber remarks.

"Our biggest event last year was on women's health," Webber recalls. This garnered quick results: "A number of women who attended that event then went to the doctor and got onto the right treatment programme." Offering access to specialised medical services can make a huge difference to women's lives, and is an important, achievable step for workplaces to take. However, it only plasters over the cracks in the healthcare industry at large.

Webber is quick to point out that organisations like WiAS, and workplaces at large, can't do it all — nor should they have to. "There has to be a real pressure on the medical profession," she insists.

"Much more time needs to be spent investigating the menopause and how to support women effectively through it, with no taboos." Conversations are a starting point, but the real change will only come from medical research and understanding.

## The future

In 2023, WiAS celebrates its fifth anniversary. Looking back on what the organisation has achieved thus far, Webber reflects that for her, "it's always about the stories."

"It's about the woman who found her voice and went on to win the technology award. It's about the woman who stopped deliberating about that role that she wanted to get, got the bit between her teeth and applied for it. It's about the young woman who fled Ukraine last year, who we managed to get an interview — she's now working at the Lloyds Banking Group."

The list goes on; WiAS has offered support, guidance and community to hundreds through its network and events.

Looking ahead, "I really want us to start reaching in and persuading younger women that financial services, asset servicing in particular, is a fantastic career," Webber says.

"I want them to know that if they want to have a great career, but they also want to be able to start to change the way the world works, our industry is where they want to think about being."

She envisages WiAS as a "mechanism" for young women at school or university to learn about careers in financial services and learn essential skills that will benefit them both in their professional and personal lives.

"We can enable them to have a confidence toolkit to be able to just get out there and get started," she outlines, helping to create the next generation of female leaders. "Wealth is going to be in the hands of women, and finding ways to encourage more women to come into our industry is really important."

Jordan adds that continuing the growth trajectory of membership for WiAS is a priority for the years ahead. "It's about bringing people in, and for the people who are already in, it's about helping them and raising them up, giving them the skills that are needed for them to thrive."

While being a force for education, the organisation equally welcomes new ideas; "I'm looking forward to seeing more diversity of thought and different ways of looking at things," Jordan says.

Webber's creation of WiAS goes to show the influence that one person's actions can have.

The organisation's growth, demonstrable impact on individuals and reputation in the industry prove how necessary such programmes are, and the enthusiasm of those at WiAS suggests that their journey to transform and reshape the asset servicing world is only just beginning. ■

More information about WiAS can be found at **wias.co.uk.**

The organisation is always looking to expand its membership, and welcomes new members regardless of gender.

**Kate Webber**
Founder of WiAS and head of product strategy
Northern Trust

**Ana Jordan**
Group general counsel and company secretary
Embark Group

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# The final countdown?

**ISITC Europe CIC's senior research team talk to Jenna Lomax about the association's research with the SWIFT Institute into the global implications of T+1**

ISITC Europe CIC collaborates across the capital market with stakeholders in the industry's transaction settlement chain and various trade associations. Its members will receive regular updates and feedback from the academic research.

ISITC Europe CIC will also continue to provide its members with regular updates and information concerning the areas of businesses and operations impacted by accelerated settlements.

ISITC Europe CIC is an independent trade body.

To say the move to a one-day settlement cycle (T+1) is a mammoth task for the financial industry would be one of the understatements of the decade. With the US and Canada expected to make the leap in 2024, no other topic has come close to matching the tallied mentions of T+1. On 15 February, the US Securities and Exchange Commission (SEC) reaffirmed that the US market will move to T+1 by May 2024. The rule changes will shorten the standard settlement cycle for most broker-dealer transactions in securities from two business days after the trade date (T+2) to T+1.

To help the industry interpret the scale of the change, ISITC Europe CIC (ISITC) has been commissioned by the SWIFT Institute to carry out academic research on the global impacts of the US and Canada move to T+1. The research is scheduled to be published in May.

Gary Wright, ISITC's director of the association's industry affairs, who will co-lead the business research aspect of the study, told Asset Servicing Times (AST) why he thinks ISITC were picked for the task.

"I think we won the contract because of our broad industry knowledge, experience and focus on helping the capital markets industry to understand the difficulties of T+1 as a not-for-profit," he says.

"We are looking at this from beyond the central market of large sell-side firms, including the complete ecosystem around the settlement of the transaction. The SWIFT Institute commissioned us to collect the data on a global market basis, and not just from the largest capital markets. The data has been collected over many months via detailed interviews with leading settlement experts who have a wide understanding of all aspects of settlement."

The SWIFT Institute is not directly linked to SWIFT, but assists universities and academics to collate high-quality data and provides an ongoing legacy to improve research that benefits and educates the finance industry.

With this in mind, Wright states: "Financial services, as an industry, really suffers reputationally — in fact, within society, broadly speaking. As an industry, we have to be mindful that the changes T+1 makes will be an overall benefit to society."

Sitting alongside Wright on the project is ISITC's Tony Freeman, director of policy and co-lead of the business research with Dr Tony Gandy, director of academic research and visiting professor at the London Institute of Banking and Finance. Freeman and Wright will formulate the executive summary drawn from the academic papers.

Gandy outlines that ISITC's publication will include interviews and workshops to gather different forms of feedback. "We'll use sentiment indicators to understand the attitudes, or the sentiment toward moving to T+1. We'll also look at the operational challenges of different sub-sectors of the industry," he says. "This will include custodians, the central market and the buy-side. Structure market organisations and software vendors have also captured our attention."

"The discussions we have had shine a light on significant challenges for each market sector, highlights Wright. "Those on the large sell-side have different challenges to investing institutions with a global footprint. Each challenge is largely dictated by the reach of organisation operations into the central securities depositary, or via an agent. This increases if it's international cross-border investing."

"It's very common to have a global investment outlook, but not very common to have a global operational footprint," notes Freeman. "One of the key factors that's already emerging from the research we've gathered is the real-time nature of operational processing. In a T+1 environment, it's effectively mandatory. But, if there are fundamental operational changes to make, then there's not an awful lot of time left to do them."

## US and Canada

India has already moved to T+1, and the US and Canada will make the move in the first half of 2024.

When asked to summarise the most pressing domestic concerns for the US market come T+1 implementation, Freeman indicated that pre-funding will be a priority. “It could have a high cost, and it’s unknown who will bear that,” he notes. “Automatic buy-ins, and a significant increase of failed settlements, are all unpalatable to just about everyone.”

“Paper certificates need to be eliminated in the face of any semblance of paper that brings about rekeying. As Tony points out, for many firms, some sort of process for pre-funding is needed, and this brings a significant involvement of the Treasury operations,” affirms Wright.

“The SEC hasn’t given us too much information on how it is going to counter this particular issue, or for that matter, numerous others,” he adds. “How to manage technology and operational change are fundamental elements that need to be addressed by all areas of the capital markets and FX markets. These are facts that the SEC must understand. We are particularly concerned about the retail market.”

“Eradicating the practice of faxing in the USA and Canada is another priority for the buy-side,” says Wright. “Fax, and even paper checks, are still prevalent in the US where digitalisation is not as mature compared to other markets; we see nothing yet to indicate that faxing or paper cheques are going to be eradicated before T+1 is introduced.”

“The US has also got to bear in mind that the value of the S&P 500 heavily relies on foreign investment conducted in Europe and Asia,” Wright adds. “With so many challenges not yet met, or possible unintended consequences not yet realised, international investors may be deterred from investing in North America under T+1.”

## Buy-side and sell-side

There is a world of difference between what the sell-side needs to ensure for T+1 readiness, in comparison to its counterparts on the buy-side. Wright gives special mention to DTCC for its efforts to help both sides of the market understand T+1’s implications, particularly at conferences and online webinars. The company will continue to explore the impact of T+1 in its series of virtual industry forums scheduled throughout this year.

In addition, last August, the post-trade service provider collaborated with two industry associations — the Securities Industry and Financial Markets Association (SIFMA) and the Investment Company Institute (ICI) — to publish a T+1 Implementation Playbook. The Playbook will guide the transition to next-day securities settlement in the US. Through the initiative, DTCC also seeks to extract the lessons learned from the industry’s T+3 to T+2 transition in 2017.

These types of initiatives can only help the industry, Wright notes, as “the level of understanding and the level of readiness varies greatly.” He says: “There are buy-side firms, of many different sizes, who think: ‘This is not really my problem. This is something my custodian will take care of.’”

Expanding on Wright’s point, Freeman explains: “If you are investing in the US market, and you have a responsibility to instruct your service providers and your custodians of a trade — and you do a trade confirmation process with your broker counterparty — that’s your job, not your custodian’s job.”

“One of the area’s that’s clearly being considered, but not had much attention, is how to trade globally when you don’t have a global operational presence.” Freeman adds. “The US market’s new cut-off time is 9pm on trade dates. For US trades, it’s 2am in London and 3am in Frankfurt. What do you do if you have a mismatch with the trade an hour before that cut-off?”

On 2 May 2022, a mistyped transaction by the London desk of New York bank, Citi, caused an error for the European market which sent equities into a freefall, momentarily wiping off US $315 billion from the European stock market. A fat-finger trade, as it has been coined in the financial industry, is a major mistake made by human error instead of a computer or automated process, with the wrong information manually inputted for a trade. The Citi incident came almost two years after another Citi fat-finger error in August 2020, when the bank accidentally sent creditors at make-up giant Revlon a combined payment of almost US $900 million, when it only intended to send (a comparatively mere) US $7.8 million in the form of an interest payment. These types of errors are almost certain to increase if the market is not ready for further settlement time compressions.

"Mismatching happens," Freeman indicates. "You can't resolve that without speaking to the trader — the sell-side firm, or the broker dealer — to ask: 'What was the commission arrangement for this transaction?'"

Wright expands: "Particularly on the business side, having time to resolve a problem is vital to ensure the markets are as protected as possible when time is running short to put solutions in place. There is always a likelihood the problem remains unresolved and exposed to the market."

"Market resilience has to be a focus for everyone involved in the market. For regulators and governments these are really clear problems, but they seldom get aired in a public forum," he adds.

Firms that have big investment positions in the US will face complex and expensive hurdles when looking for the right technology solutions, while also running up against the clock. However, building a collective US processing capability, as an alternative, could also create more complexity. As Freeman outlines: "If you're going to be carrying out large numbers of transactions in the US market, it may become mandatory to have a US location to manage those trades."

## The UK

In December 2022, the UK Government set up HM Treasury's Accelerated Settlement Taskforce to investigate the UK's potential for faster settlement of financial trades.

The launch of the taskforce was announced at the Edinburgh Reforms — a meeting for the UK Chancellor to discuss the future plans for the country's financial services.

However, Wright says he became aware of the "political slant" of T+1 before the UK Government announced the taskforce. "The UK is different from the EU market and is closer to the American market because of Brexit," he affirms.

"We correctly predicted the level of political interest there would be surrounding T+1, even if it wasn't originally part of our research. The overall intention of the Edinburgh Reforms is to make the UK market more attractive. A shortened settlement cycle sounds very appealing, because it structurally reduces risk. If the US and Canada are going to do it, there is a competitive angle to think about; markets do not want to be perceived as being less structurally efficient or more risky than other markets."

Beyond the UK, there is another factor to consider: the size of the investment into the US.

"Investment activity in the US comes from outside the US. Japan, Korea and China invest hugely into the US market, but that data is not available to us, so we have been collating published data from an array of sources," says Wright.

"Does anybody actually know how much activity comes from outside the US, and therefore, how much does that translate into additional foreign exchange costs and additional funding costs?" he adds.

"ISITC is going to do a reasonable, sustainable estimate to answer these questions."

## Technology

When the US and Canada do transition to T+1, automatic buy-ins and a significant increase in failed settlements may be inevitable, agree Wright, Freeman and Gandy.

"Clearly, there's going to be an impact on increased sales, because we are asking the whole industry to take a unified step in a very short space of time, without any real leadership," says Wright.

"There's no party that says they are going to lead the way on this, it's a market convention."

Despite the collective understanding, Freeman says there is not a "big, structural new platform being built" for the whole market to use. "That has been tried in the past, but there isn't time to do that now," he says.

With this in mind, Wright references the Australian Securities Exchange's (ASX's) failure to carry out its seven-year CHESS replacement project, which he labels as "a marker for other markets to analyse."

In November, the exchange announced that it had paused the project to "reassess all aspects" of its planned update.

"It effectively put a hole below the waterline, in terms of using distributed ledger technology (DLT)," Wright asserts. "Australia, not being one of the biggest markets in the world, failed abysmally in all aspects of developing and implementing a solution that was acceptable to all players in the settlement ecosystem."

"Initially, the confidence that people felt towards DLT as a potential infrastructure solution for system and process replacement, has shifted towards uncertainty. DLT requires significant planning to be introduced as an industry structure replacement."

He adds: "To carry out such a project, on an industrial level, requires not only strong project management, but also a mandate for the whole market to invest in, and be motivated to achieve. DLT has potential, but there is a big rethink about how this can be released and introduced at a low cost, with maximum return and minimal risk."

"The problem is delivering a solution or system that could handle the massive volumes of transactions, which is perhaps not DLT's natural strong point," affirms Gandy. "That's not to say it's not up to the task. However, to prove that such a mechanism could work, on the experimentation side, in the timeframe remaining, is not likely."

## Looking ahead

When asked what steps ISITC's Post-Trade Forum will be taking to help European market participants prepare for the US and Canadian transition to T+1 this year and into the next, Wright explains: "The most important factor is developing awareness. [Our forum] gives us a focal point to talk to people at a senior level in the market and through the media. It's fundamental to talk to people and gain an understanding of how they perceive things."

Freeman adds: "We can reach quite a wide community of people through trade associations in the European markets, and we're hoping to gather as many of them as possible."

Returning to the discussion of ISITC's upcoming research publication, Gandy said it will "obviously produce outputs which are anonymised and be comprehensive enough to compare different sectors of the market — whether it be buy-side, sell-side or custodians."

Wright predicts the academic research will likely "create more avenues of research," as T+1 is an "ongoing story," as made evident by the SEC's 15 February announcement made just before our deadline to print.

In summary of the meeting, Wright told AST: "It is surprising that the SEC has agreed 28 May as the T+1 execution date for the US. There appears to be an overly positive view that the benefits of risk and cost reduction for clearing members far outweighs the significant costs inflicted on the industry, but mainly on the buy-side. For many, the work will start from this announcement. The SEC does not appear to recognise that approximately 35 per cent of US activity comes from the international market, yet the T+1 changes have been made with only the domestic investor in mind. Overseas investors will now have to review how they invest into the US, and how they process their transactions." ■

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ISITC Europe CIC

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**Tony Gandy**
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# All In a Day's Work

## The industry has always looked for ways to shorten settlement cycles, but how much further can they go?

***Lucy Carter reports***

By the time 2017 came to a close, the majority of global markets were operating on a T+2 settlement cycle. To reach this point required years of planning, cross-jurisdictional collaboration and extensive testing programmes.

From inception to completion the process saw world leaders come and go and the global landscape undergo drastic changes. But after such a mammoth operation, teams were already searching for ways to shorten the settlement cycle even further.

### Pros and cons

In February 2022, T+1 in the US was officially proposed by the U.S. Securities and Exchange Commission (SEC).

This next compression will decrease risk and improve efficiency, it said — something that India already believed, with their two stock exchanges moving to T+1 in Q1 2022. Canada, too, is expected to follow suit.

It is generally agreed that shorter settlement cycles are, in theory, something that the industry wants to see. T+1 has the potential to reduce risk, allow for greater efficiencies and increase liquidity in the market. Pardeep Cassells, head of securities, CSDR and claims at AccessFintech, cites industry publications' estimates when she says there could be up to 40 per cent improvement in liquidity with T+1 implementation. "It would be hard to overstate the impact such an improvement would have on the market," she says.

But we are not living in an ideal world, and the problems that come with implementing a T+1 structure leave many less enthusiastic about the project than might be expected. Allen Lewis, director at Sionic, raises the concern that a shift to T+1 could serve to renege on previous progress; T+2 pushed the US dollar into alignment with currencies that were operating a day ahead, however with T+1, it will fall out of step once again.

Although it may seem that T+2 to T+1 will halve the trade settlement time, in reality firms will have to work on a far tighter timescale. Any problems that emerge will have to be dealt with far faster, with the margin for error paper thin.

Even in T+2, "32 per cent of trades are not affirmed on the trade date" says Brian Collings, CEO of Torstone. Tightening the settlement cycle even further will likely raise this percentage, with T+1 leaving no "safety buffer" for delays or mistakes.

"It's good to think of any complex organisation as having a time budget," explains Christian Nentwich, CEO of Duco, and in a shortened settlement cycle, this budget will be squeezed alongside its monetary counterpart. Participants must have their trades confirmed and matched before a central security depository's overnight process begins, leaving them with little time to complete operational processes after the trading day ends and increasing operational and settlement risks.

### On your marks

As the pressure to keep up to speed intensifies, firms are being forced to "reconsider and revamp" their technology and address behavioural challenges before T+1 is rolled out, says Colleen Stapleton, product manager for match products at MarketAxess.

This is something that firms need to start preparing for as soon as possible, if they haven't already; "there is always the risk of

unintended consequences for market participants that are not prepared," warns David Smith, managing director for capital markets practice lead at Broadridge.

Market participants "need to give themselves enough room for building, changing, and testing solutions," says Meritsoft CEO Daniel Carpenter. That extra space is rapidly closing in, however, with the necessary preparations needing to be complete within 18 months.

The UK has already delved into T+1 preparations, launching an accelerated settlement taskforce in December 2022. The team will evaluate the benefits and risks of a shortened settlement cycle, while finding ways that businesses in the country can keep up with jurisdictions who will make the jump before them. An interim report is expected to be published in December 2023, with the final report scheduled for December 2024.

Aside from this higher-level planning, individual companies are starting to put structures in place to facilitate and ease the transition. Broadridge is updating its current product suite to be T+1 compatible, and Torstone is encouraging clients to replace their legacy systems ahead of the change. The latter adds that these replacements will allow firms to "get ahead of further reductions in settlement time" as T+0 becomes an increasingly plausible reality.

Although many operations will continue as usual, there will be increased pressure on all aspects of the industry when T+1 hits. Sionic's Lewis outlines five points that must be considered for a successful conversion: strong project management and executive support, detailed planning, coordinated engagement between internal and external constituents, documentation updates (including risk and resilience assessments) and an overall consideration of how T+1 weighs up with existing operations.

An individualist approach to shortened settlement cycles will not lead to satisfactory results, with global communication and collaboration vital to get T+1 up and running. AccessFintech is "actively working with the market to share insights into mismatches and fails," says Cassells, something that will relieve some of the pressure on individual companies.

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## Tick tock

As some have already headed into T+1, or are at least well on their way, "harmonising with [them] may be beneficial" says Tim Beckwith, head of commercial development at Cboe Clear Europe. This is simply because not doing so will complicate cross-border transactions and present operational and liquidity challenges, leaving certain jurisdictions behind as the world speeds up around them.

The issue of countries accelerating their processes on different timelines may create a sense of panic for those who are still running behind, with ISITC's director Gary Wright warning that a lack of harmonisation could create a "two-tier market" in which some can operate in near real-time and others remain stuck with batch legacy systems. The industry is already facing a number of divisions between companies and countries in light of new regulations and standards, with settlement the latest area at risk of this inconsistency issue.

With consideration to time zone differences, the actual amount of time that companies have to resolve any post-trade issues could potentially be mere hours in a T+1 system.

The first step of resolving the challenge is agreeing to move away from end-of-day cycles, says Ed Gouldstone, head of product management for asset management at Linedata. However, he adds that there is no chance of this critical issue being solved "quickly or easily."

One potential solution is a 'follow the sun' approach, in which work is passed between regional teams to keep up with market speed. Outsourcing services to alternative geographies or constructing a second-shift team are also feasible options.

Cboe Clear's Beckwith expects to see "a much wider implementation of 24/5 operational capabilities than we have currently across the industry." However, with employee and employer relations not quite recovered from the turmoil of recent years, such drastic changes to working structures could be met with some resistance.

Communicating with clients outside of the US, securities trading organisations will have to be "clear and open" about their operations, says John Bevil, senior solution manager for capital markets at Xceptor. Standardised operating procedures will need to be established, and data must be "watertight."

## Back-office overhaul

It seems that automation is one of the most obvious solutions to the timezone issue; if settlement processes are automated, with occasional human intervention to resolve any pressing issues, then difficulties around the speed at which a settlement must be completed are greatly reduced.

Duco's Nentwich agrees that automation is vital, highlighting the inefficiencies currently plaguing back offices: "you'd be amazed how many people sit there with Excel spreadsheets, emailing PDF files around." These levels of manual processes won't hold up to the speed of T+1, and Nentwich predicts that the next few years will see heavy investment into automation as businesses seek to reduce risks and long-term costs.

Cassells anticipates a change in the back office's focus, expecting to see it hone in on pre-settlement processes and enhanced matching rather than fails management. This will allow for

better feedback to the front office, she explains, resulting in an improvement of the overall process.

Scott Markowitz, Americas head of custody, J.P. Morgan's Securities Services, summarises that the problems that arise from T+1 "will be nuanced and will depend on what investors are trading, their location and their overall operating models."

There will not be a one-size-fits-all or quick-fix solution for all across the industry. Firms will need to find what works for them independently, while also collaborating with one another to ensure that the entire ecosystem adapts and runs smoothly. After all, the chain can only be as strong as its weakest link.

### T+0?

Just as the T+2 transition had market participants thinking about T+1, the topic that is now inevitably raised at every post-trade conference panel is T+0. Cryptocurrencies are T+0-native, with the infrastructure around them designed with instant settlements in mind. Although there are many in the industry calling for digital and traditional assets to be treated in the same way, it is undeniable that the new-ness of crypto assets makes it far easier for them to use cutting edge systems and techniques. There is no hassle around changing or updating systems — they are already built for the modern world.

The question of whether T+0 is even viable for traditional markets is much contested, with opinions varying drastically across the industry. From what can be seen so far, with firms struggling to meet the requirements for T+1, it is likely some way off.

However, many think that T+0 is a foregone conclusion: "This is the historical trend traditional markets have been pursuing for two decades," says Linedata's Gouldstone, predicting the implementation of instant settlements within the next decade.

Duco's Nentwich is sceptical about the timeline: "People don't have the real-time architectures necessary to run T+0 in many scenarios." T+1 is already a big step, and T+0 might be a stretch too far. "It's easier in a new market like crypto to start with T+0. But it's going to take a while to change all the legacy processes."

Following recent issues around cryptocurrency trading, the importance of a secure regulatory network has become even more apparent, ISITC's Wright points out. For T+0 to be a genuine possibility, all of those involved in the settlement process must be in agreement on moving away entirely from existing operational systems, and have a clear plan and strong motivation to create an alternative.

> *"This is the historical trend traditional markets have been pursuing for two decades"*
>
> **Ed Gouldstone, Linedata**

Broadridge's Smith raises the point that T+0 settlements are already possible for equities and fixed income through DTCC — but only because there is little demand for them. If this becomes the standard, he warns, the industry would face infrastructure pressure, high financial costs and increased risk: "at some point, the cost exceeds the benefit."

Even if the market makes the necessary changes, "we are probably another five years post-T+1 before the industry could move to T+0," he says.

The thought of moving to a T+1 settlement cycle could be seen as daunting, especially given the high rate of settlement fails seen on a T+2 scale. Without well thought out preparations and industry-wide collaboration, it seems certain that the transition will be a difficult one. That being said, enthusiasm for the change on the level of individual businesses, national governments and international industry bodies alike provides some reassurance on the matter.

While many jurisdictions are only in the early stages of their T+1 plans, it will doubtless become the norm over the coming years. And as for T+0? We'll have to wait and see. ■

# Small but mighty

**The small country of Luxembourg is nestled between Belgium, Germany and France. It is just 2586 square kilometres in size, has a population of less than 650,000 and yet is one of the most significant financial services centres in the world. Lucy Carter reports on international relations and what's next for UCITS**

Despite its small stature, Luxembourg has remained one of the most popular locations for banks and service providers to set down roots.

"In the last 35 years, Luxembourg has developed an ecosystem in which the needs of the most sophisticated asset managers are met by service providers," says Riccardo Lamanna, senior vice president and country head for Luxembourg at State Street.

Sometimes referred to as the "gateway to Europe," the geographical and political relations the country has with its European neighbours make it an appealing prospect for companies looking to settle into a new market. This works both ways, too — European companies use Luxembourg as a place to branch out and connect with the wider world.

## Stable and structured

Of course, one of the country's major selling points is that it has weathered various storms while maintaining a stable economy and steadily increasing GDP. Even the COVID-19 pandemic saw the country's growth drop only 1.3 per cent, a far less drastic blow than that suggested by the EU average of 7 per cent.

Listing off the many perks that make the country such a popular financial services hub, Francesca de Bartolomeo, head of business development for CACEIS in Luxembourg, puts its "political stability" at the top of the list. This is a widely supported statement — the country clocked in at number four on a 2021 stability ranking. As this characteristic results in greater investor protection, market participants from across the industry are inevitably attracted to the low-risk, high-reward environment.

Luxembourg's financial services industry is self-generating, to a degree. The large presence of fintechs and the strong digital infrastructure make it the perfect place for companies to try out new technologies and solutions, with a 2019 study placing the country in the number one spot for technology access.

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> *"Luxembourg's approach to maintaining strong relationships with other countries is based on a combination of diplomatic efforts, economic cooperation, and cultural exchange"*
>
> **Francesca de Bartolomeo, CACEIS**

## Maintaining momentum

This is something that the country and its industry bodies are actively cultivating, with the Association of the Luxembourg Fund Industry (ALFI) running several initiatives to both educate those in the industry and encourage further innovation. The ALFI Digital/FinTech Forum, for example, has a number of working groups in place to support regulators and policymakers, share knowledge and identify opportunities and risks.

However, in spite of its long-term success, the country and its authorities are not resting on their laurels. There is a concerted effort to promote investment in the Luxembourg economy, and ALFI holds a number of worldwide events to initiate and foster further international relationships.

"[Luxembourg] has a highly cohesive funds industry in which practitioners, industry bodies, regulators and government entities are aligned to communicate with global audiences," says Steve David, head of Northern Trust in Luxembourg, outlining the country's emphasis on educating businesses and investors about what it can offer them as a global funds jurisdiction.

Although there are many benefits that Luxembourg boasts as a financial centre, it is, of course, not perfect. State Street's Lamanna comments that administrative processes can be time consuming when operating in the country. Along with the pressure on margins from intermediaries, this can impact costs — and may ultimately make Luxembourg a less appealing option for international businesses, particularly as alternatives appear.

The country has also become something of a victim of its own success. Its small population necessitates a large quantity of cross-border workers, and the limited quantities of local talent have created a competitive and somewhat challenging hiring environment. While the workforce is skilled, it is far from infinite in capacity.

## International relations

"Luxembourg has proven very effective in communicating its proposition as a home for global investment funds with international partners," says Northern Trust's David. The country has a knack for staying in jurisdictions' good books, even when international relations may be looking bleak.

Brexit dealt an inevitable blow to UK-Luxembourg relations, with UK-based operations having to comply with new rules, regulations and most importantly, costs. However, despite the extra headaches that Brexit brought, UK investments in Luxembourg have remained high. As of December 2022, more than 15 per cent of assets under management in Luxembourg were from UK-originating UCI initiators. Three years after the break officially occurred, there is still a strong connection between the financial hubs of London and the city of Luxembourg, something that will certainly come as a relief to many across the industry.

Luxembourg's strongest connections are, inevitably, within Europe. Germany is its primary economic partner, holding an 18 per cent share of financial services in the country, followed by France. The country sees a high level of cross-border commuters, with bordering nations' workforces bolstering the Luxembourg economy.

The physical proximity of so many innovators offers much potential for collaboration, and through its success encourages other firms to build a presence there. Startups are given support by public and privately owned facilities, keeping the country replenished with new ideas and greater international strength.

"Luxembourg's approach to maintaining strong relationships with other countries is based on a combination of diplomatic efforts, economic cooperation, and cultural exchange," de Bartolomeo says.

"[The country] has embassies and consulates around the world, and is actively engaged in international organisations." This, along with the plethora of trade agreements that the country has established, keep it on firm footing with jurisdictions across the map.

The US also has a strong partnership with Luxembourg, demonstrating its global reach. "US banks and asset management companies have a significant presence," the US Department of State website says. US companies often use Luxembourg as a base for their European operations and foreign investments, again giving credit to the country's 'gateway' reputation.

## What next for UCITS?

In 2023, UCITS will celebrate their 35th anniversary. One of the most popular collective investments and broadly seen as a standard for the industry, their success is showing no sign of wavering. Despite the turbulence of recent years, the expectation is that the Luxembourg market will recover to its pre-pandemic levels. According to the European Fund and Asset Management Association (EFAMA), UCITS saw a reduction in their net assets, sales and inflows in December 2022. Although long-term UCITS were up significantly, it's hard to ignore the worrying figures. EFAMA's report highlights UCITS' €175 billion in net outflows over 2022, the highest rate seen since 2011.

However, State Street's Lamanna believes that the conditions and support that allowed UCITS to thrive at their inception are beginning to emerge for the private markets and the digitalised versions of several asset classes. Once again, Luxembourg is showing itself to be at the cutting edge of the industry, facilitating the development of new ideas and industry focus points.

David agrees: "UCITS are well-established and effectively drive opportunity for clients, something that is unlikely to change anytime soon," he predicts. Although, he is sure to remark that UCITS are not the only reason that Luxembourg is "a natural home to our European bank." Growth around alternative funds such as private equity, real estate and private debt strategies are also an attractive selling point.

"We should see continued growth in asset under management (AuM) for UCITS funds due to their reputation for providing investor protection, transparency, and accessibility," CACEIS' de Bartolomeo assents.

However, it won't necessarily all be smooth sailing. "The next five years are likely to bring both challenges and opportunities for UCITS," de Bartolomeo continues, "and their ability to adapt will be crucial for their continued success."

The challenges she expects to see include competition from non-traditional investment structures, new technologies such as artificial intelligence and blockchain, and, of course, increased regulation and regulatory scrutiny.

While jurisdictions across the world have been thrown into confusion, with industry bodies and participants alike scrambling for a foothold in an unfamiliar environment, Luxembourg has remained, for the most part, a stable presence amidst the chaos. While not entirely exempt from the repercussions of events in the wider world, the small country has done well to maintain the services it is known for and continues to draw in international players and investments. The country's fintech investments will doubtless continue to bear fruit, with its international connections supercharging the incubation of new ideas and products. Luxembourg offers stability alongside cutting-edge advancements, and although there will always be challenges, it doesn't seem that the country will be changing its ways anytime soon. ■

## Guillaume Bunouf joins Broadridge

Broadridge has appointed Guillaume Bunouf as senior sales director to lead sales for the firm's capital markets solutions, which includes post-trade, asset servicing and regulatory reporting. Based in Paris, Bunouf will focus on new client opportunities in France, Belgium, Luxembourg and French-speaking areas of Switzerland, and will help to scale the business in this region.

He joins Broadridge from a six-year term at FIS, where he was most recently global head of product management within the FIS Cleared Derivatives group. Bunouf's position at FIS followed a seven-year term with Sungard, which is now a part of FIS.

Adding to its Europe sales team to identify new growth opportunities in the region, Broadridge has also appointed Alvaro Del Pino Aguilera. Based in Madrid, Aguilera joins the firm as director for the Iberia region, Italy, Greece and the Middle East.

He will be responsible for driving new business and increasing awareness of Broadridge's global capabilities in the Iberia region, as well as building on the firm's client base.

Prior to joining Broadridge, Aguilera held senior roles at Torstone Technology and FIS, spanning more than 20 years of experience in the financial services industry.

Bunouf and Aguilera will report to Severine Melis-Cooper, head of sales for banking and capital markets in southern Europe and the MEA region at Broadridge.

Broadridge says that the firm is facing demand from global clients and regional market participants in EMEA.

The firm welcomes the two new appointments to highlight its commitment to growth acceleration in the region. ■

**The International Securities Services Association (ISSA) has appointed Stephen Grainger to its executive board.**

Grainger, who is currently chief executive for the Americas and UK regions at SWIFT, brings two decades of global industry experience to the board, as well as existing knowledge of the SWIFT business.

At SWIFT, Grainger is responsible for overarching direction and growth, focusing his efforts on further developing strategic customer relationships.

Before SWIFT, Grainger was vice president at Mastercard, leading the development and commercialisation of its global cross-border services business, servicing banks, digital platforms and non-bank financial institutions.

He has also served at Goldman Sachs, Bank of America and Citigroup.

On accepting his board nomination, Grainger says: "SWIFT and ISSA share a vision for improving the post-trade services in the securities market and we can support each other in this endeavour. I look forward to working with the board and the management team to help shape the future of securities services."

Phil Brown, ISSA chairman, comments: "ISSA is delighted to welcome Stephen to the board. Stephen has held roles at a number of our member firms over the years."

"He has a very strong commercial background and his role aligns perfectly with the ISSA mission to improve the efficiency of the securities services ecosystems. He will be an asset to the board."

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## Sue Cheung heads GCEX APAC sales

Digital prime brokerage GCEX has named Sue Cheung as head of APAC sales. Cheung is GCEX's first senior hire in the region as it seeks to expand its operations.

Based in Hong Kong, her initial focus will be on Taiwan, Thailand, Singapore and Malaysia.

Cheung has 15 years of experience in the financial services industry, and joins GCEX from Integral, where she was a sales director.

Prior to this, she spent more than six years in the institutional sales division of capital markets service provider Finalto (formerly CFH). In this role, she was responsible for sales in Greater China and Association of Southeast Asian Nations countries.

Cheung says: "GCEX has a robust, credible and very professional offering, always keeping clients' assets segregated and secure. This will have great appeal to clients in the region, particularly as interest in digital assets is rapidly increasing. GCEX also stands out as one of the few liquidity providers in the region able to accept cryptos as deposits."

Lars Holst, founder and CEO of GCEX, comments: "There are significant opportunities for GCEX across the APAC region and I know [Cheung] has the expertise, regional knowledge and contacts to help us to build a strong presence. This is our first senior hire in Asia and we hope it will pave the way for further team growth and potentially a regulatory license in the region, too." ■

**Financial services provider UBS has appointed John Worden as head of custody and post-trade strategy.**

Worden has more than a decade's experience in the financial services industry, and joins UBS from HSBC.

He spent nine years with the bank, serving as senior product manager.

Prior to this, Worden was part of the direct custody product development team at Citigroup.

**The Australian Stock Exchange (ASX) has named Darren Yip as group executive for markets, effective 13 March. He replaces interim executives Jamie Crank and Fiona Tramontana.**

Yip has more than 20 years of experience in global financial markets, and joins ASX following a 21-year tenure at Morgan Stanley, based in Hong Kong.

Most recently he was managing director and co-head of prime brokerage for APAC at the company, prior to which he was head of the firm's delta one structured products business in the region.

Helen Lofthouse, ASX CEO, says: "I am delighted to have found a seasoned executive who can bring customer insights and international best practice to our leadership team.

"Darren's collaborative approach, deep markets knowledge, sound risk management skills and ability to galvanise change within industry regulations will add further depth to the markets leadership team." ■

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