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New Age Servicing

Nuvama Group's Vivek Sharma on the company's rebrand and its expansion into India

Credit Suisse in Crisis

Is current regulation fit for purpose when it comes to managing risk?

The importance of DEI

MFS Investment Management's Michelle Thompson-Dolberry talks to AST

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Broadridge launches digital voting with SDC

Broadridge Financial Solutions has launched its end-to-end digital voting solutions for clients of Scandinavian banking systems provider SDC.

Through the partnership, more than 100 banks in the region will gain access to Broadridge's API- and blockchain-based digital voting and shareholder disclosure solutions.

Both retail and institutional clients will use the service, allowing for increased transparency and governance in the space, Broadridge says.

Hilde Seljom, department director at SDC, says: "It is of great importance that we can provide the system support that enables our banks to meet compliance requirements. We see Broadridge as a professional supplier who can help us achieve this goal. We are very pleased with the collaboration with Broadridge, which shows great flexibility and insight into our business and the needs of our banks."

Demi Derem, general manager of international investor communications solutions at Broadridge, adds: "At Broadridge, we're committed to accelerating global corporate governance standards for the benefit of all participants throughout the investment communications lifecycle.

"Through our collaboration with SDC, we're looking forward to bringing greater transparency and higher levels of investor stewardship to the Nordic markets." ■

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Linedata opens Singapore office

Linedata has opened a new Singapore office, with plans to employ new talent to serve both established and new clients.

The company already holds offices in India and Hong Kong, with increased business needs driving its expansion in the APAC region.

Linedata will reinforce its existing product suite and tailor its offerings to the Singaporean market, it says. The company's technological solutions, with their ability to support the market's range of investment fund structures, including the Variable Capital Company, are a particular focus.

Sally Crane, managing director at Linedata Asia, comments: "We are looking back at 15 years of strong customer relations in the APAC region. In Singapore, we have supported many large clients in their long-term development.

"In recent years we have seen an increase of interest in our solutions and our new Singaporean office will give us the ability to do even more locally and offer innovative solutions specifically designed for this unique market and its needs."

Greenwashing concerns holding back ESG investing, IQ-EQ poll says

Almost two thirds of survey respondents are holding back from focusing on sustainability in their investment strategy or from marketing their sustainable credentials due to fears of greenwashing, a recent IQ-EQ study has found.

As investors become more aware of sustainability concerns, managers are being asked to demonstrate how ESG is embedded in funds and must provide evidence to support their ESG-related marketing claims. This can prove difficult, IQ-EQ says, particularly with data and regulatory compliance gaps in emerging markets and SME portfolio companies.

Furthermore, discrepancies between different authorities' ESG criteria and a lack of clarity around standards has caused gaps in understanding and compliance across the industry, the company says.

Market participants are concerned that strict guidelines, such as those around the labelling of Article 8 and 9 funds, could undermine the regulation's intentions. IQ-EQ's poll results suggest that "well-intentioned managers" may pause their sustainability investments as a result of overly complex regulations.

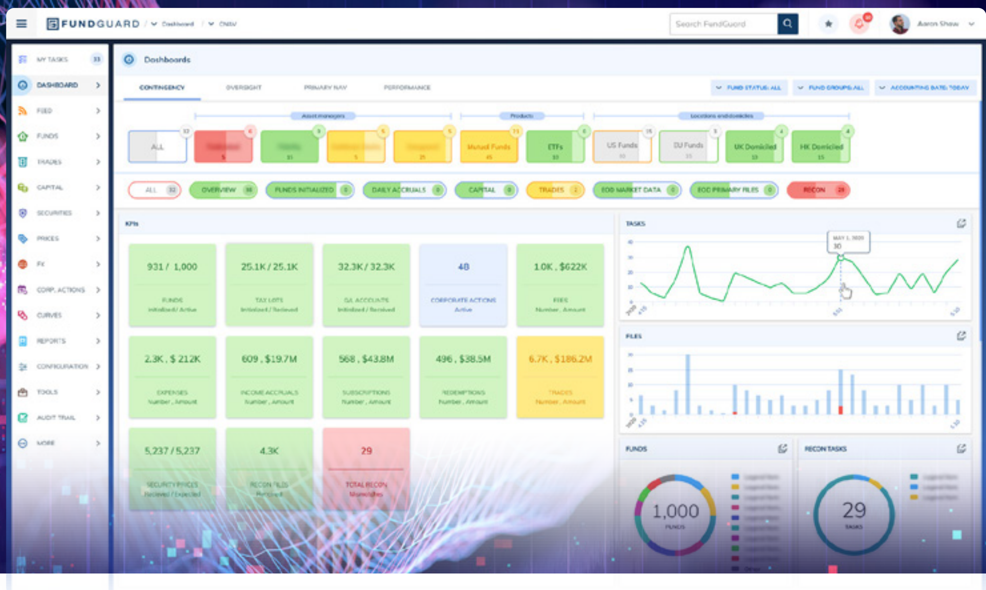
Lyons O'Keefe, ESG director at IQ-EQ, says: "The poll result is concerning, but not surprising. The lack of clarity from global regulators is prompting investors to avoid ESG labelling because of potential repercussions linked to greenwashing.

"Our constant interactions with clients demonstrate that it's not for the want of trying, as investors are very interested in the sector, however they fear miscommunication will damage their reputation, or worse. This suggests that clients require additional support to engage in the right way; it's key that the investment industry does not shy away at this critical time."

Fund products will continue to diversify, ALFI panellists expect

The 'What will shape future fund products?' panel at this year's ALFI European Asset Management conference began on an optimistic note.

Moderator Noel Fessey, a non-executive director in the Luxembourg funds industry,



questioned whether the funds industry was in a “winter garden” of cutbacks as a result of the current economic climate, or whether signs of innovation and growth could still be seen.

Patric Huber, head of product strategy and shelf evolution at UBS Asset Management, responded that even if funds do appear to be slowing down, the industry is prepared for the next wave of activity.

Sandy Welthagen, global head of product development at Ninety One, argued that no fund concept is ever taken entirely off the shelf. Markets may have “moved into a new regime,” with client needs and demands often requiring more customisation, but this creates more rather than less diversity in the funds landscape.

Considering this new landscape, Huber said that UBS has noted several different combinations of the five-to-seven global megatrends that the company follows. Welthagen explained that sustainability has been a clear focus for Ninety One, alongside a growing interest in alternatives.

The sustainability credentials of funds was a recurrent point at the conference, with Huber remarking that client demand and regulatory pressure are continuing to grow in tandem. These regulations have created a number of challenges for those in the industry, particularly around how funds are classified and how those classifications are interpreted.

It is “very, very tough” to get a fund to an Article 9 classification, Huber said. As a result, Welthagen added, Article 8 has become a “broad catch-all space” for the majority of funds promoting sustainability.

Morningstar has reported that around 40 per cent of Article 9 funds have been reclassified to Article 8s, she said, and suggested that the focus on labelling has taken the sustainability initiative away from its original intentions.

Data remains a challenge. Although sustainable finance regulation in the EU is moving at pace, this is not necessarily reflected globally.

This means that the available data set is limited, especially outside of European countries, and there is not yet a global reporting architecture for ESG data.

One example of this is Scope 3 emissions reporting.

Riyad Capital and BNP Paribas Securities Services launch new product

Riyad Bank’s investment arm, Riyad Capital, has partnered with BNP Paribas Securities Services to launch My Assets, a new web-based client portal for securities services.

Using My Assets, clients have access to all post trade-related data connected to their portfolios and cash accounts. Through this, activity and performance can be more effectively monitored and data more efficiently extracted.

Consolidated data is available at numerous granularities, from the full spectrum of securities services products to a client relationship group and each customer under such a group.

The product joins the two companies’ existing securities services offerings for financial intermediaries and institutional investors in Saudi Arabia.

Developed over recent years with a Saudi public sector institution, these include local and global custody, investment and fund accounting and post-trade compliance monitoring.

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Crestbridge granted a depositary licence from CSSF

Private equity solutions company Crestbridge has been granted a depositary licence by Luxembourg's financial services regulator, the Commission de Surveillance du Secteur Financier (more commonly known as CSSF).

The new licence will enable Crestbridge to further expand its capabilities in supporting a growing number of fund managers in Europe.

Approval of its depositary licence follows Crestbridge S.A.'s fund administration licence in Luxembourg in 2019, which allowed the firm to provide a broad range of fund administration services.

The business also remains one of the only third-party management companies in Luxembourg to hold a European Venture Capital licence, which allows its venture capital clients quick access to European investors.

As part of Crestbridge's commitment to technology, its new depositary services offering is underpinned by the fintech platform Depowise — designed to improve accuracy and efficiency for clients by mitigating risks inherent in manual processes.

Through its Luxembourg entities Crestbridge S.A. and Crestbridge Management Company S.A. the business offers fund administration, accounting, regulatory and governance solutions to specialised investment funds, investment funds in risk capital and alternative investment funds (AIF).

Kenneth Agu, head of depositary services Luxembourg at Crestbridge, says: "With this licence, we can now support our clients from around the world wishing to set-up a Luxembourg-based AIF with a fully compliant, tech-enabled depositary solution from Luxembourg."

Michael Johnson, group head of institutional services at Crestbridge, adds: "We are pleased to expand our client service proposition to include the provision of depositary services through Luxembourg to alternative investment funds operating inside the EU." ■

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Vivek Sharma
Head of the international clients group
Nuvama Group

Single-market custodians: Defining new age asset servicing in India

Vivek Sharma, head of the international clients group at Nuvama Group, speaks to Jenna Lomax about the company's rebrand and the current trends in the Indian asset servicing space

Vivek Sharma of Nuvama Group has almost two decades of experience in the wealth management, asset management and securities services industry, having served at global multi-corporations such as Citi and ING. It is, however, at India's Nuvama Group (formerly Edelweiss Wealth Management), where Sharma has spent the majority of his career. Best-placed to inform the reader on the company's rebrand, Sharma also details why India's economic outlook looks promising and why the region is fast becoming more attractive as an investment destination.

Sharma cites the 'Economic Survey 2022 – 2023', which indicates that India's GDP is expected to grow in the range of 5.8 per cent to 6.3 per cent from 2023 to 2024. This is based on "a confluence of factors," he affirms, including "a stable political environment over the last decade, as well as positive macroeconomic attributes and strong policy reforms which have made India more attractive as an investment destination for institutions."

Nuvama Group is one of the largest and fastest growing India-focused wealth, asset and capital markets firms. The company is backed by the parentage of the Edelweiss Group and has a global partnership with PAG, an Asia-based investment firm. The business serves close to a million customers, comprising a diversified set of family offices, institutional clients and corporates.

Sharma says: "The integrated platform encompasses wealth solutions, asset management, institutional securities and capital market advisory. The name 'Nuvama' has been derived by bringing the worlds of new and wealth together.

The proof of success goes further than just a name, as Nuvama Group's achievements earned the company 'Single Market Custodian of the Year 2022 – India' at Asset Servicing Times' second Industry Excellence Awards.

Sharma puts the award win down to Nuvama Group's "experience and expertise, leading research and product innovation — all supported by a robust governance framework."

Welcome to India

A number of foreign investors have been invested in India for some years, while some have stayed away from allocating to the country.

When asked why the region is fast becoming an investment destination for so many institutions, Sharma says: "The private sector balance sheet has improved over the past few years.

"This implies that the private sector is bound to increase spending, which can boost capex, as and when the investment cycle picks up.

"Corporate deleveraging has improved banks' balance sheets. In addition, high goods and services tax, as well as direct tax collections, have boosted the government's capacity to cushion the impact of the impending global slowdown — ensuring that the Indian economy remains vibrant.

"Strong growth in the retail industry and improved profit performance of consumer staples, as well as discretionary companies in recent quarters, also indicates healthy consumer demand."

Indian stock markets witnessed a resilient performance, with the blue-chip index Nifty 50 registering a return of 3.7 per cent between April and December 2022, according to the 'Economic Survey 2022 – 2023'.

Commenting on this statistic, Sharma says: "A positive return was achieved, despite the decline in global stock markets due to geopolitical uncertainties and supply chain disruptions stemming from the Russia-Ukraine crisis. Among other major emerging market economies, India outperformed its peers across the same time period. Prime Minister Modi is determined to make India a US $5 trillion economy by 2025. The government has focused on 'pro-business policies' to reach this milestone."

Asset servicing

Just like the rest of the world, India has been contemplating the move from T+2 to T+1. However, unlike much of the rest of the world, India has already taken action, completing the move in January 2023.

"The new format bodes well for the Indian equity markets from a liquidity perspective," says Sharma. "It highlights how much India has grown on the digital journey to ensure seamless settlements within 24 hours."

Before setting up custody and clearing operations in India, prospective investors should "have the right custodian, clearing provider, broking execution, technology provider and tax advisor," says Sharma.

Nuvama Asset Services (formerly Edelweiss Asset Services) is registered with the Securities and Exchange Board of India (SEBI) as a designated depository participant (DDP) and custodian of securities. It also provides foreign portfolio investors (FPI) with registration, custodial and clearing services in India's capital market.

"From a regulatory standpoint, there have been remarkable changes to make access to India simpler and faster for FPIs," Sharma explains. "Global investors need an FPI registration to invest directly in the capital markets.

"To set up FPI registration, choosing the right DDP and custodian is very important. The industry standard is a three- to six-month wait. However, as a single market-focused custodian we are committed to completing a clients' FPI account set-up in 30 to 45 days."

He continues: "Single market-focused custodians, such as us, can offer this value proposition because we have a large team focused on a single market and are able to adapt policies and practices to provide the best outcome for clients. We have streamlined internal processes to ensure clients can start investing as soon as possible. In a fast-moving market such as India, where investment opportunities can come and go very quickly, clients find this speed-to-market very valuable."

The market regulator (SEBI) has also recently allowed FPIs to participate in commodity derivatives in India. "We believe this will further encourage global managers to look at enabling India access for themselves," Sharma says.

In its recent board meeting, SEBI has approved the proposal to permit DDPs to grant FPI registrations to applicants who have submitted scanned copies of application forms and supporting documents. DDPs are now allowed to accept digital signatures by FPIs.

"These measures will further ease the onboarding process for FPIs looking to set up India access," Sharma says.

Looking to the future

Outlining where Nuvama Group slots into the India asset servicing landscape, Sharma highlights: "Our offerings and expertise in the Indian market have evolved over time.

"Nuvama Asset Services has created a dominant market share in the local India custody space," says Sharma. "The business is supported by specialists across sales coverage, client servicing, technology, risk and compliance functions, thereby enabling support and guidance to all new managers looking to enter India."

He adds: "As we are present in major financial centers in the world, we can provide technical and timely advice to global investors on India tax, legal, regulatory, audit and trading infrastructure requirements. All in all, our single market-focused approach has really helped us to sharpen our offerings to suit the evolving and growing India-specific needs of our global clients." ■

Crisis of confidence

Jenna Lomax examines the recent Credit Suisse crisis and questions if the incident proved that post-2008 regulations are no longer fit for purpose when it comes to managing risk

To say that the global economy went into meltdown after Credit Suisse's shares dramatically slumped last month would be an overstatement. It remains an overstatement, largely thanks to UBS, who acquired the Swiss bank under emergency orders issued by the Swiss Federal Council on Sunday 20 March.

Far from a lazy Sunday, other central banks and global stock markets simultaneously scrambled to keep the market afloat that day, as chairman of UBS, Colm Kelleher, deemed the crisis "an emergency rescue."

By 12:57pm (GMT), the BBC's business editor Simon Jack remarked: "Regulators in Europe, the UK and the US will be breathing a sigh of relief that the deal for UBS to buy Credit Suisse at a knockdown rate [...] has seemingly calmed frayed nerves."

For those wondering, it was bought for 3 billion Swiss francs (US $3.25 billion, £2.63 billion).

Jack added: "The regulators have moved quickly and offered more help than banks have currently taken up — which means they either fear things could be worse than they look, or they want to stay a step ahead of events. Everyone hopes it's the latter." Just 13 minutes later, a Downing Street spokesperson released a statement affirming that "the UK banking system remains safe."

UBS's move managed to quell what Swiss regulator FIMNA described as a "crisis of confidence."

At that point, comparisons to the 2008 Financial Crisis began to simmer down. That year's aptly titled Madonna hit: "4 Minutes (To Save the World)," was saved airplay over a montage of stock market floor panic. Perhaps that's a good thing — let's leave that song in the noughties.

Skip forward to 2023 and we have a rise in interest rates, due to wider geopolitical turmoil including, but not limited to, the Russian invasion of Ukraine. Aside from Putin's horrific attack on humanitarian liberties, the ongoing conflict has hit the value of investments across the world. This has underpinned a lack of investor confidence and bank share prices.

However, the more central issue at the heart of the Credit Suisse saga is arguably the need for more accurate financial reporting. Better reporting could have highlighted the road to Credit Suisse's own car crash, before so much damage was done. Yet it appears no one at Credit Suisse was looking in the rear-view mirror, nor judging the onward traffic.

"With investors scrutinising performance daily and imminent new regulations demanding more reporting, there has never been a more pressing need for financial institutions to overcome their client and regulatory reporting challenges," explains Clement Miglietti, chief product officer at NeoXam.

"The issue is, as with so many issues relating to market infrastructure, the bigger the problem the harder it is to produce a definitive solution," he adds.

On Monday 21 March, tensions around the health of banks were contagious. In today's world, money can be moved at the click of a button when even the slightest of doubts are catching. But despite the anxieties, that morning, the Dow Jones and the S&P 500 indicies were both up, with Nasdaq only down slightly. The initial fear seemed to peter out in the aftermath — again, largely thanks to UBS and FINMA.

Sign of the times

However, let's not forget that Credit Suisse's crisis was not a one-off glitch in the matrix. Small reverberations had been making waves elsewhere, and certainly before 20 March. On 10 and 12 March respectively, US banks Silicon Valley Bank (SVB) and Signature Bank collapsed.

Anatoly Crachilov, CEO and founding partner of Nickel Digital, says of SVB's demise: "It's significant. Not only because SVB has grown to become a top-20 US bank by total assets, but because its failure has highlighted accounting arrangements that allow banks to legally conceal accumulated losses.

"The daily mark-to-market approach implies that trading assets are carried on their fair value — the closing price of each trading day. However, current accounting standards allow banks to carry some securities at their original acquisition price without the need for mark-to-market, as long as they are formally classified as 'held to maturity (HTM)'.

"In the case of SVB, the 'unrecognised' losses in their HTM portfolio grew to staggering proportions. In Q3 2022, the HTM portfolio contained US $15.9 billion of unrealised losses, compared to just $11.5 billion of the bank's tangible common equity. Effectively, SVB has been insolvent since at least last September," affirms Crachilov.

At time of writing, SVB's rival First Citizens BancShares bought its assets and loans. Despite SVB's 'eleventh-hour saving', calls for accurate and timely reporting still abound.

As NeoXam's Miglietti affirms: "[Accurate and timely reporting] may not solve all the headaches financial institutions face, but they will at least move the issue on from something that is endlessly debated to a tangible solution.

"Good reporting allows institutions to focus their efforts on expanding services to investors, opposed to being weighed down by heavy reporting administration," he adds.

"Good reporting allows institutions to focus their efforts on expanding services to investors, opposed to being weighed down by heavy reporting administration"

Anatoly Crachilov, Nickel Digital

Where did it all go wrong, can it be made right?

Headquartered in Zürich and established in 1856, Credit Suisse grew to be the second-largest lender in recent years. However, in hindsight, the writing seemed to be on the wall in October when it cut 9000 jobs and restructured its business. As recently as 16 March, it borrowed US $54 billion (£44.5 billion) from the Swiss central bank to balance the books. Credit Suisse was considered 'too big to fail'. Yet so was the Titanic, a mere two hours before it hit the ocean floor. Were the warning signs too late for Credit Suisse to avoid smashing into its own metaphorical iceberg?

"Since 2008, increased regulatory requirements in corporate governance, risk-taking, and liquidity provisions have created positive structural adjustments in the banking sector," affirms Massimo Ferrari, CEO of Assetmax AG, an Infront company.

Despite this, Ferrari adds: "Wealth management is a rewarding industry for the firms who know how to navigate a post-2008 world. The recent events hit on one important area in particular: regulatory expectations have failed to meet the risk management and governance policies implemented by some institutions, despite institutions being better capitalised and more robust than in 2008."

He concludes: "More effective risk management can be achieved at the firm level through better data and improved analytical capabilities, alongside employing strong portfolio management systems that give teams complete visibility within and across client portfolios."

Keeping up the pace

Michelle Thompson-Dolberry from MFS Investment Management talks to Lucy Carter about the state of DEI in the industry, where firms need to keep pushing for change and how to avoid box ticking

Michelle Thompson-Dolberry is no stranger to the diversity, equity and inclusion (DEI) space. During her career, she has served in a number of DEI roles at firms including American Express and J.P. Morgan Chase, leading diversity recruiting, multicultural marketing and campus talent pipeline initiatives, before joining MFS Investment Management as chief DEI officer in January 2022.

Reflecting on the evolution of DEI in financial services, Thompson-Dolberry affirms that "there's a more deliberate way of thinking about DEI right now, because everyone is talking about it." In the not-so-distant past, she suggests, companies may have been interested in starting DEI initiatives but held back for fear of making a big statement and standing out from the rest of the industry. However, now that DEI is front-of-mind for the industry, "no one has to feel like they're sticking out. Organisations can lean into doing more in ways that are authentic to them."

Box ticking?

Of course, there are always accusations of performativity around DEI. Just as environmental initiatives are scrutinised for greenwashing, DEI initiatives are judged by whether they are making steps towards actual change or are just box-ticking exercises for companies to pat themselves on the back before returning to their old ways.

"It's hard to draw the line between checking off activities and ensuring that behavioural change happens," Thompson-Dolberry says, "because we do want to move the needle."

The process may have to start with box ticking, but it shouldn't stay that way: "For a while, people don't know what to do. You have to outline the process step by step. And you have to remind them, and then go back and check again." Once people have been prompted a few times, and have integrated the processes into their daily operations, "you're hoping they start to do it on their own."

The process falls into the performativity if firms never reach that stage, and continue to just go through the motions. There are many ways to see if this is the case, Thompson-Dolberry notes. We can listen to our employees, we can ask the questions and we can look at the stats."

At the moment, we're seeing "the commercialisation of the workforce," she says.

images by andrey_popov/stock.adobe.com

"Going to work is just like going to a hotel, going to a movie — someone's going to be straight onto their social media, telling the whole world what they think. Everyone can have their opinion heard, and everyone is listening to what others say."

While this may be a headache for companies, it provides valuable information for DEI professionals and others in the workforce.

"It gives us an opportunity to listen in a different way than we have previously," Thompson-Dolberry explains, with employees sharing their thoughts on a firm's operations in real-time, rather than only after they leave.

Community connections

Considering what companies' responsibilities are to DEI outside of their organisation, Thompson-Dolberry believes that "in a perfect world, companies need a good balance'' between internal and external DEI initiatives.

"Sometimes, working the outside can help to work the inside," she elaborates.

"Getting our employees involved in the community helps them to understand current issues and allows them to be more open to alternative perspectives. That might not happen had they just come to work, put their head down, gone home, and seen the same group of friends they've always seen."

On a panel at the ISITC Summit in Boston, speakers outlined the work that their companies are doing outside of their organisations. Community outreach, charitable partnerships and philanthropic efforts are becoming ubiquitous across the industry, with firms aligning themselves with a particular issue or initiative.

"We are in very rare air with the money that is made and the access that people have in this industry. When you can share this industry's commitment to DEI with others and let them know what it could mean for them, it can be really powerful."

Improving DEI begins through education: "For some folks, this industry is something that they've talked about at the dinner table. It's the friends they have, the friends their parents have. But for those from underserved and marginalised communities — who's going to tell them? If you can't see it, you don't even know that it's really there, you miss that opportunity."

This is where community outreach comes in, with firms attending student career days, offering interview advice and connecting to those who may not have considered the financial services industry as a viable career option. However, it's important for firms to evolve their outreach strategies "in order to continue to be relevant."

While student outreach programmes are often angled towards university students, companies should really be targeting high school students, Thompson-Dolberry reveals. "Kids are thinking about their careers between the ages of 13 and 18. If we just go to colleges, they're already past thinking about us."

Working with young people is beneficial in a number of ways, she goes on to say. Employees feel that they're doing something positive by helping others, and in the longer term such initiatives will be beneficial to the industry as a whole. Getting a new generation interested in financial services will undoubtedly pay off down the road, no matter whether companies want to actively engage in social enterprises or not.

Getting people involved

At a FinovateEurope panel earlier this year, DEI was framed as an "opportunity" that firms should invest in, diversifying their staff alongside their portfolio. When asked whether this more economic-based approach should be taken towards DEI, Thompson-Dolberry remarks that "how we get people to do the thing that we want them to do" is a question she is asked regularly.

"If we can get people engaged in DEI, I almost don't care about the reason why they do it," she states. One single message or motivation is not going to resonate with everyone.

"Some people aren't into the social side of things, they're into making money and doing their jobs well. If I can help them understand how DEI helps them to do that, then I'm happy."

There's no one 'right' motivation to engage with DEI, Thompson-Dolberry says. "As long as everyone does the right thing, it doesn't have to be for the same reason. You have to meet people where they are and get your message to resonate with them."

Fear of failure

It's inarguable that the DEI umbrella covers topics that can be difficult to talk about. This is where the concept of psychological safety comes in, something that Thompson-Dolberry says she has had a 'Eureka' moment about over the past year.

"I used to think that psychological safety meant someone from a marginalised or underrepresented background feeling safe to be themselves in a space. I was thinking about it from my own perspective.

"Now, I've realised that if someone doesn't look like me, they need to feel psychologically safe in engaging with me" — or they may simply avoid interactions. This could be down to a fear of failure, something that is seen on an individual, organisational and cross-industry level, Thompson-Dolberry reports.

This fear often stems from the thought of saying or doing something wrong, and being reprimanded or even losing a career. However, "inaction is not the answer," Thompson-Dolberry stresses.

"If the world moves forward and your inaction keeps you here, you're now behind. That's what's happening with this part of the financial services industry. We fall behind others because we're so afraid of not getting it right," she argues. But in reality, "no one's getting it totally right."

In order for the industry to move forward, organisations need to come together "so that it doesn't feel so scary," she proposes. If companies work together to discuss what does and doesn't work and figure out their next steps as a collective, then real change can happen.

The path to success

In order to improve DEI in the industry, those who are usually in the spotlight must "never miss an opportunity to leverage the platform they have to get a message out. Everyone has a place of influence, whether you're a manager holding a team meeting, a CEO speaking at a town hall meeting or someone sitting on an industry panel."

"DEI is not a spectator sport," Thompson-Dolberry said during the aforementioned ISITC Summit panel. It requires a whole-company approach, or progress will stagnate. Too many people have been happy to be uncomfortable talking about certain topics, she asserts, but now "it's time to choose courage over comfort."

One way that Thompson-Dolberry and her team encourage managers to start conversations is by giving them talking points for meetings.

"They think it's really weird, and they're not sure what to say," she affirms. But once a topic has been broached, it becomes easier for others to talk about it, discuss their experiences and learn from one another.

"If we can't have an open dialogue we're never going to be able to talk about these issues. Because it's hard. It's serious. It impacts people's lives. It's real life, but we have to laugh at real life too. The more we can do that with each other, the better off we are."

Lighthearted conversations lead to more weighty discussions, "and the next thing you know you're having a real talk with someone," she explains.

"These casual conversations can make people feel more comfortable to ask questions without being self-conscious, or uncomfortable, or worried about saying the wrong thing."

"Once we start looking at people as people," she concludes, embracing natural curiosity and the desire to develop a better understanding of those around us, "a lot of things get easier." ■

Michelle Thompson-Dolberry
Chief DEI officer
MFS Investment Management

Calling all to action

Brian Bollen delves into the US Corporate Actions Working Group's latest objectives, and looks at why the sector needs to rapidly modernise and standardise its practices

The US Corporate Actions Standardisation Position paper, a publication by the US Corporate Actions Working Group, was supremely well-timed for the research of this article.

"The position paper is intended to be a 'call to action' for issuers, transfer agents, exchanges, utilities, service providers and broker-dealers," says Tom Price, SIFMA managing director of operations technology. "The whole initiative is to modernise the markets that we work in."

"There is an old saying on Wall Street: you are only one corporate action from a new career. If you mess up, the impact can be substantial in terms of processing."

He outlines: "This is an area ripe for modernisation and for the creation of a level playing field."

The impact

The paper highlights how complex corporate action announcements could impact investors and how standardisation and centralisation of a timely announcement would benefit market participants.

US issuers often publicly announce debt tender offers, which is a corporate action that a company may undertake to buy back and restructure debt.

This is a common event performed when a company's debt securities are trading below face value on the open market.

It often introduces complexities for the issuer, deal managers and investors, with extensive details outlined in the announcement's terms and conditions.

Upon announcement, shareholders of the specified debt securities have a limited period of time to accept the offer and thereby tender the notes. Following the announcement, issuers are allowed to make amendments to the terms and conditions of the event, which can often happen, as markets shift and the price of the security changes.

In the paper, the US Corporate Actions Working Group highlights: "In these situations, the issuer can choose to amend the event with new terms and conditions. However, the deadline can remain the same as the initial announcement, providing the investor with less time to interpret and act upon the new information.

"The risk that the investor potentially invites, based on stale initial terms and a compressed timeline to participate in the event highlighted in this use case, could be mitigated through a centralised and standardised dissemination of event terms and conditions.

"By enhancing the announcement process, market participants can benefit from a timely and accurate flow of event information and any subsequent amendments."

State of affairs

Within the US financial markets, the current regulatory landscape of corporate actions doesn't mandate the standardisation and dissemination of corporate announcements and their data elements, leaving investors with a fragmented and disparate perspective on the subject.

When a corporate action is approved by an issuer's board of directors, the company often utilises press releases, regulatory filings or public websites to communicate events to investors and market participants.

However, these releases do not follow any uniform structure and often result in inconsistent timelines, formats and mediums for public dissemination.

This is in part due to a patchwork of rules and regulations enacted and enforced by numerous entities.

In addition, some important investor information and data can only be found in original offering documents or prospectus offerings, which are often more than 100 pages long and contain complex language not easily understood by all readers. Furthermore, these documents do not always contain structured data or data tables, resulting in manual interpretation of free text.

This process can add risk to financial services organisations that independently interpret complex offering documents, which can lead to delays, inhibit downstream communication and increase operational costs.

This fragmented and complex method of processing and disseminating corporate action information significantly impacts both investors and the issuers who rely on market participants and financial services organisations to process and distribute the information to the broader market.

Further research

Globally, it is estimated that 46 per cent of event data is published and received manually, driving unnecessary risk and expense to organisations that process corporate action events for their clients and downstream organisations. It is critical for broker-dealers, data vendors, depositories and financial services providers to process information accurately and take steps to reduce the risk of erroneous processing.

With the upcoming transition to a T+1 settlement cycle, there may be increased investor risk as financial services organisations will have even less time to perform vital reconciliation, calculation and issue remediation activities.

Even retail investors that do receive timely and accurate corporate action announcements may not necessarily understand them. This potential for misunderstood corporate action events may have an impact on event participation and the value of the underlying security. In addition to retail investors, there are other market participants impacted by the current state of corporate actions.

A global industry survey conducted by The Value Exchange concluded that, on average, it costs financial services firms more to source the data of a corporate action event than it does to process that information. This metric highlights the complexity of the dissemination process.

While some announcements may follow similar formatting rules and include relevant information on how such events will be processed, others may leave room for independent interpretation by market participants.

Client-servicing organisations, such as broker-dealers, and the data vendors that support them, may interpret a corporate action announcement directly from an issuer and manually pull out the important details before repackaging them to be sent to investors downstream.

Eliminating interpretative processing steps and simplifying the lifecycle of a corporate action may benefit the large-scale institutions and the retail investor by reducing manual processing and unnecessary complexity, respectively.

As the US market continues to modernise and investors call for more timely information about their investments, it is important that regulations, technologies and processes evolve in tandem to meet the demands of clients. ■

"I am excited to join Calastone at such an important time in its global expansion, and to work with a team of such strength and talent"

Brian Godins joins Calastone

Global funds network Calastone has appointed Brian Godins as chief commercial officer. Godins will lead the business' commercial strategy and accelerate geographic growth of its global solutions.

Based in London, he will report to CEO Julien Hammerson. Godins has more than 30 years of experience within the financial services industry, specialising in global markets operations, securities services, technology, change management, client relationship management and revenue-generating roles. Most recently, Godins led HSBC's Securities Services division for Asia Pacific and the Middle East.

Within the commercial organisation, Calastone's Ross Fox has moved from Singapore to the UK as managing director, head of UK and Europe. In addition, Justin Christopher has been appointed as managing director, head of Asia. He will be based in Singapore.

Ed Lopez has moved into a newly-created role as president of money market services. Teresa Walker will continue to lead the business in Australia and New Zealand.

Commenting on his appointment, Godins says: "Brian's wealth of industry experience, leading teams across asset management and asset servicing, will play a crucial role in strengthening Calastone's senior leadership team."

Godins adds: "I am excited to join Calastone at such an important time in its global expansion, and to work with a team of such strength and talent, who are at the forefront of the digitalisation of the global funds industry.

"I'm looking forward to driving the growth of the business as the asset management industry seeks to further reduce complexity and enhance investor value and experience." ■

Citi has appointed Anoushka Dua and Vandana Bhatter to expand its Institutional Client Group (ICG) business.

Dua has been appointed as the head of treasury and trade solutions (TTS) for ASEAN. She will report to Rajesh Mehta, head of TTS Asia Pacific, and Amol Gupte, head of South Asia and ASEAN.

In her most recent role as head of trade for ASEAN, Dua was responsible for leading the continued growth of the business, delivering working capital solutions to meet the evolving needs of clients, digitising the business and maintaining a strong risk and control environment.

Dua began her banking career with Citi in 2002 as a management associate in India. She has held several country and regional roles across banking and trade including sales, structuring and product management in India, Hong Kong and Singapore.

Bhatter has been appointed as head of markets for ASEAN. She will also report to Gupte and Julia Raiskin, APAC head of markets.

Vandana first joined Citi in India as a markets management associate in 2001. In her new role, she will be responsible for leading and driving business strategy, monetising Citi's local market network and strengthening connectivity in Asia markets and with other institutional client group businesses. Vandana will retain her existing responsibilities as ASEAN corporate sales and solutions head for markets.

Citi is one of the oldest financial institutions in the ASEAN region, having started the business there in 1902. Citi has also promoted Deven Somaya and Kirstin Renner within its treasury and trade solutions (TTS) business.

Somaya has been named global head of emerging commerce solutions, while Renner has been appointed head of TTS for Australia and New Zealand. They both report to Rajesh Mehta, head of TTS APAC. Somaya has more than 20 years of experience in the industry, all of which has been spent at Citi. Most recently, he was the interim head of the ASEAN and Singapore TTS division, before which he was TTS product head for Singapore.

In the new role, Somaya works with clients and ecosystem partners to develop new commercial solutions and opportunities. This includes the incubation of new business opportunities across TTS groups and client segments, with the goal of unlocking long-term strategic value. Based in Singapore, he reports to Biswarup Chatterjee, TTS global head of partnerships and innovation, in addition to Mehta.

Renner holds more than 15 years of experience in the financial industry, the majority of which has been spent at Citi. She has headed core cash product in Australia and New Zealand for the past five years, prior to which she maintained a number of senior roles including head of implementation and channel product and chief operation officer. Continuing to be based in Sydney, Renner will be responsible for the business strategy and growth of TTS' Australia and New Zealand division.

European Depositary Bank (EDB) has appointed Cecilia Gejke as managing director and member of the executive management board. Gilda Neiman has joined the board of directors.

Gejka has almost 29 years of experience in the financial services industry, focusing on risk analysis. She joins EDB from her chief risk officer role at a private banking institution in Luxembourg. Prior to this, she spent more than two years as head of stress testing, group market and counterparty credit risk at Nordic bank Nordea.

Throughout her career, Gejka has served in a number of senior roles at firms including Santander and J.P. Morgan, working across London, Scandinavia and Luxembourg.

Neiman has more than 35 years of experience in the financial services industry. During her career Neiman has held a number of senior roles, including non-executive director, vice president and treasurer at the American Chambers of Commerce in Belgium, and chief country officer and branch manager for Belgium at Citi. In addition, she currently holds a number of board roles at ESG initiatives Chapter Zero Brussels and Greenonomy. She is also a partner at GoAct BC, which offers businesses consultancy around sustainability goals.

Commenting on the appointment, EDB CEO David Claus says: "These appointments are further evidence of our commitment to continuous investment in the governance structures, risk management frameworks and technology infrastructure of EDB as we seek to constantly improve client service and experience. I look forward to working with both Cecilia and Gilda, and the valuable skillsets and strategic insights they will bring to EDB as we continue to grow our differentiated and independent banking solutions for our clients."

European fund service platform Universal Investment Group (Universal) has appointed Katja Mueller as non-executive director to the board of its Irish Super ManCo.

The appointment will support the firm's Irish hub to service the growing market.

Mueller is currently chief customer officer of Universal and a managing director at the firm. She is currently responsible for relationship management across all customer groups as well as sales, marketing and external communications.

Mueller has a 25-year career in financial services, including a 12-year tenure at Deutsche Bank. She joined Universal in 2014.

Mueller will use her expertise and extensive network to help capitalise on the opportunities that the Irish market presents to existing and new clients to realise the company's growth objectives, Universal says.

The Irish Super ManCo Board consists of Keith Milne, CEO, Damien Owens, chief operating officer, Victor Bemmann, head of portfolio management, and independent director, Alison Manley.

Universal offers clients alternative investment fund manager, ManCo and fund administration services in Ireland, Luxembourg and Germany.

Commenting on her new role, Mueller says: "I'm delighted to be joining the board of directors to continue the growth of our Irish fund services business and look forward to working more closely with Keith Milne, both remotely from Frankfurt and on the ground in Dublin."

Milne adds: "Our business model has proven very successful with asset managers across the globe. We are pleased to welcome Katja to the board.

"Her appointment is evidence of the importance placed on Ireland as a jurisdiction and her expertise will help drive further expansion of the Irish hub and the clients we serve." ■