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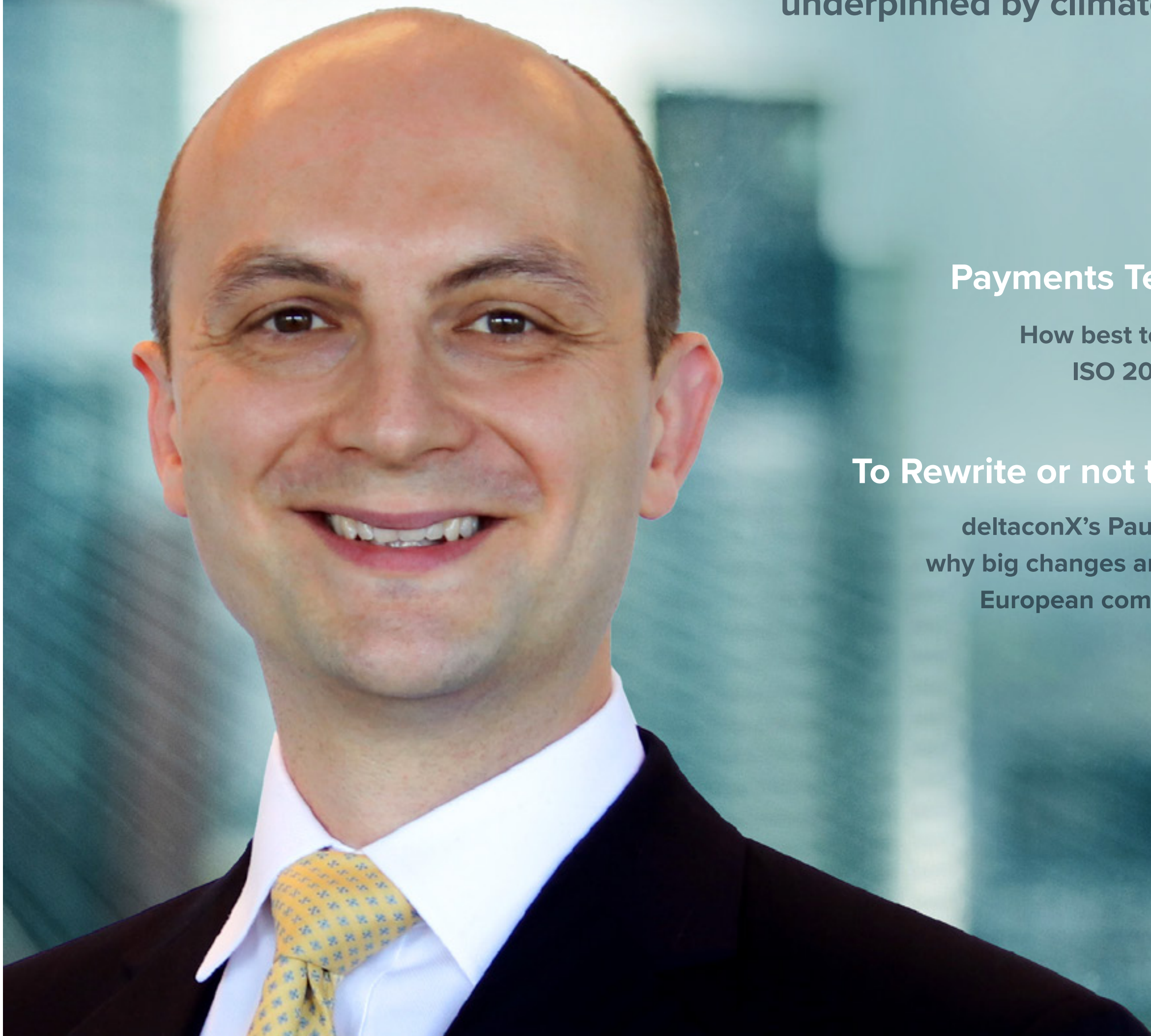
What the future holds

Russ Bowdrey of Ortec Finance predicts that the next financial crisis may be underpinned by climate change



Payments Technology

How best to adapt to the ISO 20022 standard

To Rewrite or not to Rewrite

deltaconX's Paul Rennison on why big changes are afoot in the European compliance space

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Proxymity goes live with Vote Connect in South Africa

Proxymity has announced the release of its digital proxy voting service, Proxymity Vote Connect, in South Africa.

In collaboration with Computershare and Citi, Proxymity will provide the South African market with the ability to leverage golden source data and deliver investor communications in real-time.

The platform was created in response to the increasing demand from issuers, intermediaries and investors for heightened transparency and improved engagement.

By utilising the platform, issuers can take control of the notification received by their investors, receive votes earlier and engage with investors more efficiently, says Proxymity.

The platform allows shareholders more time to research, cast votes and receive confirmation that their vote was cast at the meeting, it adds.

Dean Little, co-founder and CEO of Proxymity, says: “Investors and issuers alike will benefit from our tested and trusted technology, which will provide unrivalled transparency while stimulating investment in the country. Launching Proxymity Vote Connect Total in this market is a significant step in our mission to reinvent investor communications globally.” ■

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DTCC's T+1 IWG begins testing cycle

DTCC's T+1 Industry Working Group (IWG) has begun its first T+1 testing cycle.

Test Cycle 1 consists of free-form testing and corporate actions scenario testing, and will continue until 25 August 2023. The second test cycle will take place between 28 August and 8 September.

A total of 21 test cycles are scheduled in the lead up to the T+1 implementation date. The testing environment will continue to be available for three days after 28 May 2024, with minimal testing support during the conversion week.

David Kirby, securities practice head at DTCC Consulting Services, comments: "Testing is a key part of any T+1 readiness programme, regardless of where firms sit in the securities lifecycle. Firms with well-developed testing programmes for accelerated settlement are well on their way to a successful implementation."

Val Wotton, managing director and general manager for institutional trade processing at DTCC, adds: "Due to the number and magnitude of changes that will be required to achieve a T+1 settlement cycle, it is critical that firms conduct a comprehensive and well-coordinated industry test to ensure readiness and a successful implementation. This includes end-to-end testing from trade execution to trade settlement, involving Institutional Trade Processing (ITP), National Securities Clearing Corporation (NSCC) and Depository Trust Company (DTC) as well as other relevant market infrastructures."

Flexstone Partners picks IQ-EQ for fund administration

Private investment firm Flexstone Partners, an affiliate of Natixis Investment Partners, has appointed IQ-EQ to provide global fund administration and related services. Flexstone will benefit from carry modelling services and access to IQ-EQ Cosmos, the company's portfolio monitoring platform. This service offers investment data visualisation and real-time reporting across multiple asset classes.

To ease the transition process, 72 India-based employees from Flexstone's previous global fund administration provider, MB Fund Administration, have transferred to IQ-EQ. The acquisition of this team, based in Delhi satellite city Noida, will ensure continuity of service for Flexstone, IQ-EQ says.

Flexstone holds more than US $10.1 billion in assets under management and advisory, and provides private equity, real estate, private debt and infrastructure solutions to more than 500 funds worldwide. The firm focuses on hard-to-access small- and mid-cap markets, and services with over 4000 portfolio companies.

Emma Crabtree, group chief commercial officer at IQ-EQ, says: "We're thrilled to have secured this complex global deal with Flexstone. The legacy servicing team will not only significantly expand our growing Indian operations, but [their] in-depth experience working with Flexstone and dedication to service excellence will ensure we're able to exceed expectations from day one. This is an important mandate for our business."

Hans DeWitte, managing partner at Flexstone Partners, comments: "As Flexstone has continued growing — particularly in North America, Europe and Asia — we believe that IQ-EQ is the best partner to help take our business to new heights."

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HSBC announces ETF platform solutions

HSBC has announced the launch of its new end-to-end platform, providing asset servicing solutions to exchange-traded funds (ETF) issuers globally.

The platform grants users access to HSBC's Markets & Securities Services capabilities, including custom net asset value attribution analysis, portfolio composition file production and order management.

As part of the roll-out of ETF Platform Solutions, HSBC has partnered with Calastone to provide an ETF order management system.

Using Calastone's cloud-based Distributed Market Infrastructure, the new ETF order management system aims to deliver real-time processing and monitoring capabilities to ETF issuers throughout the ETF creation and redemption life cycle.

HSBC's digital data integration interfaces intend to output live analytics to ETF issuers and authorised participants as order executions are completed.

Fiona Horsewill, global head of securities services at HSBC, says: "ETF Platform Solutions is tailored for ETF issuers using the full breadth of HSBC's securities services capabilities. The scale and connectivity of our platform will cover the entire ETF ecosystem, so ETF issuers and authorised participants can benefit from improved operational and infrastructure efficiency in processing large volumes of ETF orders across our global footprint."

Taskize and Xceptor partner on trade affirmation service

Taskize and Xceptor have partnered to improve counterparty experiences and improve operational efficiencies for financial institutions and energy firms.

The partnership aims to streamline the management and auditing of correspondence methods, increasing trade volumes and improving efficiency within large confirmation analyst teams — while reducing costs and the risk of financial loss.

Xceptor's trade data affirmation, delivery and exchange platform, Xceptor Confirmations Solution, will integrate with Taskize. Clients will be able to reduce their volume of operational emails, improve clarity and provide real-time management information through the partnership, the firms say.

The partnership comes in response to increased regulatory pressures for Xceptor customers, and is designed to manage unlisted securities that fall into dispute or require manual chasing or affirmation.

Michiel Verhoeven, CEO of Xceptor, says: "Historically, financial services and energy firms have risked financial loss through unsettled trades, experienced a lack of auditability and transparency across correspondence with counterparties, and spent costly analyst time on low value activities such as chasing.

"This integration with Taskize addresses these challenges in multiple ways. By providing counterparties with a better user experience, there is more scope to drive traffic to the business, reduce costs and risk, and confirm trades even where there is no common data structure."

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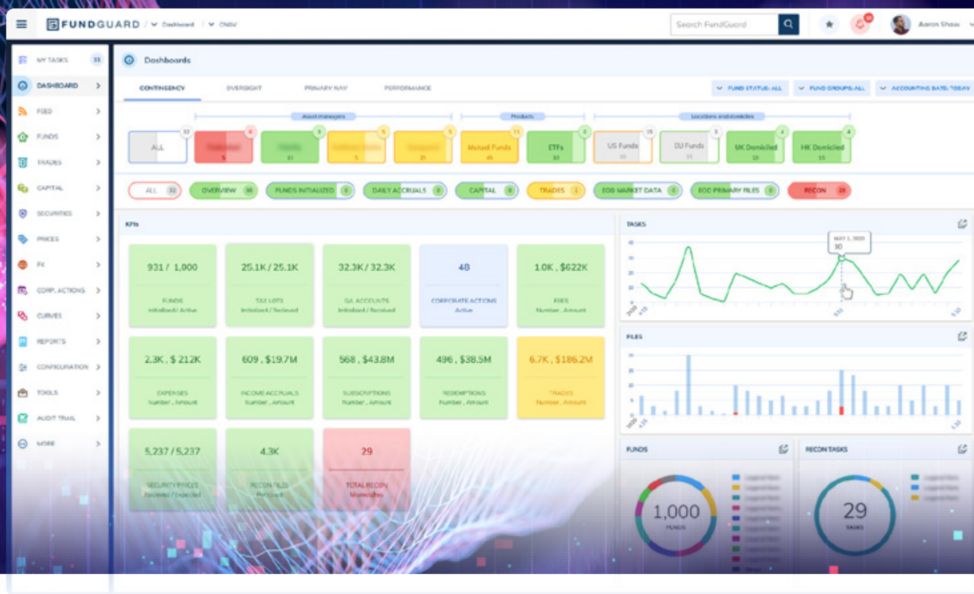

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Philip Slavin, CEO of Taskize, adds: "With counterparties streamlining all communication into this real-time trade affirmation service they can affirm on T+0, thereby drastically reducing the risk of financial loss from economic breaks on complex trades that currently appear at T+3.

"Moreover, in instances where a break has led to trade failure, the supply of evidence of all relevant conversations acts as invaluable analysis for assessing whether full preventative action was taken.

"Companies can continue leveraging Xceptor's tools and interface, while they and their counterparties benefit from Taskize's collaboration and resolution workflow technology."

MAS releases stablecoin regulatory framework

The Monetary Authority of Singapore (MAS) has established a regulatory framework for stablecoins. The framework follows feedback from MAS' October 2022 public consultation on the topic, and aims to ensure a high degree of value stability for stablecoins regulated in Singapore. It applies to single-currency stablecoins (SCS) issued in Singapore and pegged to the Singapore Dollar or any G10 currency.

Stablecoin issuers must meet certain requirements in order to apply to be recognised by MAS and considered 'MAS-regulated stablecoins'. These requirements include the provision of appropriate disclosures to users, the maintenance of minimum base capital and liquid assets and redemption at par, by which the par value of SCS must be returned to holders within five business days of a redemption request.

Additionally, SCS reserve assets must align with requirements on composition, valuation, custody and audit in order to provide assurance of value stability.

Ho Hern Shin, deputy managing director for financial supervision at MAS, says: "MAS' stablecoin regulatory framework aims to facilitate the use of stablecoins as a credible digital medium of exchange, and as a bridge between the fiat and digital asset ecosystems. We encourage SCS issuers who would like their stablecoins recognised as 'MAS regulated stablecoins' to make early preparations for compliance." ■

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Could climate change trigger another global financial crisis?

While the outlook may seem dire, the world has the ability to limit the extreme impacts of climate change-related financial shocks, says Ortec Finance's Russ Bowdrey

Predicting the ebb and flow of the global financial markets can often be likened to gazing into a crystal ball. This outlook becomes even more opaque when climate change impacts are thrown into the mix. One possible future, however, is that the climate transition's reshaping of the global economy may trigger a global financial crisis.

Signs of this can be seen from the accelerating financial impact of climate change as we inch ever closer to the threshold of 1.5°C from the current warming level of 1.2°C. Evidence of global warming was further cemented in the first week of July when the hottest average global temperatures were recorded over two consecutive days.

As history shows, the triggering of a financial crisis is not a linear process but rather the convergence of many different factors. So too would it be with a possible climate change-triggered financial crisis.

Investment

Governments, businesses and individuals are all having to invest significant resources into activities to adapt to climate change, not least of which include transitioning to renewable energy, building climate-resilient infrastructure and implementing sustainable business practices.

As the climate crisis becomes more pronounced, the potential for these initiatives falling behind becomes critical — not only for the planet, but for investors too. Should this happen, instability in the financial markets may follow, particularly where asset owners or managers have made net-zero commitments. These well-intentioned commitments could, if not carefully managed, have unintended consequences.

The destruction of infrastructure, businesses and homes seen from more frequently occurring intense weather events is adding to this financial burden of adapting to climate change. Not only in terms of the costs associated with rebuilding infrastructure and businesses, but also through the likely rise of insurance premiums in the coming years — to the extent that they could become unaffordable for businesses or individuals. This, in turn, could reduce the effectiveness of insurers providing a vital buffer to the financial system.

Worse than the Great Depression?

As the world continues its transition to a low-carbon economy, investors could be forced to shift away from fossil fuels and other so-called 'dirty', carbon-intensive businesses. This disinvestment, driven by policy changes, may cause assets, many of them globally significant, to become stranded.

Similarly, in the race towards net-zero, some investors may begin dumping shares in companies deemed not to be on track with their decarbonisation strategies and, thus, cause significant market dislocations if the volume of sellers significantly outweighs sellers.

The reality is that there is a strong interconnectedness between each of these scenarios and, as such, we could see them play out in tandem. The escalating pressure on national treasuries, prime brokers and banks coupled with market devaluations and deepening financial instability is a recipe for an economic calamity that could have greater ramifications than the 2008 Financial Crisis or even the Great Depression.

"While the outlook may seem dire, the world does have the ability to avoid, or at least limit, the most extreme impacts of climate change-related financial shocks"

Cause for hope

While the outlook may seem dire, the world does have the ability to avoid, or at least limit, the most extreme impacts of climate change-related financial shocks. Being the largest custodians of capital, financial institutions including pension funds, insurance companies, sovereign wealth funds, asset managers and banks will have a vital role to play.

If financial institutions are to steward the global financial system through what is likely to be an utterly profound enviro-social economic event, it is paramount that they fully assess and understand all the risks and opportunities associated. How well positioned is a portfolio to weather a climate-driven liquidity crisis? It is equally crucial that they integrate climate change into risk management frameworks and evaluate the potential impact on their portfolios. The value placed upon climate scenario analysis and modelling has led to it becoming mainstream within financial services as an effective tool to better prepare the financial system to withstand severe shocks.

The recent launch of the first system-wide exploratory scenario (SWES) exercise by the Bank of England, working in conjunction with the UK Financial Conduct Authority, is evidence of this momentum. The SWES will improve our understanding of how banks and non-bank financial institutions behave during stressed financial market conditions, with a particular focus on liquidity and how this may change during these periods.

While an answer to the question of if, how and when a climate change financial crisis will unfold remains elusive, financial institutions that invest more resources into scenario planning and climate risk management will ensure that they are more prepared to deal with such an eventuality. This is the strength of using climate scenario narratives to understand climate-related risks.

As the poet Maya Angelou once said, we are "hoping for the best, prepared for the worst, and unsurprised by anything in between." ■

To Rewrite or not to Rewrite is no longer the question

Big changes are afoot in the European compliance space — they will come from the west and sweep their way east. All will change, affirms Paul Rennison, director of product management at deltaconX

Dramatic licence aside, the coming years will bring enormous changes for those involved in compliance and regulatory reporting. The programme of global regulatory rewrites aims to create a more stable and sustainable global financial system, while promoting economic growth and increasing transparency to protect consumers and investors. At the start of the wave is the Commodity Futures Trading Commission Rewrite, from the US. From Europe, the EMIR REFIT will follow, and we'll end with MAS, HKMA and ASIC from Asia.

What will the new reporting landscape look like when the waters subside? What could be swept away?

As the Chinese proverb says: 'May you live in interesting times' — that we certainly do.

The methods behind how firms report and how they are assessed will completely change, from regulator to firm and back to regulator. We'll also witness an increase in the use of modern technologies, especially AI.

However, like a trip to the doctors, there is often pain before the medicine is prescribed, and a cure is seldom instant.

Similarly, in the financial markets, while firms may face short-term challenges in an effort to adapt to these changes, the long-term benefits can outweigh the costs.

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These changes have been influenced by several key drivers including:

Technological advancements: Rapid technological progress has significantly disrupted traditional industries and created new ones. Technologies like AI, blockchain and big data analytics have changed the way businesses operate — necessitating updated regulations to address potential risks and opportunities.

Globalisation: The increasing interconnectivity of economies has resulted in a higher degree of cross-border trade and investment. This demands more harmonised and efficient regulatory frameworks to ensure global financial stability while minimising the risk of regulatory arbitrage.

Lessons from past crises: The 2008 Financial Crisis exposed weaknesses in existing regulatory systems, leading to a renewed focus on enhancing financial stability, tightening the oversight of financial institutions and strengthening investor protections.

Evolving societal values: The growing focus on ESG issues, such as climate change and income inequality, has led regulators to integrate these concerns into their rule-making processes.

Cost: It is very expensive for global firms to meet their regulatory obligations, as they have to maintain multiple separate data sets collected from multiple source systems. It has become a high risk and high cost to monitor, manage and maintain these ecosystems.

Lack of efficiency: The current reporting architecture is inefficient and doesn't support its primary goal, which is to ensure that the regulators have a clear line of sight across the trading positions of their members and are able to take quick action if alarms are triggered.

Standardisation and harmonisation

The industry drive toward standardisation has been led by the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO). They have been working together to standardise regulatory reporting to increase the efficiency, transparency and stability of financial markets.

Their aim has been to standardise and harmonise the framework for reporting, with the express goal of removing the inefficiencies and isolation of each reporting regime.

The key areas intended to be enhanced are:

Harmonisation: Creating a globally consistent framework for reporting, therefore reducing the differences between jurisdictions and making it easier for market participants to comply with regulations.

Data quality: The standardisation process aims to improve the quality of reported data by providing clear guidance on reporting requirements and data definitions.

This would enable regulators to better monitor and analyse the risks associated with financial market activities.

Timeliness: With standardised reporting, regulators can access data quickly and efficiently, enabling them to respond to emerging risks and challenges in a timely manner.

Risk reduction: By having a clear and standardised reporting framework, financial market participants can better understand and manage their risks, leading to greater overall stability in the financial system.

It's all about the data

The introduction of standardised data definitions, or common data elements (CDEs), is a central tenet of the route to standardisation which the industry should laud. The macro intentions are sound and will lead to a more sensible regime, in time.

However, while the introduction of CDEs into global regulatory transaction reporting can offer several benefits to firms, there are some potential negatives that need to be considered.

These include:

Implementation costs: Adopting CDEs may require firms to invest in new systems, tools or technologies to ensure their data is consistent with the standardised definitions and formats. This can lead to substantial upfront costs, particularly for smaller firms with limited resources.

Staff training and expertise: Firms may need to invest in staff training and development to ensure employees are knowledgeable about the new data standards and reporting requirements. This can be time consuming and may divert resources from other strategic initiatives.

Data integration and transformation: Firms may face challenges in integrating CDEs into their existing data systems, particularly if they have multiple legacy systems or data silos. This will require significant effort to ensure data consistency and accuracy while avoiding duplication and errors.

Ongoing maintenance and updates: Regulatory reporting requirements and data standards are subject to change. Firms will need to stay up-to-date with any revisions to CDEs and adapt their systems and processes accordingly, which can be resource-intensive.

Loss of proprietary information: In some cases, the adoption of CDEs may require firms to share proprietary information or unique data elements with regulators, which could raise concerns about competitive advantages or intellectual property protection.

Privacy and data security concerns: The increased standardisation and sharing of data through the use of CDEs may raise concerns about data privacy and security. Firms will need to ensure that they have robust data protection measures in place to comply with relevant regulations and safeguard sensitive information.

Limited flexibility: While CDEs aim to simplify and harmonise reporting requirements, they may not adequately address the unique needs or circumstances of individual firms or industries. This could lead to a one-size-fits-all approach that does not fully capture the specific risks or nuances of certain market participants.

Short-term impacts of implementation include:

Increased compliance costs: Firms may face higher compliance costs as they adapt to new regulatory requirements. This could involve investing in new technology, updating internal processes or hiring additional staff.

Enhanced stability and resilience: New regulations aimed at promoting financial stability and reducing systemic risk can help create a more resilient business environment.

Improved market access: Harmonised regulations can facilitate cross-border trade and investment, creating new opportunities for firms to expand their global footprint.

Shift in business models: Firms may need to re-evaluate their business models and strategies in response to new regulations. This could lead to new market opportunities or the need to pivot to different industries or sectors.

"AI has driven harmonisation and standardisation globally. It has also underpinned a move toward more prescriptive models. Its presence has already helped regulators to analyse data at a greater speed, enabling patterns to be detected earlier"

The role of AI

Rewrites have been introduced to drive ambiguity out of reporting by increasing the number of fields being reported. They have also been introduced to standardise how fields are described. This will increase the amount of data that regulators are going to have to monitor and analyse — this is where timing and advances in technology can combine their strengths. Regulators, like all firms, are utilising AI technology to improve both the amount of data they can survey, but also to increase their options for the speed and depth of their analysis.

AI has driven harmonisation and standardisation globally. It has also underpinned a move toward more prescriptive models. Its presence has already helped regulators to analyse data at a greater speed, enabling patterns to be detected earlier. This will only continue.

Regulators are also leveraging AI to reduce systemic risk. By employing AI techniques, they can identify potential risks or compliance issues and make more informed decisions.

The key areas intended to be enhanced are:

Anomaly detection: AI algorithms can automatically detect unusual patterns or outliers in transaction data that may indicate potential market abuse, fraud or other irregular activities. This allows regulators to identify potential risks and take corrective action at a faster rate than previously possible.

Network analysis: Regulators can use AI-powered network analysis tools to map out relationships and connections among various market participants. This helps them understand the interconnectedness of the financial system and identify potential sources of systemic risk.

Risk modelling and prediction: AI techniques can help regulators build more sophisticated risk models to predict potential risks and vulnerabilities in the financial system. By incorporating advanced analytics and machine learning, these models can provide more accurate and timely insights for regulatory decision-making.

Supervisory automation: AI-powered tools can automate certain aspects of regulatory supervision, such as monitoring compliance with reporting requirements or analysing financial statements, enabling regulators to focus their resources on more complex or high-risk activities.

Regulatory reporting: AI can help regulators streamline their own reporting processes, making it easier for firms to submit accurate and complete data. By improving data quality, regulators can enhance their ability to analyse transactions and identify potential risks.

Cross-border data sharing and collaboration: AI can facilitate data sharing and collaboration among regulators in different jurisdictions, enabling them to identify and address global systemic risks.

What's ahead?

We are just at the start of AI's journey, and no one can be sure where it will lead. In the short term it will add strings to the regulators' bow, ensuring a clearer view of the systemic risks in our market.

This phase of rewrites has just started, and there is much work to be done. In the long run our goals are sound — we should all benefit from the changes.

However, there are always some pain points after any major operation. ■

"This phase of rewrites has just started, and there is much work to be done. In the long run our goals are sound — we should all benefit from the changes"

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The transition to ISO 20022

Brian Bollen discusses the payments technology landscape and what comes next for SWIFT, banks, brokers, dealers and custodians

We live in a new era of transformation for payments technology. The combination of regulation, AI and telecommunications speed and power is modernising central bank settlement systems to move money in real time. It's paving the way for redefinition of the very phrase 'real time'.

"Payments will become truly instantaneous," states Vinay Prabhakar, vice president, product and corporate marketing at Volante Technologies. "Instant payments in Europe are not currently mandatory; FedNow in the US is not mandatory. But FedNow comes close to being a regulatory mandate, and if a bank doesn't want to be disintermediated by newcomers, they will have to operate 24/7."

At the end of June, Volante Technologies issued a press release reporting that it had powered an unidentified major custodian to complete pilot testing successfully on the FedNow instant payment network. It launched last month.

As anyone who works in the industry can readily testify, the payments technology world has advanced almost unrecognisably since the global financial crisis of 2008. This is sharply demonstrated in its operational shortcomings in terms of transparency and scale, and operational competence. Even internet banking technology that was state of the art a decade ago is starting to look old.

Volante's Prabhakar uses a simple analogy to make his point. "A bicycle frame that was suitable for a seven-year-old rider in 2007 will not be suitable for that same rider as an adult today," he says. "Global payments — the account-to-account transfer of funds — have been the weakest link in the chain.

"It is only now that payments technology is catching up, and not a moment too soon, as the advent of AI, ISO 20022 and instant payments will otherwise place a weighty load on the old frame that it can no longer bear."

Many moons ago, the processing of international money transfers took place using visual display units that granted access to the then nascent SWIFT system. In that antediluvian world, even a telegraphic transfer marked 'urgent' might take five calendar days to process from start to finish.

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> "The industry has no choice but to be compliant when SWIFT's current ISO transition phase completes at the end of 2025"
>
> **Rodolphe Dubost, BNP Paribas**

Today, we face a world in which ISO 20022 enables vast tracts of images and data to travel with individual payments, mainly through mobile networks. This in turn raises the prospect of global macro changes.

"A whole industry developed around the needs for reconciliation of data and analysis, generating new and higher value work for legions of staff," says Volante's Prabhakar. "Today, in a world where payments are now achievable in a fraction of a second, the question is: do we have enough staff?"

Whatever the answer to that question might be, Prabhakar says that the impact of change in technology will be enormous, as the pace of payment capability accelerates and the ability to detect fraud grows.

Keep calm and carry on

Rodolphe Dubost, global head of cash management and liquidity for securities services at BNP Paribas, says that business continuity planning and cyber security are two of the key factors to improve global payments technology. Resilience in these areas is paramount.

Dubost says: "We need to ensure continuity of service to our clients. Our clients want to make payments, often quickly and securely, while complying with prevailing regulations. All the while, we are pursuing a multi-year programme of modernisation for our legacy systems."

The way clients interact with web interfaces is quickly changing, and institutions also have to evolve rapidly and continually, he adds, echoing earlier themes.

"All other considerations aside, the industry has no choice but to be compliant when SWIFT's current ISO transition phase completes at the end of 2025."

His colleague, Jean-Marc Friess, chief digital services officer for securities services at BNP Paribas, highlights the growing role being played by AI in several banking areas including payment services.

In late June, BNP Paribas's Securities Services business announced the launch of its virtual agent, NextGen Online Assistant (NOA). The portal has been designed to help clients find the information they need quickly and efficiently. NOA leverages the latest cognitive technology of Amelia, a specialist in Enterprise Conversational AI.

NOA has been specifically trained for the securities services environment and to interact with the bank's underlying systems, leveraging a set of APIs to ensure reliability and scalability. It is available on NeoLink, BNP Securities Services' main client portal.

Commenting on the portal, Friess says: "NOA is testament to our ambition to deliver a multichannel and digital client experience, in line with the BNP Paribas Group's 2025 strategic plan. NOA's journey has just started. Our virtual agent will continue to grow to support clients throughout the investment cycle."

Transition to ISO 20022

More familiar and less contestable sentiments relating to technology developments have involved payments in one form or another.

Roland Brandli, strategic product manager at SmartStream Technologies, turns to the plastic construction toy Lego for an analogy when asked to describe the industry's current major payments technology issues.

"Every payment type has a different size, colour and shape, and you need to put everything together to execute payments successfully"

Roland Brandli, SmartStream

“Every payment type (payment rails, to use the industry jargon) has a different size, colour and shape, and you need to put everything together to execute payments successfully. You cannot build a roof if the right size and shape of block is missing.”

“Arguably, the biggest current challenge is that all the Lego blocks are changing because of the transition to ISO 20022,” he adds.

Moving on to the topics of T+1 and AI, Brandli comments that “we have had provisions in place for both T+1 and AI for several years now,” stressing the importance of combining the best elements of machinery and human beings to maximise the benefits that AI might deliver through continuous learning and informed supervision.

SWIFT recently published a working paper on preparations for the move to T+1 and instantaneous settlement in financial markets, and industry preparedness for such a change.

In a summary of the paper, SWIFT explains that it covers the various equity settlement technologies and analyses how collateral, stock lending and margin requirements can impact the settlement processes.

The debate on shortening the equity settlement cycle is discussed, along with potential policy recommendations based on industry preparedness.

“The findings of this study will help stakeholders identify gaps in their current settlement processes and develop strategies to meet the demands of accelerated settlement,” declares SWIFT.

It focuses attention on a number of key findings.

There are benefits for brokers and dealers, as well as associated custody businesses including reduced counterparty risk and lower settlement margins. For wealth and fund managers, the main benefit is arguably improved access to funds for custom.

Going forward

Readying firms for STP is essential to improve their ability to comply with accelerated settlements and introduce further efficiency and operational risk reduction.

The arguments for accelerated settlements are strong, with markets such as India already on a T+1 cycle and mainland China using a T+0 cycle for delivery versus payment settlements.

Though SWIFT says: “Our research shows that acceleration can come with significant costs, and, maybe less intuitively, risks — given the need to operate seamless settlement processes.”

SWIFT closes its summary by saying that “clear steps need to be taken to implement the migration to accelerated settlement processes. Automated affirmation and STP levels must dramatically increase to ensure current high levels of settlement efficiency.”

It concludes: “Work needs to be done to remove batch processes, especially overnight batches which will not meet the new deadlines. It is imperative to remove non-standard instructions and paper from as much of the system as possible.” ■

JTC welcomes David Vieira

JTC has appointed David Vieira as group head of sustainability services, replacing Wendy Holley, JTC's first chief sustainability officer.

Vieira will be responsible for delivering JTC's range of sustainability services to clients, with a particular focus on the UK, Europe and US markets.

With more than 20 years of experience in marketing, communications and business development, Vieira joined JTC in 2013 and has held a number of senior roles within the group.

He will continue in his position as chief communications officer where he is responsible for external and internal communications and investor relations.

Wendy Holley will continue in her roles as chief sustainability officer and chief operating officer.

Commenting on his new role, Vieira says: "Having helped shape and deliver JTC's own sustainability framework as a FTSE 250 business in recent years, I'm delighted to take on this additional role, helping to drive a fast-growing, exciting service line for the group."

Holley, who is currently chief operating officer at JTC, adds: "As a well-established member of the leadership team, David is a natural fit for this role, which will enable him to combine his proven commercial business development and marketing skills with his knowledge and passion for sustainability." ■

Services provider Hawksford has appointed Jon Taylor as a director of fund services.

In the Jersey-based role, Taylor will focus on the direction of fund administration and operational activities, covering a range of asset classes and specialising in real estate and venture capital.

Taylor has more than a decade of experience in the industry. He has been with Hawksford since 2017, initially as a funds manager and later as an associate director.

Prior to this, he spent more than three years with State Street Alternative Investment Solutions as a senior fund administrator and later as manager for fund administration and real estate.

Simon Page, global head of fund services at Hawksford, says: "Jon's experience, technical acumen and leadership skills will play a significant part in helping us meet our strategic objectives and his role will be key to driving the growth of our funds business across the globe."

Ocorian has appointed Joe French as managing director and head of financial crime and consulting services.

French has more than 20 years of experience in the industry, and has been with Ocorian's Newgate Compliance Limited since 2017, most recently as a managing director.

Prior to this, he was an assistant director and senior intelligence officer at HM Revenue & Customs, and served as a case officer at the Financial Conduct Authority.

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Andrew Shaw becomes Apex's US country head

Apex has appointed Frederick Shaw as country head of the US. He will be responsible for helping clients to access digital banking, depositary, fundraising services, and ESG ratings and advisory solutions.

Shaw will work closely with Apex's regional leadership team, including recently appointed group president Samir Pandiri, chief innovation officer, regional managing director of the Americas Georges Archibald, and Elaine Chim, global head of closed-ended products.

Shaw has more than two decades of experience in the financial services industry.

He joins Apex from private markets investor Hamilton Lane where he held the roles of chief risk officer and global head of operations.

Prior to joining Hamilton Lane in 2011, Shaw held senior compliance and operational roles in international banks and alternative asset management.

Apex has recently completed the acquisition of Greenhough Consulting Group to bolster its corporate and business services offering for funds and corporates.

Commenting on his new role, Shaw says: "Apex has successfully disrupted the US market, as an independent provider of a compelling single-source solution which supports the entire value chain of a business. I look forward to playing a part in the business' continued success, by leveraging Apex Group's technology and solutions to better address the priorities of our clients."

Archibald adds: "[Fred's] extensive buy-side experience will provide valuable insights into the requirements of our current and future clients and enable us to further enhance their operational efficiency and performance." ■

Commenting on his appointment, French says: "Regulatory demands are increasing rapidly across all jurisdictions and businesses often find it difficult to ensure they remain compliant on a continuous basis, and financial crime is a major focus for regulators worldwide. I [will] continue to support clients with pragmatic and flexible solutions, building on the wide range of services provided by Ocorian."

Ricky Popat, director of regulatory and compliance at Ocorian, adds: "Joe's appointment and our growing financial crime team emphasises our focus on this area. We know that many clients including family offices struggle to source regulatory support, so we're delighted to be able to enhance our services to clients with particular emphasis on digital assets."

Roland Bednar has left his position as custody and sales manager at Raiffeisen Bank International (RBI).

Bednar's role at RBI included providing securities custody, brokerage and fund administration services, and managing client relationships with financial institutions in CEE, SEE, Cyprus and Raiffeisen Branches in the RBI Group. He has held the role since November 2021.

Prior to his role at RBI, Bednar was custody relationship manager at Czech bank CSOB, where he supported the US Internal Revenue Service Audit and handled technical process automation of the bank's vault reconciliation.

He has also worked with Clearstream as a treasury analyst, and spent more than three years with the RSC Raiffeisen Service Center. ■

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