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# Changing the landscape

**David Baxter on how his company T-Scape has developed over the last decade and what more is to come**

## Standing Strong

**SEB's Ann Magnusson outlines the bank's past, present and future**

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## Lead news story

# DTCC agrees to acquire Securrency

DTCC has signed an agreement to acquire Securrency, a developer of digital asset infrastructure.

As part of the mandate, Securrency will become a fully-owned subsidiary of DTCC and will operate under the name DTCC Digital Assets.

The acquisition, which is expected to close within the next few weeks, will enable DTCC to further embed digital assets within its existing products and services.

Nadine Chakar, CEO of Securrency, will join DTCC as managing director, global head of DTCC Digital Assets, reporting to Lynn Bishop, DTCC managing director and chief information officer. Chakar will also join the DTCC management committee.

In addition, Dan Doney, chief technology officer of Securrency and its co-founder and chief operating officer John Hensel, will become DTCC employees. Additionally, other members of the Securrency leadership team, as well as approximately 100 Securrency staff, will become employees of DTCC.

DTCC also plans to provide global leadership to foster industry-wide collaboration to help avoid fragmentation with different digital technologies and standards. DTCC says Securrency's technology can address this issue "by acting as a DLT-agnostic harmonisation layer that promotes interoperability, liquidity, transparency and security".

By combining DTCC's digital capabilities and Securrency's technology, DTCC will track development of its digital asset platform to take advantage of institutional DeFi.

It will utilise the technology over time to embed digital assets within its existing products and services, while developing new, regulatory-compliant blockchain-based offerings and exploring use cases with buy-side asset managers, broker-dealers and custodians to collaborate on new DTCC blockchain-based solutions. ■

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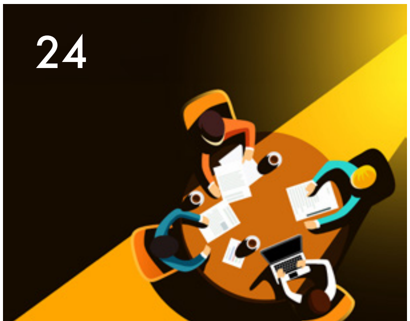

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## Broadridge and TSE connect CONNEQTOR and Xilix

Broadridge Financial Solutions and The Tokyo Stock Exchange (TSE) have initiated a direct connection between CONNEQTOR, TSE's platform for trading exchange-traded funds (ETFs) and Xilix, Broadridge's execution management system (EMS).

The direct connection will enable asset management companies to use CONNEQTOR directly from Xilix, providing more advanced and efficient processes.

Broadridge's EMS solution has a request for quote (RFQ) functionality that enables institutional investors that want to trade a particular ETF at a particular quantity to send out a request-for-quote to a large number of market makers.

Xilix is an EMS equipped with functions for global financial markets. It enables transactions in a variety of asset classes through more than 600 global counterparties. It also houses transaction cost analysis and smart broker allocation.

Launched by the TSE in February 2021, CONNEQTOR is a RFQ platform designed to assist price discovery for ETF securities in Japan.

Through this platform, users can trade ETFs by requesting simultaneous quotes from global market makers, including specialised firms in the US market, and trading at the best price among the real-time prices quoted there to reduce transaction costs and improve operational efficiency for block orders. ■

## Vermeer Partners picks Yealand Fund Services

Vermeer Investment Management Limited (Vermeer Partners), has selected Yealand Fund Services (YFS) to provide its fund administration services.

YFS will also be Vermeer Partners' authorised corporate director (ACD).

Established in 2018, Vermeer Partners is an independent investment management business for private clients, charities, trustees and professional advisers.

Vermeer Partners has four funds in the new YFS Vermeer Partners Portfolio Fund range.

YFS is a hosted ACD fund management company, set up in 2008.

Rob Leedham, CEO of YFS, says: "We are pleased to partner with the team at Vermeer and look forward to supporting them on the next phase of their growth."

Simon Melling, CEO of Vermeer Partners, comments: "We needed a place where, through hard work and a love of what we do, we could make the most of our experience.

"Collectively, we wanted to continue to hone our investment skills and approach, pass that onto our next generation of investment managers, all with the goal of achieving the best results for our clients now and for their future." ■

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## VentureSouq picks SS&C GlobeOp

Venture capital fund manager VentureSouq (VSQ) has selected SS&C GlobeOp to provide its fund administration services for its fintech range.

The mandate includes the fund administration of two funds, one management company and four co-investment vehicles.

As part of the agreement, VSQ will also use SS&C GlobeOp's private markets fund services to support its treasury, investor services, process workflow and accounting solutions.

Additionally, the fund manager will utilise SS&C's automated payment system, distribution and investor notices processes.

Established in 2013, VSQ manages thematic funds, with a current focus on fintech and climate technology.

GlobeOp, a business division of SS&C Technologies, is a global provider of cloud-based fund services, technology and mobility-enabled infrastructure for hedge funds, fund of funds, private equity and managed account managers. ■

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## AP3 and AP4 choose SimCorp for portfolio management

Swedish national pension funds AP3 and AP4 have selected SimCorp for portfolio management.

As part of the agreement, SimCorp will provide a front-to-back, software-as-a-service (SaaS) system covering the entire investment management value chain.

AP3 and AP4 are two of five buffer funds in the Swedish public pension system. Collectively, they hold approximately €100 billion in assets under management.

SimCorp's system is based on a data-centric architecture to facilitate long-term success in uncertain markets. An Investment Book of Record is integrated into the system, and an end-of-day holding is provided in an Accounting Book of Record.

The system provides functionality around alternative investments, performance and risk. In partnership with Axioma, a holistic portfolio risk overview covering both public and private assets will be available. This is pertinent given the funds' investments in unlisted assets, Simcorp says.

A number of key areas were identified by AP3 and AP4 during the portfolio management system procurement process. These included back-office and accounting services for financial assets, front-office operations and middle-office data and analysis capabilities in order to provide data management, analysis and portfolio valuation.

Additionally, investment compliance, the ability to incorporate alternative investments and performance analytics insights were highlighted as key requirements. The ability to provide risk analytics for risk control, analysis and reporting were also considered. ■

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## Finland's Aktia selects Temenos for payments services

Finland's wealth manager bank Aktia has selected Temenos to modernise its domestic and cross-border payments capabilities.

Aktia already runs on Temenos for core banking and specialises in asset management, banking and life insurance.

As part of the new mandate, Aktia has adopted Temenos Payments Hub to support the introduction of pan-European instant payments and consolidate all payment rail processing onto a single platform.

The Temenos platform allows for faster and lower cost updating and maintenance, while enabling Aktia to deliver high levels of straight-through processing.

Temenos has recently certified for the FedNow programme in the US, and signed a mandate with global payments provider Convera to modernise its payments infrastructure in the cloud. ■

## Generali Investments Holding picks Fenergo for CLM

Generali Investments Holding has selected Fenergo's software-as-a-service client lifecycle management (CLM) tool to enhance its anti-money laundering (AML) compliance processes. The decision to further develop AML provisions has been prompted by an increase in the quantity and sophistication of money laundering incidents following Russia's invasion of Ukraine, Generali Investments states.

Fenergo's end-to-end CLM solution includes onboarding, know-your-customer and transaction monitoring. Generali Investments Holding will use data from the latter two operations to continually monitor for unexpected risks and events, detecting and flagging suspicious activity on a real-time basis. In using Fenergo's solutions, the company adds that it will also be able to reduce time spent on false positives.

Fenergo's solutions will improve cost optimisation and resource efficiency for investors, the company says. Fenergo will manage the operational steps to create a mandate for investors during the onboarding process, and users will be able to digitally interact with their data in real-time through the Generali Investments ecosystem. ■



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## State Street launches StreetFX

State Street has launched StreetFX, an automated workflow solution integrated with DTCC within its foreign exchange (FX) trading service.

The initiative is part of preparations for the US equity market's move to a T+1 settlement cycle, expected to go live on 28 May 2024.

By connecting to DTCC Institutional Trade Processing and CTM, its central trade matching platform, StreetFX is able to receive settlement instructions from DTCC ITP for match-agreed CTM transactions.

StreetFX then automatically executes the FX trade needed to fund the purchase or sale of the related securities translation at the next scheduled execution time, designated by the client. This streamlines the FX lifecycle and allows for a faster, no-touch post-trade processing workflow, State Street says.

If used alongside DTCC's CTM Match to Instruct workflow, the platform can execute the necessary FX trade shortly after the securities trade's affirmation and staging at the DTCC for T+1 settlement. ■

### ESMA and EBA publish guidelines consultation paper

The European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) have released a consultation paper on two draft joint guidelines under the Markets in Crypto-Assets (MiCA) regulation. Considering issuers of asset referenced tokens (ARTs) and crypto-asset service providers (CASPs), the guidelines outline suitability assessment criteria both for members of the issuer's management body and shareholders and members, whether qualifying holdings are direct or indirect.

These assessments will ensure that members have the appropriate knowledge, skills and experience for their roles, along with sufficient time to perform their duties. They will also verify the reputation, honesty and integrity of potential members.

By providing clarity and harmonisation on assessment criteria, the risk of arbitrage in rule application will be reduced, ESMA says. It adds that the initiative will also help to foster and protect integrity and trust in crypto-asset markets and related services.

Comments on the consultation are being accepted until 22 January 2024. ■



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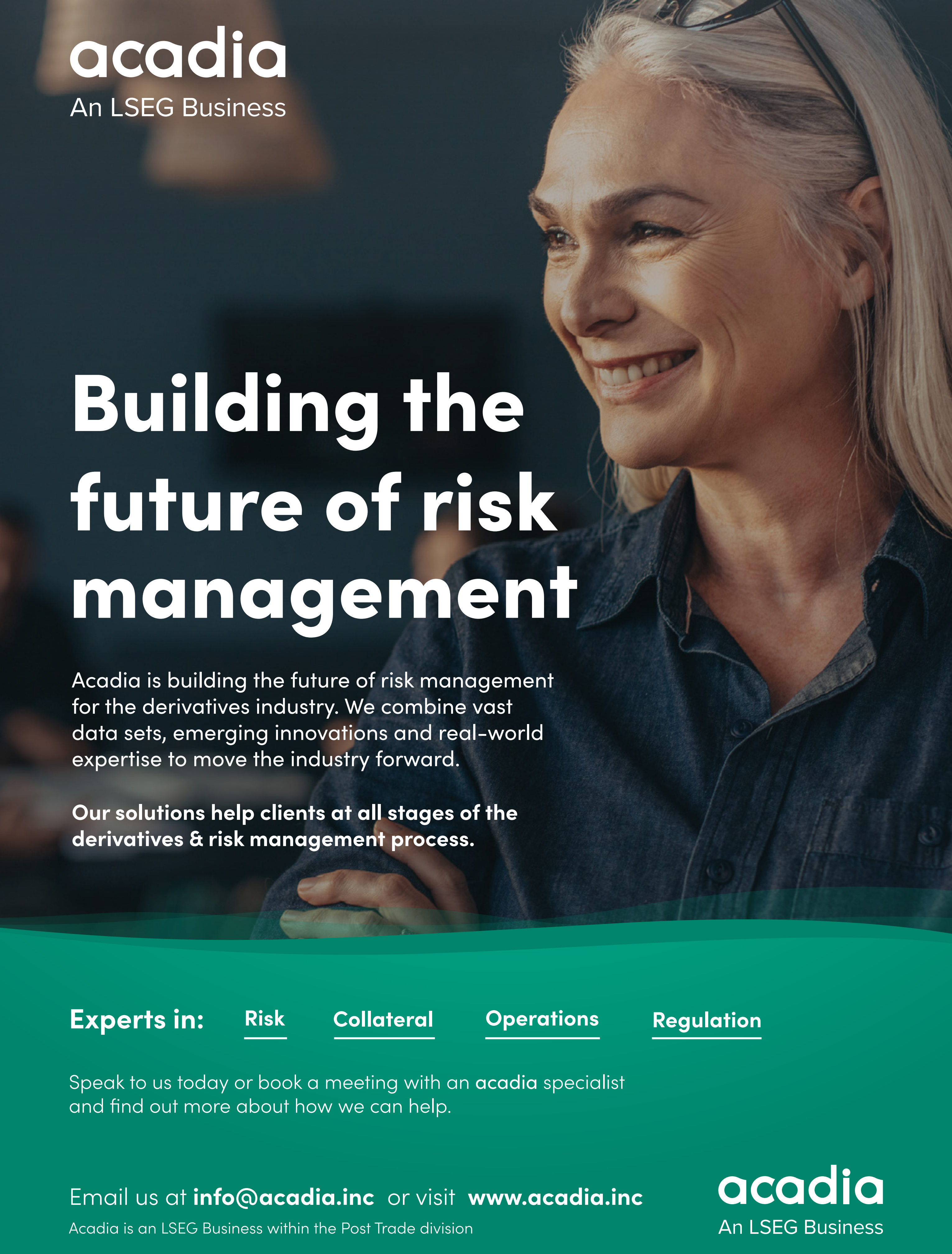
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### Euronext Clearing continues VaR-based margin methodology rollout

Euronext Clearing has launched a value at risk (VaR)-based margin methodology for Euronext Milan equities, ETF and financial derivatives markets. This follows the launch of the methodology for Italian equity, ETF and equity derivatives markets on 16 October.

The VaR-based margin methodology was made available for Italian, Portuguese, Spanish and Irish government bonds on MTS and BrokerTec cash and repo platforms in 2022.

Rolling out the methodology as a replacement of MARS, Euronext's SPAN-type model, contributes to the company's ongoing 'Growth for Impact 2024' initiative, which aims to migrate all Euronext cash equities to Euronext Clearing over the course of the following year.

Euronext states that this implementation demonstrates alignment with industry best practices, and will serve to improve risk management functions, client safety and efficiency. ■

### Meritsoft reveals new platform for post-trade automation

Meritsoft has launched a platform for process automation capabilities. The platform is designed to support firms' post-trade processing requirements including fails management, financial transaction taxes, Central Securities Depositories Regulation penalty management and claims management. In addition, the firm says the platform will deliver greater operational efficiency gains and cost optimisation opportunities.

Data generated by the platform can be interrogated by machine learning engines and artificial intelligence tools to enable predictive analytics and improve overall performance, according to Meritsoft, a Cognizant company. ■

# Changing the corporate actions landscape

Celebrating its tenth year in the business, T-Scape has gone from strength to strength since it was established in 2013. Managing director David Baxter talks to Jenna Lomax about how the company has developed over the last decade and what more is to come

T-Scape is a UK-based, privately-owned financial technology company, providing the market with corporate action and regulatory compliance solutions.

David Baxter, joint owner and managing director of the company, takes this particular opportunity with Asset Servicing Times, to talk about T-Scape's 10-year journey, outline the services it provides and discuss its flagship product iActs. He also touches upon some of the hurdles currently facing the corporate actions industry and how he thinks they may be overcome.

Returning to the start and explaining how T-Scape came to be, Baxter outlines: "Back in 2013, we felt there was a gap in the market with regard to corporate action processing on the buy-side, particularly with respect to asset management and wealth management firms. At that time, the corporate action industry had consolidated to a point where very few corporate action solutions actually remained on offer to the market. Those that did seemed to give very little thought to creating a product that ran seamlessly between the front and back offices. Throw in the fact that many of these systems had started life shortly after the introduction of ISO 15022 in 1999, we concluded that the time was right to bring a new system to market.

"We had a lot of experience in and around corporate actions, including working with some of those remaining solutions, and though we knew we would be starting from scratch, we thought we could provide a much better alternative — a solution unburdened by legacy code and one designed with the needs of the buy-side in mind."

T-Scape's flagship product is iActs, which was initially developed to support the key corporate action processes. It has now evolved to support iActs VM (Vote Manager) and iActs SID (Shareholder Identification Disclosure), both of which help deliver Shareholder Rights Directive (SRD) II compliance.

"Our story didn't really get going until the release of iActs Version 1 in 2016," explains Baxter. However, its success paved the way for what was to come. As well as opening the door for the front office to engage in the processing of corporate actions, its success resulted in further iterations catering to all aspects of the corporate action process.

Baxter adds: "Since then, it's gone on to support SRD II through iActs VM and SID, and we are also about to introduce iActs L-Amend to aid the internal processing of loan amendments within the syndicated bank loan space."

## iActs Corporate Actions

iActs Corporate Actions, or iActs for short, is an application developed to support the processing of corporate actions from receipt of announcement messages, through the gathering of elections and dispatch of instructions, to the calculation and posting of entitlements to internal systems.

Baxter asserts: "It was initially developed to provide a window through which portfolio managers, traders and others in the front office of buy-side organisations could view corporate actions and act on those requiring attention, namely elective corporate actions.

"[This window] de-risked an operation that was dependent upon e-mail and manual re-key which provided the transparency that the front office didn't have. We knew from the start that if iActs was going to be a success we'd need to get buy-in from the front office. The key to that was user experience.

"Having started my career in the city, working in the fund management world, I knew that we'd need to provide a very good user experience to get that buy-in. As such, we spent a lot of time working through every aspect of those front-office requirements, not just the 'needs' but also the 'wants'. The biggest front-office usage is by a European client of ours, which has approximately 400 portfolio managers digitally engaging with the operations team through iActs. Feedback has only ever been positive."

Another key aspect to iActs useability was the introduction of visual indication and alerts, rather than the more typical exception-create model, "to bring those things requiring attention to the user as and when required," says Baxter.

"When we began our venture, we were aware that corporate action solutions were largely built around the creation of exceptions. These exceptions actually became processing items themselves and had the effect of increasing workloads. We felt that through the use of filtering, in combination with visual alerting techniques such as red, amber, green (RAG) indication, we could achieve the same without increasing workloads."

When asked how iActs differs from its competition, Baxter outlines: "If I were to pick a few things, I'd look at useability and how that's enabled us to provide the seamless integration between front and back offices. We've spent a lot of time ensuring that we provide the best user experience we can over the years. In fact, we are currently reviewing our user experience again as we build out iActs Version 3.

"iActs is a relatively young application in comparison to most, if not all of its contemporaries, some of which would have started life some 20 or so years ago, with the advent of ISO 15022. Housing legacy technology is a real danger and becomes limiting for the provider, in terms of their ability to adapt and evolve products."

Baxter adds: "What you might see is the introduction of new code being 'bolted' on to extend the life of the legacy system. This can introduce new problems for the solution provider with respect to ongoing support and maintenance, compatibility between systems and the upgrading of each. Inevitably this will add financial cost which in all likelihood will be passed back to the client. As a double whammy for clients, lead-times will likely increase. This means longer waiting times for issues to be fixed, enhancements to be made, and new features to be added."

"iActs has previously been brought in to replace legacy and also competed successfully to win business against solutions of this type. So, legacy is something we are very well aware of, and as such, we regularly review our technology and are not afraid to change things if necessary. iActs Version 3 is testament to that.

"When we tell potential clients that they'll be future-proofed with iActs, we really do mean it."

## Overcoming the hurdles

Discussing other industry frustrations, and what major changes have been made in the industry, particularly in the area of corporate actions, Baxter is frank. He asserts: "I would like to say there's been a monumental shift, and the processing of corporate actions has moved on in leaps and bounds, but I can't."

He adds: "The same problems that existed then exist now, such as the misuse or misinterpretation of standards, not just ISO 15022 but now ISO 20022 also. There's also a large group of players, like issuers, that remain outside — or at best at the periphery — of the corporate actions' ecosystem.Additionally, automation is high in places but low in others. And one thing that's particularly disappointing is that so-called 'innovations' tend to be old ideas, just repackaged by different factions with the latest fashion accessory. Client services also seem to be a little lacking. It's as though good service has become the exception rather than the rule."

Baxter surmises that the first stepping stone to overall improvement would be to "expand the corporate action market, so that all organisations actively involved in the process can benefit from the existing infrastructure we have in place." There will be barriers to overcome, he adds, but these need to be addressed for the improvement of the market overall.

"I'd certainly be pushing for issuer engagement through digital means — get this right and the benefits to the market would be telling," Baxter goes on to say. "We've been talking about this for years but the will just doesn't seem to be there with respect to those who could make this happen. Given corporate actions is an issuer-driven market, surely if we provided them with a platform through which they could begin the process, the efficiency gains across the market as a whole would be huge. New opportunities would arise, and the corporate action ecosystem really would become all inclusive."

"Of course, we have AI, distributed ledger technology and other innovations available that could be used to go forward. But for now, I'd focus on the infrastructure we have in place, and growing the corporate action market for all to benefit."

## iActs SID (Shareholder Identification Disclosure) & iActs VM (Vote Manager)

Among T-Scape's products sits iActs SID and iActs VM. iActs SID enables an organisation in receipt of a shareholder disclosure request, to begin the response process immediately, in compliance with SRD II. iActs SID validates and disseminates the request, extracting key information, and pulls the relevant shareholder positions — often working to stipulated thresholds. It offers these to the user for review, before translating the information into a prepared format for dispatch back to the issuer appointed agent.

"The primary client concern is the speed of response, given that the directive stipulates an expected 24-hour turnaround," explains Baxter. "With iActs SID, responses can be readily available for dispatch within minutes."

iActs Vote Manager works in a similar fashion to corporate actions, with meeting announcements being interpreted, key information (such as deadlines) stored, and position information retrieved. This data is then presented to front-office users for them to vote on resolutions before these are instructed to the relevant receiving agent.

"Both iActs components —SID and VM — not only help organisations achieve SRD II compliance but have significantly improved and simplified the processing of votes and disclosures," affirms Baxter. "One user of SID mentioned the system was so easy to use he thought he was doing something wrong. User experience is key!"

## Plans for the future

Discussing the last 10 years, Baxter says: "It's interesting looking back to when we started our journey, compared to where we are now; I do so with pride. Through self-funding and no outside investment, we've managed to develop the company organically. I'm not sure just how easy that would be if we were starting out today. The last five years in particular have been intense. During this time, we've completed a restructuring of the company, we have upgraded our development and client services team, delivered iActs Version 2 across our client base and developed three new products in the process. Most of this, of course, ran parallel to our navigation of an unprecedented global event."

Baxter affirms that these challenges enabled T-Scape "to establish the right conditions for the company's future growth." In the coming months, Baxter says the company will be focused on the continued development of iActs Version 3 and the launch of iActs L-Amend.

With regard to the latter, he confirms: "It's a new market for us, but one within which we think iActs will add significant value. Importantly, it's the first application to be developed on the iActs Version 3 platform and has laid the foundations for the migration of iActs Vote Manager, iActs Corporate Actions and iActs SID as we move into 2024.

"As you can imagine, we're really excited about bringing new features and functionality to these applications to further improve processes and user experience. 2023 has been our best year to date, but none of it could have been achieved without our clients who we will continue to serve with a level of quality that we hope is second to none. A big thank you to them."

When asked if there is anything else Baxter wishes to convey to the reader, he concludes: "For those with an interest in any of the iActs suite of products, please get in touch. We'd be happy to provide demonstrations of our products.

"It's a really exciting time to be part of the T-Scape world.". ■

**"One thing that's particularly disappointing is that so-called 'innovations' tend to be old ideas, just repackaged by different factions with the latest fashion accessory"**

**Ann Magnusson**
Head of investor services
SEB

# Standing strong

## SEB's Ann Magnusson talks to Lucy Carter about the bank's past, present and future

SEB is a leading custody provider in the Nordic region and beyond, and the bank has become well-known for its active engagement with sustainability initiatives and its forward-thinking approach. Ann Magnusson, head of institutional banking, shares insights into how the bank has maintained its success over the years, and offers a glance at what the future might hold.

### A steady focus

"We are very focused on the Nordics," Magnusson says, giving one reason that the company has remained a strong presence in the custody provider space. In a larger market where competition is often global custody providers, SEB's sustained focus on a single region has helped it differentiate itself from alternative providers.

"We have also been strategically focused on post-trade," she adds, "and we have grown our sub-custody business quite a lot over the years. We also have a very strong custody offering for the buy-side community, where we offer everything from global custody to collateral management and clearing."

While there are still others active in the market, Magnusson notes that "competition from local banks has dropped" due to the cost and scale demanded of custody providers. "You have to have a strong strategy and an interest in being part of this business, because it requires some kind of constant investment."

"It's a little like the foundation of a house," she analogises; "you need to focus on the foundation to stay relevant", continually providing clients with high-quality products. That house is also built on trust, an essential element of the custody business. "Working with a corporate in the custody environment, they have their core activity and financial services support that. But with financial institutions, you're safeguarding their core activity," Magnusson explains. "That trust element has to be there, and you need to have transparency."

### Staying alert

Trust is "even more important" in light of the increased cyber threats facing the financial industry. These constantly evolving dangers "impact the way you communicate, the questions you ask, the focus on due diligence and the way you outsource," Magnusson says. Outsourcing is also under scrutiny, particularly following recently released guidelines in Europe. "We're not scared to use partnerships, but we need to understand what we're actually getting. We perform lots of due diligence on any providers that we work with."

In order to keep its clients' assets safe, SEB is "using new technology to try and spot unexpected activities," Magnusson explains, "and we're increasingly using AI in financial crime prevention activities."

"You need to be engaged [with digital assets] in one shape or form, and no one wants to be left at the station"

It can't be ignored, however, that "the weakest link is probably the people" when it comes to cybersecurity. Remaining mindful of this, SEB "is continuously trying to educate our staff to spot behavioural changes or questions. People have to have the right education and understanding of what could potentially be a risk."

## A digital future?

As new asset classes break into the mainstream, custody providers must keep up to ensure they can provide the services that the market demands. When it comes to digital assets, one of the most prominent emerging asset classes, "we're dipping our toes into the water", Magnusson says. She emphasises the importance of truly understanding digital assets before jumping into them; "it's still very costly, and so far the use cases have been thin. Like many banks, SEB is very conservative and careful."

The industry still has "a lot of regulation that we're waiting on", and while the asset class is still finding its feet, reputational risks are rife. Assets like digital currencies can therefore "create a lot of hassle", Magnusson explains — along with hefty costs.

This is partly down to legal fees, which Magnusson reflects have risen since digital assets emerged on the scene. "A few years ago, some of the legal firms were doing pro bono work because everyone wanted to understand how this all worked. Now, it's quite costly."

That being said, SEB isn't ignoring digital assets; "you need to be engaged in one shape or form, and no one wants to be left at the station," Magnusson affirms. Earlier this year, the bank worked with Crédit Agricole Corporate & Investment Bank to launch solbond, a blockchain-based digital bond issuance platform. "I strongly believe in blockchain technology," Magnusson says. "People believe in it. They like the transparency, and I think we all understand that it could completely change the way we work."

However, due to the complexity of the technology she notes that "every time something more tangible and easy to understand comes along, everyone turns away from it." Robotics were the first to divert attention from blockchain, "and now everyone's turning to AI and APIs."

"I think we will come back to blockchain," she predicts, "but we need to find a good, scalable business case that's not just trying to replace a solution that already exists and is working well." Overhauling adequate systems for the sake of new technology is a problem across the industry, she observes, citing some banks' replacement of Swift structures with APIs as an example. "If the system is there and it works well, why change it?"

When it comes to digital assets, "there's a balance of being in the forefront and waiting to see what happens," Magnusson says. "We're testing things out, and also looking at what others are doing." From clients' perspectives, although there's an interest from the sell-side, "the buy-side community isn't yet really asking for digital asset solutions," she shares, "so I don't think we've found the right business case yet. We need to find a new way of working with new technology to find the benefits; that's what's going to drive the journey."

## Keeping it green

The Nordic region is often held up as a role model for sustainable development initiatives, and Magnusson agrees that "we are ahead as a region in our awareness of how important and urgent it is for us to take action in the sustainability area. There's a lot of engagement from the community and from investors." She highlights SEB as an early actor, even by Nordic standards; "we launched the first green bond with the World Bank in 2008," and the bank hasn't slowed its pace since.

"We work with our balance sheet to see how we can transform it, and we try to find solutions where the investor community works closer to the corporate community and the producers," Magnusson explains. In doing so, the bank hopes to "secure and increase engagement" with sustainability.

SEB is looking at new measures around sustainability, and is keeping up with developing priorities; water, biodiversity and energy are current focus points for the bank, with specialists employed in each division.

Beyond internal initiatives, group effort is key when it comes to the green transition, Magnusson says. It will come at a huge cost, and "we, as a bank, are not able to fund it on our own. We need to work as a community." One way that SEB is working to encourage that collaborative mentality is through its advisory work, helping other companies to understand how they should look at their investment choices and what they need to do to meet changing requirements and regulations. "Working with education, encouraging people to understand the importance of us being active in the green transition, is something that we are proud to engage in."

In some regions, it can be harder to get clients on side. "In the US, in some states that are very much dependent on the old — coal and oil, for example — sustainability attempts and actions are questioned. We try to be as transparent as we can and help, but this is, of course, an issue."

Magnusson suggests that we are in a "second wave of greenwashing," where the complexities of an investment's sustainability credentials have made it more difficult to simply label a product as 'green'. "We need to be more careful with how we express ourselves so we don't say something that isn't true," she urges. SEB is looking closely at its early investments on the balance sheet, trying to shift investments from brown to green, and recognises the importance of correct and accurate labelling in such a crucial sector.

### The path ahead

SEB has several AI initiatives on the go, Magnusson reveals. "Lately, the bank announced two projects looking at virtual assistants, using generative AI technology in the compliance and client services spaces." While these projects may be internally focused to start with — "you need to have compliance, transparency and understanding and trust of the technology and its source" — Magnusson says she "wouldn't be surprised if we tried to scale these in other areas of the bank," provided they're successful.

**"We've been around since 1856. To stay so long in the business, you need to be innovative; especially nowadays"**

The bank is also continuing to develop SEB Embedded, a new business unit spun out of the bank's innovation studio SEBx to provide embedded and integrated financial services in clients' standard product offerings. "This is something that I think will grow over time," Magnusson predicts, allowing clients to "work with financial services in a new, more accessible way."

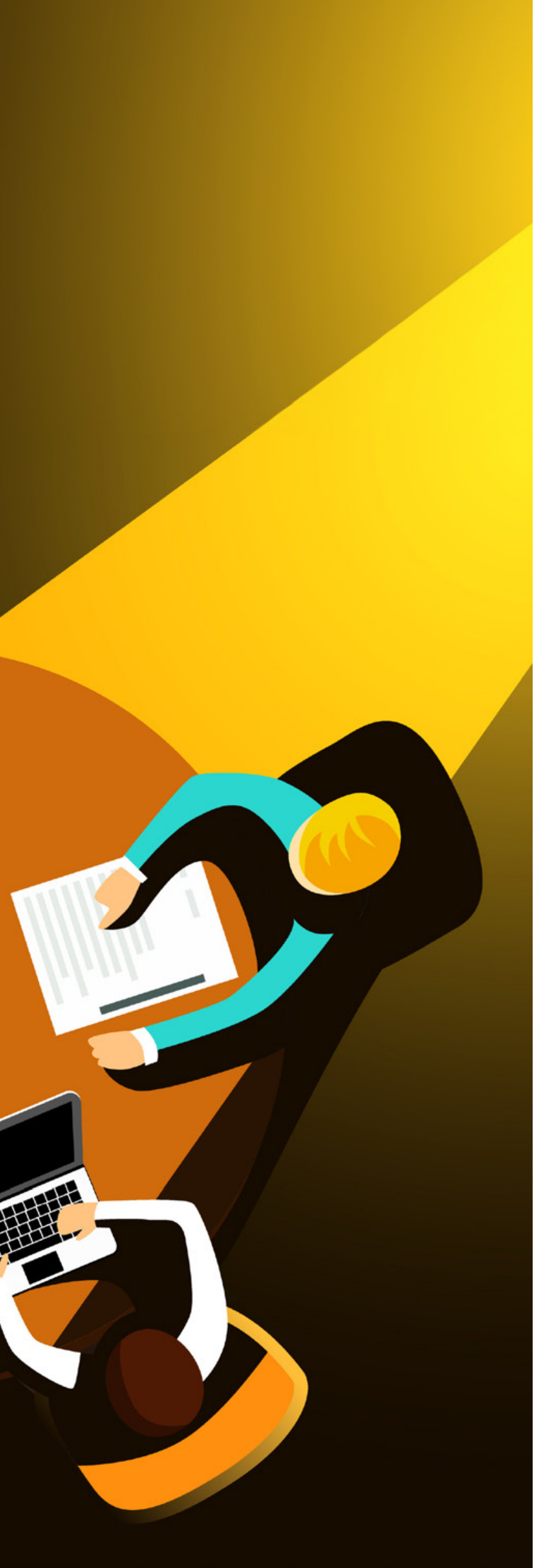
SEB is a bank that tries to stay ahead of the competition, Magnusson says. "We've been around since 1856. To stay so long in the business, you need to be innovative; especially nowadays. I'm proud that we're standing up so strongly in such a tough environment."

There are other areas that the bank is working on — APIs, further developments in the digital space — but Magnusson emphasises the fact that SEB's focus remains on the client, "seeing where they're heading and what we can do with them." Looking further ahead, it's difficult to predict exactly where the bank will go next. With the new technology being developed and adopted across the industry, even the near future could produce "things that we haven't even thought of," Magnusson concludes. ■

# We're all in this together

**Sibos participants on the current state of industry collaboration, where it could go next and how their companies are engaging in group initiatives**

*Lucy Carter reports*



The theme of 2023's Sibos conference, held in Toronto, was 'collaborative finance in a fragmented world'.

Over the week, panels discussed issues including international cooperation, how to deal with geopolitical and global sustainability rises and other industry-wide issues that impact financial services in all its iterations.

Speaking to Asset Servicing Times, experts from across the industry share their thoughts.

## Industry attitudes

"Collaboration can be challenging sometimes, because banks and customers don't necessarily always understand how it works," Duco's James Maxfield explains.

Calling for industry collaboration may seem simple "but the reality is, collaboration requires a lot of internal work," he says. "People need to be open to others' ideas, agendas and ways of doing things" — easier said than done.

Nevertheless, once a relationship is established between companies, collaboration can be extremely valuable; "particularly for smaller vendors, who may not have a lot of opportunity to spend, or get into some of the bigger organisations."

"Being able to offer best-of-breed solutions is really important to us at Duco," Maxfield shares, advocating for a "Lego brick" approach where clients get the best of a variety of vendors' services. With this strategy, the final product "becomes a lot more impactful than the individual value that each vendor can bring", he says.

"One company can never have everything. We make a lot of investment in data automation. Other vendors don't, but they will invest in other parts of their platform."

## Benefits

Deepak Gupta, executive vice president for product, engineering and services at Volante Technologies, affirms that the company "has always advocated for a partnership ecosystem model. We specialise in certain things, and work collaboratively with similar technologies and partners."

**"There's an increasing drive towards leveraging each other's strong points to make up a proposition"**

**Deepak Gupta, Volante Technologies**

This approach is becoming an industry-wide trend, not limited to technology providers. "Fintechs are collaborating with banks; networks like MasterCard and Visa are collaborating with technology vendors and banks," Gupta continues. "There's an increasing drive towards leveraging each other's strong points to make up a proposition."

Beyond collaborations taking place in small pockets of financial services, creating best-of-breed products and interoperable solutions, a collaborative approach can go a long way in determining new regulation and industry practices. Michele Hillery, general manager of NSCC's equity clearing and DTC's settlement service at DTCC, draws attention to the industry collaboration that was required to bring North America's T+1 project to life.

"DTCC, SIFMA and ICI led this initiative, fostering industry-wide collaboration," she says. Incorporating viewpoints from both the buy- and sell-sides on this issue "enriched the conversation and provided a much broader perspective. This approach meant that we could work through many of the solutions to the problems that were identified up front, as opposed to uncovering issues at a later stage."

## Barriers

Collaborative finance is broadly acknowledged to be something the industry should be, and is, aiming to achieve. However, knowing that something needs to be done isn't the same as doing it, and conference participants warned that barriers remain when it comes to these goals.

Andy Schmidt, vice president and global industry lead for banking at CGI, highlights data governance as "one of the main impediments" to large-scale collaborative projects like blockchain adoption. He goes on to add that "connectivity and standards are another issue." Although a seamless payment may seem simple in theory, "getting there can be a challenge." Companies need to be "speaking the same language, or at least close enough."

Although the industry is getting closer to this communication goal, "being able to map that out and solve it is a sticking point." Schmidt accepts that "it's never going to be perfect — but it can be better. We need to work with what we've got."

Another barrier that could get in the way of successful financial cooperation is, inevitably, budgets. Choosing a partner to work with will always require a huge amount of research and consideration, but Kanika Hope, chief strategy officer at Temenos Multifonds, warns that keeping costs down shouldn't be firms' only priority. "You need to have non-financial criteria as well," she says. "It's not enough to find the cheapest supplier going."

## Geopolitics

Each year, market participants travel from every corner of the map to attend Sibos. As such a global event, geopolitical issues tend to be high on the agenda; and this year was no different. The conference's overview drew attention to the current "time of economic and geopolitical uncertainty", considering risk management and the role of collaborative finance in this area.

Volante's Nadish Lad, global head of product, makes comparisons to the financial crises seen 15 years ago, commenting that "there are always ups and downs"; something that the market must learn to accept. "The key is to take away the learnings," he says, so that risk can be minimised in the future.

"In this industry maintaining a tight, risk-free regulatory approach is very important. It is crucial and critical to have the right systems, so that when a country or currency is at risk, you know what actions you need to take."

Taking knowledge from current global issues and using it to improve product offerings and services not only helps clients, he adds, but can assist in the development of best practices and principles for the industry as a whole. Companies can "work together to manage the risks," allowing them to see through difficult times and emerge more resilient.

Geopolitical events drive the industry's focus, determining where budgets are allocated and what areas require the most urgent attention. Cybersecurity is one such area that has grown in importance over recent years, even more so after Russia's 2022 invasion of Ukraine.

Addressing financial cybercrime is a little like fighting a hydra; as soon as one threat is eliminated, two more take its place. With ever-evolving and increasingly complex attacks, it's essentially impossible to stop. Total financial crime and cyberattack prevention is both "too hard and too expensive" CGI's Schmidt says, instead framing the fight as a "race for containment" that requires regular network and application tests and a focus on maintaining trust in the enterprise.

Embracing cloud technology is a key way that firms can bolster their resiliency, Schmidt explains, noting that several firms are using 'dual cloud deployment'. With this model, a secondary cloud provider is established as a backup, ready and waiting in case the primary provider has an outage. With the use of a dual-cloud system, one CGI client "was able to transition and be fully up and running, complete with data synchronisation, with their secondary provider in 12 minutes," Schmidt shares; "and most of that time was spent on the phone with the regulator to walk them through the process." In a world where predictability seems almost perpetually out of reach, having a plan in place for unexpected events and outages is key.

## ESG

Disruptions to supply chains have been apparent across all industries over recent years, and financial services are no exception.

"This is where corporate and transaction banks have great advice and experience to leverage," Schmidt advises. "Working with corporate customers to figure out ways to reroute supply or find new suppliers is a role that many of the corporate transaction banks have been playing during the current geopolitical cycle," he says, adding that "this also positions them to be able to drive a similar type of activity in terms of sustainability and ESG."

ESG and sustainable finance have become increasingly politicised issues, particularly over recent months. In the US, certain states are placing outwrite bans on engagement with ESG initiatives, and influential individual actors have been keen to share their opinions on the inutility of climate concerns.

> "Collectively, we can move the needle and promote sustainable growth. We cannot do it alone."
>
> **Kanika Hope, Temenos**

When other areas of the world are putting ESG high up on their agendas, firms operating across multiple jurisdictions may face challenges when it comes to maintaining a consistent sustainability approach. One such company is Torstone Technology, with Sam Farrell, North America head, noting the difficulty of "focusing on whatever geography you're operating in, while also maintaining the culture that your firm has." This balancing act is "a tough area to navigate, and it won't get easier."

Whatever a company's internal alignment with ESG may be, regulations in different jurisdictions dictate just how much they are able to make their ethoses a reality. "The EU and the UK are leading in terms of ESG regulation," says Kanika Hope, chief strategy officer at Temenos, "but there are still countries that don't have as much sustainability maturity." She recalls one client whose attempts to engage more with ESG were quashed by their country's regulation, exemplifying the complexities of working across borders.

Just like in other areas of the industry, collaboration is key when it comes to making real change in the ESG space. "Collectively, we can move the needle and promote sustainable growth," Hope says. "We cannot do it alone." Whether the political climate will be able to agree on an approach, however, remains to be seen.

Working together across jurisdictions is essential, enabling consistent approaches to issues that impact all areas of the industry and, in many cases, the wider world. Collaboration paves the way for real, meaningful change, and will only become more essential as time goes on, existing pressures intensify and new challenges emerge. ■


## The Oak Group appoints Sgarlata

The Oak Group has appointed Kim Sgarlata as group CEO.

The Oak Group is a private client, corporate and fund administration services company headquartered in Guernsey and founded in 1999.

Prior to joining The Oak Group, Sgarlata was global head of strategic programme development in commercial banking at HSBC before being promoted to global head of wholesale transformation.

She also served a nine-year tenure at Capco, starting her career there as a managing principal. She later became an associate partner.

Commenting on her new role, Sgarlata says: “I firmly believe that we can drive thoughtful growth and produce long-lasting value for our clients and stakeholders by fostering an inclusive and collaborative environment for our talent and by harnessing the latest technology capabilities to drive our business.

Mark Chasey, chair of The Oak Group, adds: “We are delighted to welcome Kim to our executive team. Her extensive expertise, coupled with her forward-thinking approach, aligns perfectly with our strategic goals and reinforces our commitment to our core pillars: people, planet and value.” ■

**Jean White joins SS&C**

SS&C Technologies has appointed Jean White as a sales director. She is based in London.

White has more than a decade of industry experience, joining SS&C from a global sales director role at financial services firm SEI.

Before this, she spent more than six years with Northern Trust as a senior consultant and vice president.

Earlier in her career, White was a paralegal at legal firm Fieldfisher. She has a Bachelor of Laws degree from the University of Liverpool.

**Schultis joins Siepe**

Technology-enabled compliance and reporting service provider Siepe has appointed Mark Schultis as an advisor.

In the role, Schultis will focus on Siepe’s continued growth, product suite expansion, and data and service capabilities. He will work with Michael Pusateri, the company’s founder and CEO.

Schultis has more than 15 years of industry experience, most recently serving as a board member at data firm Knoema. Prior to this, he was chief customer officer and then chief executive officer at IT company SE2.

Commenting on his appointment, Schultis says: “Michael and team have disrupted the current way of thinking, and use cutting-edge technology to increase efficiency and transparency for customers in the credit and hedge fund industries. Siepe is uniquely positioned to expand its capabilities and help transform the way asset managers operate and leverage data to make decisions.”

Pusateri adds: “Fund managers are always looking for ways to improve their

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**RBI appoints Brunner to board**

Raiffeisen Bank International AG's (RBI) has appointed Valerie Brunner to its management board, effective 1 November. The appointment aligns with RBI's corporate and investment banking (CIB) activities.

Brunner will be responsible for the CIB customer coverage division. She will succeed Peter Lennkh, who left the RBI management board at the end of August.

Brunner is currently responsible for institutional clients in the RBI Group.

Since 1 September, RBI's CBI has been acting as a "One Business Bank" towards its corporate and institutional clients. These two client segments will be serviced by the CIB Customer Coverage unit.

The CIB products and solutions unit, headed by Lukasz Januszewski, will provide and continuously develop the banking products and services required. ■

technology stack, such as automating the organisation of data from private and public company financial reports for investment health evaluations. [Mark's] extensive knowledge and expertise will be invaluable for delivering the products and services our customers need to scale their business and drive alpha."

**Tonic appoints Surothia**

Tonic has appointed Ashish Surothia as senior project manager.

Based in India, Surothia will focus on market and credit risk-related engagement.

Prior to this role, Surothia was senior project manager at Citi for a year. Before this, he was a programme manager at Lloyds Bank and BNY Mellon.

"His risk and post-trade expertise will strengthen [Tonic's] capability," says Tonic.

Commenting on his new role, Surothia says: "I look forward to helping our clients on strategic business and IT change programme delivery and product management as well as enterprise analysis."

**Alp Financial appoints Cross**

Alp Financial (AlpFin) has appointed Ben Cross as senior operations analyst.

Based in London, Cross will report to Alpin's CEO Chris Ling.

In his new role, Cross will be responsible for handling the day-to-day processes across both of the company's data centres.

He will support the liquidity management team and be the first point of contact for clients and third-party vendors.

He brings more than 17 years of experience in exchange-trading derivatives, working for brokers, hedge funds and banks.

Cross joins AlpFin from FX Prime operations, where he served as an operations consultant.

Commenting on the new hire, Ling says: "We are delighted to have Ben Cross join our team to support the growth we have witnessed since the beginning of the year. With a great team, expertise and commitment to excellence, we strive to deliver tailored solutions that empower our clients to thrive in the ever-evolving financial landscape."

**Sampaio departs BNP Paribas**

J.P. Morgan Private Bank has appointed Gabriel Sampaio as executive director and international private bank manager.

Sampaio has more than 13 years of industry experience, and joins the company from BNP Paribas.

He began his career as a tax and income account manager, and later supervisor, for UK banking operations at the firm, before being appointed head of US custody operations in Lisbon.

He spent more than four years as a product manager at the company, and was appointed head of custody solutions for the UK and Middle East in 2020.

Before joining the financial services industry, Sampaio was a lawyer at Lisbon-based law practice PLMJ. ■

# CORP Actions 2023


## OTHER SPEAKERS INCLUDE

Kaysar Abdin, ED Global Technology Head for Asset Servicing, Morgan Stanley
Will Stevens, Executive Director, Markets Asset Servicing, J.P.Morgan
Jonathan Morris, EMEA Head, Asset Servicing Operations, Goldman Sachs
Paola Deantoni,Public Affairs Officer, Societe Generale Securities Services
Lesley Gomm, MD, Global Head Custody Asset Servicing, JP Morgan
Nadia Rosse, Global Head of Product Management – Asset Servicing, Euroclear
Nick Morgan, Executive Director, Ops Transformation, JP Morgan
Jayne Tetlow, ED, Global Transformation Lead Asset Service, Morgan Stanley
James Cunningham, Senior Advisor, The Bank of New York Mellon
Karin Deridder, Head of Standards Development, SWIFT
Michael Collier, ED, IHead of Asset Services Product Management, JP Morgan
Colin Webb, Transitions Manager, Federated Hermes Limited
Grant Ramsay, Head of Corporate Actions Nomura Asset Management
Jim Blandford, Operations, Singer Capital Markets
Paul McCarthy, Global Head of Asset Servicing, ATOM + Many Others

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