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Lead news story

DTCC completes first phase of corporate actions pilot

DTCC has reached the mid-point of a pilot project designed to enhance STP rates and to deliver further automation to corporate actions processing.

The first phase of the pilot, completed in December 2023, tested a new inbound automated message for processing corporate actions, with DTCC offering ISO 20022 standard message capability which enables an agent to submit an automated CA announcement to DTCC.

Phase 2 of the pilot is scheduled to begin in Q3 2024. Participating firms will test a modernised corporate actions graphic user interface, providing an interface for redemption events such as partial and full calls.

According to DTCC, the aim in Phase 2 is to enable agents and issuers to transmit standardised event information via a modernised portal, improving processing accuracy, eliminating delays and removing manual validation processes.

DTCC managing director and general manager for asset services Ann Marie Bria says: "As the global financial industry becomes increasingly more complex, we see tremendous opportunity for increased automation and modernisation within the corporate actions space.

"[We] deliver this pilot, in direct response to client and industry feedback, to bring long-needed automation and standardisation to the critical event notification process – increasing efficiency and accuracy."

Bidhu Rusia, director of corporate actions at S&P Global Market Intelligence, adds: "After the successful completion of phase 1 with DTCC, we welcome their continued collaboration with the industry to proactively initiate phase 2 of the pilot. Ultimately, our goal is to revamp the end-to-end corporate actions event structure to more efficiently capture source data and provide a more reliable, sustainable, and secure foundation for the future processing landscape." ■

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BNP Paribas introduces client e-learning tool

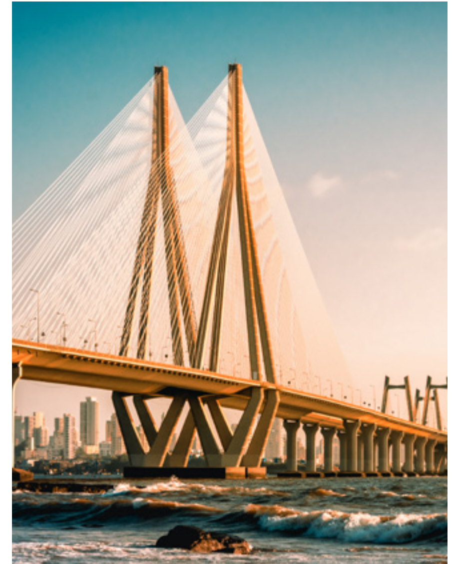
BNP Paribas' Securities Services has introduced a new client e-learning tool for institutional clients.

The offering aims to provide institutional clients with critical knowledge on the securities services industry and will be rolled out on its main client webportal NeoLink.

The modules will cover essential asset servicing topics, including custody, securities lending, investment funds and depositary services. They are designed to be completed in just 20 minutes and will be available in English, French and Italian.

Annie Blouin, global head of client services and client relationship management, at BNP Paribas' securities services comments: "Our goal with this experience is to continue to demonstrate our insight and raise awareness on key asset servicing themes.

"We designed our e-learning platform to be beneficial both for newcomers and seasoned professionals of the financial sector." ■



Liminal extends custody solution to India

Singapore-based digital asset specialist Liminal Custody Solutions has launched an institutional custody service in India to meet the growing demand from institutional investors for secure and efficient digital asset services.

With this release, Liminal will extend its digital asset custody and wallet infrastructure into the Indian market, operating the service from its New Delhi office.

This solution employs a multi-layered approach, the company indicates, delivering security measures, encryption, multi-signature and multi-party computation technology, along with a proprietary firewall engine to automate policy enforcement security in the digital asset wallet ecosystem.

This represents the latest step in Liminal's strategy to extend its coverage to institutional investors in the Asia Pacific and MENA regions, including family offices, hedge funds, digital exchanges, corporate treasurers, OTC desks, private equity and venture capital funds. ■

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Canoe launches Canoe Asset Data

Canoe Intelligence has launched a data solution following the completion of a design partnership with 13 clients.

The platform says that its new solution, Canoe Asset Data, responds to industry-wide challenges in accessing and using asset-level data.

Through a design partnership with 13 clients, Canoe identified exposure analysis, portfolio analysis and due diligence, as well as operational challenges in accessing granular data, as key challenges for the industry.

Canoe claim that the solution will delve deeper into underlying holdings of alternative investments by incorporating their existing technology. ■

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Broadridge releases SaaS-based futures

Broadridge has expanded its derivatives execution services with the release of a software-as-a-service platform for futures and options trading.

The company indicates that this fully hosted F&O platform provides an integrated solution tailored for FCMs and agency brokers, offering pre-trade risk management, order routing and execution management and providing links to a wide range of exchange-traded derivatives markets worldwide.

With trading volumes rising in recent years, Broadridge indicates that sell-side firms have typically provided customised solutions for each workflow. This has resulted in a fragmented and non-standardised user experience for trading parties.

The F&O platform aims to deliver high STP rates across the contract lifecycle and a consistent user experience for buy-side clients, while still enabling the sell-side firm to offer customisation for specific workflow channels.

Broadridge's president of Trading and Connectivity Solutions Ray Tierney says: "While existing systems often lack the flexibility required, Broadridge's Futures and Options platform stands out for its modular and flexible deployment capability, addressing industry demands head-on.

"We strongly believe this fully hosted solution is a significant step change in order and execution management for the derivatives markets, helping firms simplify and optimise trading." ■

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FCA highlights AML failings

The UK Financial Conduct Authority has written to company chief executives outlining weaknesses in the policies and procedures that firms have in place to prevent financial crime and instructing that they must take necessary steps to address these shortcomings.

The "Dear CEO" letter highlights key areas where it concludes that financial services firms have fallen short in their policies to prevent money laundering, terrorist financing and proliferation financing.

These weaknesses lie particularly in firms' business models, risk assessment frameworks, due diligence procedures and their governance and training methods.

The firms falling into scope of the FCA's regulatory surveillance in this area are known collectively as Annex 1 firms, as detailed in The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (the MLRs).

The UK financial conduct regulator indicates that it applies a data-led approach to identify Annex 1 firms that will be selected for supervisory review.

It will then take further action, as necessary, based on the findings of this assessment.

In recent reviews, the FCA has identified discrepancies between firms' registered financial services activities and those that they are delivering in practice.

It is concerned by the failure of some firms to update their financial crime controls in line with their business expansion.

The FCA found shortcomings in firms' customer risk assessments and their business-wide risk assessments, and indicated that some companies provide inadequate detail in their staff guidelines regarding their obligations under the MLR.

More broadly, it found that firms are failing to provide adequate financial crime training or, in some cases, they are failing to allocate adequate resources to prevent financial crime. Others, it notes, do not provide an effective audit trail for their financial crime-related decision making.

"The issues summarised in this letter reflect the key areas where the firms assessed have fallen short of the requirements set out in the MLRs," says the FCA.

In the letter, the FCA instructs senior managers to conduct a gap analysis to identify underperformance against each of the common weaknesses that the regulator has identified.

The firm is required to report any weaknesses identified by the gap analysis to the FCA and to provide evidence of the actions that it has taken to close these gaps.

The senior manager responsible for this exercise must have necessary seniority to ensure that this remedial action is discharged effectively.

"Where we assess a firm's actions in response to this letter to be inadequate, we will consider appropriate regulatory intervention to manage the financial crime risk that this presents," the letter concludes. ■

BBH updates data platform with Infomediary Data Solutions

Brown Brothers Harriman (BBH) has evolved its data offerings with an expanded suite of solutions combining data management technology and managed services.

Infomediary Data Solutions combines BBH's data management platform and asset servicing expertise to create customised solutions for its clients. The expanded suite aims to normalise, transform, catalogue and quality check data, say BBH.

Keith Haberlin, principal and co-head of Infomediary Data Solutions at BBH, explains: "Data management is a top priority for our clients. They need timely, consistent, and accurate data to power every aspect of their businesses but are challenged with turning disparate data from their own and third-party applications into reliable and consistent data sets."

Lorrie Gordon, the partner responsible for Infomediary Data Solutions at BBH says: "We create reusable data sets that can solve [our clients'] challenges in their order of priority — whether that's related to client materials, provider oversight or operational processes." ■

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Caceis adds PRIIPS service

Caceis has partnered with AlphaOmega to provide a PRIIPS reporting service for its clients.

The service is designed for Caceis' clients in the private equity real estate solutions business and is available via their marketplace, Connect Store.

AlphaOmega generates key information documents that include cost and fee calculations as well as risk and performance assessments made in accordance with the European PRIIPs regulation.

Antoine Capone, CEO and founder of AlphaOmega, says: "Caceis' clients can now monitor the production of reports, verify the status, communicate with our teams and then validate the resulting reports." ■

Amicorp Fund Services launch AMI-GO

Amicorp Fund Services has launched a new onboarding and management platform, AMI-GO.

The platform will provide fund managers with a centralised source of information about their funds and investors. The use of a cloud-based system aims to improve efficiency and accuracy.

Kin Lai, CEO of Amicorp Fund Services in the UK, says: "The development of the AMI-GO platform is part of a strategic focus to roll out automated and innovative digital solutions that deliver greater operational and cost-saving efficiencies for fund managers. In addition to equipping them with the data and insights they need to be compliant and make better informed decisions on their investments."

Features of the platform include a progress tracker, Docusign, auto-form filling tools, electronic identification and two-factor authentication. ■

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HSBC selected as custodian for Milford AM and Perennial Partners

HSBC Australia has been appointed as custodian and fund administrator for Australian fund manager Perennial Partners, supporting collective investment and exchange-traded fund services for the Sydney-based boutique asset manager across its funds in 25 markets.

HSBC has also been appointed to provide custody services to Milford Asset Management's Australian and New Zealand fund range across 24 markets. This custody mandate is now live, following migration of assets to HSBC Australia in August 2023.

Milford indicates that it selected HSBC after a competitive tender process which invited bids for a service partner with a strong focus on client service, a complementary footprint in the trans-Tasman region and the ability to scale the business in line with the asset manager's growth strategy.

Perennial Partners indicated that, in choosing HSBC as custodian-administrator, it was looking for an asset servicing partner capable of supporting its growth trajectory as the buy-side firm continues to expand in the Australian market. ■

Clearstream selects Intix for transaction data management

Clearstream has selected Intix to support its financial messaging data warehouse capability.

Through Intix's data management capabilities, Clearstream will have enhanced accessibility to financial messaging data, such as SWIFT MTs and ISO 20022 structured messages and files.

Moving forward, Clearstream will adopt single window access to all transaction data operating across all of its data and silos, including legacy systems.

Clearstream will implement Intix across its entire group operations with plans to expand to additional proprietary formats as the partnership progresses. ■

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BNY Mellon to provide Arax company with custody and clearing services

BNY Mellon's Pershing will support Ashton Thomas Securities with clearing and custody services. As part of the deal, Ashton Thomas, owned by Arax Investment Partners, will be able to use BNY Mellon's Precision Direct Indexing.

Haig Ariyan, CEO of Arax Investment Partners, adds: "Pershing's technology capabilities and breadth of services it can tap into as part of BNY Mellon make them an ideal collaborator for the broker-dealers and advisors we bring onto our platform."

Ashton Thomas, formerly Excel Securities, was acquired by Arax in December 2023.

Arax is an asset and wealth management platform company supported by RedBird Capital Partners, a private equity firm. ■

Zodia Custody integrates Tokenet

Zodia Custody, a digital asset custodian, has integrated Tokenet to launch Collateral Protect.

Tokenet is an institutional digital asset lending platform built by Digital Prime Technologies.

The new service allows institutions to access facilities for borrowing and lending of digital assets on Tokenet, while their collateral remains secured in Zodia Custody cold-storage wallets.

Counterparties will be able to manage assets tied to a loan via a segregated, on-chain collateral account that is overlaid with Zodia's bankruptcy remote structure.

Both borrower and secured party interests will be protected through collateral schedule setup and ongoing monitoring through Tokenet, the firm says.

Further security features include minimised counterparty risk through on-chain segregated collateral accounts, liquidation risk management and robust wallet delegation control.

"This integration throws the doors wide open for institutions to enter the digital borrowing and lending market," says James Harris, chief commercial officer of Zodia Custody.

"For the first time, they can do so within the same rigorous security and compliance measures they are used to from the traditional finance space. We have built frictionless capability enhancements for collateral protection."

James Runnels, CEO and co-founder of Digital Prime Technologies, adds: "We continue our mission to deliver a product that helps provide transparency in the lending of digital assets." ■

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BCBS proposes action on “window dressing” in G-SIB reporting

The Basel Committee on Banking Supervision (BCBS) has launched industry consultation to address perceived “window dressing” by large banks in reporting to the G-SIB framework.

The Committee has put forward changes designed to limit banks’ ability to lower their G-SIB scores through this so-called window dressing, for example by unwinding trading exposures in the lead-up to reporting dates.

It will do so by requiring banks falling into scope of the Global Systemically Important Bank (G-SIB) framework to report and disclose G-SIB indicators based on average values over the reporting year, rather than by using year-end values.

The BCBS argues in the consultation paper that such window-dressing behaviour by banks is unacceptable. “Such behaviour undermines the intended policy objective of the Committee’s standards and risks disrupting the operations of financial markets,” says the BCBS.

It notes that this regulatory arbitrage behaviour seeks to temporarily reduce banks’ perceived systemic footprint over the reference dates employed for reporting and public disclosure of G-SIB scores.

Respondents to the public consultation are asked to file their comments to the BCBS by 7 June 2024.

The Basel Committee has been monitoring perceived dislocations over reporting dates and potential “reporting arbitrage behaviour” for a number of years.

In an October 2018 statement, for example, it flagged up “heightened volatility” in some segments of the money markets and derivatives markets around reference dates — particularly over quarter-end reporting dates — and indicated that this had alerted the Committee to “potential regulatory arbitrage by banks”.

“A particular concern is window dressing, in the form of temporary reductions of transaction volumes in key financial markets around reference dates resulting in the reporting and public disclosure of elevated leverage ratios,” says the BCBS in this 2018 statement.

At this time, it advised that banks should “desist” from undertaking transactions with “the sole purpose of reporting and disclosing higher leverage ratios at reporting days only”.

It recommended that financial supervisors might also consider requiring more frequent reporting of transaction volumes by in-scope firms, particularly between current reference dates. This should be accompanied by further public disclosures to monitor the impact on bank leverage of transaction volumes between reporting dates.

Recognising the impact that banks’ preparations for year-end reporting can have on transaction activity for several months prior to the reference date, it is noteworthy that the Basel Committee has waited six years to issue a public consultation after publicising its earlier concerns around this issue.

In monitoring impact on repo markets, for example, the European Repo and Collateral Committee (ERCC) of the International Capital Markets Association (ICMA) has published a report on repo market performance and conditions over the “turn” of the year since 2016.

It notes that year-end repo market pricing and liquidity are generally a focus of market attention, with the euro market proving particularly vulnerable to significant dislocations in recent years.

In its latest report, published on 29 January 2024, the ICMA ERCC suggests that, following an expensive but relatively calm 2022 year-end and a year of central bank ‘normalisation’ of monetary policy, the 2023 turn was never expected to be as problematic as previous year-ends.

“In many ways, the interest was largely to see how ‘normal’ the end of 2023 would be,” says the report.

The report concluded that, compared to previous year-ends, the 2023 turn for the euro repo market proved to be relatively unexceptional.

“While the market began pricing in around 250bp premium for German GC and 150bp premium for French GC back in October, this continued to erode as we got closer to the end of the year, ultimately trading around 60bp and 40bp rich respectively,” it states. Non-core euro GC was even less spectacular, tightening by around 15bp.

It attributes this “relative calmness” over the turn to a confluence of factors, including an increased supply of government bonds, lower levels of excess reserves, a shift in positioning by hedge fund traders, and reduced pressure on dealer intermediation arising from regulatory capital and reporting obligations. ■

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Daniel Ginsburg
CEO
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Future Vision

John Savage speaks to Daniel Ginsburg, CEO of WTax, about the custody markets, the company's future and regulation in the industry

What inspired the creation of WTax and sets you apart from other withholding tax recovery firms?

WTax was founded with a singular vision: to revolutionise the landscape of withholding tax recovery by offering comprehensive, end-to-end solutions that optimise recovery processes for all parties involved. What sets us apart is our unwavering commitment to maximising recovery yields while minimising the administrative burden on our clients.

As part of the VAT IT Group with 40 wholly-owned offices globally, we leverage extensive industry expertise and relationships with over 150 custodian banks to provide an unparalleled service.

By focusing on operational efficiency and utilising innovative technologies, we ensure that our clients receive the highest level of service and yield enhancements ranging from 40 per cent to 60 per cent, surpassing industry standards.

How would you advise investors looking to maximise their withholding tax reclaims?

Take a proactive approach. This involves staying informed about all available relief and reclaim opportunities for their investment vehicles, including understanding withholding tax reduction entitlements and eligibility criteria.

It's essential to conduct regular reviews of income data to ensure accurate withholding tax levies and to identify missed relief opportunities. Vigilance is crucial as investors should prioritise timely filing of all documentation before specified deadlines, whether for upfront relief or retrospective reclaims.

Capitalising on technology and expertise by partnering with a specialist like WTax also allows investors to maximise their withholding tax recoveries effectively.

WTax has relationships with more than 150 custodian banks globally. How do you leverage these relationships to maximise refund success rates for your clients?

We view our relationship with custodian banks as a partnership, where we work together to minimise withholding tax leakage for mutual clients. Through engagement with various teams within the custodian banks and adherence to their best practices, we streamline the reclaim process by facilitating direct communication and data exchange. Doing so ensures timely access to crucial information and documentation required for reclaim submissions.

The smoother our process with custodians, the smoother reclaims are for mutual clients and therefore we continuously nurture these relationships. Our proactive, collaborative approach within the custodian bank network minimises delays and errors, ultimately enhancing refund success rates for our clients.

What does the future hold for WTax? Are there any new services or technologies in development that you can share with us?

The future of WTax will be characterised by continuous innovation and adaptation to meet evolving client needs. Looking ahead, we are investing in the development of cutting-edge technologies to further streamline the reclaim process and improve operational efficiency. This includes the constant refinement of our proprietary client portal to help expedite refund timelines, eliminate human error and empower our clients to continue receiving immediate tracking and reporting capabilities.

As a tax-technology company, we are adept at navigating the complexities of the withholding tax landscape. This was demonstrated by our successful preparation for the introduction of the German E-filing portal (Ester), which ensured that our tax

"Through our technology-driven processes and proactive approach, we navigate complex regulatory environments, streamline document collection and keep our clients informed of critical developments, ensuring optimal withholding tax recovery outcomes"

service in the market was uninterrupted through the transition. As EU member states continue to show support for the EU Directive, FASTER, they will be required to manage their withholding tax relief system for cross-border investments via relief-at-source or quick reclaim mechanisms.

This may bring added reporting requirements along the intermediary chain and the tax relief system will become increasingly deadline and detail-focused. Agile technology is crucial for navigating these developments. WTax is strategically positioned to address these challenges effectively. We prioritise speed to market and are prepared to develop and implement new tax relief solutions when necessary.

Additionally, we are expanding our service offerings to cover new markets and recovery mechanisms, with a particular focus on emerging economies and complex investment vehicles. By staying at the forefront of technological innovation and market trends, we remain committed to delivering value to our clients.

What are some of the most complex withholding tax challenges your clients face and how does your company help them navigate these challenges?

Our clients often face challenges related to extensive administrative burdens, limited jurisdictional coverage and complex paperwork requirements. WTax alleviates these challenges by providing fully outsourced solutions.

One of the primary challenges our clients also encounter is the escalating burden of proof imposed on beneficial owners concerning relief and reclaim entitlement. Tax authorities are continuously raising documentation requirements to ensure they have sufficient support for any claims for reduced rates.

Additionally, complex investment vehicles like 81-100 Group Trusts are under heightened scrutiny, leading to extensive document requests for underlying investors. This poses significant administrative hurdles and raises concerns regarding investor disclosure and privacy considerations.

Furthermore, the rapidly evolving withholding tax landscape adds another layer of complexity. Clients often struggle to stay updated on regulatory changes, turning to external advisors for assistance. At WTax, we address these challenges by providing comprehensive solutions tailored to our clients' needs.

Through our technology-driven processes and proactive approach, we navigate complex regulatory environments, streamline document collection and keep our clients informed of critical developments, ensuring optimal withholding tax recovery outcomes.

How does WTax measure success and what are some notable achievements you've had in recent years?

At WTax, we employ various metrics to gauge our success and ensure we provide exceptional value to our clients, including increased recovery yields, enhanced operational efficiency and minimised tax leakage. Some notable achievements include our average recovery yield enhancement per client ranging from 40 per cent to 60 per cent, our fully outsourced end-to-end solution with minimal client involvement and our commitment to constant innovation and problem-solving.

Additionally, we focus on unlocking new recovery mechanisms and markets, with recent successes in East Asian markets and securing recoveries for typically 'complex' investment vehicles like 81-100 group trusts.

Moreover, we prioritise the time it takes to recover withholding tax for our clients, striving to expedite the process and ensure funds can be reinvested promptly.

We've seen significant success in speeding up our clients' recoveries compared to their historical reclaim processes.

Alongside these quantitative measures, we also consider softer indicators of success such as client satisfaction, tax authority relationship development and external party relationship scores.

By consistently monitoring and improving these metrics, we ensure that our clients receive premium service and exceptional results.

WTax's business has been impacted by several landmark European Court of Justice cases related to withholding taxes. How has this litigation affected the tax landscape and the services you provide?

Our continual monitoring of landmark European Court of Justice cases has helped expand opportunities for our clients' withholding tax recovery. Over the past few decades, pension funds and investment funds have been challenging discriminatory regulations on dividend withholding taxes across various EU member states.

These cases have set legal precedents that may benefit investors globally and our expertise in navigating legal complexities allows WTax to maximise the refund opportunities these create.

These developments have also led to significant changes in national laws, such as allowing non-resident entities to benefit from reduced withholding tax rates (as seen in France) or abolishing discriminatory laws altogether (as seen in Germany and Denmark). Though some challenges still exist, the overall impact of these cases has been positive for investment funds and pension funds worldwide. WTax has seen an increase in refunds from various tax authorities that previously posed challenges.

These claims generally remain highly technical, requiring a deep understanding of the relevant legislation and specific individual circumstances. In some countries further litigation may be required to secure successful refunds. WTax stays at the forefront of developments in withholding tax law to ensure our clients receive the most favourable outcomes.

How do you stay up-to-date on the latest changes and ensure your team has the necessary expertise?

WTax remains proactive in staying abreast of regulatory changes and industry developments through continuous training, industry conferences and collaboration with industry experts.

"We use a horizon-scanning approach to anticipate upcoming changes which enable us to develop new products tailored to specific client needs or market opportunities and modify existing services affected by regulatory changes"

Investing in ongoing education and professional development for our team is a key strategy to navigate complex regulatory landscapes effectively and provide top-notch service to our clients.

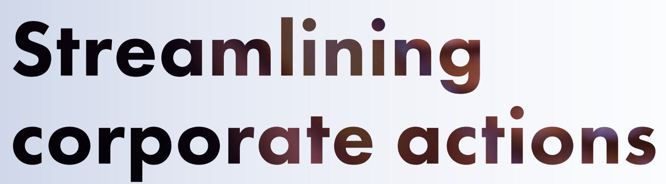
Moreover, WTax maintains an in-house tax technical research team comprising experienced lawyers and certified public accountants. This team monitors global tax and regulatory changes daily, identifying any developments that could impact tax relief opportunities for investors.

We use a horizon-scanning approach to anticipate upcoming changes which enable us to develop new products tailored to specific client needs or market opportunities and modify existing services affected by regulatory changes.

We can also implement necessary system developments to support upcoming changes and adjust processes to accommodate regulatory updates.

We also engage in advocacy efforts by lobbying across the industry, EU Commission and with local tax authorities to address challenging or unfavourable proposed changes.

To ensure comprehensive coverage, we combine various practices such as subscribing to and monitoring third-party tax platforms like IBFD and Tax Notes, as well as actively engaging with relevant industry bodies and tax authorities through international conferences and one-on-one meetings. ■



Streamlining corporate actions

Klea Neza reviews the importance of data quality and automation within corporate actions

Corporate actions processing has long been a primary source of operational risk and potential loss for service providers operating in the post-trade sector. Industry working groups have focused heavily on steps to promote standardisation, to improve data quality and to drive automation across the trade lifecycle. This is fundamental to improving information flows between issuer and investor and helping custodians to ensure that shareholders are able to exercise their rights, and receive due entitlement, as equity owners.

Historically, these tasks have been manual and time-consuming. However, good-quality data and automation are key to processing a corporate action efficiently, which may include dividends, mergers and acquisitions, stock splits, right issues and spin-offs. Yet, there are dilemmas certain firms have faced whilst improving their corporate actions efficiencies and the impact these processes have on shareholders and the businesses.

Importance of data quality

Good data quality allows for businesses to reliably make informed, crucial decisions, but deficiencies may result in operational errors and increase the risk of missing out on shareholder entitlements — the data used must serve the outcome it's intended for.

The effect of poor data quality can be exemplified through a variety of operational issues. Experian, a multinational data analytics and consumer credit reporting company, disclosed in their 2022 Global Data Management Research Report (last updated in January 2024) that: "85 per cent of organisations indicate that poor-quality contact data for customers negatively impacts their operational processes and efficiency, and in turn, hinders the chances of being flexible and agile."

The report further stated that poor-quality data has had a ripple effect, resulting in the waste of 42 per cent of resources and additional costs, as well as significant damage to the reliability of and trust in analytics.

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"There are plenty of horror stories of firms electing on the 'wrong' option number due to the different presentation between custodians"

Mike Wood, Broadridge

Mistakes often occur in the data entry phase, enforcing the need for manual labour to rectify these errors. As such, investing in good data quality initially could allow firms to avoid a loss in profit due to unreliable information.

Yogita Mehta, commercial product director for corporate actions at SIX, commented: "When the data in hand is of poor quality, this in turn makes the process labour intensive and arduous. Paired with a limited adoption of existing standards across the corporate actions industry, this means legacy technology systems can no longer keep up with the level of data needing to be processed."

Similarly, Adam Cottingham, head of asset servicing at SmartStream Technologies, highlighted the importance of good data quality which has allowed the business to prosper and has enhanced straight-through processing (STP) rates and operational efficiency.

He stated: "Operational efficiency is predicated on data quality both for enabling STP and operational exception management. A combination of the status of a process, the critical date for its deadline and the business attribute or group are determinants of STP and exceptions management."

If there are discrepancies in these items owing to poor data quality, then STP and exception management will be impaired.

Cottingham then underlined that "accounting accuracy is determined by data quality to support the accrual of outcomes and calculation of actuals along with tax and with their provision into profit and loss reporting, net asset value, investment book of record and updating accounting."

His third point affirmed the importance of grounded data quality in the decision-making process, and the necessity of including all eligible position holders in an event lifecycle. "[They must be] communicated with, called to action on time and provided with accurate business information," he said.

Impact on shareholders and business

Mike Wood, general manager for asset servicing at Broadridge, underlined how inaccurate data can lead to inefficiencies, delays and potential losses.

He also stressed how issues can occur due to the sheer number of announcements organisations are consolidating from different sources and in different formats.

Wood warned: "There are plenty of horror stories of firms electing on the 'wrong' option number due to the different presentation between custodians.

"Missed election deadlines, or clients not being informed of a voluntary corporate action event, are other examples where stakeholders and shareholders are negatively impacted by errors caused by poor data quality."

Misprocessed corporate actions resulting from poor data quality can leave firms at a competitive disadvantage, leaving them subject to claims from their clients and eating into development resources that can be used for innovation or product development.

Conttingham explained: "Stakeholders and shareholders rely on accurate data to make informed decisions about investments and strategies. When data quality is poor, decisions may be based on flawed assumptions, leading to poor outcomes and financial implications.

"Any technology solution should aim to satisfy regulatory barriers by keeping up to date with market standards as well as evolving the solution's flexibility and configuration to produce accurate and timely data."

Delivering further advances in corporate action processing efficiency

There are a number of ways that firms can improve their data quality to ensure reliable and successful corporate actions.

Broadridge advances their corporate action processing efficiency by ensuring rigorous data quality and parallel steps to promote automation of corporate actions processing.

Broadridge's Wood commented: "Automation is also key to reducing manual intervention, streamline workflows, and minimising risk. Investments in workflow tools and automated processes that remain compliant with both industry and regulatory changes through continued investment is vital for organisations planning for the future."

Historically speaking, monitoring corporation actions has been a highly labour-intensive process, costing back-office departments of asset managers and investment banks significant time and money, said SIX's Mehta.

The priority lies with ensuring firms are less reliant on manual processing, he explained, removing fragmentation and establishing a standardised approach when interpreting complex sets.

He continued: "The importance of automation cannot be underplayed and embracing the right technology to improve operational efficiency, evaluate different data sources, and highlight exceptions, will elevate some of the burden and risk. This will in turn free up people's time to work more closely on the complex, value-add elements of their job."

Development in the pipeline

The importance of good data quality and automation within corporate actions remains at the forefront of businesses as they decide what actions are the most reliable for a firm to produce material improvements.

Broadridge continues to heavily invest in the capabilities and integrations that are supported within their global corporate actions and income processing solutions.

Broadridge's Wood demonstrated: "This currently includes the utilisation of AI capabilities to support enquiries, providing data insights and automating the resolution of specific exception scenarios that arise in the corporate actions lifecycle."

"The importance of automation cannot be underplayed and embracing the right technology to improve operational efficiency, evaluate different data sources, and highlight exceptions, will elevate some of the burden and risk"

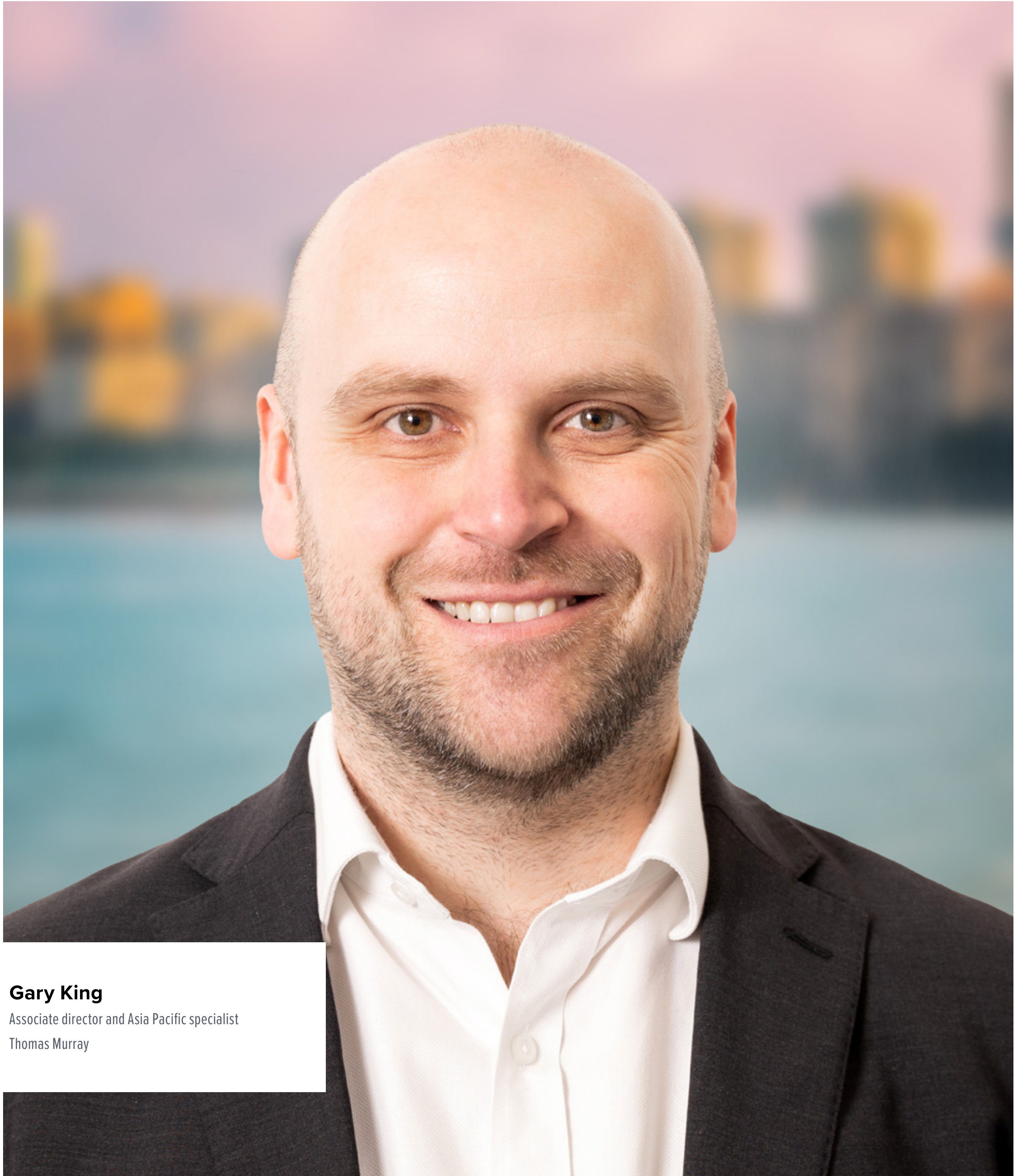
Yogita Mehta, SIX

He continued: "We have also invested in our connectivity with market infrastructure providers such as DTC and CREST to provide automation in business-critical areas, such as elections management, and developed partnerships with data providers and industry utility providers (in respect of claims management and tax reclaims) to ensure our clients can benefit from the efficiencies and improved client service these can offer.

As well as automation within corporate actions, Smartstream focuses on operational prudence and capable technology along with data availability to create an ecosystem where data quality and timeliness enable effective business decision making.

SmartStream's Cottingham said: "Updating the Event Master and its eligible positions in real-time is necessary to achieve data quality as the network of external announcements and internal positions evolves through the event lifecycle.

"Establishing this process on best practices defined in industry working groups — underpinned by established standards like ISO 15022 and newer standards like ISO 20022, along with their various interpretations across counterparties — creates a framework for continuous improvement that will assure data quality is future proofed."



Gary King
Associate director and Asia Pacific specialist
Thomas Murray

T+1 settlement cycles

Lessons from India and the Asia-Pacific

Gary King, associate director and Asia Pacific specialist for Thomas Murray, reflects on India's transition to a T+1 settlement cycle and assesses the rest of the region's approaches to the shifting settlement cycles across the globe

A phased transition, rather than a big bang

When the US equities market transitions to T+1 in late May 2024, India will have been operating a T+1 settlement cycle for almost 18 months.

In contrast to the "big bang" approach, as to be adopted by the US, India opted for a phased transition, lasting from February 2022 until January 2023.

In this method, securities were grouped into tranches, which moved to T+1 on a monthly basis; starting with the smallest stocks by market capitalisation and gradually working up to the largest in the final tranche.

The idea was to give the market time to acclimatise to the new cycles and time frames with the relatively illiquid securities and ensure full preparedness by the time the most liquid stocks transitioned.

This was considered preferable because of India's adoption of a relatively short time frame from commencing the T+1 project to going live with the transition — at least.

The Indian market simply would not have been ready for a big bang approach.

On the other hand, a phased approach creates the simultaneous running of two, operationally burdensome, separate settlement cycles during the period.

Comparing the Indian and US approaches will be an interesting exercise for any markets looking to move to T+1 in future.

There were signs that the main driver for a move to T+1 in India was to increase liquidity for the nation's extremely large domestic and retail markets. The initial T+1 roadmap indicated this line of thinking; with plans to set participant instruction deadlines at 7.30pm on SD-1 (i.e. TD), while also recommending trade pre-funding as the norm.

These proved to be points of contention, however, and following feedback from market participants, specifically on behalf of foreign portfolio investors (FPIs), the market agreed to move the confirmation deadline to 7.30am on the day of T+1. This allowed investors more time to provide their instructions, while also removing any official pre-funding requirements.

Adapting to the change

FPIs welcomed these changes. But, this change increased pressure on the local market participants and infrastructures to deal with any late or mismatched instructions, while ensuring cash and securities are in place for the 10.30am pay-in deadline.

Although the majority of the 24-hour reduction was absorbed by the FMIs operationally, custodians have largely had to adopt increased working hours and adapted their shift patterns to ensure round-the-clock coverage and processing capabilities.

Initial feedback from the market was very positive, with the only minor issue relating to some early increases in FX fees as demand was squeezed into a tighter window on the morning of T+1. This led to larger spreads, but no actual Indian rupee (INR) liquidity shortages.

Certain other measures have been used to ensure the smooth functioning of settlement while the market and investors were acclimatising to the shorter time frames.

These measures included; earlier submissions of client FX booking instructions, arranging FX settlement on a T+1 basis, holding long balances from sales proceeds and an increase in funding solutions from custodians.

However, holding long balances could also inadvertently hinder market liquidity, while the use of credit facilities may also increase operational and liquidity pressures on custodians.

Yet, it has been noted that some of these mechanisms are being used less, as investors and participants become more comfortable with T+1 as the norm.

Drawing conclusions, one year on

One year on from the final securities transitioning, what conclusions can be drawn from the Indian experience?

Overall, the market views the move to T+1 as a success, with early concerns gradually easing over time due to consistent performance with little impact on fails.

Confidence in the market increased following the Morgan Stanley Capital Index (MSCI) rebalancing in late Q2. This led to spikes in activity, but no subsequent increases in fails, technical issues or deadline extensions.

Following some initial and expected foreign investor trepidation, foreign investor volumes have returned to pre-T+1 levels and have stabilised.

Clock ticking on Pakistan's tentative dates for pilot run

The only other market in the region that has made clear, public moves towards T+1 is Pakistan, where the National Clearing Company of Pakistan Ltd (NCCPL) created a working group of key stakeholders in September 2023.

The group's purpose is to discuss and evaluate key considerations for the impact of a proposed transition to T+1. NCCPL announced in January 2023 that a pilot run of a T+1 settlement cycle is tentatively set for Q2 of 2024 — subject to the working group addressing some remaining operational challenges. Following this, a T+1 roadmap is expected in due course.

Asia Pacific: A case of 'wait and see'?

But what about the rest of the Asia Pacific region?

In general, owing to the fact that a number of markets have only transitioned from T+3 to T+2 relatively recently, including the Philippines, Japan and Malaysia, there has been very little noise from the Asian markets about moving to T+1. They do not seem to be in a hurry to take the next step.

Other markets are adopting a 'wait and see' approach, and will be closely monitoring the US transition which may bring more concrete discussion following that move.

There are also significant time zone differences between Asian markets and the US, which would need to be considered before any future moves are committed to.

Additionally, FX issues associated with a move to T+1 are likely to be prevalent in many countries, as the US dollar is a reserve currency that other markets do not have the luxury of relying on.

The US, of course, does not have that problem. So, it's fair to say, foreign investors are unlikely to be holding significant, regular balances in most Asian currencies, which they may have in US dollars.

Yet, one potential transitional advantage held by Asian markets is the comparative lack of integration and alignment between markets, meaning that countries have the relative freedom to pursue any changes as and when they see fit.

In contrast, in the European Union, which has significant operational and regulatory integration across almost all markets, a more measured and consultative approach is required for a move to T+1.

Therefore, as we have already seen with India, and are beginning to see with Pakistan, should any more markets wish to move to T+1, there are fewer cross-border interdependencies to account for, and this could result in faster preparation and implementation going forward. ■

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Reduce fails and manual effort

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Irish Fund Administration Panel

Industry experts consider fund administration in Ireland, regulatory changes and market expansion

How has technology evolved in the Irish Fund Administration market, and what role does it play in enhancing operational efficiency and client services? Are there specific technological trends or innovations that are currently shaping the landscape of fund administration in Ireland?

Andrea Lennon: Technology has rapidly advanced within fund administration, streamlining operations and elevating client service levels on behalf of our asset management clients.

We've seen a significant embrace of automation, cloud computing and data warehousing, information security measures and the development of asset-class specific software for particularly complex or regulatorily burdensome tasks.

Specific examples include the adoption of online signing, auto-fill documents and the deployment of investor portals that grant round-the-clock access. The latter in particular helps asset managers to save investor relations departments time, by streamlining administrative requests for information about performance, whilst enabling them to select what information to share with their investors within a portal.

This technological progression extends into the core operational sphere too where sophisticated software solutions now adeptly manage time consuming or intricate calculations, from fund and company accounting reconciliation through to waterfall calculations and keeping on top of custody obligations, among other specialised tasks.

These advancements result in heightened accuracy, efficiency and customised service delivery, fundamentally raising the bar for what it means to be a successful fund administration business.

As a result of all these technological developments, more information than ever is now available in the cloud – and so the emphasis on information security within our industry has surged too, with the aim of safeguarding sensitive financial data against potential threats.

This rigorous approach to data protection requires substantial operational scale – potentially challenging mid-market asset management firms or those who may not have fully scaled yet. Partnering with a fund administrator that prioritises both compliance and security can significantly bolster investor confidence.

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"We are also seeing expectations of greater security and privacy around new technologies such as AI and blockchain, alongside the usual demands for maintaining asset ownership, strong oversight and proper governance"

Paddy Walsh, CACEIS Investor Services

Such collaborations offer mid-sized firms the expertise and infrastructure necessary to meet high data protection standards, ensuring their operations align with industry best practices and regulatory expectations. This strategic alignment not only enhances security measures but also strengthens trust among investors, critical for sustaining and growing their investment base.

Our focus has been on harnessing these innovations to deliver tailored, efficient services that address the specific needs of our private equity, debt and real estate clients.

David Rochford: In many ways, the trends we're seeing in Irish fund administration mirror the broader global market, primarily in automation, digitising the investor experience and the growth of artificial intelligence.

The growth of the Irish fund market, which increased from 7,707 Irish domiciled funds in 2019 to 8,870 as of December 2023, means that fund managers must move away from outdated legacy technology and embrace new platforms providing greater automation.

Funds must improve their ability to process increasing volumes of data, across public and private markets, to understand their investor base and attract new retail clients, who are bringing fresh capital but also have greater expectations for disclosure and transparency. Automation is critical for meeting new reporting requirements in multiple jurisdictions.

Digitising data will improve the client experience and serve as a foundation for expanding the use of artificial intelligence to improve operational efficiency in areas ranging from investment analysis and client onboarding to streamlined payments processing.

What are the key regulatory challenges and opportunities facing fund administrators in Ireland, especially in light of recent changes or updates in European financial regulations?

Paddy Walsh: Obviously regulatory intensity is a major challenge in Europe, where the sheer volume of regulations in nearly every area of the business, along with relatively short timelines to analyse, adapt and comply, have an increasing impact on costs and resources.

Regulators are also aiming to isolate the sector from shocks by proactively strengthening operational resilience via measures such as the Central Bank of Ireland (CBI) Guidance on Operational Resilience (CP140) and Europe's Digital Operational Resilience Act (DORA).

We are also seeing expectations of greater security and privacy around new technologies such as AI and blockchain, alongside the usual demands for maintaining asset ownership, strong oversight and proper governance.

As the outsourcing trend continues, maintaining a high level of responsibility and control over every aspect is essential. The challenge is to ensure meaningful oversight along with appropriate metrics to properly assess providers' performance and rigour.

Yet another regulatory challenge is handling the heavy international financial sanctions that need precise identification and reporting that has intensified since 2022.

This all puts demands on our local compliance functions to get up to speed on new requirements and develop new and efficient processes.

Finally, anti-money laundering (AML) risk remains a primary area of concern for the regulatory authorities and we are required to dedicate a significant amount of resources to ensuring that we effectively play our part in maintaining Ireland's reputation for financial integrity.

Nevertheless, despite the significant administrative burden that regulations put on our industry, it has resulted in a more resilient sector with greater process transparency and better investor protections.

Rochford: There are many new regulatory changes that will impact fund administrators in Ireland. One key area is European Long-Term Investment Funds (ELTIF) 2.0, which is the ability to provide investors with access to long-term investment funds, given the recent move toward increased investment allocations in alternatives.

The challenge for fund administrators will be supporting managers that invest in public and private investments in a regulated European product that can be sold to retail and institutional investors. There is an increased focus from fund sponsors to launch products in this space and they want fund administrators to support them on this journey, not just as an administrator but as an asset servicer.

Lennon: Navigating the regulatory landscape remains a challenge but also presents opportunities for differentiation and value addition, positioning fund administrators as invaluable strategic partners to asset managers looking to raise funds in Europe.

In terms of specific regulation, the advent of ELTIF 2.0 heralds the democratisation of private markets, urging asset managers and administrators to revise operating models to accommodate open-ended structures such that the required liquidity in the fund does not drag on performance. Concurrently, the Capital Markets Union (CMU) initiative and forthcoming Alternative Investment Fund Managers Directive 2 (AIFMD2) regulation underscore the strategic necessity for adaptation, highlighting the importance of integrated financial markets across Europe.

A notable challenge for Ireland lies in developing structures akin to Luxembourg's RAIF/SCSp, essential for maintaining competitiveness in indirectly regulated product offerings. Meanwhile, the Sustainable Finance Disclosure Regulation (SFDR) and escalating emphasis on ESG considerations demand a nuanced approach to compliance, presenting both hurdles and opportunities for differentiation.

The specific challenge for fund administrators is to keep updated on each piece of regulation, which becomes harder to do with increasing regulatory burdens placed on our clients – and by extension, ourselves.

"The challenge for fund administrators will be supporting managers that invest in public and private investments in a regulated European product that can be sold to retail and institutional investors"

David Rochford
Managing director and global head of public markets
MUFG Investor Services

"The continued growth of alternatives and the ability to service these products in Irish fund vehicles to meet both manager and investor needs are key challenges and opportunities for the Irish fund industry"

David Rochford, MUFG Investor Services

The divergence of regulation between the EU and UK following Brexit is a further challenge for both asset managers and fund administrators, especially for UK-based clients.

For fund administrators, this means once again that the bar is continually raised – which actually benefits firms like ours who have the resources to ensure continued compliance.

Meanwhile, it becomes more crucial for mid-market asset managers who do not have that same scale to work with a partner who does.

How do broader European trends in fund administration impact the Irish market, and what opportunities or challenges do these trends present for industry players in Ireland?

Rochford: Looking across our European business and the European fund industry as a whole, the continued growth of alternatives and the ability to service these products in Irish fund vehicles to meet both manager and investor needs are key challenges and opportunities for the Irish fund industry.

For example, Luxembourg funds have seen incredible growth in this space during the last number of years.

We will continue to see a trend toward the use of generative AI and the ways in which investors and internal operations can benefit from it. Some initial areas of focus are generative AI chatbot, categorisation service, and data extraction. We are taking a more iterative approach and investing our time and resources in some of the more advanced AI platforms.

Lennon: Broader European trends in fund administration can significantly influence the Irish market, aligning with Ireland's strengths in managing diverse asset classes and fund structures. So far, these trends have been kind to Ireland in particular, contributing to making the jurisdiction the fastest growing major European domicile, accounting for 19.1 per cent of all European fund assets.

One example of these trends contributing to Ireland's growth, is the growth of the exchange traded fund (ETF) market. Ireland has established itself as a leading European domicile for exchange traded funds, representing approximately 67 per cent of the total European ETF market. This means European – or global – trends in the growth of ETFs further benefits Ireland and its fund administrators who help launch and administer these funds.

Another example has been the global war for talent, which has been particularly virulent in Europe. Talent shortages in key domiciles like Luxembourg have inadvertently benefitted Ireland, with work being transferred to Irish fund administrators who are capable of handling complex fund structures due to their depth of expertise and knowledge.

This shift not only highlights Ireland's capacity to absorb and efficiently manage additional workload but also underscores the need for Ireland to invest in skill development and talent acquisition to sustain this growth.

The ability to attract and retain top talent in fund administration and related technological and regulatory fields will be crucial for Ireland to leverage European trends fully and address the challenges they present.

A final example is how Brexit combined with Ireland's enviable quality of living standards has attracted significant new and different talent pools from across the UK and Europe. As expertise in private equity asset valuation, waterfall calculations and other areas come into the country, it allows Irish firms to offer more complex service solutions and move into middle and front office areas, allowing further value-add for clients and propelling the Irish fund administration market forward to higher value work.

However, Ireland has challenges too, both inside and outside the industry. Within the industry, the war for talent has also affected Ireland – we have not been immune from this.

Maintaining a regulatory framework that is agile enough to adapt to the evolving European landscape while ensuring Ireland remains competitive is key. The increasing emphasis on ESG principles across Europe, for example, demands that Irish fund administrators enhance their capabilities in reporting and managing ESG-focused funds, a domain where Ireland already shows promise.

Outside of the industry and more generally, with more people wanting to live in Ireland comes increased demand on infrastructure and housing.

How have client expectations for fund administration services evolved in recent years, and what steps are industry players taking to meet or exceed these expectations?

Rochford: Often due to the cost of overseeing a service provider, fund managers want to narrow their focus to a single, trusted administration partner to serve their needs and they want that partner to do more than provide the traditional back and middle-office functions.

Increasingly, clients are asking their administration partners to support front-office functions, including order generation or rebalancing, pre-trade compliance, interbank offered rates (IBOR) services risk and cash flow forecasting and liquidity.

In other instances, administrators are providing services outside the traditional fund administration or asset servicing model, such as banking or payments.

Lennon: The European fund administration landscape is shifting towards more client-centric, data driven, technologically advanced services including automation and a greater share of the value chain, for example, data management services; allowing our clients to focus on their value add whilst they harness our comparative advantages in the administration and data spaces.

Key to this transformation is engaging in meaningful dialogues with clients, a practice that has proven successful for firms like ours, which boast remarkable client satisfaction and retention.

"The European fund administration landscape is shifting towards more client-centric, data driven, technologically advanced services"

Andrea Lennon
Country head for Ireland
Crestbridge

"We understand the importance of continuous monitoring, testing, evaluation, and adaption of our operational resilience framework"

Andrea Lennon, Crestbridge

From a technological standpoint, the emphasis is on leveraging tech to provide highly customisable and real-time services, automating routine tasks to focus on strategic client interactions and in using software solutions to ensure continued accuracy and speed wherever there is complexity or regulatory obligation. With regulatory demands increasing, possessing in-depth knowledge of changes and being able to horizon-scan for further regulatory changes is important to our asset management clients. Continuous improvement, driven by client feedback, is central to refining our service delivery. This streamlined approach underscores the evolving dynamics of fund administration in Europe, focusing on technology, regulatory expertise and a strong commitment to client satisfaction.

Given the increasing focus on operational resilience, what measures are fund administrators implementing to enhance their operational robustness and manage potential risks effectively?

Walsh: We view operational resilience as extension of operational risk management, as it enhances existing processes and practices while promoting deeper integration.

It has strengthened our business continuity management methodology and safeguards operational endurance by identifying global dependencies and ensuring those processes are operationally robust.

We have implemented a wide range of measures that are in line with CBI Guidance (CP140) such as identifying critical business services for third parties including clients, investors, the market and regulators.

We then map those dependencies through the whole business process, define impact tolerances for the same parties and then perform tests based on serious but plausible scenarios as required by the guidance. These tests are assessed and documented, enabling us to take appropriate action. The iterative nature of the process is the most important thing for us. This testing and improving is an on-going process to identify where changes to our procedures or even a new critical process are required.

Lennon: Administrators are continuously monitoring the effectiveness of their approach to operational resilience and, where necessary, fortifying their systems against a spectrum of risks, including cyber threats, macro events such as climate disasters, conflicts and operational failures, especially as reliance increases on cloud computing to offer best in class services to asset managers and their investors.

IT security protocols, implementing exhaustive disaster recovery strategies and conducting periodic system stress tests are usual. These measures are designed to ensure not only the robustness of our operations but also our agility in recovery post-disruption.

Interconnections and interdependencies were analysed to identify any critical and important business services serve to enable firms to document and map the necessary people, processes, information, technology, facilities and third-party service providers required to deliver each critical or important business service.

The industry's approach is multifaceted, encompassing both preventive and reactive strategies to maintain uninterrupted service. Cutting-edge cybersecurity solutions to pre-empt potential breaches, while our disaster recovery plans are crafted to guarantee swift restoration of services, minimising downtime and its associated impacts on clients and their investments.

Moreover, we understand the importance of continuous monitoring, testing, evaluation and adaption of our operational resilience framework. This vigilance enables us to identify vulnerabilities early and adjust our strategies proactively, staying ahead of evolving threats and ensuring we minimise impact and protect our customers, allowing us to quickly restore services in the event of unplanned disruption.

Investing in our personnel's training and awareness forms another pillar of our resilience strategy. By equipping our team with the knowledge and tools to identify and mitigate risks, we enhance our collective defence against operational and cybersecurity challenges.

This approach not only safeguards our operations but also reinforces the trust our clients place in us, ensuring their assets are managed securely and efficiently, even in the face of unexpected challenges.

Rochford: Fund administrators are working closely with managers and their AIFMs to provide more transparency into how their services are delivered and understand the key risks associated with the delivery of these services. This requires fund administrators to break down each service into its component parts and challenge potential 'weak' points to ensure they are resilient if an issue occurs, such as the Covid-19 pandemic. Then administrators must address and improve those 'weak' points.

The internal operations teams will work closely with operational risk teams to challenge how a firm delivers services and, when considering changes to an operating model, determine if it will add additional risk to the delivery of those services.

What challenges and opportunities exist in terms of talent acquisition and skills development within the Irish fund administration sector, particularly in areas related to technology and regulatory expertise?

Rochford: One of the greatest challenges we face in the funds and tech industry is creating an inclusive environment where women are fairly represented, have their voices heard and can thrive.

This can be addressed in a variety of ways, especially at the grass roots level, by introducing girls to careers in funds or science, technology, engineering and mathematics (STEM). Our firm addresses this important issue by partnering with Irish Funds on initiatives such as the Financial Literacy TY Programme, where we contribute to educating children on careers in the funds industry.

Lennon: The Irish labour market remains tight, and the unemployment rate is forecast to be 4.8 per cent in 2024. Since the last census in 2022, the population grew to 5.1 million, the highest in 170 years.

"The need to both develop and attract a diversity of talent to create the conditions for innovation and growth are key challenges facing the Irish fund administration sector"

Paddy Walsh

Head of regional coverage for Ireland, North America and the UK
CACEIS Investor Services

"As an industry, we are actively pursuing growth opportunities, capitalising on Ireland's position in the global and European fund administration industry"

Andrea Lennon, Crestbridge

As previously mentioned, Ireland continues to attract new talent which brings new skill sets that can be utilised in the economy and the administration sector. Furthermore, there are a number of global tech firms headquartered in Ireland which can help the financial services sector to support the accelerated growth in fintech and regtech solutions.

To that end, the quest for talent, especially in technology and regulatory expertise, is both a challenge and an opportunity. We're focusing on creating a culture of continuous learning, offering training programmes in cutting-edge technologies and regulatory affairs to our staff. Moreover, we're actively seeking out talent with diverse skill sets to bring fresh perspectives and innovative solutions to our clients.

Walsh: The need to both develop and attract a diversity of talent to create the conditions for innovation and growth are key challenges facing the Irish fund administration sector. Ensuring regulatory compliance demands experienced and competent compliance officers and as competition between funds service providers intensifies, recruitment becomes increasingly difficult.

The demand for key technological skills are set to escalate exponentially in the fund and asset management sector. Industry players have signalled their intention to increase the amount of these skills in their Irish workforces in the coming 12 to 18 months, according to a new report by Irish Funds.

A multi-faceted approach will need to be taken to grow the technological and regulatory talent in Ireland, including reskilling and upskilling existing employees and attracting new entrants and professions. This will require working closely with employers, education providers and other stakeholders.

This will create exciting opportunities for existing and emerging professionals to work in this thriving industry.

How are Irish fund administrators exploring opportunities for market expansion, both within Europe and globally, and what strategies are being employed to establish international collaborations?

Rochford: Every administrator has its own strategy, but we've focused on serving clients in the areas where they do business. Our model, with 17 global locations in or near the world's largest financial centres, provides highly skilled teams to execute for clients and monitor regulatory requirements. This 'near-shoring' strategy enables our firm to support client operations in many global markets.

Lennon: As an industry, we are actively pursuing growth opportunities, capitalising on Ireland's position in the global and European fund administration industry.

To facilitate global outreach, Irish fund administrators are leveraging the country's renowned expertise in navigating complex regulatory frameworks and its commitment to technological advancement. These competencies make Ireland an attractive partner for international clients seeking advanced fund administration services.

Furthermore, having multiple offices across Europe and the US enables administrators such as us which offer localised support while maintaining a global perspective, enhancing their appeal to a broader client base. This approach not only aids in navigating new regulatory environments but also in tailoring services to meet the specific needs of diverse client bases.

Moreover, fund administrators are investing in technology to support their international expansion efforts. By adopting cutting-edge financial technologies, they can offer scalable and efficient solutions that cater to the global market's demands. This technological edge, coupled with regulatory knowledge, positions Ireland as a preferred partner for funds looking to optimise their operations across different jurisdictions. ■

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Regelman to leave BNY Mellon

Roman Regelman has announced that he will be leaving BNY Mellon.

Regelman leaves his role as the bank's global head of securities services and digital to pursue new career opportunities.

He spent over six years at BNY Mellon after joining from the Boston Consulting Group. Regelman was previously a partner at New York-based consulting firm, Strategy&.

During his time at BNY Mellon, Regelman sponsored IMPACT, an initiative championing diversity and inclusion across the company.

Regelman announced his departure via LinkedIn, saying: "I've had the honour and privilege of serving on the BNY Mellon's leadership team since 2018.

"This company has an incredible role at the centre of the world's financial system, helping to make money work for the world and I am grateful for the opportunity to have led our securities services businesses and our digital organisation." ■

Duve joins European Central Bank

Benjamin Duve has joined the European Central Bank.

Duve will continue working in the field of tokenisation of money and digital assets. Asset Servicing Times reported that he had left BNY Mellon in February.

Duve joins the innovation team, led by Holger Neuhaus.

On his new role, Duve commented on LinkedIn. He says: "There have been many meaningful discussions thus far with my very experienced colleagues here already on their views, better understanding the depth of these functions and the central banker's perspective.

"With the Eurosystem exploratory work on new technologies for settlement of wholesale financial transactions in central bank money we are already at the forefront of innovation globally".

Bal named global head of custody operations

J.P. Morgan has named Hardeep Bal as its new global head of custody operations. Bal has been at J.P. Morgan for over nine years. Before his promotion, he was the firm's global head of custody client facing the middle office.

Previously, he was an executive director for global banking and markets for HSBC, where he spent eight months. Before that, he was also an executive director at Morgan Stanley as head of FX for North America and European operations and their global head of change.

Bal also has experience working at Accenture, UBS and IBM.

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Zumo appoints Mehra as non-executive director

Zumo has appointed Ashwath Mehra as a non-executive director amid growth of the digital asset sector.

His appointment is designed to support the company through regulatory changes following the the Securities and Exchange Commission's approval of Bitcoin spot exchange traded funds (ETFs).

Nick Jones, founder and CEO of Zumo, says: "Zumo has a wealth of experience and a deep skill set that will help us strengthen our governance structures and capitalise on our regulatory advantage. It's shaping up to be a huge year for the company and having Ashwath on the board is a timely boost."

Mehra comments: "Institutional interest in digital assets is surging as a result of recent developments and Zumo is well-positioned to play a pivotal role."

"I've been impressed by Zumo's commitment to driving a sustainable, compliant digital assets sector that enables financial institutions to protect their customers whilst helping them to explore the new possibilities on offer."

Zumo helped Jacobi Asset Management to deliver Europe's first decarbonised Bitcoin spot ETF and was the first digital asset platform to integrate the tech-based requirements of the Financial Conduct Authority's financial promotions regime for cryptoassets. ■

SIX appoints Brupbacher

SIX has appointed David Brupbacher as head of IT and member of the executive board, which will take effect from 1 July.

He replaces Christoph Landis, who will retire in the second half of the year.

Based in Zurich, Brupbacher will be responsible for the group-wide development and operation of the entire IT infrastructure.

He previously held the position as interim from February 2023 to the end of 2023.

Brupbacher brings extensive knowledge of the company to the role, having headed IT infrastructure and operations since May 2015.

He was also a member of the management board of SIX Interbank Clearing AG between 2009 and 2015.

Prior to joining SIX in 2001, he worked for various companies in the payment transactions sector.

Parsons appointed Calastone's chief technology officer

Calastone has appointed Nick Parsons as chief technology officer. In this role, he will be responsible for technology operations as well as product strategy and development.

The global funds network say that digital innovation remains a key priority and Parson's appointment reflects this.

Parsons will work closely with newly-appointed chief architect Adam Belding.

Belding leads Calastone's Digital Investments programme to enable new digital 'tokenised' investment models.

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Parsons previously spent close to 15 years at Bravura Solutions as chief technology officer, chief operating officer and CEO. Prior to this he was chief technology officer for DST Global Solutions (now part of SS&C).

BMLL names Cameron non-executive director

BMLL has appointed Niall Cameron as non-executive director to support the strategic development of the business.

On joining BMLL, Cameron comments: "BMLL's data science capabilities, the depth and breadth of its level three, two and one data remain unmatched in the industry. Its collaboration and distribution partnerships are breaking down the barriers to accessing high quality historical data for market participants around the world."

Cameron previously worked at HSBC as global head of digital markets.

He was then promoted to global head of digital for the commercial and institutional base where he implemented a large-scale digital transformation project.

Cameron also held the role of executive committee member at IHS Markit where he served as global co-head of equities, indices, commodities, risk management and economics.

Bjergby joins SimCorp

SimCorp has appointed Michael Bjergby as chief financial officer and a member of the executive management board, effective 1 December.

In the role, Bjergby will have a particular focus on strengthening the company's finance team.

This will include implementing new management systems, as part of SimCorp's new operating model.

More broadly, he will be responsible for leading SimCorp's global finance, IT, legal, investor relations and procurement teams. ■

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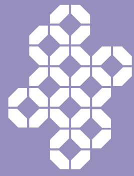

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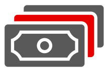

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