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When oversight breaks

The governance
failures behind the
Woodford collapse



UK Update

Experts from the Channel Islands discuss regulation, digital assets, AI, and talent

Panel Discussion

Industry participants explore the withholding tax regulatory landscape

Emerging Talent

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LSEG unveils digital market infrastructure platform

The London Stock Exchange Group (LSEG) has set in motion its digital markets infrastructure (DMI) platform for private funds and completed its first transaction.

DMI will provide blockchain-powered scale and efficiencies for the entire asset lifecycle — from issuance, tokenisation, and distribution, to post-trade asset settlement and servicing, across multiple asset classes.

The platform will be compatible with existing market solutions in distributed ledger technology (DLT) and conventional finance.

Built in partnership with Microsoft, DMI is in line with LSEG's aim to be the first global exchange group to back customers through the entire funding spectrum.

The DMI platform will initially be accessible to private funds, but will be extended to other asset classes.

DMI, which was developed on Microsoft Azure, will be further developed and scaled by LSEG and Microsoft.

Private funds brought onto DMI will be visible to Workspace's users through their day-to-day workflow, allowing general patterns to engage with investors and access private market investment opportunities.

MembersCap and Archax have been integrated onto the platform as the first clients.

The first transaction has been enabled with MembersCap, the general partner of MCM Fund 1, creating a primary fundraise with Archax, operating as nominee for a web-3 foundation.

EJF Capital has also been onboarded as an early adopter. ■

AST

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The background of the slide features a complex, abstract design. It includes a large, stylized '50' in the center, with the text 'YEARS OF GLOBAL CUSTODY' below it. The background is composed of various geometric shapes, including triangles and lines, in shades of blue, green, and orange. There are also several thin, curved lines and a series of small, vertical bars that resemble a bar chart or a stylized skyline. The overall aesthetic is modern and professional.

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State Street completes its first AP order

State Street Corporation has completed the first Authorised Participant (AP) creation order via API for an Australian-domiciled exchange traded fund (ETF).

According to the firm, the automation of AP order flow through APIs enables greater efficiency, scalability, and operational resilience — particularly as ETF trading volumes continue to grow.

Lori Coakley, head of fund connect ETF at State Street, says: “Executing our first API order in an Australian-domiciled ETF is a clear signal of

how far the industry has come in embracing automation. We are proud to support our clients with the infrastructure they need to scale efficiently and meet the demands of a growing market.”

Fund Connect ETF has six ETF issuers and six APs live on the platform, with more to come. The Australian ETF market grew nearly 40 per cent in 2024, reaching a record AU\$180 billion in assets under management, according to the Global X Australian ETF Market Scoop.



MUFG expands into India

Mitsubishi UFJ Financial Group (MUFG) has launched a new entity, MUFG Securities (India) Private in Mumbai.

This expansion marks a significant milestone in MUFG’s commitment to India and its role as another key growth engine in APAC.

By establishing an onshore securities platform based in Mumbai, it will complement MUFG’s established position in offshore capital markets, strengthening its ability to deliver comprehensive, end-to-end financing solutions for premier clients.

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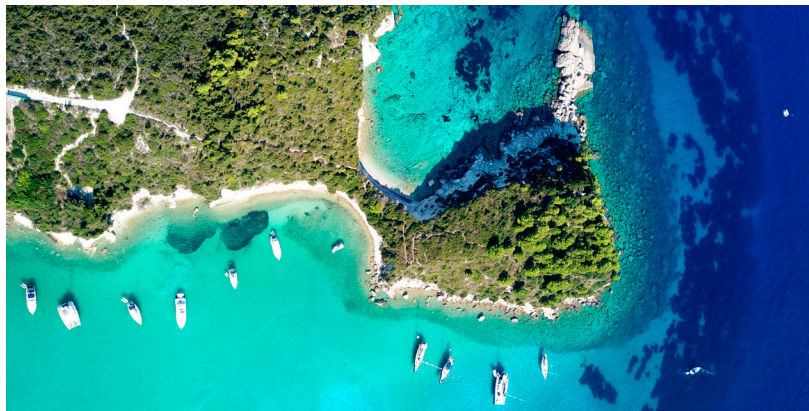
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Hawksford launches operations in Cayman

Hawksford, a global service provider, has launched its operations in the Cayman Islands due to its global growth strategy. The Cayman Islands team will be led by the four Paradigm founding partners — Geoff Ruddick, Nic Corsetti, Leo Kassam, Cary Marr, in addition to Tamara Hill who recently joined as chief operating officer.

The 30-strong Hawksford Cayman team provides a range of services to investment fund managers, including independent directorship,

distressed fund and value recovery, outsourced accounting, family office operational support, anti-money laundering, economic substance, and ancillary services.

Commenting on the official launch of Hawksford in Cayman, Simon Page, head of funds, says: “Cayman is a globally recognised centre for hedge and private equity funds, making it a natural next step in Hawksford’s ambitious multi-jurisdictional growth strategy — particularly within the Americas.”

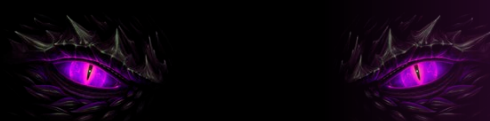
Zand forms strategic alliance with Chainlink Labs

Zand, an AI-powered fintech and financial services group, has formed a collaboration with Chainlink Labs, one of the primary contributing developers of Chainlink, an oracle technology provider. The alliance seeks to boost the integration of tokenised assets and blockchain-based financial solutions within the United Arab Emirates (UAE) financial system.

Chainlink provides the foundational connectivity required to build secure, compliance-focused digital asset infrastructure that interacts across blockchains and traditional systems, the firm says. This alliance will support Zand Bank’s digital asset strategy by drawing on Chainlink’s industry expertise and suite of services, such as its Automated Compliance Engine (ACE), Automation, Cross-Chain Interoperability Protocol (CCIP), and VRF to power financial applications that enhance the UAE’s digital asset ecosystem.

Commenting on the move, a representative of Zand says: “With a shared vision, Zand and Chainlink aim to deliver innovative, secure, and fast solutions that seamlessly merge traditional finance and decentralised finance to advance the digital economy.”

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BNP Paribas mandates Proximity

BNP Paribas' Securities Services business has implemented Proximity's proxy voting solution for its local custody general meetings services in the UK, Australia, and New Zealand. Through the use of Proximity's Vote Connect Total solution, Securities Services at BNP Paribas can deliver a re-designed, end-to-end general meetings service to clients in the three regions.

The updated offering enables more efficient investor communications, provides accurate and real-time information, and improves overall transparency and engagement, the firm says.

Proximity, an investor communications platform,

connects the ecosystem of issuers, intermediaries, and investors through its digital solutions.

Its solution is also connected with BNP Paribas' NeoLink client platform, which grants clients access to information throughout the general meeting lifecycle.

Clients are able to vote directly on the platform, via SWIFT in the latest ISO standard messages or via their proxy provider, with their votes going to the issuers immediately.

Meanwhile, the BNP Paribas' Securities Services teams handle clients' enquiries, monitors activities, and coordinates operational flows with Proximity.



Hex Trust integrates custody and staking support for stETH

Hex Trust, a digital assets financial service provider, has integrated custody and staking support for stETH, Ethereum's liquid staking token issued via the Lido protocol, representing nearly a quarter of all staked ETH. According to the firm, this integration gives clients secure access to staking rewards and liquidity, with the flexibility to use stETH in decentralised finance while avoiding the operational overhead of managing staking infrastructure directly.

The firm adds that Hex Trust's integration of stETH addresses core barriers that institutions face when adopting liquid staking, including liquidity management, complex workflows, and a lack of trusted infrastructure.

Hex Trust says that the clients benefit from integrated staking, flexible access and an expanded utility.

Calvin Shen, chief commercial officer at Hex Trust, says: "For institutional investors, efficiency and security are not just preferences — they are necessities. Our solution provides that critical combination: a secure custody platform that enables a seamless one-click staking experience."



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MKK and Clearstream open up access to Turkish capital markets

The Turkish central securities depository and trade repository, Merkezi Kayit Kuruluşu (MKK) and the international central securities depository (ICSD) Clearstream Banking, will facilitate direct access to Turkish capital markets.

The link will allow the settlement and custody of Turkish government debt securities, supplied through the Central Bank of Türkiye via an omnibus account structure.

It will be operational from 29 September 2025.

TEB Securities Services, Clearstream's local partner, will function as the account operator.

Foreign investors will receive wider access to Turkish capital markets allowing them to keep Turkish government debt securities in a clearing account.

Clearstream will assist Turkish equities and corporate bonds through existing segregated account structure, combined with the latest omnibus account structure for Turkish government debt securities.



Northern Trust broadens fund services relationship

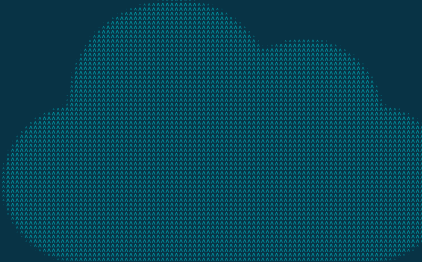
Northern Trust is expanding its relationship with Brandes Investment Partners, to back the setup of the Brandes Global Value Fund in Australia, with international custody and fund administration servicing.

The Brandes Global Value Fund is an Australian Unit Trust that Australian institutional and wholesale investors can access.

Brandes is a California-based investment advisory firm that focuses on global equity and fixed-income assets for clients internationally.

It has been a Northern Trust client since 1992.

The relationship between Northern Trust and Brandes covers services including: global custody, fund accounting and administration, transfer agency, foreign exchange, securities lending, and equity data science (EDS) capability for Brandes' mutual and institutional funds in the US.



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Clearstream reinforces commitment to Europe

Clearstream's Germany-based central securities depository (CSD), Clearstream Banking AG, has faced a rebrand with a name change to Clearstream Europe AG.

The move aims to better reflect Clearstream's pan-European footprint and reinforce its commitment to building a strong and competitive European capital market.

With its slogan, "One Account, One Platform, and One Partner", the firm's

Pan-European CSD solution serves as the largest single-entry point to TARGET2-Securities (T2S), the pan-European settlement system of the European Central Bank (ECB).

Clearstream Europe handles over 50 per cent of the entire T2S volume, providing access to liquidity. It connects a network of 19 European markets, offering access to 60 markets globally together with Clearstream's international central securities depository (ICSD).

Clearstream adds BlackRock funds to its platform

BlackRock will add funds to the Clearstream platform to broaden the distribution of its alternative investment solutions. The move will see the use of Clearstream Fund Services' distribution infrastructure to process funds at scale, simplifying wealth manager access to private market funds.

The agreement provides BlackRock with access to sophisticated investors through Clearstream's network of over 300 distribution partners, including a number of global wealth managers with a strong presence in Europe, the UK, and Asia Pacific.

Fabio Osta, head of the alternative specialists team, EMEA Wealth at BlackRock, says: "We are entering a new era for private markets, in which we are bringing together our innovative evergreen solutions with new distribution channels. In collaboration with Clearstream, we are democratising access to private markets for more investors as they continue to grow their allocations to the asset class."

BlackRock provides clients with investment strategies across infrastructure, private credit, private equity, real estate and multi-alternatives solutions.

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RDC joins Canton Network

Receipts Depository Corporation (RDC), a digital asset depository, has joined the Canton Network, a privacy-enabled blockchain ecosystem designed for institutional assets, as both a validator and a depository receipts (DR) depository.

As part of this initiative, RDC will leverage its expertise in issuing traditional and digital asset DRs to work towards introducing tokenised depository receipts on the Canton Network.

This initiative intends to expand investment opportunities by combining the mobility and efficiency of tokenisation with the trusted regulatory and governance framework of depository receipts, with the goal of enabling investors to move assets seamlessly and securely across jurisdictions. As a validator, RDC will also contribute to the resilience, security, and governance of the Canton Network.

Bryant Kim, chief operating officer of Receipts Depository Corporation, says: “By joining the Canton Network, we are working on extending the utility of depository receipts into the digital era.

“Tokenised DRs intend to allow institutions and qualified investors to access a broader range of assets with the same regulatory protections they have trusted for decades, but now with the added benefits of blockchain interoperability, settlement efficiency, and programmability.”

Georg Schneider, global head of RWA, Digital Asset, adds: “Receipts Depository Corporation is a pioneer in bridging traditional finance with the digital asset economy. By introducing tokenised DRs, they are helping to bring crypto assets into traditional finance through a well-known, trusted financial instrument.”



Crypto Finance goes live with Chainlink Proof of Reserve

Crypto Finance, an arm of Deutsche Börse Group, has now gone live with Chainlink Proof of Reserve — enabling investors to authenticate the holdings behind exchange traded products (ETP).

As the first user, nxtAssets is enabling on-chain verification of assets held in custody by Crypto Finance for its physically backed ethereum and bitcoin ETPs.

The structure combines three elements: nxtAssets issues and manages the ETPs, Crypto Finance provides regulated custody of the underlying assets, and Chainlink delivers secure reserve data on-chain.

Bitcoin and ethereum reserve data will be supplied through Chainlink’s decentralised oracle technology.

This reserve data is orchestrated by Chainlink Runtime Environment (CRE) and published on Arbitrum where it is publicly visible.

Binance collaborates with Franklin Templeton

Binance, a cryptocurrency exchange, and Franklin Templeton have collaborated to build digital asset initiatives and solutions tailored for a broad range of investors. The firms will explore ways to combine Franklin Templeton's expertise in the compliant tokenisation of securities with Binance's global trading infrastructure.

The firms aim to deliver solutions to meet the evolving needs of investors by bringing greater efficiency, transparency and accessibility to capital markets, with competitive yield generation and settlement efficiency.

Beeks Group collaborates with TMX Group

Beeks Financial Cloud Group, a provider of cloud computing and connectivity solutions for financial markets, has entered into an agreement with TMX Datalinx, the information services division of TMX Group — the Canada based financial services company. Under the agreement, Beeks will offer its Exchange Cloud service as TMX Elastic Market Access (TMX EMA) to TMX Datalinx clients.

According to the firms, TMX Datalinx will offer co-located infrastructure-as-a-service (IaaS) through Beeks' Exchange Cloud platform.

KDPW and CDA link capital markets

The Central Securities Depository of Poland (KDPW) and the Central Depository of Armenia (CDA) have entered into an agreement to create a direct operational link between the two markets.

Armenian companies will be listed on the Warsaw Stock Exchange (WSX) as part of the agreement.

The settlement of transactions — involving financial instruments dual-listed on the Warsaw Stock Exchange and foreign stock exchanges — will be enabled through an operational link with foreign CSDs. ■



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When oversight breaks

A magnifying glass with a black handle and frame is positioned diagonally. The lens is shattered with multiple cracks radiating from a central point, set against a solid blue background.

**The governance failures behind
the Woodford collapse**

The collapse of Neil Woodford's flagship fund was not just about poor stock picks — it exposed weaknesses across the fund industry's checks and balances. From the ACD model to regulatory oversight, institutional investors were left questioning whether governance structures truly protect them

Zarah Choudhary reports

A structure built on checks and balances

When the Woodford Equity Income Fund (WEIF) launched in 2014, the fund industry was quick to assume that governance would be watertight. The model looked familiar and tested: Link Fund Solutions as Authorised Corporate Director (ACD), Northern Trust as depositary, and Woodford Investment Management (WIM) as fund manager. Together, these layers were supposed to guarantee investor protection through independence and oversight.

By 2016, the strategy appeared to be working, with assets surpassing £10 billion. But as history has shown, growth can mask risk. Behind the numbers, the governance structures that should have provided independent challenge to the fund manager were quietly eroding.

When red flags went unchallenged

By 2017, WEIF's growing exposure to unlisted and illiquid companies was raising eyebrows in the market. Critics argued that WIM lacked sufficient internal challenge. ShareSoc's director Mark Northway points to the absence of a properly empowered investment committee as "a key governance failure" with too much deference given to the star manager.

WIM disputes this characterisation, insisting that liquidity governance was the responsibility of the ACD. In their view, the fund's investment committee existed, but its remit was not to override investment judgement. Liquidity was monitored through Link's framework, with compliance and risk heads at WIM ensuring adherence. Portfolio construction, they argue, was rightly Neil Woodford's domain.

At the same time, the regulator was becoming aware of the scale of illiquid exposure. The Financial Conduct Authority (FCA) documents later confirmed that by 2018, the fund had breached Undertakings for Collective Investment in Transferable Securities (UCITS) limits, with around a quarter of holdings taking six months or longer to liquidate. Yet despite media scrutiny and internal reporting, no party in the chain — manager, ACD, depositary or regulator — took decisive action.

Suspension and its fallout

The turning point came in May 2019, when Kent County Council, one of the UK's largest local authority pension schemes, sought to

redeem £263 million. That single request was enough to trigger a liquidity crunch that the UCITS structure could not withstand.

On 3 June 2019, Link and Northern Trust moved to suspend the fund, freezing £3.7 billion in assets. The suspension was framed as a protective measure, but for institutional investors it meant capital locked up indefinitely.

Neil Woodford has always maintained that the decision was unnecessary. He argues that Link, as ACD, controlled the prospectus and liquidity rules, and that stress tests had been run and shared with both the ACD and the regulator. "At no point did Link suggest suspension would be the outcome," he has said, adding that WIM was given just 15 minutes' notice.

From WIM's perspective, the episode highlighted a structural mismatch: placing such a large institutional allocation into a retail UCITS fund created liquidity pressures that alternative structures might have avoided. The firm insists that tools such as in-specie transfers or dilution levies could have managed Kent's redemption without resorting to suspension.

A battle over responsibility

The fallout was swift. In October 2019, Link confirmed the fund would be wound up, removing WIM as manager. BlackRock and PJT Partners were appointed to liquidate the assets, many of which were sold at significant discounts. Ombu, a portfolio once valued at £150 million, went for £30 million. By early 2020, £2.55 billion had been distributed, but nearly half a billion pounds remained trapped.

Years later, the FCA's investigation concluded with fines for both WIM and Neil Woodford personally, alongside a ban on managing retail funds. The regulator's assessment was damning: unreasonable investment decisions, inadequate oversight of liquidity, and what it called a "defective understanding" of senior manager responsibilities.

WIM rejects this interpretation, maintaining that liquidity oversight was set by the ACD and accepted by the FCA.

To them, Woodford's role was to manage within that framework, not to challenge it. Others, however, see this as a convenient narrowing of responsibility. As Northway puts it: "Investors were badly let down throughout the chain of responsibility — by their fund manager, by the ACD and by the FCA."

Lessons for the fund industry

The question now is whether the collapse has driven real reform. For many, the answer is no. Rachael Healey, partner at RPC, notes that while the ACD is responsible for liquidity oversight, the way it models that risk is largely discretionary.

In Woodford's case, Link assumed a 100 per cent participation rate in its liquidity metrics — a methodology the FCA later challenged as unjustifiably optimistic.

Yet despite this, the FCA has indicated it does not plan to overhaul the regime, and with political pressure leaning toward deregulation, substantive change looks unlikely.

Healey suggests more transparency could help: making the assumptions behind ACD models readily available to investors and perhaps even rotating ACDs to reduce complacency and foster independence.

Others point to differences in international standards. Cédric Cajet, investment management strategy director at NeoXam, argues that while the saga has put a spotlight on governance, the UK's ACD model is less prescriptive than EU UCITS rules, which mandate stricter liquidity and diversification requirements. "UK oversight provides a clear accountability framework, but it has limits, particularly when funds invest in illiquid assets," he says.

For Northway, the bigger issue is trust. He believes the FCA's redress scheme has fallen short of addressing the true scale of investor losses, leaving both retail and institutional participants disillusioned. "The FCA has placed harmed investors last in the queue. Again, that's simply not good enough," he concludes.

Closing thoughts

The Woodford case is a reminder that even in a highly regulated market, structures designed to protect investors can fail if assumptions go unchallenged and oversight bodies defer responsibility.

For asset servicers and institutional allocators, the lesson is clear: effective governance cannot rest on frameworks alone.

It requires active challenge, transparent reporting, and genuine independence — or else the next failure may follow the same script. ■

2014: Launch of Woodford Equity Income Fund (UCITS), managed by Woodford Investment Management (WIM), with Link Fund Solutions as ACD and Northern Trust as depositary.

2017: Fund reaches peak AUM of over £10 billion; exposure to illiquid holdings begins to raise governance concerns.

2018: FCA correspondence confirms breaches of UCITS limits on illiquid assets, with up to 25% of the portfolio requiring six months or more to liquidate.

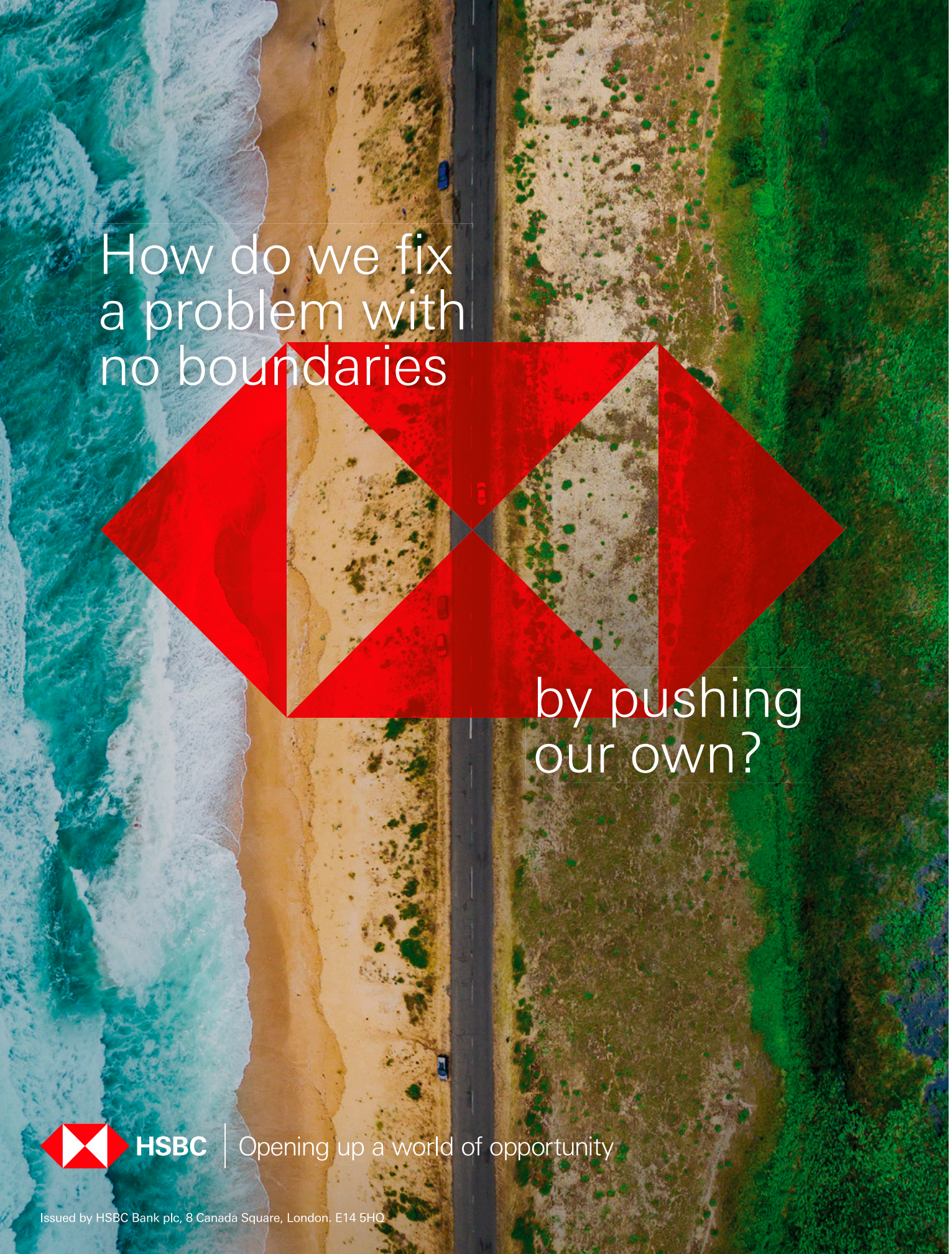
3 June 2019: Kent County Council's £263m redemption request triggers liquidity crisis; Link and Northern Trust suspend the fund, freezing £3.7bn of assets.

October 2019: Link announces the fund will be wound up; WIM removed as fund manager; BlackRock and PJT Partners appointed to liquidate assets.

2020: Asset sales at steep discounts: Ombu sold for £30m (once valued at £150m). £2.55bn returned to investors; nearly £450m remains trapped.

2022: FCA signals potential £306m redress linked to Link Fund Solutions during Dye & Durham takeover process.

August 2025: FCA concludes investigation: fines of £40m for WIM and £5.89m for Neil Woodford; Woodford banned from managing retail funds.



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Addressing five big questions



Andrew Hutchings talks to the Guernsey Financial Services Commission, Joe Moynihan of Jersey Finance, and the Isle of Man Financial Services Authority — covering geopolitics, regulation, digital assets, AI, and talent

These are turbulent times for all financial centres. In terms of geopolitics, the post-war order really does appear to have ended. Pressures remain intense to maintain an optimal regulatory environment. The rise of digital assets and of artificial intelligence are disruptive. As ever, employers need to attract and retain staff with appropriate skills. Accordingly, we put five big questions to key protagonists in each of the three British Crown Dependencies, asking them to focus on asset servicing. Although the details vary from case to case, the overall picture remains positive in the third quarter of 2025.

For instance, the movement, led by the US, away from free(ish) trade in goods has had little impact. The three British Crown Dependencies are exporters of services. No government has moved to restrict cross-border flows of capital. In all three cases, changes to regulation are being made or at least considered. In some cases, the changes relate to niche issues or businesses. Nevertheless, the changes always seek to maintain the reputation and the competitiveness of the international financial centre in question.

Technology presents opportunities. Digital assets mean new businesses, new funds and new fund administrators — all of which are good for international financial centres. If used properly, AI can provide greater efficiency, in places where skilled workers are not cheap. While the skills that are most in demand are changing, and rapidly, the various protagonists in the three British Crown Dependencies have risen to the challenge. In all cases, people can be retrained locally.

We thank spokespeople at the Guernsey Financial Services Commission (GFSC) and the Isle of Man Financial Services Authority (IOMFSA), as well as Joe Moynihan, the chief executive of Jersey Finance, for their assistance with this article. Their comments are set out below.

Comments of the Guernsey Financial Services Commission (GFSC), Joe Moynihan, CEO of Jersey Finance (JM), and the Isle of Man Financial Services Authority (IOMFSA).

Under the second Trump administration, the government of the US has moved decisively away from the post-1945 system of free trade and multi-lateral institutions. What threats and opportunities does this pose for your centre?

GFSC: As a micro-state and a leading international finance centre, the Bailiwick of Guernsey has long operated in accordance with relevant international standards set by the International Organisation of Securities Commissions (IOSCO), the International Association of Insurance Supervisors (IAIS), the Group of International Finance Centre Supervisors, the Financial Action Task Force (FATF), and others. Our adherence to their standards has given others confidence in Guernsey as a reliable international financial centre that contributes to the highest standards globally. Meanwhile, the approach of the Trump administration, as well as Mario Draghi's report on the competitiveness of the European Union, means that the global regulatory landscape may evolve in some unexpected ways.

The US shift perhaps provides room for some international simplification — hopefully preserving the benefits of some proven international standards, while perhaps reducing the bureaucracy associated with others. Guernsey will continue to contribute to the development of international standards and will always argue the case for sensible unbureaucratic norms: these should help create conditions that are likely to facilitate economic growth in the real world. Any debate — between those who champion regulatory caution and those who advocate economic growth and the fighting of poverty — should be a healthy one.

Moynihan: Our strategy vis-à-vis the US is focused on providing a platform for American fund managers to access European institutional capital, in a way that is both cost-effective and compliant with the latest regulations. We have seen good success from that strategy in recent years. Our time zone, common language, and similar work culture make Jersey a natural partner. In fact, since we established a presence in the US in 2019, the number of funds and sub-funds from that country are up 113 per cent. In parallel with this, we have also seen significant growth in corporate structuring, launching of securitised vehicles and intergroup funding.

We think that that trend will persist. It is probably a bit early to say what the long-term impact of recent political changes in the US might have on Jersey's funds sector: nevertheless, it is clear that the fundamental reasons US managers choose Jersey remain strong. The structures we offer help them serve a global client base in a compliant and efficient manner.

IOMFSA: The Isle of Man's chief minister, Alfred Cannan MHK, recently said that the rise in global trade tariffs is unlikely to have a substantial impact on the Island's economy, due to our strong focus on services rather than goods.

Here at the IOMFSA, we continue to engage with firms to assess the threats and opportunities arising from any market volatility caused by current geopolitical issues. Trust and corporate service providers have reported limited immediate impact resulting from the US proposals — and typically are still forecasting growth without seeing any client attrition. However, there is potential for revenue to be impacted if there is a slowdown or pause in transactions due to the uncertainty in the markets.

Investment businesses are telling us that their managed portfolios are generally well diversified. While equity markets have fallen, bond markets have held up well as there has been a flight to quality. Exposures to alternative asset classes have also performed reasonably well. Indications are that investment businesses will continue to see a steady flow of new business.

In terms of economic opportunities, we are seeking to enhance the attractiveness of the Isle of Man's captive insurance sector by introducing measures aimed at simplifying solvency capital requirement and introducing a fast-track authorisations process to improve the speed to market. We are also encouraging fintech start-ups to come to the Isle of Man by offering pathways for tech-based and AI solutions. The Fintech Innovation Hub provides a seamless entry point for new enquiries, as well as an ecosystem that can support fintech products and services from initial concept to market launch.

Over the coming year or so, what are the major changes — regulatory and other — that we should look out for in relation to asset servicing in your centre?

GFSC: Our focus is on innovation, simplification, and ease of use. In the funds sector, for example, we have already amended our Explanatory Note on fund authorisation and registration surrender, to reduce unnecessary regulatory burdens on funds and fund investors.

We have also launched a new applications and authorisations portal. This enables those wishing to undertake financial services business in Guernsey to apply and, on approval, have their license or registration issued through one secure, online portal.

The portal went live in April 2025 with a number of applications available. We will be enhancing the portal with more applications coming online during the year.

Moynihan: The interconnected nature of the private wealth, funds, and capital markets will become a more persistent theme for our funds sector in the coming months. We have done a lot of work around the notion that asset raising is no longer as straightforward as it once was, with managers facing more challenging conditions than they are accustomed to. This has prompted managers to diversify away from their traditional investor base and look to family offices and the broader high-net worth market, which remain under-allocated to managed funds.

Given the make-up of Jersey's financial services landscape, which includes funds as well as private wealth, corporate and banking, there are big opportunities here. Jersey's strength is its ability to adapt to that trend and deliver its expertise in a way that can support asset managers as well as private and institutional investors.

Meanwhile, sustainable finance is becoming increasingly important and embedded within our proposition as an international finance centre (IFC). A few years ago, we set out to define a clear vision for supporting sustainable finance. That means equipping financial services providers in Jersey with the knowledge and resources they need, so they can advise their clients on ESG and other sustainability issues.

We are continuing to build on that. Earlier this year, for instance, we held our first ever Sustainable Finance Summit. In addition, we are continuing to work closely with the government of Jersey on its Sustainable Finance Action Plan, which it published towards the end of last year. We want to make sure that Jersey not only follows international developments in sustainability but leads the way in supporting responsible finance and championing the importance of the UN's Sustainable Development Goals (SDGs).

IOMFSA: We are moving forward with proposals aimed at enhancing the Isle of Man's regulatory environment. The intention is to update existing legislation to ensure that the Isle of Man safeguards its reputation as a well-regulated jurisdiction that continues to meet international standards.

“The interconnected nature of the private wealth, funds, and capital markets will become a more persistent theme for our funds sector in the coming months”

Joe Moynihan, Jersey Finance

Amendments set out in the Financial Services (Miscellaneous Provisions) Bill will strengthen the IOMFSA's ability to achieve its objectives of protecting consumers, reducing financial crime, and maintaining confidence in the finance sector through effective regulation.

The draft Bill includes plans to revise measures within the:

- Collective Investment Schemes Act 2008
- Designated Businesses (Registration and Oversight) Act 2015
- Financial Services Act 2008
- Insurance Act 2008

We are also currently assessing feedback submitted in response to a consultation on the Retirement Benefits Schemes (Amendment) Bill.

Modernising aspects of the current pension legislation is intended to help us remain effective and proportionate in the delivery of our remit.

The biggest challenge facing all sectors of the Isle of Man's economy, not just asset servicing, is the jurisdiction's next evaluation by MONEYVAL, the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.

Preparations for the onsite assessment in October 2026 are already well advanced across multiple government agencies.

“We are working on making sure that Guernsey’s regulations are appropriate for a world which is likely to see increasing asset tokenisation”

GFSC

The objective is to demonstrate that the Isle of Man complies with international standards and remains well placed to attract quality new business and investment.

The outcome of the MONEYVAL mutual evaluation report (MER) will be crucial to the Isle of Man’s continued economic success and its reputation as a well-regulated international finance centre.

MONEYVAL, which is the regional body of the Financial Action Task Force (FATF), assessed the Island’s legislation, policies and procedures during its last onsite visit in 2016. The 2016 MER provided a comprehensive assessment of how well the Isle of Man had implemented the international requirements, and highlighted areas where further enhancements were required.

A significant amount of progress has been achieved since the 2016 evaluation, with the Isle of Man positively marked in 39 out of the 40 FATF recommendations: this places us among a select group of nations in the world for technical compliance in AML/CFT.

An updated National Risk Assessment will be published later this year alongside a documented Risk Appetite Statement for the Isle of Man.

Data gathering and analysis is being enhanced as part of these initiatives to support the Island’s commitment to combating money laundering, the financing of terrorism, and the financing of proliferation of weapons of mass destruction.

What is your organisation’s approach to digital assets?

GFSC: We are open to innovation and are committed to creating an environment where good business can grow. We see that the crypto- and stablecoin sector has been evolving fast, with some crypto currencies, such as bitcoin, reaching a kind of maturity.

As overseers of a long-established funds centre, we consider that collective investment schemes can, when appropriately run, provide vehicles for a range of investors to invest indirectly in crypto currencies. This is provided that the fund investor is well informed of the risks and is able to bear any potential losses. We are working on making sure that Guernsey’s regulations are appropriate for a world which is likely to see increasing asset tokenisation.

Moynihan: Jersey has been something of a trailblazer in the digital assets space: it was home to the first ever bitcoin hedge fund, for instance, more than a decade ago. We have continued to refine and enhance our regulatory environment for digital assets since then, in a dynamic but proportionate and responsible way, in areas like tokenisation. We are open to good-quality operators in these new areas, but we are also careful to maintain Jersey’s reputation as a safe, well-regulated jurisdiction. The Jersey Financial Services Commission (JFSC) published updated guidance on real world assets and initial coin offerings (ICOs) last year, which was a welcome step forward, providing further clarity.

It is important because we absolutely recognise that blockchain technology, AI, and tokenisation are transforming the market. The application of tokenisation is set to revolutionise access to alternatives, for instance, helping to break down existing barriers for private and family office investors. Tokenisation gives them improved liquidity, transparency, and control over their allocations, but without the extra fees. The fact that McKinsey estimates that total global tokenised market capitalisation is forecast to reach around US\$2 trillion by 2030 is significant. Domiciles like Jersey can provide the sort of certainty managers need. Of course, that certainty is balanced with a progressive outlook, a respected regulatory regime, and experience in supporting tokenisation and virtual assets.

IOMFSA: In the Isle of Man, virtual asset service providers (VASPs) are covered by Schedule 4 to the Proceeds of Crime Act 2008 and are therefore subject to the Island’s AML/CFT/CFP Framework including the AML/CFT Code. VASPs are supervised for AML/CFT/CFP compliance by the Authority by virtue of being a designated business on the Isle of Man.

In the Isle of Man, a ‘virtual asset’ refers to a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes. Virtual assets do not include digital representation of fiat currencies, securities, and other financial assets.

VASP means any natural or legal person who by way of business conducts one or more of the following activities or operations for or on behalf of another natural or legal person:

- exchange between virtual assets and fiat currencies
- exchange between one or more forms of virtual assets
- transfer of virtual assets
- safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets
- participation in and provision of financial services related to an issuer’s offer and/or sale of a virtual asset.

We continue to monitor developments in the global business community, particularly in respect of crypto and digital assets. We have issued a Call for Input and a discussion paper in recent times to invite feedback about the possibility of expanding the Isle of Man’s regulatory perimeter in the future to include certain crypto-related activities.

Our stance is to continue with our current approach and maintain a watching brief, while remaining conscious that any future regulatory changes in this area may need to be aligned with the frameworks in other key jurisdictions, such as the UK.

Does the rise of AI have implications for your centre?

GFSC: The development of technology such as our new applications and authorisation portal demonstrates our commitment to efficiency.

To ensure that the commission is well-equipped to take advantage of the revolution in AI and associated technologies, we have set up two technology focused departments. The first is a Technology Supervision Unit to ensure we understand appropriately the newer technologies and cyber defences employed by the firms we regulate. The other is a Technology Innovation Unit to ensure we are developing and using newer technologies such as AI to maximise efficiency.

Moynihan: Fintech and the adoption of AI is a huge area of focus for Jersey. We have partnered with Digital Jersey, which

“In a wider context, like all forward-looking jurisdictions, the Isle of Man recognises that AI is a powerful driver of change across the global economy”

IOMFSA

is the Island’s dedicated technology agency, to make sure we are supporting innovation in every way possible. Jersey has an outstanding digital infrastructure. We were the first jurisdiction to roll out fibre optic connectivity to every home and business. That has given us some of the fastest internet speeds in the world, which really supports our modern financial ecosystem.

When it comes to fintech itself, we see both large institutions and smaller, homegrown firms exploring everything from automation to digital assets. For the multinationals, much of their technology is rolled out from head office. But for smaller players, there’s a lot of opportunity to innovate locally. Our role at Jersey Finance is to make sure the industry understands the potential of AI and fintech more widely, and has the support to develop new solutions.

IOMFSA: The Isle of Man’s regulatory framework is technology neutral, so firms remain responsible for the use of any technological solution, including AI, in carrying out regulated activities and are expected to put in place the appropriate risk management as part of their corporate governance.

In a wider context, like all forward-looking jurisdictions, the Isle of Man recognises that AI is a powerful driver of change across the global economy. AI presents a significant opportunity to enhance productivity across sectors — enabling businesses to streamline operations, optimise decision-making, and embrace these technologies to support sustainable growth and innovation.

“The Isle of Man is home to a highly skilled and experienced workforce in the financial services sector, built up over many years. This foundation continues to support the sector’s development”

IOMFSA

In 2024, Digital Isle of Man, an executive agency of the Isle of Man Department for Enterprise, launched the ‘Activate AI’ programme, which aims to harness the benefits of AI while ensuring its responsible use by providing free training in AI technology, tools, and use cases for Island residents and businesses.

This initiative has already trained a significant number of individuals across the Isle of Man, and has begun to offer resources and assistance to companies exploring AI. Digital Isle of Man continues to build on this work to maximise the economic potential of AI in terms of productivity and efficiency.

Are there human resources constraints on the further development of your centre as a locale for asset servicing?

GFSC: Guernsey has a large pool of skilled financial services professionals who are continually working to improve their skill levels across a range of financial services businesses. In this, they are assisted by the GTA University Centre which was set up nearly 30 years ago to help financial services professionals achieve their potential.

Moynihan: The competition for talent is real and is felt across all jurisdictions and geographies — driven by shifts in technologies and the greater demand for specialist cross-border expertise.

We have been ahead of the curve and have in place a number of measures to help ensure that Jersey can maintain and grow a sustainable, highly-skilled workforce that is fit for the future. Doing so is imperative to our future competitiveness and resilience as an international financial centre.

As part of these efforts, Jersey Finance recently became a partner member of the Financial Services Skills Commission, an independent, not for profit, member-led body, representing the UK’s financial services sector on skills.

As a partner member, we’ll join the commission’s advisory group and actively participate in working groups to help shape strategies that promote reskilling, encourage continuous learning and upskilling, and support efforts to attract new talent. It is a reflection of our ongoing commitment to building a highly skilled, future-ready workforce for Jersey’s financial and related-professional services.

IOMFSA: The Isle of Man is home to a highly skilled and experienced workforce in the financial services sector, built up over many years. This foundation continues to support the sector’s development.

However, like our peers in many jurisdictions, we are mindful of the ongoing need to attract, retain, and develop talent in an increasingly competitive global landscape. By continuing to invest in skills, education, and technology — including through the adoption of AI — we can enhance productivity and ensure the sector remains resilient and future-ready.

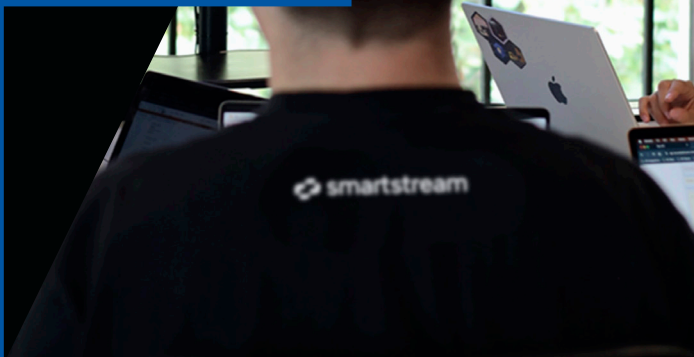
We are aware of the competitive recruitment environment in the Isle of Man and are partnering with University College Isle of Man (UCM) to support the delivery of training and education in business administration, compliance, and anti-money laundering.

We are aware that compliance and supervisory skills are currently much sought after in the Island. Our collaboration aims to help students gain the relevant qualifications they need to pursue a career in the finance sector.

The Isle of Man has launched a Financial Services Apprenticeship Programme to create clear pathways into the financial services sector for young people.

The two-and-a-half-year programme includes a mix of full-time employment, study at the UCM and the opportunity to take professional qualifications. ■

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Withholding tax panel

Industry participants explore the evolving regulatory landscape from digital tax reporting to the EU FASTER Directive, while touching upon the importance of data integrity and the powerful megatrend that is technology

Panellists

Ali Kazimi

*Managing Director
Hansuke Consulting*

Caroline Ashkboos

*Director, Optimisation and Regulatory
National Bank of Canada*

Stephen Everard

*CEO
TaxTec*

Mariano Giralt

*Head of Business Development and Strategy
Raquest*

How do you anticipate the withholding tax landscape and regulatory environment evolving over the next three to five years, and what are the biggest barriers and opportunities this presents for the industry?

Stephen Everard: Over the next three to five years, the landscape is likely to become more complex, driven by an increase in cross-border investment, the likelihood of greater regulatory scrutiny, and the push for tax transparency driven by global initiatives like the Organisation for Economic Co-operation and Development's (OECD's) Common Reporting Standard.

Governments may well tighten compliance requirements and potentially introduce more digital tax reporting obligations or enhance their enforcement capabilities.

Barriers include the continued lack of harmonisation across jurisdictions, differences in how treaties are interpreted, and the administrative burden associated with reclaims. However, this also creates opportunities for innovative reclaim solutions such as those offered by TaxTec. Institutional investors and service providers who invest in scalable digital platforms and AI-enabled capabilities will be well-positioned to benefit from these changes.

“Withholding tax recovery is fragmenting across jurisdictions. In Europe, administrative fallout from the cum-ex scandal has created serious delays”

Ali Kazimi, Hansuke Consulting



Caroline Ashkboos: The withholding tax landscape is — and always has been — constantly evolving, however the appetite and traction for significant change has increased over the past decade due to two main contributing factors: combatting tax fraud and technology.

The EU directive — Faster and Safer Relief of Excess Withholding Taxes (FASTER) — will bring significant change over the next decade to the tax landscape globally and its various stakeholders, where agility will be key. Notwithstanding the time-efficient benefits FASTER's tax relief processes will provide to end investors, the adoption phase will be costly (as we are seeing, by way of comparison, with the EU move to a T+1 settlement cycle), and could potentially create jurisdictional silos dependent on feasibility and risk appetite to integrate the FASTER model. For example, we have already seen Germany adopting its own fiscal regulation (MiKaDiv) introducing complex transactional reporting which will be effective in 2027, three years ahead of the EU FASTER Directive.

Increased due diligence and reporting under FASTER may also see end investors playing a more active role in the withholding tax relief management process of investment portfolios, which have traditionally been mandated to appoint financial service providers to manage on their behalf. Building investor awareness of the changes ahead is therefore important to help navigate the landscape and contribute to the success of the EU FASTER Directive's objectives and purpose.

The question that remains is if we will see non-European jurisdictions, such as the US or certain APAC markets, take inspiration from the EU FASTER Directive, which would mean further changes ahead across the withholding tax landscape for the foreseeable future.

Ali Kazimi: Withholding tax recovery is fragmenting across jurisdictions. In Europe, administrative fallout from the cum-ex scandal has created serious delays, with claims in Germany and Denmark often stalled for years. Though the European Union's FASTER proposal, including the standardised Digital Tax Residence Certificate (eTRC), promises procedural relief, implementation remains distant. Elsewhere, treaty access is becoming more conditional, with regulators introducing tests rooted in investor intent, not just structure. Meanwhile, asset allocators are tilting towards Asian and African markets, where fragmented treaty frameworks add new complexity. The opportunity now lies in anticipating jurisdictional friction and embedding cross-border reclaim intelligence into both product design and investment governance.

Mariano Giralt: Our expectation is that the tax regulatory environment will continue to become more complex in financial services, mainly driven by three key forces:

More local and international (e.g. EU directives) tax regulations focusing on tax reporting, which will provide additional information to tax authorities for increased scrutiny on potential tax evasion activities and tax reclaim abuses.

More digitalisation processes across tax authorities. In principle, moving paper-based documentation and reclaim processes to digital is good news.

The main challenge will continue to be the lack of harmonised digital processes across jurisdictions.

Scarcity of the tax experts. Due to the general demographic changes, tax experts will become decreasingly prominent. Therefore, it is paramount to achieve more with less.

Financial institutions that lead in implementing digital solutions, automation, and compliance will strengthen their position as trusted partners to investors.

What are the primary pain points and priorities for institutional investors when procuring tax recovery services, and how significantly does fiduciary responsibility drive demand for efficient reclaim processes?

Kazimi: The procurement of tax recovery services varies across institutional investor types but is increasingly shaped by legal risk and regulatory complexity. Insurance firms prioritise defensible structures that withstand audit and align with liability-driven models. Asset managers emphasise reclaim efficiency, velocity, and contribution to net performance.

Sovereign wealth funds and public institutions must also navigate reputational sensitivity and geopolitical exposure. This complexity has deepened with the introduction of the OECD's Multilateral Instrument and the EU's Unshell Directive, both of which apply purpose and substance-based tests that make treaty access less certain. Across all segments, pain points include jurisdictional inconsistency, entitlement uncertainty, and limited audit transparency.

Fiduciary duty now demands providers who not only execute claims but assess legal eligibility, flag structural vulnerabilities and deliver clarity across markets and asset classes.

“Our expectation is that the tax regulatory environment will continue to become more complex in financial services”

Mariano Giralt, Raquest



Everard: The primary pain points are data integrity and quality, along with the myriad of complex documentation requirements and often long reclaim cycles.

Another significant challenge historically has been inconsistencies in reclaim success rates across different jurisdictions, though this has become less of an issue with highly automated solutions such as TaxTec's.

Fiduciary responsibility plays a critical role in driving demand. Institutional investors, particularly pension funds and insurance companies, are increasingly expected to demonstrate they have maximised returns on behalf of their beneficiaries.

Efficient and transparent reclaim processes are becoming a hallmark of good governance and compliance with fiduciary standards.

Giralt: The primary pain points in withholding tax processing for institutional investors are operational inefficiencies and complexity: manual, paper-based processes, built-in waiting periods between process steps, and complexity in recoveries. Furthermore, knowledge transfer will be vital.

Fiduciary responsibility is, of course, a major driver: failing to optimise tax recovery entitlements can be perceived as a loss of value to clients. These demands require specialised, technology-enabled solutions.

How do financial institutions effectively balance operational scale with jurisdiction-specific expertise in delivering withholding tax services, and what role does technology — particularly AI — play in reshaping these processes?

Giralt: The balance comes from combining global scale with robust digitalised processes and local expertise and tailored domestic solutions.

Good examples are MiKaDiv (new digital German reporting requirement) and the EU FASTER Directive, which has a regional regulatory impact.

At RAQUEST, we believe that advanced technologies, particularly artificial intelligence, are critical to supporting automation of document validation, anomaly detection, and regulatory forecasting across multiple jurisdictions.

Ashkboos: Withholding tax relief processes have continued to evolve quite significantly over the past eight years with said evolution driving the challenge of managing individual market requirements on an operational scale, where traditional focus has been to standardise processes and maximise economies of scale.

Niche local market requirements are emphasising the need for a combination of human expertise and innovative solutions, dependent on market complexities, risk appetite, and value at stake.

Determining operating models is key to success in the withholding tax space, which may consist of identifying areas that can be managed efficiently in-house using a combination of both human capital and technology, and areas where capitalising on outsourcing opportunities to bring added value and mitigate inherent operational risks.

Technology is a powerful megatrend providing welcoming opportunities to optimise operating models; nevertheless, it is imperative to clearly understand and pinpoint where its effectiveness lies, especially in the withholding tax space where required data is often stored across various interfaces of a financial institution's systemic infrastructure, reminding us that human capital and critical thinking is still required.

The AI part of technology is indeed reshaping the workplace and workforce, however it is important for organisations to apply effective logic to the decision making process of AI usage for optimal results (for example, data collection, repetitive tasks, basic data processing). Herein lies the concept of 'augmented intelligence' whereby technology and human interventions combine, creating the prospect for new future job opportunities and bridging the talent gap across the industry.

Everard: Global custodians try to manage this balance by leveraging centralised operational hubs while sometimes partnering with local tax agents for jurisdiction specific expertise rules. But it is not a core competence so they are increasingly outsourcing to specialist scalable platforms such as TaxTec, who can provide a global service focused on recovering more at lower overall cost in order to satisfy their clients.

AI and machine learning are becoming established technologies very well suited to identifying reclaim opportunities, detecting reconciliation issues, and automating document generation, therefore improving accuracy, reducing manual effort, and recovering more tax.

Which specific areas of the reclaim workflow would benefit most from automation and digital transformation, and what technological solutions are proving most effective?

Giralt: At RAQUEST, we believe that automating and digitising the entire withholding tax process would be beneficial. A few key areas are:

Document collection and validation, where OCR and machine learning reduce errors and prevent questions from tax authorities.

Deadline management and claim tracking, where automation prevents missed opportunities and helps get funds back faster to the final beneficial owner.

E-filing digital processes and digital transfer of tax information to tax authorities, where digitalisation can process large amounts of reclaims in short periods of time.

Interoperability with custodians and tax authorities via APIs and digital standards that eliminate duplication and speed up processes.

Tax monitoring and assurance with predictive analytics and real-time dashboards give investors complete visibility and control, helping them to predict workload peaks.

Everard: High-impact areas include eligibility validation, document management, claim form completion, and status tracking. Automation can also greatly assist with monitoring statutory deadlines and managing resubmissions. Effective solutions include intelligent workflow tools, cloud-based document repositories, and integrated dashboards that provide real-time reclaim metrics.

Ashkboos: End-to-end digitisation of the tax relief form submission process (completion, certification, submission) would be a huge benefit to all stakeholders, creating operational and cost efficiencies while mitigating operational risk. Despite the EU FASTER Directive's objective to favour relief at source, tax reclaim mechanisms will remain for exception cases carved out of the directive. Digital investment in this area would therefore still be beneficial.

Data collection and data management remains a considerable part of withholding tax relief processes and has become inextricably linked to technological solutions. Coding is a fundamental

“Data collection and data management remains a considerable part of withholding tax relief processes and has become inextricably linked to technological solutions”

Caroline Ashkboos, National Bank of Canada



mechanism to manage, reconcile and re-use data points from various sources and is leading to innovative solutions for reporting and governance and control purposes. The importance of data in the withholding tax relief lifecycle has very much come to the forefront over the past decade, especially with increased scrutiny from local tax authorities globally; governance and effective usage of data is therefore vital.

Know Your Client (KYC) and client-onboarding procedures have also evolved; a wider extent of tax-related information and documents are requested from the outset, and onboarding has in fact become a paramount data collection process, to the extent that the concept of Know Your Data (KYD) has evolved from KYC.

The automation of onboarding processes will largely contribute to the optimisation of tax utility functions within financial institutions.

Is there a growing appetite among institutional investors to pursue class actions as a strategy for protecting their rights and entitlements, and how material are these recoveries to overall returns?

Kazimi: Yes, institutional investors are increasingly treating class actions as an active channel for enforcing shareholder rights and capturing latent value. What was once viewed as legal housekeeping is now integrated into stewardship frameworks, with recoveries often matching or exceeding the basis-point impact of active management.

The growth of global settlement volumes — particularly in ESG-related and securities fraud cases — has underscored their materiality. As asset exposure diversifies beyond listed equities, institutions are adapting legal infrastructure to ensure they can assert claims across pooled structures, custodial chains, and digital asset holdings. Class action participation is no longer optional; it is performance-linked accountability.

Everard: Yes, there is growing interest in class actions, especially following a number of high-profile settlements and increased scrutiny by regulators of passive loss acceptance to the potential detriment of beneficiaries. Class actions are increasingly viewed as a fiduciary duty rather than an optional exercise.

Individual recoveries may be modest relative to total portfolio returns but cumulatively they can be significant. Class action recoveries also signal sound institutional stewardship and enhance investor confidence.

To what extent do asset owners and managers prioritise tax reclaim strategies as part of their performance optimisation frameworks, and are they doing enough in this regard?

Everard: Historically, tax reclamation was not considered to be an area of focus. More recently however, recovery strategies have been receiving greater attention, in large part because digital AI-enhanced platforms such as TaxTec make it significantly easier to both manage reclaims and also understand the benefit in terms of additional basis point performance. That said, there is still a significant gap between awareness and action in some areas of the market. Many asset managers have yet to integrate tax recovery comprehensively into their performance optimisation frameworks. Those that do often experience measurable gains in net performance. However, limitations in data access, internal expertise, and service provider capabilities still hold back many asset managers from optimising the performance of their funds.

Giralt: Ensuring withholding tax relief entitlements is increasingly seen as a driver of performance optimisation rather than a back office process. However, not all asset owners and asset managers are maximising the opportunity, and many still underutilise its potential due to operational complexity or limited technology adoption.

There is a clear trend in which financial institutions are recognising the importance of ensuring that the right withholding tax amount is paid and repaid, as well as the impact on the overall performance. This is prompting a greater focus on digital tax solutions for processing withholding tax and integrating tax relief analysis directly into performance frameworks.

Kazimi: Too often, tax reclaim is treated as an operational afterthought when it should be a core lever of net performance. Some investors build reclaim feasibility into fund design and jurisdictional planning. Many do not, and the cost is real. Index providers like MSCI and FTSE Russell apply different assumptions to net of tax benchmarks, yet asset managers frequently report against gross indices while delivering net outcomes. The result is hidden tax drag that quietly eats away at returns. Research from leading custodians puts the cost of poor fund structuring at up to 90 basis points a year. Academic studies link reclaim frictions to reduced foreign investment. As access to treaty benefits is increasingly tied to substance and purpose, reclaim strategy must move upstream. Getting this right means aligning fund structure, benchmark assumptions, and legal risk, not simply fixing things after the fact.

How are performance attribution models evolving to properly account for investor rights and entitlements, including tax reclamation impacts?

Kazimi: Attribution models are being rebuilt to reflect the conditional nature of entitlements. Withholding tax reclaims, once assumed to be collectable, now depend on legal interpretation, compliance evidence, and local authority behaviour.

Attribution must separate nominal entitlements from those that are legally realisable, based on structure, documentation, and jurisdictional policy. This is especially important for portfolios holding private assets or digital instruments, where rights are less standardised. Institutions must adjust their measurement frameworks to ensure reported performance reflects not only investment outcomes but also the success or failure of entitlement enforcement.

Everard: They are slowly evolving to account for the impact of rights and entitlements. Some of the more forward-thinking institutional investors are beginning to factor in gross versus net return discrepancies, especially in jurisdictions with high withholding tax rates.

Enhanced attribution tools that include tax adjustments, reclaim success rates, and timing differences are becoming more common, helping stakeholders understand the true drivers of net performance but there is still a long way to go and significant amounts of tax to reclaim across many jurisdictions around the world.

What degree of recognition do investor rights and entitlements receive as material contributors to investment returns across the institutional landscape?

Everard: Recognition is increasing, particularly among sophisticated asset owners who are benchmarking their net performance more rigorously in order to evidence they are taking their fiduciary responsibility seriously. Investor rights, especially around tax entitlements, are now more readily considered to be an integral part of the value chain, and not merely an administrative burden or afterthought as was often previously the case.

However, this is still very much work in progress. To be successful, it requires broader industry education, regulatory encouragement or insistence, and enhanced reporting. Then perhaps, investor rights and entitlements will become embedded as key components of return optimisation. ■

“Investor rights, especially around tax entitlements, are now more readily considered to be an integral part of the value chain, and not merely an administrative burden”

Stephen Everard, TaxTec



Beyond the numbers

Patricia Longwani, junior associate — regulatory fund reporting at Waystone, shares how her diverse background in finance, policy, and advocacy shaped her path into asset servicing, and why she sees fund reporting as both a technical craft and a platform for global impact

Can you give me an insight of your personal journey into the asset services industry, and why you chose this as a career?

My journey into the asset services space has been anything but linear, and I have come to see that as a strength even though I did not start out with a traditional asset management background.

My academic path was in business administration, majoring finance and economics, with a focus on sustainability and digital data analysis. I have also been deeply involved in policy research, youth advocacy, and development work across different countries.

So when I eventually entered the world of asset servicing, specifically within business controls oversight and regulatory fund reporting at Waystone, it was because I saw an opportunity to somehow bring structure to complexity.

My role now allows me to translate key regulatory information into actionable, investor-friendly documents. It is where data, governance, and transparency meet, and I love that. For me, it is a space where precision matters, but so does impact. That is what drew me in.

What aspects of your job do you enjoy the most?

I enjoy the analytical side of the work, whether it is preparing Packaged Retail and Insurance-based Investment Products (PRIIPs), Key Information Documents (KIDs), Undertakings for Collective Investment in Transferable Securities (UCITS) Key Investor Information Documents (KIIDs), coordinating the data collection process between relationship managers, compliance

analysts, and investment managers, or contributing to MiFID reporting. There is a certain satisfaction in diving into fund data, calculating Synthetic Risk and Reward Indicator (SRRRI), interpreting performance scenarios, and ensuring we meet evolving regulatory requirements.

But beyond the numbers, I also value the collaborative environment. I interact with asset managers, internal teams, and fund administrators across regions. That global exposure keeps me learning, questioning, and adapting. I also enjoy the balance, it is technical, but not isolated.

There is always a human side, whether it is defining requirements with clients or contributing to team projects that improve internal processes.

Being fairly new to the industry, how does your experience compare to those who are more established? Are there pros and cons to each?

Coming in as someone new has been exciting. Every challenge feels like a puzzle I get to solve, and there is still a strong sense of discovery in what I do. I bring curiosity and fresh perspective to the table, and I think that is valuable, especially in a space where regulation is constantly evolving.

At the same time, I deeply respect the experience of those who have been in the industry longer. The insights they offer, especially in how to anticipate regulatory shifts or handle dynamic client needs, have helped accelerate my own learning. I see it as a two-way street: those ahead of me provide mentorship, and I contribute energy, ideas, and adaptability.

Have you noticed any misconceptions about the asset servicing industry? Is there anything you would like to see evolve or change?

Yes, one major misconception is that asset servicing is rigid, technical, just numbers, and disconnected from the ‘real’ action in finance. In reality, it is foundational. We are the ones ensuring compliance, transparency, and investor trust. There is so much that goes into each regulatory document, from risk assessments to performance modeling, and it all impacts how funds are understood and accessed. The industry has many different specialities such as relationship management, DRO, and fund reporting of which only few of them are known.

I would also love to see the industry gain more visibility among young professionals.

You rarely hear someone say, “I want to go into fund reporting,” and I think that is a missed opportunity. This work is dynamic, globally relevant, and full of learning, we just need to showcase it better through projects with universities and schools.

What was the training process like for you as a new employee, and was it beneficial?

I started as an intern in the Business Controls and Risk Management team, which gave me a solid foundation in oversight and internal processes. Moving into the fund reporting team was a step up in responsibility, I got involved in KID coordination, regulatory interpretation, and day-to-day client and service provider interaction.

There was formal training, but I learned just as much through hands-on problem-solving and asking questions. I even developed some internal processes that the wider team later adopted, which was a proud moment. For me, the training process was only as valuable as I made it. I went beyond the role, reading industry materials, watching regulatory updates, and staying curious about the bigger picture. That mindset made all the difference.

In terms of your career, where do you see yourself in a decade?

I see myself in a leadership position, ideally one that allows me to bridge finance, policy, and sustainable development. Whether as a board director, conducting officer or advisor in international finance,

I want to be at the table where strategy and impact intersect. Some might say that is ambitious, but I have always believed that the people crazy enough to think they can are often the ones who do. I am not just building a career, I am building a platform to contribute meaningfully.

From developing regulatory reporting processes today to shaping the financial systems of tomorrow, I am intentionally working towards that path.

What advice would you give to young graduates entering the financial services field?

Do not limit yourself. It is not just all about the numbers but the people, policy, regulation, and problem solving. It would be a great position to hold if you are curious, adaptable, and learn quickly, you will thrive.

Also, do not be afraid to ask questions or challenge a process, fresh eyes often spot things that experienced ones overlook. Read beyond your immediate tasks. Understand the wider industry. And if the chance comes to work across borders or disciplines, take it.

The most valuable professionals in this space are those who bring perspective and purpose, not just technical skills. ■

Patricia Longwani

Junior associate — regulatory fund reporting
Waystone



Industry Appointments



Ocorian expands US presence

Ocorian, a provider of asset and fund services, has relocated London-based Yegor Lanovenko, group executive committee member and global co-head of fund services, to New York.

The move builds on Ocorian's recent US acquisitions and reflects the firm's objective to expand within the US asset management market.

For Ocorian's clients and partners, Lanovenko's relocation means more direct access to Ocorian's senior executive leadership and a globally consistent platform spanning the full fund lifecycle, the firm says.

Lanovenko is a member of Ocorian's executive committee and reports to CEO Chantal Free, alongside fellow global co-head Ben Hill, who is based in Guernsey.

In his role, Lanovenko will continue to focus on connecting Ocorian's global teams and capabilities to deliver solutions and products for asset managers across jurisdictions.

Lanovenko is the second member of Ocorian's executive committee to be based in the US — Jason Gerlis, global head of corporate services, is based in Charlotte and also sponsors Ocorian's approach to global partnerships.

Aztec Group onboards Rothschild

Aztec Group has appointed Marcia Rothschild as European desk head within its US commercial team. Based in New York, Rothschild will lead US-based efforts, with a focus on covering North American managers, exploring European fundraising and operational activities, as well as partnering with colleagues across the US and Europe to further solidify relationships and support growth initiatives.

Scott Kraemer, head of markets for the US, states: "Marcia's track record of building trusted client relationships, overseeing commercial strategy, and navigating complex cross-border opportunities makes her an exceptional addition to our team. Her leadership will be instrumental in strengthening our transatlantic coverage and supporting our continued expansion in the US."

Rothschild brings extensive experience in client leadership and business development across the Americas and Europe to her new position. Previously, she served as senior managing director, head of business development and client relations at FundBank.

Prior to this, Rothschild spent four years at State Street as senior vice president, head of Latin America and the Caribbean.

Rimes selects Mayadas for CEO

Vijay Mayadas has been appointed as president and CEO of Rimes, a provider of enterprise data management and investment platform services to the international investment community.

Mayadas has a 25-year history working at the crossroads of technology, data, and financial solutions. He supersedes Brad Hunt, who will take on the position of vice chair on Rimes board of directors.

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Mayadas has worked as a Fintech executive with experience growing businesses and developing innovation in financial markets.

Mayadas joined Rimes following 12 years at Broadridge Financial Solutions, where he was most recently president of capital markets. There, he scaled the business from US\$600 million to more than US\$1 billion in recurring revenue, and assisted in boosting the company's market capitalisation from below US\$3 billion to almost US\$30 billion. Mayadas led the start-up of pioneering innovations such as AI-powered trading platforms and distributed ledger solutions that currently process trillions of dollars in monthly transactions.

ICMA Board elects new Deputy Chair and Vice Chair

The International Capital Market Association (ICMA) board of directors has elected Stephen Fisher as deputy chair. Based in London, Fisher is currently head of government and public affairs at Deutsche Bank, and brings over 20 years of experience in finance.

He will take on the new role after five years at the association, and will keep the position for a term until the ICMA Annual General Meeting in 2028.

Earlier in his career, Fisher took on roles at BlackRock, Dutch Banking Association, and the Financial Conduct Authority.

The Board has also elected Gareth Allen as vice chair of ICMA for a term until the ICMA Annual General Meeting in 2026.

Allen is currently head of investment and execution at UBS and brings 21 years of experience at UBS to his new position. During his time at UBS, Allen held a number of titles including as global head of repo trading, and global head of treasury assets.



Qomply onboards Treloar as COO

Qomply, a provider of regulatory reporting solutions, has appointed Neil Treloar as chief operating officer for its UK headquarters.

The firm says that Treloar will play a pivotal role in leading Qomply's growth initiatives and will work closely with the executive team. Treloar brings over three decades of experience in wholesale markets, regulatory strategy, and financial technology.

Most recently, he held senior roles at the Financial Conduct Authority (FCA), including lead supervisor for Wholesale Brokers Fixed and senior associate in supervision for trading venues and credit rating agencies (CRA) oversight.

Prior to the FCA, Treloar was head of regulatory strategy at Tradition,

where he was at the forefront of shaping MiFID II policy, engaging directly with regulators such as the FCA and HM Treasury.

He chaired the European Venues and Intermediaries Association (EVIA), and led Tradition's Brexit regulatory strategy, securing subsidiary authorisations in the EU and establishing one of the first post-Brexit OTFs.

Earlier in his career, Treloar held senior positions at J.P. Morgan, overseeing European Futures & Options e-Trading, and began his career on the London International Financial Futures and Options Exchange (LIFFE) trading floor with NatWest Markets, where his team consistently ranked among the top equity derivatives brokers.

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Waystone hires Ryan

Waystone has selected Diarmuid Ryan to serve as global head of administration solutions.

Based in Ireland, Ryan will supervise the ongoing development of Waystone's administration offerings, with a focus on boosting international growth and improving the firm's services.

He has over 20 years of experience and a proven track record in financial services, custody, and fund administration.

Prior to joining Waystone, Ryan was global head of alternatives, liquid alternatives and hedge fund services at BNP Paribas.

Northern Trust appoints Bahuguna

Anwiti Bahuguna has been named as global co-chief investment officer by Northern Trust Asset Management.

She will work alongside global co-chief investment officer Christian Roth, and supersedes Michael Hunstad, who was announced as president of Northern Trust Asset Management.

Bahuguna will supervise Northern Trust Asset Management's range of investment abilities including index, fundamental, quantitative, and tax-advantaged strategies to active, multi-asset solutions, and alternative investments.

Aztec Group selects Metland

Aztec Group has welcomed Sam Metland as its new head of product and propositions.

Metland will be responsible for the Group's product strategy, supervising the growth and enhancement of Aztec's proposition as it progresses and enlarges its global reach.

He will work closely with Aztec's senior leadership and product teams in both Europe and the US.

He has a background of more than 15 years' experience in the financial services sector, and has worked in product leadership across the alternatives sector. ■



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ASSET SERVICING TIMES

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The year 2025 will probably be remembered for higher tariffs, as the United States government moved decisively away from the multilateral institutions and trade deals that had characterised the global economy over the previous 80 years.

This does not appear to pose a problem for Malta. As a small, services-focused economy within the EU and one that runs a trade deficit with the US, Malta is far less exposed to the big changes than, for instance, Germany. A spokesperson for Financemalta, an initiative to promote the international financial centre, highlights a recent survey by the local office of consultancy PwC that found that two-thirds of the country's CEOs say that they are not worried about higher tariffs in the US.

Other commentators also emphasise the general solidarity of the EU in face of challenges from elsewhere. As an official at the Malta Financial Services Authority (MFSA) notes: "The current situation presents the country and its regulators with an opportunity to further strengthen their engagement within EU structures and contribute to regulatory and policy development at the EU level."

Strengthening the regulatory environment in 2025-26

Meanwhile, the coming year will see a number of important regulatory changes. According to Financemalta: "This includes the implementation of AIFMD 2.0 from 16 April 2024, which will allow alternative investment funds to source depositary services from other EU member states.

"There will also be an updating of the Rulebook for Trustees and Fiduciaries; this will align requirements for both professional and non-professional trustees with FATF standards.

"Additionally, Malta will update its framework for the beneficial ownership register of trusts to align with the 2024 EU Anti-Money Laundering Directive and Regulation, ensuring compliance with new EU wide obligations."

The MFSA adds: "We recently launched a series of initiatives to streamline regulatory processes and frameworks to better align with the current structure and profile of the Maltese asset management industry.

"These initiatives include streamlined processes for start-ups and growth-stage professional services, as well as streamlining the public Capital and Social and Environmental

"Traditionally, an unincorporated Limited liability partnership (LLP) has been the preferred structure under Maltese law for asset management firms. However, the regulatory family trust setup, wealth management structures under Maltese law has been introduced. Meanwhile, the regulatory family trust setup, wealth management structures under Maltese law has been introduced. Meanwhile, the regulatory family trust setup, wealth management structures under Maltese law has been introduced.

Still in growth mode

Malta's asset servicing industry is likely to continue its expansion.

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