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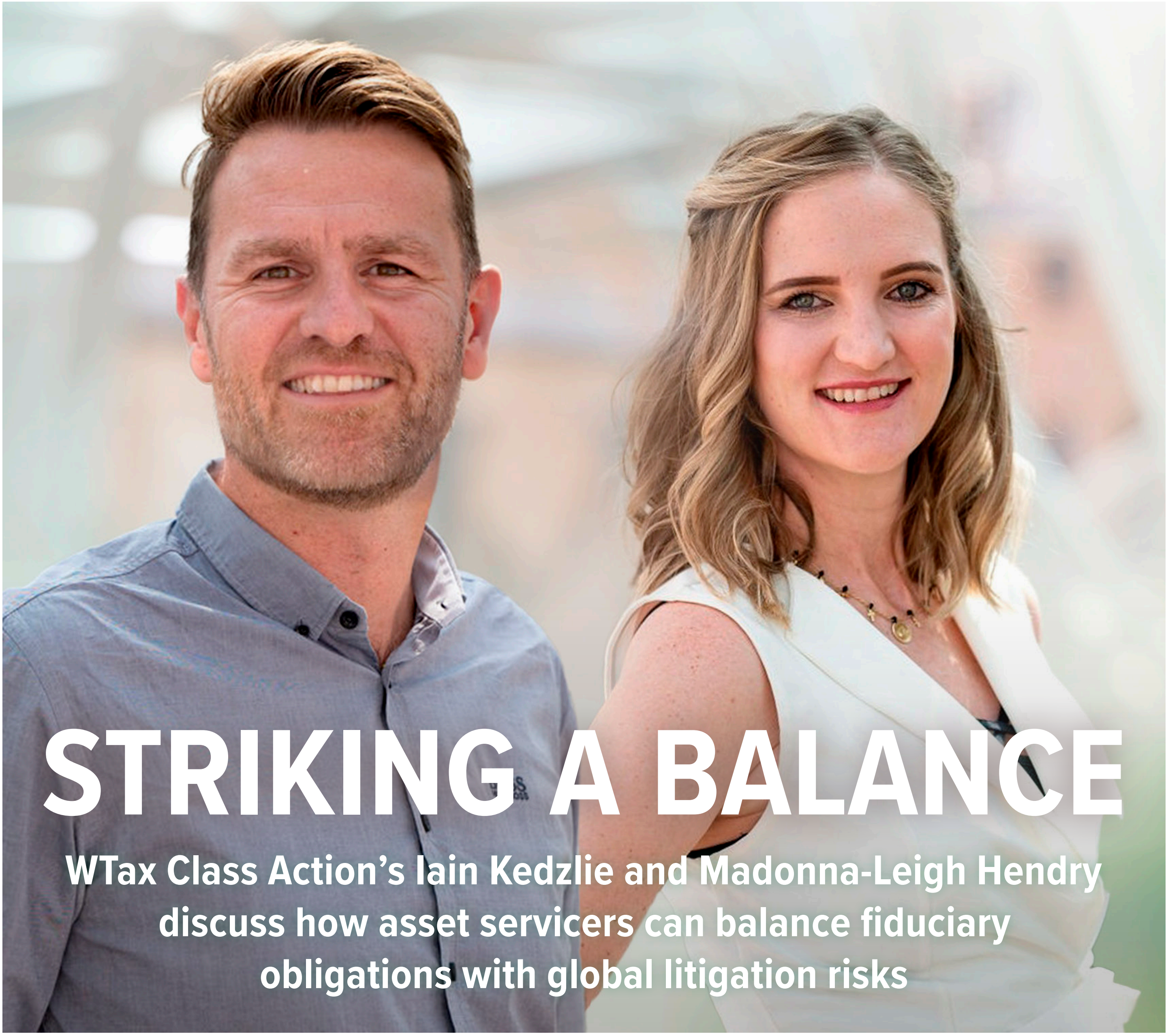


STRIKING A BALANCE

WTax Class Action's Iain Kedzlie and Madonna-Leigh Hendry discuss how asset servicers can balance fiduciary obligations with global litigation risks

UK recognises digital assets as legal property under law

The United Kingdom has formally recognised cryptocurrencies and stablecoins as legal property, after the Property (Digital Asset etc) Bill received royal assent from King Charles.

Prior to this Bill, property fit into two categories: things in possession, such as physical objects, and things in action, such as debt.

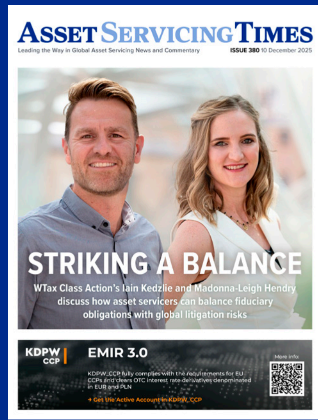
The law, which passed both houses of Parliament without amendment, creates a third category that enables digital assets such as cryptocurrencies and non-fungible tokens (NFTs) to attract personal property rights.

The Act of Parliament, intends to modernise property law, ending legal uncertainty over whether digital assets meet the definition of property under UK legislation.

Under the new bill, digital assets can be clearly owned, inherited, and recovered in theft cases, included in insolvency and estate proceedings.

The UK government says the legislation aims to provide certainty and protection for people and businesses who possess and transact with such assets, allowing them rights under the law if their personal property is stolen. It will also decrease litigation courts by taking out the need to determine if something can be property even if it does not meet the traditional categories of personal property.

Furthermore it intends to ensure that the jurisdiction of English, Welsh, and Northern Irish law is an attractive place to deal with and litigate in respect to crypto-assets and other 'third category' things.



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50 years of excellence in our Custody business

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TaxTec Group joins TSSAG

TaxTec Group Limited, a specialist tax reclamation firm, has joined The Securities Services Advisory Group (TSSAG) as its newest affiliate member. TSSAG is a network for advisory, consulting, programme management, research, and resourcing members of the post trade and securities services industry.

Mark Kerns, chairman of TSSAG, says: "We are very excited that TaxTec has chosen to join our ever-expanding Group and we look forward to working with them as they support their global institutional clients in this critically important area."

Stephen Everard, CEO at TSSAG, adds: "TSSAG is the perfect organisation for us to partner with as we focus on assisting our institutional investor clients improve their operational efficiency and help recover the US$16 billion of unclaimed tax every year, using our AI-enabled digital first tax reclamation solutions."

Regnology closes its acquisition of Wolters Kluwer's FRR business

Regnology, a regulatory reporting and supervisory technology company, has announced the closing of its acquisition of Wolters Kluwer's Finance, Risk and Regulatory Reporting (FRR) business. This firm says that this milestone reinforces Regnology's position as the trusted partner for financial institutions and regulators. It also says that the acquisition underscores Regnology's vision to combine regulatory expertise with innovation.

Regnology has also launched the RRH Ascend platform which offers cloud-native architecture, advanced automation, and AI-driven insights to transform regulatory data into strategic value. By integrating Wolters Kluwer's FRR OneSumX for Finance and OneSumX for Risk, Regnology says that it delivers extended capabilities for chief financial officers and chief revenue officers.

Rob Mackay, CEO of Regnology, says: "This acquisition significantly strengthens our regulatory reporting capabilities while expanding our ability to serve chief financial officers and chief risk officers with a broader suite of tools."

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Amundi announces tokenisation of its first fund

European asset manager Amundi has announced the launch of its first tokenised share of the AMUNDI FUNDS CASH EUR money market fund, with the first transaction taking place on 4 November, and is now distributed in both the traditional manner and via the tokenised share.

The launch is in partnership with CACEIS, a European asset management and transfer agent company, who will provide the technology and infrastructure for tokenising fund units, digital portfolios for investors, and the digital order platform for subscriptions and redemptions.

Commenting on the collaboration, Jean-Pierre Michalowski, CEO at CACEIS, says: "With the new hybrid Transfer Agent service, our clients can quickly and easily benefit from a new distribution channel via blockchain to their investors."

Head of institutional and corporate clients, and ESG at Amundi, Jean-Jacques Barbéris, believes the "tokenisation of assets is a transformation set to accelerate in the coming years around the world".

KuCoin EU secures MiCAR license

KuCoin EU Exchange (KuCoin EU), the European entity of KuCoin, has officially obtained a Markets in Crypto-Assets Regulation (MiCAR) license in Austria. This authorisation allows KuCoin EU to offer fully compliant digital asset services across 29 countries in the European Economic Area (EEA, except Malta).

The firm says MiCAR authorisation enables KuCoin EU to deliver secure, transparent, and compliant services to millions of European users under a unified, high-integrity regulatory framework.

BC Wong, CEO of KuCoin, remarks: "Securing the MiCAR license with our local entity in Austria is a defining milestone in KuCoin's long-term Trust and Compliance strategy. Europe's MiCAR framework represents one of the highest regulatory standards worldwide, and we are proud to meet this benchmark.

"As part of our US$2 billion 'Trust Project', KuCoin will continue building transparent, credible, and security-driven Web3 infrastructure that strengthens user trust and supports the responsible growth of the digital asset industry."

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U.S. Bank appoints MUFG and Citi

U.S. Bank has announced that it has appointed MUFG and Citi as sub-custodians for five additional markets in its Asia Pacific custody network. This network serves U.S. Bank's global investment services and institutional clients, including asset managers, pension funds, insurance companies, endowments, and foundations.

Stephen Philipson, vice chair, U.S. Bank Wealth, Corporate, Commercial and Institutional Banking, says: "We're dedicated to providing our growing international client base with deeper market access, specialised local expertise and exceptional client service. This expansion reflects our ongoing commitment to strengthening our global custody network, improving service delivery and supporting our clients' investment activity across global markets."

The markets included in this move are Japan, Indonesia, Malaysia, Thailand, and Vietnam.

U.S. Bank is using MUFG as sub-custodian for Japan and Citi will be the sub-custodian for Indonesia, Malaysia, Thailand, and Vietnam.

Philipson adds: "Partnering with the leading custody providers across these markets allows for later processing deadlines, faster inquiry turnaround times and valuable local market insights.

"The combination of these benefits, as well as U.S. Bank's FX capabilities in these markets, delivers a valuable set of solutions to our institutional clients who seek integrated products, operational efficiency and reliable support across their global investment activities."

image by studio melange/stock.adobe.com

Waystone deploys Fenergo CLM and KYC solutions

Fenergo, a provider of AI-powered solutions for know your customer (KYC), anti-money laundering (AML), and client lifecycle management (CLM), has announced that asset management service provider Waystone has implemented its technology solutions.

By deploying Fenergo's AI-powered CLM and KYC solutions, Waystone has transformed the way its clients engage with its AML and know your asset (KYA) services.

Through its 'AML Centre of Excellence', Waystone undertakes a full suite of services, including investor AML, client AML reviews, sanctions screening, and KYA services, all delivered through a centralised model.

The partnership with Fenergo forms part of the company's broader digital transformation initiative, aimed at supporting alignment with evolving global regulatory standards and modernising the user experience.

Komainu offers UAE Collateral Wallet Services

Komainu, a digital assets firm, has become the first company licensed under Dubai's Virtual Asset Regulatory Authority (VARA) to offer Collateral Wallet Services, allowing Komainu to offer its full suite of collateral management services.

The extension of Komainu's license will allow it to provide its collateral management solution, Komainu Connect, to a broader range of clients, both within the UAE and internationally.

Sebastian Widmann, head of Dubai office at Komainu, says: "We are honoured to be the first regulated entity under VARA to provide clients with collateral management services. Receiving this is testament to our unwavering commitment to compliance and innovation. For the past year, we have been successfully offering these services from Jersey, and we are excited to bring our expertise to the UAE, providing institutions with the secure and efficient solutions they need to navigate the digital asset landscape."

image by eranda/stock.adobe.com

Carne Group completes merger of Japan Fund Management Luxembourg

Carne Group, an independent third-party management company and a provider of fund regulation and governance solutions, has announced the completion of its merger of Japan Fund Management Luxembourg (JFML) into Carne Global Fund Managers Luxembourg (CGFML).

All assets and liabilities of JFML have been transferred to CGFML, and JFML has ceased to exist.

CGFML now officially assumes the role of management company and Alternative Investment Fund Manager (AIFM).

JFML, which managed approximately US$5 billion, supported the overseas investment of Mizuho's Japanese institutional clients.

The deal marks the final stage of a process that began with the acquisition of JFML on 30 June 2025, following regulatory approvals and the alignment of operational systems across both businesses.

The firm says that the merger strengthens Carne's footprint in Asia and reinforces its position as Europe's independent third-party management company.

John Donohoe, CEO of Carne Group, says: "This milestone reflects the growing trend across the funds industry to partner with large-scale management companies that bring both local expertise and global infrastructure. We're proud to play a leading role in this evolution as managers seek efficiency, resilience, and the ability to scale across borders."

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Standard Chartered goes live on CLSNet

CLS, a financial market infrastructure group, has announced that Standard Chartered has gone live on CLSNet — its automated bilateral payment netting calculation service.

CLSNet standardises and automates post-trade matching and netting processes, delivering risk mitigation, liquidity optimisation and operational efficiencies for currency flows outside of CLSSettlement, including emerging market and developing economy (EMDE) currencies and same-day trades.

The service has recorded an average daily netted value of US$169 billion in the first half of 2025, up 18 per cent compared to the same period in 2024 and the CLSNet community now includes the top 12 global banks, alongside Standard Chartered.

Lisa Danino-Lewis, chief growth officer at CLS, comments: “We are delighted to welcome Standard Chartered, CTBC, Maybank and Taishin to the CLSNet community. We are seeing increased demand for proven solutions to address the challenges facing the FX market. As more participants join CLSNet, the resulting network effect will deliver even greater risk reduction and efficiency benefits for all users.”

SGSS appointed by Fineco Asset Management

Societe Generale Securities Services (SGSS) has been appointed by Fineco Asset Management (FAM) to provide fund administration, depositary, and transfer agency services for the firm’s first private equity fund in Ireland, along with local transfer agency support in Italy.

The mandate supports FAM’s launch of a new Irish European Long-Term Investment Fund (ELTIF) for FinecoBank clients in Italy.

Fabio Melisso, CEO of Fineco Asset Management, says: “In designing Fineco AM’s first Private Equity fund, we paid particular attention not only to maintaining high quality standards but also to bringing the efficiency that is part of our DNA into private markets. The collaboration with Societe Generale Securities Services has proven valuable in this regard, continuing a partnership that has long seen both committed alongside investors.”

Michael Clifford, country manager of Societe Generale Securities Services in Ireland, adds: “Fineco and Societe Generale Securities Services share a two-decade strategic partnership driven by service quality, trust and commitment.” ■


BOSS

Reconciling fiduciary duty with global litigation risk

WTax Class Action's Iain Kedzlie, chief commercial officer, and Madonna-Leigh Hendry, chief operating officer and head of litigation, sit down with Asset Servicing Times to discuss how asset servicers can balance fiduciary obligations with rising global litigation risks

Given the consensus that recovering funds from securities class actions is a core fiduciary duty, what barriers still prevent institutional investors from filing every eligible claim, and how can asset servicers help mitigate the risk of being perceived as overly litigious?

Despite broad recognition that pursuing securities class action (SCA) recoveries aligns with fiduciary duties and obligations to maximise returns for beneficiaries, we still see investors hesitant to participate as a result of operational or other misconceptions. Operationally, the growing volume of cases and the complexity of global legal frameworks make it challenging to identify and track every potential recovery opportunity internally.

There is also the complexity of data aggregation and analysis, tracking holdings across custodians, calculating eligible losses under varying jurisdictional rules, and navigating tight filing deadlines. Many institutions lack integrated systems for real-time portfolio reconciliation, leading to missed claims and recoveries. Shareholders also express a fear of reputational damage and are often concerned that aggressive claim filing signals adversarial behaviour toward issuers, potentially straining relationships with portfolio companies and damaging their long-term value.

However, this concern is often based on outdated assumptions about the market impact of investor litigation. In practice, securities class actions rarely harm the long-term value of an issuer. Settlements are typically funded through a mix of insurance and other mechanisms, and by the time a resolution is reached, the associated risk is already priced into the security. In fact, resolving a dispute frequently removes uncertainty and restores confidence.

The recent AMP super fees class action (Australia) illustrates this dynamic clearly. When the matter settled for AU$120 million (US$78.6 million) in September 2025, AMP's share price rose approximately six per cent on the news.

Markets often reward companies for addressing wrongdoing, strengthening governance, and clearing contingent liabilities from their balance sheets.

From a fiduciary perspective, private enforcement enhances confidence in the integrity of the market.

If investors are truly concerned about the long-term health of their investments, then ensuring that issuers uphold strong disclosure standards and behave responsibly is essential.

Participation in class actions supports this ecosystem by reinforcing accountability, strengthens governance incentives, and ensuring that capital flows to businesses whose conduct merits investor trust.

WTax's role is to help clients navigate this terrain discreetly and responsibly. By quietly managing eligibility assessments, filings, and documentation, we allow investors to fulfil their fiduciary obligations without drawing unwanted attention or creating the perception of pursuing litigation for its own sake.

This combination of operational support and reputational sensitivity helps asset managers demonstrate both diligence and good governance, while ensuring that no eligible recovery is overlooked.

The market is witnessing a surge in litigation stemming from non-traditional disclosures. What type of allegations do you foresee becoming the dominant drivers of class action value in the next 12–18 months?

There were 114 securities class action filings in the first half of 2025 alone, driven largely by the tech sector. AI-related cases accounted for 12 of the 114 filings, putting us on track for over 25 annual AI cases in 2025, marking a sharp increase from the 2024 total of 15. With incredibly high value at stake, plaintiffs are focusing on 'AI washing', which is the term being used in the market to describe exaggerated claims about AI capabilities, revenue attribution, hidden costs, or technical limitations, often triggered by short-seller reports. ESG greenwashing is still prevalent, with over 2,700 global ESG suits filed as of early 2025, including US securities cases on misleading climate risks or green credentials. Overall, AI's explosive growth in recent years, fuelled by regulatory scrutiny such as the US Securities and Exchange Commission's (SEC's) AI Action Plan, will likely overtake some of the other forms of allegations in actual financial impact for institutions holding concentrated tech positions.

Looking ahead, investors can expect AI suits to surge further. We believe institutional investors could see 20–30 per cent of their class action recoveries tied to AI by 2027, if we remain on the current trajectory.

The global litigation environment is increasingly complex, especially following Morrison v National Australia Bank, with non-US jurisdictions gaining prominence. What are the most significant legal and operational hurdles for institutional investors when pursuing recoveries across these fragmented global markets?

Post the limitations on access to US courts brought on by the Morrison case, we have seen a surge (approximately 150 per cent) in non-US markets since 2020. These markets include Australia, the UK, and some parts of Europe, most notably, the Netherlands. However, given these cases span investors globally, institutions face a number of hurdles in accessing these cases.

Institutional investors must now navigate an expanding scope of non-US jurisdictions, each with its own procedures, standards of proof, and unique interpretations of investor rights. The most significant challenges include jurisdictional ambiguity, inconsistent loss-calculation methodologies, and intricate documentation requirements in opt-in regimes such as Australia, the UK, and parts of Europe.

One of the most challenging issues is jurisdictional risk, more specifically, determining which courts have standing to hear a claim, which transactions qualify, and whether the investor's trading history aligns with the specific requirements of that specific jurisdiction. Many non-US systems apply narrow definitions of eligible securities, the place of execution, or even nuances in settlement mechanics. Mapping a global trading footprint across these variables is far from straightforward, particularly for managers trading the same security across multiple exchanges.

An added layer of complexity arises from reliance requirements, which vary widely across jurisdictions. While US cases generally apply the 'fraud-on-the-market' presumption, many emerging and civil law markets require more explicit demonstrations of reliance. Some courts expect investors to prove that their purchase decisions were influenced by specific company disclosures or that they assessed information that was later shown to be misleading. Being able to prove reliance can be particularly difficult without specialist support; many institutional investors unintentionally exclude themselves from viable claims simply because they cannot efficiently produce the necessary documentation or narrative to satisfy these burdens.

These hurdles extend beyond legal uncertainty. Operationally, aligning global trading records to the correct jurisdiction or procedural pathway can be extraordinarily demanding, particularly for multi-strategy managers or investors trading across primary and secondary exchanges. WTax addresses these challenges through jurisdiction-specific expertise, deep local legal partnerships, and technology built to map global trade data reliably to the appropriate legal framework. This ensures clients can pursue recoveries confidently, even in markets they may have previously avoided.

Beyond the direct loss of settlement funds, what are the frequently overlooked or hidden costs for fund managers who attempt to manage their SCA recovery process entirely in-house? At what threshold does managing SCA recovery internally become a quantifiable risk to operational efficiency and compliance?

Many fund managers underestimate the hidden costs of managing securities class action recovery internally. The operational day-to-day work goes far beyond simply filing forms; it involves constant monitoring of global litigation, interpreting complex legal notices, validating and normalising data from multiple custodians, and managing ongoing dialogue with claims administrators. These demands can divert operational teams from core investment-related responsibilities and expose firms to the risk of missed deadlines, rejected claims, or incomplete filings.

In practice, internal management becomes a quantifiable operational risk once a firm's AUM surpasses several billion dollars, when daily trading volumes increase materially, or when the portfolio expands across more than a handful of non-US markets. At that scale, the combination of global exposure, data complexity, and regulatory expectations often exceeds what an internal team can sustainably handle, especially without the tech capabilities required to handle this at scale. WTax alleviates this pressure by providing a fully managed process that ensures accuracy, consistency, and compliance across all jurisdictions, with our technology at the forefront of managing these operational hurdles.

What are the key data and documentation challenges facing asset servicers today in proving reliance and calculating eligible losses?

As mentioned previously, proving reliance is a daunting task. Firstly, documents rarely provide clear-cut evidence that an investor purchased the security as a result of a specific representation later shown to be misleading. Investment decisions are typically multifactorial and supported by a blend of quantitative models, qualitative assessments, macroeconomic views, and internal policy constraints. As a result, proving reliance through documentation becomes inherently complex.

Second, the documents themselves often reflect different levels of granular detail and any gaps not covered allow defendants to argue that any apparent link between the misstatement and the investment decision is too weak to satisfy legal causation.

When it comes to data challenges, we often see incomplete, inconsistent data, or data files subject to changes in format over time. Institutional investors frequently undergo platform migrations, regulatory restructuring, or adviser turnover, leading to fragmented audit trails. Even where the underlying trades are clear, the rationale for them may have been recorded in a separate compliance system or not retained at all. For global investors, these record-keeping inconsistencies compound issues in proving reliance across jurisdictions.

These evidentiary and data gaps do not only hinder the ability to show reliance, they also directly complicate the calculation of recoverable loss. Accurate loss modelling depends on reconstructing what an investor bought, when, at what price, and why. When the underlying documentary record is inconsistent, that reconstruction becomes substantially more complex.

How will recent or proposed regulatory shifts — including the SEC's enhanced scrutiny on areas like non-GAAP measures or new global corporate governance standards — likely reshape the SCA recovery environment over the coming five years?

We foresee that regulatory reforms will significantly increase both the frequency and value of recoveries for institutional investors. Globally, new governance and sustainability standards in Europe and Asia are also creating greater accountability around disclosure quality. As regulators coordinate more closely across borders, misconduct is likely to be identified faster, investigated more thoroughly, and translated into more investor-friendly redress mechanisms. This regulatory momentum will broaden the geographic scope of viable claims, increase the proportion of high-value cases arising outside the US, and heighten the importance of a truly global recovery strategy.

Given the need for anonymity, what specific procedural safeguards and technological controls does WTax employ to minimise public exposure while still meeting the stringent transparency requirements of various court systems?

WTax employs comprehensive procedural and technological measures to reduce any public exposure while still complying fully with global court systems. Procedurally, we structure participation through local counsel, utilise anonymisation mechanisms when sharing data with local counsel, and carefully manage filing structures to avoid unnecessary disclosure of client identities.

We also offer clients an opportunity to set parameters around what type of cases we enter them into, based on associated risks and criteria that meet a client's internal policies. Technologically, we arm our systems architecture with strict access controls, encrypted data pathways, and automated redaction of sensitive information. These combined safeguards allow clients to participate confidently, discreetly, and in full compliance with court requirements.

Beyond simply handling the administrative burden of filing, where does WTax generate the most significant incremental value and recovery for a client who already manages a basic claim filing process in-house?

For clients who already handle basic filing tasks internally, WTax delivers incremental value in several areas that materially affect recovery outcomes. Our global, automated monitoring tool, Atlas, identifies cases that internal teams typically miss, and we leverage our strong relationships with leading global law firms in the market specialising in plaintiff litigation, who keep us fully abreast of the opt in cases as they progress through the litigious process. Our enhanced, automated loss calculation models maximise recoveries by ensuring there are no inaccuracies in loss calculation, ensuring favourable outcomes for investors. Additionally, our ability to resolve documentation deficiencies swiftly significantly improves acceptance rates, especially in more complex cases.

Perhaps most importantly, we provide a comprehensive, fully transparent audit trail and compliance framework that reduces internal workload for our clients. Many clients find that partnering with WTax leads to recoveries several times larger than what they achieved through in-house processes alone.

Can you share a high-level example of a recent case where WTax's specific knowledge of a non-US jurisdiction allowed a client to successfully pursue a recovery that a less specialised or US-centric claims provider would have likely missed?

WTax assisted our client with their registration into the Mayne Pharma Class Action, which was litigated out of the Supreme Court of Victoria, Australia, and was the subject of a court ordered opt out and registration process.

Having managed the entire process for our client, from case identification, data collection from the client's custodian bank and subsequent eligibility analysis, as well as leveraging our relationship with the lead counsel in the case, Phi Finney McDonald, to have our client's losses registered in this case, we successfully secured an award of AU$6.4 million of the total settlement which was approved by the court in the amount of AU$38 million. This was a significant award for our client, and WTax was extremely pleased with the outcome for the client, following complex data gap corrections and back and forth communication with the law firm to ensure a successful outcome for our client.

A US-centric claims provider could easily have overlooked the Mayne Pharma opportunity because the action was not litigated in the US, but in the Supreme Court of Victoria in Australia, despite the underlying allegations relating to anti-competitive conduct in the US pharmaceutical market. This structure sits well outside the patterns that US-focused monitoring systems are built to detect. Many US-centric providers track only US federal filings and settlement notices, meaning an Australian shareholder class action grounded in US behavioural allegations would unlikely appear in their workflow.

Just as critically, the eligibility framework in Australia differs significantly from the US class action procedure. The Mayne Pharma matter proceeded as an open-class, opt-out action, subject to a registration process where eligible investors were required to meet Australian procedural standards, provide Australian-form ownership proofs, and submit trading data consistent with the Victorian Supreme Court's methodology. A provider anchored in US markets, where filings are often automated, documentation requirements are uniform, and loss methods align with US federal securities law, may have incorrectly dismissed the case as non-actionable because the alleged misconduct took place in the US and did not involve purchases on a US exchange.

Additionally, the case relied on Australia's unique class action architecture, including continuous disclosure obligations and misleading or deceptive conduct provisions, which do not map neatly onto US reliance doctrines or Morrison-style territorial rules. A US-centric provider may have assumed that an investor trading Mayne Pharma on the Australia Securities Exchange (ASX) would be excluded from a claim tied to US anti-competitive behaviour, when in fact the Australian legal pathway expressly enabled those shareholders to recover. Misapplying US territorial logic in a non-US jurisdiction is one of the most common reasons these cases are missed.

WTax, by contrast, identified the matter early because our systems monitor non-US courts, funder announcements, plaintiff filings, and regional litigation trends, not just US dockets. Our team analysed the Australian procedural landscape, validated client eligibility under local rules, and handled the substantial documentation requirements that would fall outside the capabilities of a US-centric provider.

As a result, clients secured a recovery that would almost certainly have gone unrealised with a provider whose expertise and visibility were confined to US markets. ■

The digital assets Cold War

What was once imagined as a single global system is splintering into regional ecosystems. From Singapore's pilots to Brussels' rulemaking and Washington's regulatory rethink, the digital-assets landscape has entered a three-way contest of ambition, ideology and market design

Zarah Choudhary reports

At 08:00 SGT in Singapore, traders are already experimenting with tokenised funds. In Paris, regulators are reviewing Markets in Crypto-Assets (MiCA) implementation plans. And in New York, financial firms are waiting for the next round of federal guidance to determine whether their blockchain projects can finally scale.

Three markets, three worldviews — and one technology that refuses to sit neatly inside any single jurisdiction.

Digital assets were once spoken about as a global phenomenon. A borderless, universal market infrastructure without the drag of geography.

But as institutional adoption begins in earnest, the opposite seems to be happening: the world of digital assets is fragmenting.

Asia is building at speed. Europe is building the rulebook. The US is building cautiously — but on the world's largest capital base.

The result is a geopolitical and regulatory divergence that is shaping the next era of market structure: a digital assets Cold War.

Asia: The sprinter

Asia's story is not simply one of speed — it is one of alignment, ambition, and population-scale demand.

"Asia is very much part of the global digital-asset surge," says Boon Hiong Chan, Deutsche Bank's head of Securities Market and Technology Advocacy, APAC. He points to mobile-first populations, digitally-native users, and large under-banked segments, all of which create "fertile demand for alternative financial infrastructure".

Countries such as Singapore, Hong Kong, and Japan are not waiting for consensus. They are moving forward with sandboxes, pilots, and licensing regimes that pull private-sector activity into regulated domains.

Hong Kong's success in tokenising a China asset management fund, Standard Chartered notes, "is now a reality, not just a pilot project" — a sign that institutional appetite in the region is maturing rapidly.

Chan emphasises that Asia's path is not a copy-paste of Western models. "Asian markets should assess their requirements, not simply replicate deep-capital-market use-cases," he argues.

“With MiCA and the DLT Pilot Regime, the EU is the first major jurisdiction to put in place a comprehensive, passportable framework for digital assets”

Instead, he calls for region-specific solutions — tokenised small and medium-sized enterprise (SME) funding, blockchain-based savings tools, inclusive payment systems that work across fragmented geographies. With the right balance of innovation and regulation, “Asia can become the region where a next wave of digital-asset growth is born”.

A spokesperson from Standard Chartered agrees: Asia’s momentum is powered by a blend of policy ambition, competitive pressure, and real customer demand.

“It is always and above all customer demand that drives the business,” the spokesperson notes. With regulators in Hong Kong and Singapore offering clarity and flexibility, adoption is accelerating.

If Europe designs digital assets on paper, Asia builds them in the market.

Europe: The policymaker

Where Asia prioritises speed, Europe prioritises safety, structure, and legal certainty.

“Europe and Switzerland currently set the pace — not through hype, but through regulation-first design,” says Markus Hammer, chief product officer at BrickMark X. He points to MiCA, the Distributed Ledger Technology (DLT) Pilot Regime, and national legislation such as Germany’s ‘Gesetz über elektronische Wertpapiere’ (eWpG) and Switzerland’s DLT Act as frameworks that allow institutions to operate with confidence.

Europe’s strategy is not subtle: it wants to become the global reference point.

“MiCA provides passportability across 27 markets,” Hammer explains. But he also cautions that innovation is not automatically accelerated by regulation. Tokenised securities remain under full Markets in Financial Instruments Directive (MiFID) supervision — a reminder that, while Europe leads in coherence, it may still lag in speed. A “MiCA II”, he suggests, may be needed to close that gap.

BNP Paribas’ Verena Hess believes Europe is indeed positioning itself as a benchmark: “With MiCA and the DLT Pilot Regime, the EU is the first major jurisdiction to put in place a comprehensive, passportable framework for digital assets.”

An ESMA spokesperson adds institutional weight: “MiCA has been a revolutionary regulation, unique at the global level that aims to support innovation and fair competition while also attempting to protect and guarantee some minimum requirements in the crypto space, in an environment that is highly volatile and fragmented.”

Still, Europe’s clarity comes with a cost — slower execution and less flexibility.

Hammer is direct about the competitive landscape. Switzerland, he argues, has paired bespoke DLT legislation with fully-licensed digital exchanges, creating one of the most advanced environments worldwide for real-world-asset tokenisation. This is a model many firms, including his own, view as the operational blueprint for regulated digital-asset markets.

At the same time, he notes that the United Arab Emirates (UAE) — through Dubai’s VARA regime and Abu Dhabi’s ADGM framework — is emerging as a third major regulatory centre with some of the clearest, most production-ready rules for tokenised instruments.

Europe sets the rules, others are racing to build around them.

The United States: Power without clarity

The US remains the world’s deepest capital market. The question is whether it can maintain influence without regulatory cohesion.

Hammer does not soften his view on the United States’ regulatory maze. He notes that regulatory fragmentation — whether across countries or within a federal system — slows innovation and market adoption, adding that in the US, conflicting interpretations from the US Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), and state regulators, create precisely the kind of friction that global institutions prefer to avoid.

This regulatory uncertainty, he argues, remains one of the core reasons issuers and platforms often look to Europe, Switzerland, Singapore, or the UAE when considering where to scale tokenised instruments.

German Soto Sanchez, chief product and strategy officer at Broadridge, adds a structural explanation: unclear jurisdictional lines, overlapping rules, and enforcement-first patterns have created “stop/start cycles” that hinder development. Innovation exists — but clarity does not.

And yet, something has shifted in the last year.

“Recent regulatory developments in the US have helped change perceptions,” says a spokesperson from State Street. From the repeal of Staff Accounting Bulletin No. 121 (SAB 121) to the GENIUS Act and progress on stablecoin regulation, the US is now “pursuing a comprehensive, and in some cases more permissive, regulatory stance.”

A spokesperson from Standard Chartered, however, offers a counterweight: “The US is not losing ground at all to Asia, and even less so to Europe.” In their view, all regions move at their own speed; the US simply innovates differently — often through market behaviour rather than regulatory design.

DTCC’s Nadine Chakar reveals how industry players are responding: by building digital asset capabilities that bridge traditional and blockchain environments. DTCC’s experiments with Euroclear and Clearstream offer “a blueprint for establishing an industry-wide data asset ecosystem,” she explains, focused on standards, controls, and governance for tokenised markets.

The US is not out of the race, it is simply running on a different track.

Fragmentation or convergence?

If digital assets were meant to create a unified global architecture, the industry looks like it now faces the opposite reality: three incompatible regulatory and market design philosophies.

“It’s critical that various blockchains can communicate not only with each other but with traditional systems too”

“Across all regions, the next phase of progress will depend on standards,” says Richard Baker, CEO of Tokenovate. Without shared legal, technical and operational frameworks, “digital asset markets cannot scale with confidence or interoperability.”

He cites the UK’s standards-based approach, built on tools like the Common Domain Model, as a blueprint for cross-border harmonisation.

BNP Paribas echoes this: blockchain’s value grows through network effects — but sovereign chains, isolated permissioned platforms and diverging digital-currency models risk breaking that network. Interoperability, taxonomy alignment, anti-money laundering (AML) rules, smart-contract standards: these are now global negotiations, not technical upgrades.

Nadine Chakar from DTCC states: “Furthermore, interoperability is key. It’s critical that various blockchains can communicate not only with each other but with traditional systems too. Interoperability is critical if we are to fully capture the benefits of digital assets technology – including enhancing efficiency, liquidity, and the bottom line.

“We assume there will never be just one blockchain network managing the flow of collateral, or any asset class, for the entire financial industry.

“At DTCC, our guiding principle as we contemplate solutions around tokenisation, for example, is that any token we create should be interoperable across traditional and digital ecosystems, including many blockchain network providers.”

Standard Chartered sees both divergence and convergence unfolding at once. Areas like stablecoins, Central Bank Digital Currencies (CBDCs), and tokenised deposits are splitting regions apart — while customer demand pushes them back together. Digital assets, in other words, will not become one world — they will become several worlds that must still communicate.

The industry response

Custodians and Financial Market Infrastructures (FMIs) are not waiting for political harmony.

State Street is preparing to offer digital asset custody, transfer agency for tokenised assets, and a digital collateral management platform — all designed to operate across multiple regulatory regimes.

“We are committed to ensuring our technology is digitally capable to allow clients to operate in both a traditional and digital finance environment,” the firm says.

Standard Chartered is building identical digital custody capabilities across Luxembourg, Dubai, Hong Kong, and Singapore — each selected for regulatory clarity and client demand.

“Technology is neutral,” says the firm. “Global custodians must adapt systems to different geographical rulebooks.”

DTCC is tackling cross-border collateral mobility, running real-world experiments that move tokenised Treasuries through multiple ecosystems.

Apex highlights shifting generational expectations and 24/7 subscription/redemption models that will force custodians to evolve.

Deutsche Bank’s APAC team warns that Asia must design systems suited to local realities, not Western templates.

Institutions are preparing for a world where digital assets are not an optional add-on — but the new market infrastructure.

Who wins this Cold War?

Every expert who has commented agrees: the future is not winner-takes-all.

“Tomorrow’s leaders will be those already well advanced in their journey,” says Standard Chartered — but each region’s pathway will reflect its own history, regulation and customer demand.

BNP Paribas considers blockchain akin to the early internet: not defined by geography, but shaped by the ability to interoperate across geographies.

DTCC believes scale will come from standards and cross-industry collaboration.

Soto Sanchez argues that leadership depends on balancing regulatory clarity with innovation velocity.

Hammer sees Switzerland, Europe, and the UAE currently setting the regulatory tone.

Chan sees Asia harnessing its demographic and structural strengths to build inclusive finance and tokenised capital formation.

The only consensus is that there is no single path.

Three clocks, one future

As markets open each morning in Singapore, Paris, and New York, the global map of digital assets redraws itself.

Not through a single global system, but through three competing visions. Asia’s speed. Europe’s structure. America’s scale.

Together, they form a fragmented — but increasingly interconnected — future.

The digital-assets Cold War is not about conflict, it is about ambition, and the result may not be a single global market, but a new era where regional identities shape global finance.

The infrastructure is being built. The standards are being negotiated. The race is not to the fastest, nor to the strictest — but to those who can blend innovation, regulation, and geopolitical strategy into a coherent model.

The next chapter of financial history will be written across three continents.

And it has already begun. ■

The year the industry stopped experimenting and started transforming

Industry leaders reflect on 2025's shifts and milestones, highlighting the transformation underway and the key trends shaping the future of financial services

What were some of the key issues facing the market in 2025?

Joerg Ambrosius, Executive Vice President, President of Investment Services at State Street

The defining feature of 2025 was the cost and complexity of operating in today's asset-servicing landscape. Rising regulatory demands, cyber-resilience expectations and the continued push for data transparency have made it harder for smaller or less technologically mature providers to keep pace. As a result, consolidation accelerated across the year as firms sought partners with the scale, infrastructure and investment capacity required to remain competitive.

This was also the year in which the importance of scale became clearer than ever — not scale in isolation, but scale paired with modern technology, strong integration discipline and specialised capabilities. Institutions increasingly gravitated towards providers that are able to couple global reach with proximity, strong data foundations and a high-touch service model.

The firms that succeeded in 2025 were those that could combine end-to-end transparency with resilient infrastructure and harmonised standards across markets, enabling more consistent service and better onboarding experiences for clients.

Gary O'Brien, Head of Bank and Broker Segment Strategy, Securities Services at BNP Paribas

In 2025 we have seen the continuation of key trends including flight to quality, digitisation, and collaboration. Financial institutions continue to consolidate their activity with best of breed providers across markets and regions to benefit from greater efficiency and best practice from their partners.

Obviously, there's also a continued focus on digitisation to further improve automation and data availability alongside a continuation of pilot use cases focused on digital issuances and tokenisation. These aspects aim at increasing access to new and evolving asset classes whilst also streamlining the post trade aspects of traditional markets. These two trends have further highlighted the growing importance of collaboration.

Collaboration amongst financial institutions and fintechs has been key for enhancing market solutions for investors and issuers. Some of the examples are our appointment of Proxymity for Proxy Voting solutions and our appointment of Broadridge for Class Actions related activities on behalf of our clients, as we aim to continue creating an enhanced asset servicing experience for our clients across markets and regions.

Theo Wasserbeg, Country Manager, UK and Ireland at Embat

We were at Google's Gemini Founders Forum when they named it: AI theatre, the gap between what looks transformative on stage and what actually survives in production. For treasury teams in 2025, that gap became impossible to ignore. The pilots that would "revolutionise forecasting" or the dashboards promising "real-time visibility"? All brilliant in the boardroom; all dead within weeks of meeting messy, exception-ridden reality.

What 2025 actually delivered was clarity. AI pilots are easy, but AI-first workflows are hard. The difference comes down to ownership: progress only happened when the people closest to the work could design, adapt, and trust their agents.

Without the right infrastructure, even the best AI stayed trapped inside the team that built the demo. We also learned why finance automation has been stuck at a 30 per cent ceiling for two decades.

Rule-based systems crumble on exceptions; AI interprets intent. That shift isn't incremental; it's a new category of capability. It's how teams moved from automating tasks to retiring entire workflows.

The real breakthroughs came from contained value: narrow, auditable AI use cases that delivered measurable, compounding wins. Reconciliation time cut by 75 per cent; forecasting accuracy above 90 per cent; audit prep shrinking from weeks to days.

Each success chipped away at the belief that complexity and rework are inevitable. 2025 settled it: modernisation is not a technology problem. It was always cultural.

The curtain has closed on AI theatre. The teams that stopped performing and started building are already operating in a different reality, and there's no going back.

Pervaiz Panjwani, Chief Product Officer, Waystone

2025 marked a turning point for fund administration as managers confronted mounting complexity across private markets, multi-jurisdictional regulation, and a rapidly evolving product landscape.

The growth and access to private markets, including private credit and real assets, have pushed legacy in-house teams to their limits, while diverging regulatory frameworks and rising reporting demands have accelerated the shift toward consolidated outsourcing models.

The year 2025 was fundamentally about laying the groundwork for future transformation; it was the year for setting up the plan. The efforts to create a Savings and Investment Union (SIU) gained significant momentum, becoming a central theme in European capital market discussions and shaping numerous strategic initiatives. In this spirit, we rebranded our German Central Securities Depository (CSD) to Clearstream Europe, a name that reflects our long-standing mission to connect the continent.

Our Pan-European CSD solution connects to almost all European markets at one platform, handling over 50 per cent of all TARGET2-Securities (T2S) settlement flows and linking a wide range of CSDs, Central Counterparties (CCPs), trading venues and market participants across Europe. Concurrently, the industry marked the 10-year anniversary of T2S. While T2S is clearly to be celebrated for its spirit of harmonisation and connection, its core objectives remain only partially fulfilled, with the settlement market still facing fragmentation and inefficiency.

Despite significant efforts from the CSD community to build links and overcome national barriers, T2S has in many ways remained an "empty highway." Looming over all these discussions was the elephant in every post-trade room: the move to T+1.

Throughout the year, Clearstream has focused on supporting our clients and the industry to ensure a smooth transition in 2027: education, tailored support and participation in joint industry initiatives like dedicated working committees, which undertook extensive analysis to map out the existing challenges and formulate viable pathways to overcome them.

Dirk Loscher
CEO of Clearstream Europe and Head of Custody and Investor Solutions

Private markets assets under management are growing exponentially, but there is huge pressure on fees and profitability. As more high–net–worth individuals (HNWIs) and retail investors enter the space, the demand for transparency and lower costs will rise, putting traditional operating models under real strain.

The critical differentiator now is how firms use technology. AI and automation have gone beyond pilots and experimentation to become the main route to scaling efficiently, while improving the quality and speed of investor reporting. But the winners will be firms that use technology to elevate the investor experience and improve transparency, rather than just cut costs.

Firms must decide whether to compete as low-cost manufacturers, specialists, or platform-driven service providers. In a converging industry where the control of the client interface is becoming a major source of value, firms that can align their people, technology and business model will be best placed to succeed. While size matters, the next phase of private-market growth will reward intelligence, adaptability and the ability to deliver trust at scale.

Abdel Hmitti
President, Vistra Fund Solutions

At the same time, Europe's exchange traded fund (ETF) ecosystem underwent its own structural shift: active ETFs moved firmly into the mainstream, with assets rising nearly fivefold since 2019 as investors sought differentiated strategies in a familiar, liquid wrapper. This expansion - powered by digital platforms, savings plans and global momentum from the US — has added an entirely new set of operational, governance and capital-markets requirements that managers increasingly rely on specialist partners to deliver.

Jamil Jiva, Head of Asset Management at Linedata

2025 was shaped by investors searching for positive returns in a tougher economic climate. Tariffs, uneven growth and stop-start markets pushed investors away from traditional equities that struggled to deliver the returns or confidence they used to. This pushed alternatives back into the spotlight. From gold to catastrophe bonds, clients wanted assets that could hold up in a difficult economic environment. The challenge was many of these instruments are complex and lack the transparency of public markets, so advisers spent more time explaining risks and terms. Because they aren't publicly traded, you can't go to a Bloomberg terminal to answer questions about pricing or terms and conditions of the security.

The most successful firms were able to use advances in generative AI to help demystify these products. Meanwhile, behind the scenes, firms quietly strengthened their data architecture and piloted AI tools to support analysis and reporting, setting themselves up for more ambitious adoption in 2026.

Roy Zimmerhansl, Head of Capital Markets, WTS Hansuke

2025 rewarded firms willing to move beyond vanilla securities finance. Elevated macro volatility, diverging central bank paths, and renewed equity dispersion pushed more sophisticated directional and hedging activity — particularly in equities, credit, and Asia following South Korea's short-selling ban lift. Hedge fund de-crowding from Magnificent Seven names into broader markets created fresh borrow demand, while deep specials like CoreWeave generated outsized returns. Securities lending revenues hit record highs, up nine per cent year-on-year in H1.

The industry is straining under regulatory and plumbing pressures. Preparing for coordinated UK-EU-Swiss T+1 settlement in October 2027 — while managing divergent Basel III Endgame timelines and capital asymmetries — has absorbed significant resources. Too many firms still run legacy workflows against compressed settlement deadlines that need transformation — across repo, collateral management, and equity finance. Operational friction and capital constraints are absorbing value that should flow through to clients.

Dean McIntyre, Chief Commercial Officer, SimCorp

In the beginning of the year, we published our annual survey of 200 buy side executives, where we asked them about the top data challenges with their infrastructure. The number one challenge identified was maintaining data models and underlying metadata, followed by difficulty in ensuring data quality throughout the investment lifecycle. Our research showed that 65 percent of buy side firms were planning to consolidate systems for addressing their data challenges. Data silos will always appear when there isn't a clear data strategy.

Different teams will have their own data needs and will create their own processes if an investment house does not have a clear plan. Our advice is to ensure you have a holistic data strategy and understand how data flows through the firm. Creating a single source of truth became critical — not only for operational efficiency but also for enabling AI adoption. We are seeing widespread adoption of AI within the buy-side to improve decision making, streamline productivity and gain operational efficiency. The main question we ask is about the foundations, 'is your data AI ready'? Without clean, accurate data, AI can actually amplify flawed decisions rather than prevent them.

Large asset owners continue on the journey from traditional Strategic Asset Allocation to Total Portfolio Approach (TPA) frameworks, integrating public and private markets for a unified view of risk and performance. This structural shift replaces siloed asset-class buckets with an outcome-based or returns focused approach, where every investment is measured by its contribution to the total portfolio.

TPA depends on robust technology infrastructure and real-time Investment Book of Record capabilities to deliver accurate exposures across all asset classes in one unified framework. A notable milestone: CalPERS became the first US pension fund to adopt TPA in November. ■

Sometimes the largest hindrance to our industry can also be one of the strongest drivers of change.

In 2025, we experienced a massive awakening in the importance of technology supporting the total trade lifecycle and therefore the impact to the bottom line. The speed of digital automation from trading through to post-trade operations across securities finance is challenging market participants to prioritise efficient connectivity to counterparts and platforms.

Trading counterparts can no longer rely on fragmented legacy operations or manual processes, but deciding how to improve today's trade flows while also shifting to new digital technology solutions, requires a delicate balance of priorities, resources, and counterparty adoption. And that's before we even start talking about the potential impact of AI.

Ben Challice, CEO, Pirum

How modern data architecture is reshaping asset servicing

Tahlia Kraefft examines how data architecture has emerged as a key strategic differentiator for asset servicing firms, enabling growth and client service, as the sector undergoes a structural change driven by increasing regulatory pressures, diverse client needs, and fintech-led market transformation

The redesign of data pipelines, models, and governance frameworks is integral in facilitating the adoption of automation across asset servicing.

Through re-engineering — which usually involves cloud-native platforms, metadata-driven systems, and unified data models — the sector is modernising its legacy infrastructure to meet demands for improved efficiency and transparency. Data architecture has emerged as a vital driver of digital transformation, enabling real-time reporting, secure client tooling and faster settlements.

A swift evolution: Data architecture's role in changing asset servicing

Asset servicers are shifting from siloed, monolithic systems to modular, API-driven frameworks, to overcome limitations faced by traditional legacy systems. This comes against a backdrop of pressures from clients, regulators, and markets, as systems frequently deliver delayed data, reporting inconsistencies, and settlement bottlenecks. The redesign of data architecture, alongside digitalisation is a method to improve operational resilience while increasing levels of automation.

Tom Burke, president of global asset servicing at Broadridge, comments that the asset servicing sector has been transitioning within a short span of five years, "From siloed, batch-based systems to more integrated, event-driven frameworks".

"Yet the idea of all processes running from a single, universal data source still remains out of reach in the complex, multi-party asset servicing ecosystem. The real opportunity lies in creating connected, trusted data networks — where interoperability, governance, and real-time exchange replace the need for a single repository."

Dan Reid, chief technology officer and founder of Xceptor, notes that the sector's data architecture has changed within the past half decade, from batch Extract Transform Load (ETL) feeding isolated tools to cloud-first automation spanning the value chain. He remarks: "Custodians now expect to ingest any format, normalise it, and apply rules within one governed layer.

"AI is embedded directly in these pipelines, shrinking manual processing and exception queues. Traceability, recoverability, and API connectivity have become baseline requirements, not optional enhancements.

Data architecture will remain or emerge as the leading priority for asset servicing firms in the coming years, according to Timothée Raymond, head of innovation at Linedata.

He states: "Data quality drives efficiency, the pressure on cost is still a significant driver, and the rise of AI as a way to gain efficiency requires high quality data.

"Some would say the constraint on the data being structured is less important than before because of how large language models work, but actually to get to the level of accuracy the industry requires, normalising the unstructured stash of data is still important for most Retrieval Augmented Generation based approaches today."

Contemporary data management blueprint

Modern data architecture focuses on delivering agility, scalability, resilience, and enabling near real-time reporting, advanced analytics, artificial intelligence/machine learning (ML) adoption, lower operational risk, and greater data governance and lineage. Key components of the infrastructure include: cloud-first or hybrid models, event-driven workflows, standardised data models, API-centric communication, and scalable storage for ESG, alternatives, and digital assets.

Burke says contemporary data architecture is defined by integrated event-driven frameworks that prioritise efficiency, scalability, and client-centric services. He remarks: "Such system interoperability is crucial in today's asset servicing landscape to enable seamless communication and data exchange across diverse platforms. Efficiency, client service, and compliance demands make interoperability a critical success factor in asset servicing."

Interoperability is the new medium of efficiency, with smooth data exchange an essential requirement for: clients' internal platforms, fintech partners, and data vendors, and market infrastructures and Central Securities Depositories (CSDs), and International Central Securities Depositories (ICSDs). Additionally there is an increased need for 'plug-and-play' integration in client onboarding which includes pre-built components (like APIs) to seamlessly add services (payments, data) into a firm's platform.

Reid describes modern architecture as involving "cloud-first, data-agnostic, AI-enabled, and workflow-aware, with open interoperability across clients, fintech partners, and market infrastructures".

He continues: “Platform-agnostic connections to internal and external systems must be paired with native AI services and composable components that plug into an orchestration layer without duplication. The SaaS model is popular because it provides scale, security, and predictable updates.

“Interoperability remains critical: asset servicers need to meet clients where they are, minimise unnecessary data movement, and bridge heterogeneous environments to maintain service quality and grow their offering.”

Raymond defines contemporary data architecture as: “real time, API event based), normalised, internal or external standard, open and readable, and secure.”

Tackling data fragmentation

Data fragmentation persists across enterprises frequently caused by the diverse use of platforms across different regions, acquisitions, and legacy technology; often resulting in inconsistent data, hampered reporting, and operational bottlenecks. Modern data architecture aims to overcome inconsistency through: data virtualisation and metadata-driven integration, unified data models and single sources of truth, enterprise-side data governance and lineage, and Master Data Management (MDM) approaches.

Burke reasons a single system will not solve issues of fragmentation however: “By a modern, mutualised architecture and data standards that bring coherence across the ecosystem. By using shared data models, governed data lakes, and open APIs, firms can align front, middle, and back offices on consistent, trusted data — reducing duplication, reconciliation, and delays.

“True progress comes from standardised integration: market infrastructures, custodians, and technology providers must lead on standards, while asset managers and service providers adopt open, interoperable frameworks. An industry-driven, utility-enabled model builds the trust, transparency, and scalability needed to reduce fragmentation and power sustainable growth in asset servicing.”

According to Reid, “modern architecture reduces fragmentation by standardising diverse upstream data and centralising control. A data-agnostic platform ingests data from internal and external systems, applies business rules, and publishes clean outputs to downstream books of record with full lineage.

“Certified rule libraries replace one-off scripts, which brings order to corporate actions, reconciliations, tax and reporting. Document intelligence closes the gap on unstructured inputs.

“The result is a persistent source of truth with full lineage for both ops and IT.”

Raymond adds that data warehousing is an important means of custodians reducing fragmentation: “Defining the objects they work with, building unified view/data ownership for each piece of data is key. The evolution of market infrastructure — both on private and public markets — will also play a role, and the rise of standards or at least shared concepts such as open banking, electronic invoicing etc. will be both an opportunity and a challenge.”

Strategic pressures pushing data architecture transformation

Regulatory drivers are leading firms to reexamine their data architecture with increased transparency requirements around liquidity, ESG, and collateral reporting.

Market reforms are demanding data standardisation and real-time visibility. Client-driven pressures — such as demand for custom reporting, self-service analytics, 24/7 access to data, desire for seamless integration with clients’ systems — and market-driven pressures, including competition from fintechs and digitally native provides, costs connected with legacy system maintenance, and emerging markets for digital assets are requiring firms to upgrade their data architecture.

Burke argues that these converging regulatory, client, and market pressures, along with an explosive growth in transaction volumes (up over 23 per cent year-on-year) are demanding firms to fundamentally reconsider their data architectures.

He says: “Legacy systems can no longer manage the scale, speed, and visibility required for transparency, accelerated settlements, and real-time reporting.

“To address this, firms are considering strategies for standardised data ontologies, enhancing automation, and embracing cloud-based platforms. Such improvements will enable real-time insights, operational agility, and scalability, and will position modern data architecture as a strategic enabler for efficiency, resilience, and sustained competitiveness.

Raymond, notes of these three core pressures forcing data infrastructure evolution: “Regulation such as that of private markets in Europe, for example, is a mandatory driver, though the most important one is probably client pressure and the ability for asset servicers to differentiate though efficiency, reliability and cost.”

Reid explains core influences of the architecture transformation include: “New tax regimes such as FASTER and MiKaDiv demand clean, traceable data from capture to filing. Control frameworks now expect explainability and governance embedded in production workflows.

“Clients want faster onboarding, transparency on breaks, and seamless integration into their own platforms. Meanwhile, rising data volumes, private-asset diversity, and resilience expectations are pushing firms toward cloud scale and AI-enabled ingestion.”

A strategic lever in a competitive landscape

Custodians are pivoting from basic service providers to data-rich solutions partners.

They are engaging data as a competitive differentiator to deliver efficient onboarding and integration, enhanced client experience, improved insights and analytics and operational alpha, reduced errors and faster exception resolution.

Burke, labels it as a true differentiator: “According to a recent survey, more than two-thirds of market participants see data integration and interoperability as critical enablers for future competitiveness. The ability to integrate and mobilise data seamlessly is increasingly tied to efficiency, accuracy, and innovation capacity, and directly translates into stronger relationships and the agility to accommodate new asset class capabilities and servicing models.”

Raymond, argues that “most players are really far from mastering their data architecture, meaning a total refoundation is necessary, before even visibly competing, but obviously, investing in quick efficiency wins will allow players to keep their existing business and be allowed to play in a redefined marketplace where efficiency, but also automation and the ability to operate in a normalised ecosystem will be key”.

Competitiveness now depends on how fast firms turn messy external inputs into reliable records, according to Reid.

He states: “A unified automation layer shortens onboarding, boosts Straight-Through Processing and reduces exception ageing, which improves both margins and performance against service level agreements.

“Insight-driven dashboards and AI-powered remediation sharpen operational control. The broader the process coverage on one platform, the easier it is to expand productised services.”

Future state of data architecture

Firms are redesigning their data architecture to account for changes such as: increased use of digital identity and blockchain for transaction flows, convergence of securities services, payments, and digital asset workflows, rise of AI-first data models and automated data quality management, and a move toward harmonised data models across global operations.

Burke sees the emergence of tokenisation, private markets, and new data as key factors in driving firms to redesign their architecture to manage greater complexity and volume expansion. He says: “Tokenisation frameworks enhance liquidity and enable fractional ownership of real-world assets, while interoperability across blockchain networks supports efficient settlement and data consistency.

“Firms are also investigating how AI can automate data processing and create standardised, trusted records. Together with decentralised, algorithmic fund frameworks, these innovations are shaping more agile, scalable, and resilient asset servicing models, built to manage the complexity of new asset classes and deliver the transparency, capacity , speed, and innovation across markets that the industry urgently needs.”

Raymond adds: “One might argue that tokenisation brings simplification through automation and digitisation more than it complexifies what has been a manual work for decades, by having systems that are ready to embrace the synchronicity of the digital/tokenised world will be a huge challenge, both in terms of tech and in terms of culture and operation model.”

Data architecture has become an integral part of a firm’s strategy in today’s asset servicing landscape enabling them to develop interoperability, standardisation, and real-time capabilities, in turn giving them a competitive advantage. The strength and intelligence of the data that supports these capabilities, will largely determine a firm’s ability to lead into the future. ■

Driven by purpose

As compliance manager at Hawksford, Javiera Aguayo reflects on a career shaped by curiosity, analytical thinking and a commitment to strengthening governance. From Swiss private banking to trust services in the Cayman Islands, she shares how early audit work, cross-functional collaboration and a passion for problem-solving continue to guide her path in asset servicing

Can you give us an insight into your personal journey into the asset services industry, why did you decide this was the career for you?

After graduating from university, I began my career in the operations department of a well-known private Swiss bank, where I managed the administration and operations for private clients. Two years later, I transitioned to the compliance department, where I was responsible for daily transaction monitoring and Know-Your-Client (KYC) reviews, as well as leading the majority of client onboarding processes.

During my time there, I also participated in numerous audits and remediation projects, which made the experience both challenging and rewarding. My time in this role solidified my interest in compliance and motivated me to further develop my skills in this area.

Subsequently, I joined the compliance team at a trust and corporate services provider, where I focused on enhancing internal controls and procedures, as well as conducting compliance testing. This role enabled me to significantly influence the organisations compliance framework. Four years later, I joined Hawksford (previously Paradigm), which allowed me to continue my journey in the compliance field and contribute to the success of the organisation.

Overall, my career path has been driven by a strong commitment to upholding compliance standards and making a positive impact in the financial industry. There is a sense of purpose in knowing my work helps protect clients, the organisation and the broader industry. Additionally, the compliance field offers clear pathways for advancement, with opportunities to move into leadership roles or explore related areas such as governance and risk management. The skills developed in compliance are highly transferable and valued across the industry.

What aspects of your job do you enjoy the most?

What I enjoy most about my job is the continuous opportunity to solve problems and think analytically, especially when dealing with complex regulations. Each day brings new challenges, whether it is figuring out changing compliance rules or coming up with creative solutions to operational problems. This part of my job keeps me engaged and always learning, as regulations in the Cayman Islands, and around the world, are constantly evolving, demanding both flexibility and sharp analytical skills.

From time to time, parts of my job also involve cross-functional collaboration. Working with colleagues from operations and client services teams not only broadens my perspective but also promotes a culture of shared knowledge and teamwork. In my experience, some of the most effective strategies and improvements come from open dialogue and collective brainstorming across departments.

Being fairly new to the industry, how do you find your experience compares to those who are more established? Are there pros and cons to each?

Having had a few years' experience, I would not say I am new to the industry, however, I feel that people just starting out provide

> ***"As the adoption of technology increases, reinforcing cybersecurity and governance frameworks remains essential to safeguarding data integrity and maintaining client trust"***

a fresh perspective, adaptability, and eagerness to learn – all qualities that help drive innovation and respond quickly to change. Established professionals contribute trustworthiness, guidance, and valuable knowledge. The combination of both viewpoints is essential for building a resilient and progressive industry.

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

I think a common misconception about the asset servicing industry is that it is solely administrative, or that its functions operate independently. Compliance, operations, and technology are closely integrated and serve interconnected roles.

Additionally, there is also the belief that technology will entirely replace human involvement, which is misguided; the future of the industry depends on effective collaboration between AI and human expertise. There is also little indication that global regulators will eliminate the requirement for humans in statutorily held positions.

Looking ahead, I am supportive of further integration of AI to enhance productivity and streamline compliance operations. AI-driven automation can reduce operational and compliance risk and enable greater focus on strategic priorities. As the adoption of technology increases, reinforcing cybersecurity and governance frameworks remains essential to safeguarding data integrity and maintaining client trust.

What is the training process of a new employee? Do you think it was beneficial to your role and others who may now be in the same position you were?

The training process for a new employee typically involves a combination of formal training sessions, on-the-job learning, and mentorship. When I first started, I went through an initial orientation that covered the company's policies and procedures, and compliance requirements. This was followed by more specific training relating to my role, including hands-on experience with the systems and tools I would be using daily.

A mentor or buddy may be assigned to help the new joiner settle in by explaining practical aspects like office layout, policies, tools and systems etc., while also providing guidance and insights on the role and company culture from personal experiences.

This combination of formal training, practical experience and mentorship creates a comprehensive learning environment that supports both personal and professional growth.

Where do you see yourself in 10 years

I see myself in a senior leadership position, either in governance, risk or compliance. My goal is to lead cross-functional teams, collaborating with colleagues in operations, technology, and client services to drive innovation and strengthen our compliance framework.

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

My advice to any young graduate entering the financial services field would be to not hesitate to ask questions and seek opportunities to contribute to projects beyond your immediate responsibilities. These actions support your professional growth and demonstrate your commitment to learning and teamwork.

Additionally, the employment landscape is evolving, and entry-level opportunities may become increasingly scarce as AI is adopted more widely. As a result, it is essential for new candidates to develop the ability to understand, audit and evaluate AI-generated outputs. Achieving this requires not only a solid grasp of relevant legislation and regulations, but also a proactive approach to leveraging AI's potential to its fullest. ■

Industry Appointments

Droit welcomes Mamodesen

Technology firm Droit has appointed regulatory technology veteran Jean-Marie Mamodesen as regional sales director. Based in London, Mamodesen will be responsible for driving growth within Continental Europe.

Mamodesen brings over 20 years of experience in sales and leadership roles, where he was predominantly focused on regulatory reporting.

Most recently, he served as managing director and head of European sales at Kaizen.

During his career, Mamodesen has held positions at a number of firms, including as head of sales, regulatory services, at Deutsche Börse, head of sales at Xtrakter (part of Euroclear), and in client service management roles at the International Capital Markets Association (ICMA).

Commenting on his new appointment, Mamodesen states: “What drew me to Droit is its ability to bring clarity and control to the increasing regulatory complexity. Through technology designed by the market and built by experts, Droit’s decision-making engine provides firms with the assurance, transparency, and precision they need to operate with confidence and stay on the right side of the rules.”

4Pines Fund Services chooses McDonnell

4Pines Fund Services has appointed Mike McDonnell as principal and head of business development to lead strategic growth and new client engagement initiatives. In his new position, McDonnell will drive 4Pines’ business development strategy, cultivating new client relationships, identifying new market opportunities, and positioning the firm as a high-value partner to alternative asset managers.

McDonnell brings more than two decades of experience in private capital finance and operations.

Most recently, he served as a chief financial officer at Thomas H Lee Partners, overseeing all aspects of finance, accounting, and internal controls.

Earlier in his career, McDonnell held roles at Alvarez and Marsal and PwC, advising private equity and corporate clients on financial due diligence and transactions.

McDonnell, comments: “The firm’s client-first approach, deep private capital expertise, and technology forward model are designed to meet the evolving needs of private equity sponsors. I’m excited to join this exceptional team and contribute to its continued growth.”

FundGuard appoints Behan as CCO

FundGuard, a cloud-native investment accounting platform, has appointed Simon Behan as chief commercial officer.

Behan will oversee and drive all commercial functions of the company’s operations, and join the executive leadership team. He brings nearly 30 years of senior leadership experience across fund administration, global custody, and investment operations technology. He has held commercial leadership roles at Finbourne Technology, Ocorian, Virtus Partners, Deutsche Bank and BNY, where he led global go-to-market teams.

Lior Yogev, co-founder and CEO of FundGuard, says: "As the only fully cloud native investment accounting platform that brings public and private assets together on a single core, we've spent the last several years refining our software with forward-thinking institutions already live in production across middle and back office use cases."

"That effort has delivered a mature, proven product, and Simon now joins us to drive our commercial growth phase with the same discipline that shaped the platform."

Commenting on his appointment, Simon Behan says: "FundGuard is now at a moment where the foundation is in place and the opportunity to scale is clear.

"I've spent my career helping firms scale in complex global environments, and FundGuard has built something fundamentally different."

He continues: "The platform's architecture is modern, innovative, proven and ready to support how the industry is actually evolving.

"This is the moment to take that to market at scale."

Yogev adds: "We have a responsibility to the ecosystem we serve. Our role is to provide the foundation for the next generation of investment operations.

"Simon's appointment signals this commitment and our focus on sustainable, long-term growth."

Smartstream selects Steinborn

Smartstream, a data solutions provider for global financial institutions and enterprises, has appointed Steinborn as chief product officer.

Steinborn will oversee product strategy, roadmap execution, and cross-functional collaboration for its solutions.

He has over two decades of experience generating and scaling products globally, and has served in various senior roles, including senior vice president of Products at DataOps.live and chief product officer at Infoniqa in the DACH region.

Previously he was vice president of Products at Talend, a provider of data integration, integrity, and governance solutions.

He will join the executive leadership team, reporting directly to Akber Jaffer, CEO, Smartstream.

Jaffer comments: "These appointments mark a significant milestone in our journey.

"Each of these leaders bring exceptional expertise and vision to their roles, and together they will help accelerate our mission to unlock trusted and intelligent data insights for our customers."

SpireBay appoints experts

SpireBay Financial, an independent consulting firm supporting asset managers, service providers, and technology clients, has announced the appointment of several industry experts to its team across the UK, US and Ireland.

SpireBay's expanded team of experts includes Neil Clifford, Chip McKernan, and Fraser McIntyre.

This is a move, SpireBay Financial say, that allows them to now offer even deeper expertise across the management company, private asset, and hedge fund sectors.

The team's collective experience spans a broad spectrum of fund structures, asset classes, and operations, which according to SpireBay, enables it to deliver tailored solutions for clients navigating complex regulatory, operational, investment, and technology challenges.

Clifford has over 25 years of experience in the asset management industry, having performed a variety of senior level roles for both buy side and sell side asset management firms and in the fund services sector. Most recently serving as CEO of Carne's Irish fund management company and where he led the group's investment management related functions. Clifford has acted as a fund director on a wide range of investment structures, primarily focused on private asset strategies.

McKernan is a financial services executive with over 30 years of experience leading operational transformation and strategic growth. During his tenure at SEI Investments, he held multiple senior leadership roles across the US and Europe, including spearheading the establishment and expansion of SEI's Irish division.

According to SpireBay, McIntyre is an accomplished chief operating officer and senior finance professional with a strong record of building and transforming financial operations for leading asset management firms and hedge funds.

He has also directed the sale of Cantab Capital Partners, serves as an Independent non executive director on fund boards and has held senior roles at UBS and Goldman Sachs.

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Rimes selects Allen and Blythe

Rimes, a provider of enterprise data management and investment intelligence solutions to the global investment community, has made two senior appointments to continue its investment in talent and global growth. Ross Allen has been selected as head of APAC, while Bill Blythe will be the global head of Enterprise Data Management (EDM) Sales.

The firm says these strategic additions to the Rimes team demonstrate the company's commitment to expanding its presence in APAC and steering sustained momentum internally.

Ocorian selects Mathew

Ocorian, a global asset servicer for both asset managers and asset owners, has appointed Mano Mathews for a newly-created position as global head of capability centres. The firm says he will ensure Ocorian's operating model standardises, streamlines and automates global processes, while working across the business, including service lines and functions.

Mathews will be located in Mauritius, with his position requiring a strategic approach to Ocorian's capability centre locations and operations around the world. ■