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BALANCING ACT

As offshore investing demand grows, South Africa's asset servicing market faces new challenges

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Bayer migrates to Broadridge Swift Service Bureau

Bayer, a global life science company, has completed its migration to the Broadridge Swift Service Bureau (SSB). The transition modernises Bayer's global payment infrastructure and enhances secure, standardised financial messaging across its international operations.

The migration followed a two-phase approach designed to strengthen compliance, risk, mitigation, and operational oversight.

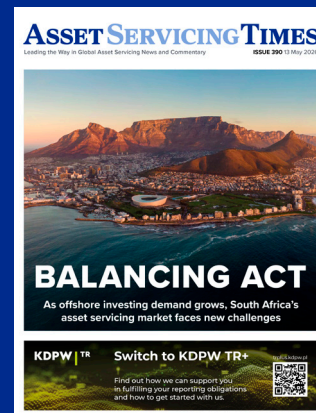
The project was delivered through a collaborative agile model, enabling rapid iteration, tailored FinMApp enhancements, and close coordination between Bayer and Broadridge teams.

The successful go-live provides Bayer with a modernised, scalable Swift messaging and connectivity model that enhances transparency, control, and compliance across its global treasury activities.

Marcel Bennemann, project manager, Bayer, notes: "The successful migration to Broadridge's Swift Service Bureau represents an important step forward in strengthening our global treasury infrastructure. We required a solution that could support complex system integration, rigorous validation processes, ISO 20022 readiness, and the ability to manage four4 million payment transactions annually across over 80 banking partners worldwide."

Heidi Dittmar, head of Germany at Broadridge, adds: "Large-scale Swift migrations require deep technical expertise, disciplined execution, and close collaboration.

"We worked closely with Bayer to deliver a secure, highly customised solution that integrates multiple systems, supports complex authorisation structures, and provides the flexibility to evolve with future regulatory and operational requirements." ■



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Alter Domus set to acquire MSC Group

Alter Domus, a global provider of tech-enabled fund and corporate services for the alternative investment industry, has agreed to acquire MSC Group, a professional trustee, custody, financial intermediary, and fund administration services provider.

Through this acquisition, the firm aims at deepening its global client offering in Australia with specialist private credit and alternative assets servicing around custody and fund administration.

Clients of both MSC Group and Alter Domus will benefit immediately on closing from a broader service offering and access to a global platform with unrivalled resources and technological capability, the firm notes.

The transaction is expected to close later this year following regulatory approvals.

Babloo Sarin, global head of Client Delivery and APAC for Alter Domus, says: "Acquiring MSC Group brings together two complementary teams and underscores our commitment to offering industry-leading services to Australia's growing alternative assets market."

Montpensier Arbevel and CACEIS collaborate

Montpensier Arbevel Focus Small 2030 fund, together with CACEIS as depositary, took part in a natively tokenised IPO on Lise.

The firms say it marks the first time a small-cap alternative investment fund (AIF) is subscribing to a natively tokenised initial public offering.

The Montpensier Arbevel Focus Small 2030 fund participated in the

IPO of ST Group on Lise — an unified market infrastructure in Europe for natively tokenised equities — with CACEIS providing depositary servicing support.

ST Group is now listed on Lise.

The firms say this subscription, enabled by the operational support of CACEIS as depositary, is a validation of the Lise model.

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MarketAxess and Moment partner

MarketAxess and Moment, an AI platform for investment management, have launched a new interface that gives large wealth managers and registered investment advisors streamlined access to MarketAxess’s institutional liquidity and pricing on the Moment platform.

Moment’s clients will now have access to liquidity from MarketAxess’ global network of institutional investors and dealers.

Moment’s platform seamlessly integrates retail order-driven markets with the traditional institutional request for quote market, enabling access to institutional liquidity.

Dylan Parker, CEO of Moment, notes: “Providing access to institutional liquidity from MarketAxess within the Moment platform helps our mutual clients plug into a fundamentally deeper and more competitive fixed income market than previously available to them.”

Broadridge extends proxy voting solution

Broadridge is extending its proxy voting and disclosure solutions to third party-custodied tokenised securities, effectively supporting governance across all security tokenisation models outlined by the US Securities and Exchange Commission (SEC).

The new solution extends Broadridge’s governance and compliance framework to tokenised environments giving issuers, investors, and broker-dealers access to governance capabilities with high standards for auditability, accountability, and investor protection.

It builds on recent announcements with Galaxy and Ondo Finance regarding governance solutions for issuer-sponsored and third party-sponsored tokenised securities.

Doug DeSchutter, president of Investor Communications Solutions, Broadridge, remarks: “As tokenisation reshapes how securities are issued, held, and traded, solving for governance — irrespective of how they are tokenised and where they are held - is critical to scaling adoption.”

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Euronext launches European CSD testing phase

Euronext has launched its testing phase for its European Central Securities Depository (CSD) expansion, a milestone in building a more efficient and integrated post-trade environment for clients across Europe. From September 2026, Euronext Securities aims to offer a competitive European CSD service for equities and ETFs in Belgium, France, and the Netherlands, complementing its existing markets in Denmark, Greece, Italy, Portugal, and Norway.

According to the firm, European CSD expansion is a key component of Euronext’s ‘Innovate for Growth 2027’ strategic plan.

Euronext Securities has opened its testing environment to clients, enabling them to onboard, test connectivity, and validate operational readiness during Q2 2026 ahead of go-live, while also allowing

participants to complete testing at their own pace, supporting a progressive onboarding approach.

According to the firm, this testing phase marks a large step: for the first time, the full settlement chain, from issuance to custody, is being validated end-to-end within Euronext Securities’ consolidated European infrastructure.

The architecture is designed to deliver a single, harmonised platform for settlement and custody across multiple EU markets, with streamlined corporate action management, enhanced transparency, and reduced operational costs.

Custodians, including BNP Paribas’ Securities Services business, Citi, and CACEIS have expressed they welcome Euronext’s value proposition, which facilitates optionality across markets.

OSTTRA acquires HUB

OSTTRA has acquired HUB, a SaaS provider of AI-enabled solutions that automate investment operations.

The acquisition aims to further advance OSTTRA’s strategy of post-trade transformation, combining its network scale with HUB’s technology, and allowing OSTTRA to provide investment managers with a unified foundation to streamline operations and reduce risk.

The addition of HUB complements OSTTRA’s existing solutions for buy side trade processing, portfolio reconciliation, optimisation, and margin management.

Integrating HUB’s AI-enabled capabilities will enable further innovation to replace manual, spreadsheet-heavy processes with automated, real-time oversight to improve productivity, data accuracy, and control.

Existing HUB customers will continue to receive the same levels of service and support across all HUB solutions.

Over time, these clients will benefit from deeper integration with the OSTTRA network, offering enhanced connectivity and broader trade lifecycle services.

Guy Rowcliffe and John Stewart, co-CEOs of OSTTRA, comment: “Our ambition is to build an intelligent ecosystem where every trade moves seamlessly through its lifecycle.

“HUB’s AI-powered solutions perfectly complement our existing network.

“By bringing the HUB team into OSTTRA, we are strengthening our commitment to the buy side, turning shared infrastructure into shared benefit for the investment management community.”

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Gresham partners with FundGuard

Gresham, a provider of Enterprise Data Management (EDM) solutions and services to global markets, has announced a partnership with FundGuard, a cloud-native, AI-enabled investment accounting platform.

The partnership integrates FundGuard’s multi-book investment accounting capabilities with Gresham’s EDM solutions.

According to the firm, the partnership enables institutional investors, asset managers, and fund administrators to operate from a single source of clean, trusted, and auditable data across public and private asset classes, jurisdictions, and functions. This collaboration aims at equipping clients with reliable real-time, data-first operations that link investment accounting outputs directly into the enterprise data ecosystem.

Apex Group partners with Global Tax Recovery

Apex Group, a global financial services provider, has partnered with Global Tax Recovery, a specialist in recovering excess foreign withholding tax on dividends and interest. Under the partnership, Apex Group will introduce Global Tax Recovery to its clients as a preferred vendor.

Apex’s FundRock will work exclusively with Global Tax Recovery for all withholding tax recovery across its assets.

Apex Group says that foreign withholding tax can have a significant impact on investment returns and recovering this tax is one of the most effective ways to increase investment alpha and improve overall fund performance.

Hence, following a detailed review, the group says that it selected Global Tax Recovery for its technical depth, operational efficiency, and strong track record supporting major global financial institutions.

Global Tax Recovery manages the full administrative and government process from start to finish, aiming to give clients a seamless turnkey solution. ■

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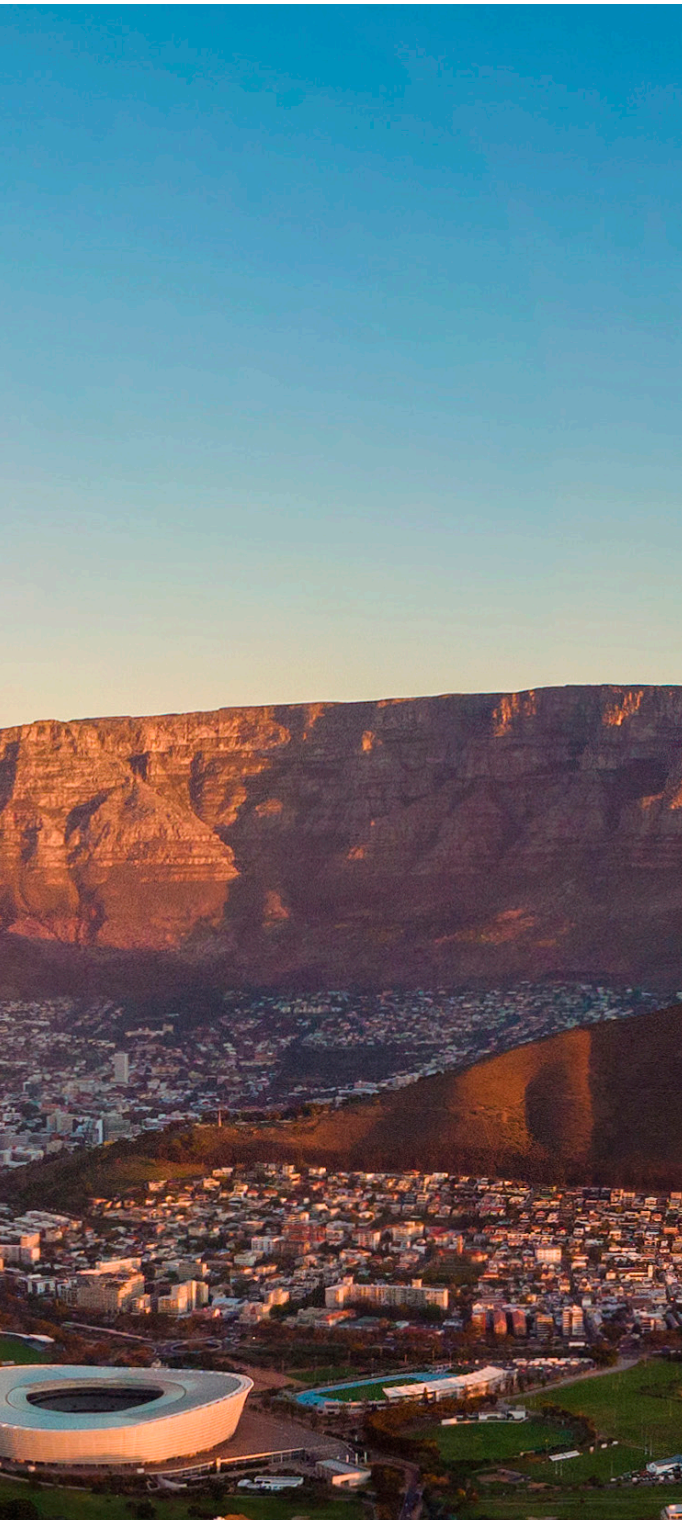
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Balancing act between domestic infrastructure and offshore capital

South Africa has spent more than a decade modernising its post-trade infrastructure through settlement reform, automation and tighter risk controls — but as offshore investing demand grows and investors continue to hedge against rand volatility — the country’s asset servicing market faces a new challenge

Zarah Choudhary reports





South Africa has long positioned itself as one of Africa's most sophisticated financial markets.

Unlike many emerging markets across the continent, the country developed a relatively mature custody and post-trade ecosystem early, centred around the Johannesburg Stock Exchange (JSE), central securities depository Strate, custodians, brokers and central securities depository participants (CSDPs).

That infrastructure became increasingly important as South Africa positioned itself not only as a domestic market, but also as a gateway for regional and international investment flows into Africa.

"South Africa is a core servicing hub in Africa's asset servicing ecosystem, combining globally aligned market infrastructure with deep local expertise in the custody and administration of assets," says Michelle Swanepoel, head of financing and securities services, Middle East and Africa, at Standard Chartered.

Timothy Singh, senior client services, SAF, at NeoXam, similarly describes South Africa as "a critical regional hub for asset servicing across Africa", adding that the market is maturing as global providers continue investing in local infrastructure and operational support.

Christophe Vastesaegeer, product manager smart reconciliations at SmartStream, says South Africa remains "the largest asset servicing market on the African continent" and continues to serve as "a gateway to global markets".

Over the past decade, the market has undergone extensive operational reform designed to align South Africa more closely with international standards and reduce settlement risk.

One of the most significant developments came through the JSE's transition from a T+5 to T+3 settlement cycle, a programme introduced in 2013 as part of a broader modernisation effort.

The transition required widespread infrastructure changes across the market, impacting brokers, custodians, buy side firms, CSDPs, and settlement participants.

According to JSE documentation, the programme included the introduction of the Equities Clearing System (ECS), enhanced failed trade management functionality, automated settlement instruction processing, and real-time deal management capabilities.

The reforms reflected a broader industry trend that has increasingly reshaped global post-trade markets: the industrialisation of operations.

The operationalisation of post-trade

The move to shorter settlement cycles forced firms to reassess operational processes that had historically relied heavily on manual intervention.

Automation became central to the JSE's infrastructure overhaul.

The exchange introduced further automation around corporate actions processing, off-market transaction workflows, allocations and confirmations between market participants.

At the same time, the market began placing greater emphasis on operational resilience and settlement discipline.

The JSE acknowledged that compressing the settlement cycle would likely increase failed trades and operational pressure, requiring more advanced approaches to risk monitoring, margining, and settlement management.

This mirrors wider global trends now dominating post-trade conversations internationally, particularly as markets continue preparing for shorter settlement cycles and real-time processing environments.

Even during the T+3 migration, the JSE noted that investigations into a future T+2 environment would likely follow once the shorter cycle had stabilised.

South Africa's market infrastructure therefore evolved not simply around scale, but around operational sophistication.

That sophistication is particularly visible in the country's corporate actions infrastructure.

Swanepoel notes that South Africa has developed "market-leading approaches to entitlement payments" with a strong emphasis on "payment completion and timeliness".

"For example, the market emphasis is on crediting entitlements on the contractual pay date with clean reconciliation, rather than extended 'payment windows' and post-pay-date exception handling," she explains.

Offshore investing reshapes the market

At the same time as South Africa strengthened its domestic infrastructure, its investors became increasingly global. Demand for offshore investing has grown steadily over the past decade as investors seek broader diversification, foreign currency exposure, and protection against rand volatility.

Research from PSG Wealth notes that South African investors increasingly use offshore investing to diversify across economies, regions, sectors and securities unavailable locally.

The scale difference between domestic and global markets has also become difficult to ignore.

According to PSG Wealth, there are approximately 350 equities listed on the JSE's main board, compared with around 60,000 equities listed globally.

Similarly, while South Africa has roughly 1,300 locally registered funds, global markets offer more than 200,000 investment funds.

This has fundamentally reshaped the servicing requirements facing South African custodians, platforms and infrastructure providers.

Increasingly, firms are not simply servicing domestic portfolios, but cross-border investment structures involving feeder funds, offshore custody arrangements, foreign currency settlement, and asset swap mechanisms.

PSG Wealth noted that South Africans are permitted to invest up to 10 million South African rand (US\$606,000) offshore annually, subject to tax clearance, while asset swap structures allow investors to gain offshore exposure without directly expatriating capital.

According to Swanepoel, South Africa's relationship with offshore centres is increasingly evolving into "a pragmatic hybrid model — increasingly complementary to onshore capability rather than a substitute for it".

"In practice, offshore centres remain relevant in parts of the fiduciary and fund services value chain," she says.

Vastesaegeer similarly notes that Mauritius continues to act as "the principal offshore gateway connecting African markets to global capital markets".

Bringing functions back home

Yet even as capital increasingly moves offshore, South Africa's servicing market is simultaneously seeing renewed focus on domestic operational control.

This forms one of the more subtle but significant shifts taking place within the country's financial infrastructure landscape.

Historically, many African investment structures relied heavily on offshore financial centres such as Mauritius, Luxembourg, and Ireland for fund structuring, administration and international distribution.

Those jurisdictions continue to play an important role, particularly for cross-border investment access, and internationally distributed fund structures.

However, firms are increasingly reassessing how much operational infrastructure they want located externally.

Part of this is driven by cost pressure.

Maintaining parallel servicing structures across jurisdictions can increase operational complexity, oversight burdens, and reporting obligations.

But another factor is control.

Globally, market participants are placing increasing importance on operational resilience, data governance, regulatory oversight, and infrastructure visibility.

"It is a multi-factor shift," says Swanepoel. "Cost still matters, but the dominant drivers are resilience and control."

She adds that firms are increasingly focused on maintaining service continuity during disruption and improving governance across operational workflows.

NeoXam's Singh says operational resilience and data control are becoming increasingly influential as asset servicing volumes and operational complexity rise.

"Traditional operating models using siloed data and fragmented systems can't provide the transparency and agility institutional clients now expect," he says.

Rather than completely abandoning offshore centres, Singh says the market is increasingly moving toward "a combination of global, offshore expertise with stronger local operational and data capabilities inside South Africa itself".

Vastesaeger takes a more cautious view of the reshoring narrative.

"Bringing more operational or servicing functions back is not an overall exercise," he says, adding that many large firms still rely heavily on offshore operational connections.

Regulation and ownership oversight

South Africa's market structure has historically placed heavy emphasis on regulatory control and participant oversight.

This is particularly visible within the JSE's Black Economic Empowerment (BEE) securities framework, which introduced specialised verification, custody and settlement procedures for securities listed under Black Economic Empowerment ownership structures.

Under the framework, custodians, CSDPs, members and other market participants are required to confirm investor eligibility, maintain verification records and update client mandates before trading activity can occur.

The framework also introduced post-trade monitoring processes designed to ensure compliance with ownership requirements and trading restrictions.

Operationally, the structure demonstrates how closely intertwined custody infrastructure and regulatory oversight have become within South Africa's market.

It also reflects a broader theme increasingly shaping post-trade globally: the growing importance of data integrity, participant verification and operational transparency.

Global custodians rethink strategy

As the market evolves, global custodians are also reassessing how they operate within South Africa.

Historically, many firms managed African servicing activity largely through offshore centres.

Today, there is greater emphasis on combining global operating scale with stronger regional presence and local execution capability.

“Clients expect more than core custody,” says Swanepoel.

“They want market insight, regulatory understanding, high-quality corporate actions processing, and operating models that can perform reliably through periods of volatility or disruption.”

She notes that many global custodians are strengthening contingency planning, operational resilience frameworks, and integration between onshore execution and offshore processing centres.

Singh says global custodians are increasingly balancing “international scale with stronger regional presence and local expertise”.

This includes building stronger local operational capabilities to improve regulatory responsiveness, client proximity and data oversight.

According to Vastesaeger, global custodians are also placing greater focus on technology capabilities, real-time infrastructure access and readiness for digital assets.

The challenge of remaining competitive

Despite its infrastructure maturity, South Africa still faces several structural challenges.

Currency volatility continues to shape investor behaviour, particularly during periods of global uncertainty.

At the same time, competition for regional capital flows is increasing.

Financial centres such as Mauritius continue positioning themselves as gateways into African investment opportunities, particularly for internationally domiciled fund structures.

South Africa also continues dealing with the after-effects of its Financial Action Task Force (FATF) grey-listing period between 2023 and 2025.

Vastesaeger says the period led to increased compliance requirements, higher costs, and declining foreign investment activity.

Another challenge is the changing composition of the domestic market itself.

“A central challenge is meeting rising global investor expectations — speed, transparency, automation and resilience — while operating in an environment shaped by ongoing reform, technology change and heightened operational risk focus,” says Swanepoel.

She adds that South Africa is already a relatively mature market with a concentrated provider base, meaning future growth will increasingly depend on innovation and value-added servicing capabilities.

Meanwhile, Vastesaeger warns that delistings and the growth of private markets are reducing traditional transaction volumes while increasing operational complexity.

A hybrid future

For now, the country appears to be moving toward a hybrid servicing model rather than a purely domestic or offshore approach.

Domestic infrastructure continues strengthening through automation, operational reform, and tighter settlement controls.

At the same time, offshore investing demand continues growing as investors pursue global diversification and currency hedging opportunities.

This dual-track evolution increasingly defines South Africa’s asset servicing market.

“We expect South Africa’s asset servicing model to remain fundamentally hybrid,” says Swanepoel.

Vastesaeger agrees, arguing that the advantages of offshore expansion remain “too persuasive” for the market to become fully domestic.

“The hybrid model will not go away,” he says, “but will bring the asset servicers much more complexity.” ■



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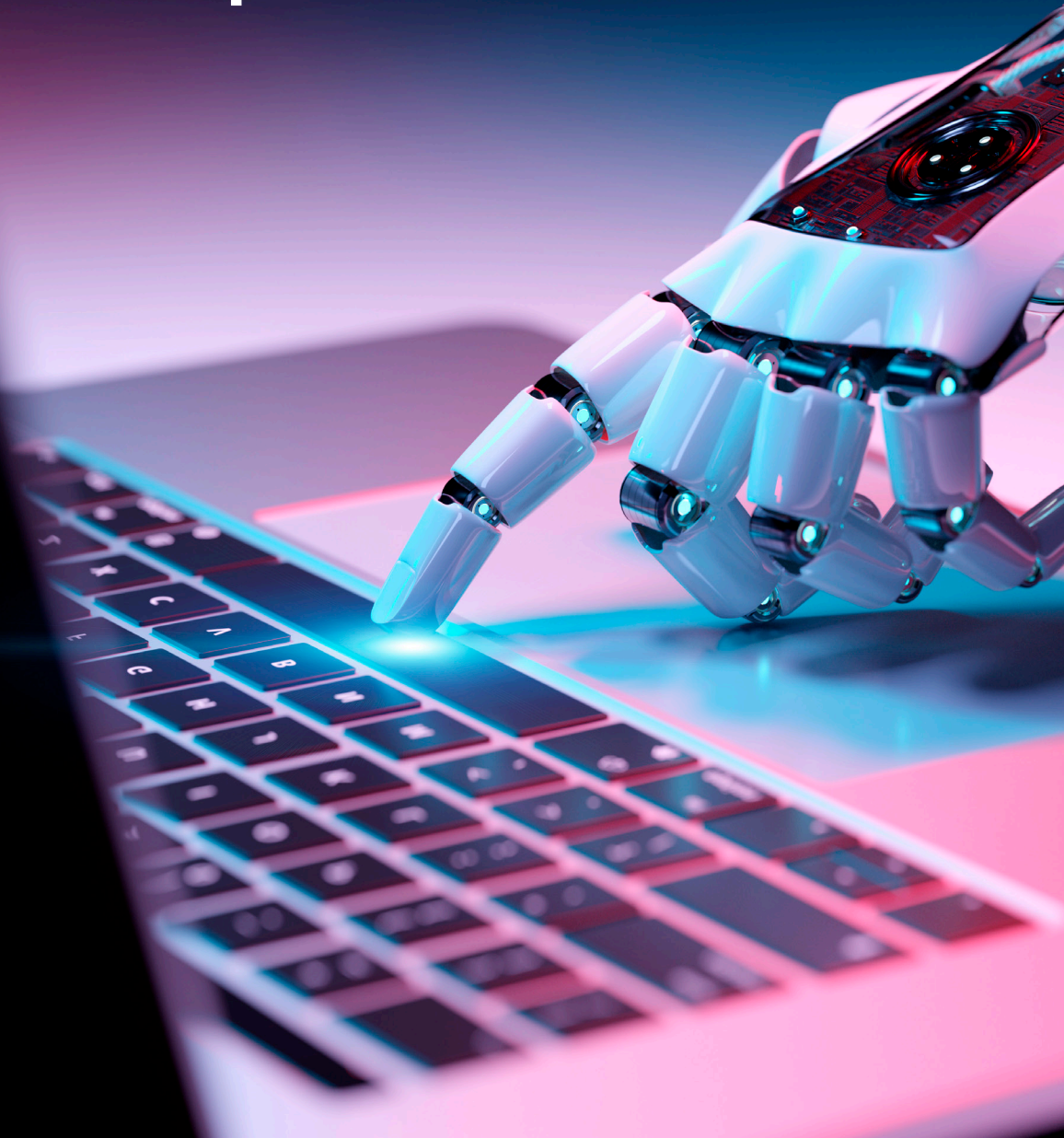


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Could agentic AI reshape post-trade operations?





Robin Hasson, head of reconciliation solutions at Smartstream, speaks to Zarah Choudhary about the role of ‘always on’ AI agents, the importance of human oversight, and why governance must remain central as automation evolves

The pressure created by shortened settlement cycles is pushing firms to rethink how operational processes are managed across the post-trade environment.

For Robin Hasson, head of reconciliation solutions at Smartstream, the move towards T+1 settlement is less about an increase in workload and more about the compression of time.

“Data integrity is all about completeness and accuracy,” says Hasson. “That’s not a new challenge. The challenge connected to T+1 is time. You’ve got to do the same amount of work, get the same level of quality, within the same timeframe.”

The value of agentic AI is not simply that it allows firms to process tasks more quickly, but that it enables problems to be identified and resolved before failures occur.

“Often in processing today, you find a problem in the data because a failure occurs,” he explains. “What we can start looking at with agentic solutions is much more analysis upfront, much more investigative and correction work upfront, which means you avoid the failure.”

He states that this shifts exception management away from reactive firefighting and towards preventative operations, allowing firms to address issues earlier than would traditionally have been economically viable through additional headcount or systems investment.

“The agentic improvement there is really to guarantee that quality, reduce the breaks, as well as achieve that end-of-day quality and integrity,” he notes.

As European markets continue preparations for a future T+1 transition following implementation in the US, firms are increasingly focused on compressed reconciliation and exception management windows. Agentic AI changes the operational equation because the technology is not constrained by traditional working patterns.

“If something goes wrong, you’re always waiting for a person to step in, investigate and solve,” he explains. “The key difference is that you’ve got always-on agents. Agents are always waiting and available to process and start to do that investigation.”

Rather than allowing investigation queues to build up while staff become available, Hasson says agentic workflows can instantly begin analysing breaks, gathering information, and recommending actions.

“The always-on agents streamline the evaluation, the analysis and the recommendation — potentially all the way through to correction, if you trust it,” he says.

However, he stresses that firms are still maintaining a “human in the loop” approach, particularly in regulated environments.

“You’re just using the human in the loop to validate, approve, and confirm that the action it’s taking is correct,” he explains. “At some point, I would expect the amount of human in the loop to reduce, but certainly for the moment it will remain high at the right points.”

Hasson also notes that the transition to T+1 itself has not necessarily created more exceptions.

“The move to T+1 didn’t change the number of breaks you have,” he observes. “The amount of work isn’t greater, it’s just the window’s compressed.”

At the same time, firms remain reluctant to significantly increase operational headcount or invest in large-scale new infrastructure projects.

“People have no appetite now to increase headcount,” he points out. “The agentic workflows are really seen as the future — not just for T+1, but changing how the operating model works fundamentally.”

He compares the model to a workforce that does not operate within standard business hours.

“Agents don’t need to sleep versus humans that obviously work business hours,” he says.

Beyond speed, the technology could also alter the role of operations analysts themselves. He describes agentic AI as a system capable of performing much of the investigative legwork traditionally carried out manually — including gathering information, analysing patterns, identifying potential causes, and presenting recommendations in a concise format.

“The greatest value is when you harness the AI capability with an expert — somebody who knows the situation and knows how to make decisions,” he says.

Rather than manually investigating each break individually, analysts increasingly become supervisors overseeing AI-generated recommendations and grouped exception patterns.

“You would no longer need to be doing the slow research or waiting for things to come back in,” he explains. “You’re left with the clean data, fully audited, with a recommendation.”

He adds that the user still remains responsible for decision-making.

“The user is still making that decision. They’re still deciding what to do. They’re still in control,” he reiterates.

Firms may eventually manage agentic infrastructure similarly to workforce planning today.

“If you think of your agentic tooling as almost a workforce in its own right, you can scale that capacity,” he suggests.

According to Hasson, firms could temporarily expand computing resources and token spend during periods of heightened operational activity, such as month-end spikes.

“It’s almost like an elastic workforce that you can grow and contract as you need the resource,” he explains.

The interview also explored the growing role of continuous learning and root cause analysis within reconciliation and exception management systems.

The industry has historically evolved through stages: identifying a problem, classifying the problem, understanding the cause, and then determining the corrective action. He believes agentic AI is particularly effective in environments where firms are handling increasingly complex and varied data sets that cannot easily be governed through static rule-based systems alone.

“The agentic systems are really good at spotting those patterns and then being able to work with you on a structure that delivers an action that you oversee and approve when needed”.

He points to use cases where AI-driven systems could automatically update static data, trigger corrections across systems, or notify counterparties of incorrect information with limited operational risk.

At the same time, he repeatedly emphasises the risks associated with fully autonomous execution.

“The risk of full automation is that you can’t always just trust AI. Hallucinations are absolutely a thing,” he notes.

During the discussion, he referenced reports of AI-assisted development tools accidentally deleting live environments and

customer data, warning that regulated financial institutions cannot afford similar governance failures.

“In a regulated space, controls have to be thought through”.

He also warns that developers using AI-generated code without sufficient oversight could unintentionally introduce instability into production systems.

“If you don’t check everything every time really carefully, you can have systems breaking everywhere”.

For Hasson, governance, auditability, and data lineage ultimately remain central to the future adoption of agentic AI in financial services operations.

“It cannot be an afterthought,” he says.

Firms must maintain full traceability over decision-making processes and ensure actions taken by AI systems remain visible, auditable and accountable.

“Agents need to be accountable for their actions,” Hasson concludes. “If I’m the leader of that workforce, I need to know that it’s going to do the right thing.” ■

“The risk of full automation is that you can’t always just trust AI. Hallucinations are absolutely a thing”

Robin Hasson
Head of reconciliation solutions
Smartstream





Europe and US's growing divergence on proxy voting reform

Tahlia Kraefft explores how a widening gap in proxy voting reform between the two regions is creating fragmentation and forcing multinational firms to manage highly disparate systems



Increasing Transatlantic divide

Widening and stark divergence between Europe and the United States on proxy voting reform is being pushed by conflicting approaches to sustainability, fiduciary duty, shareholder proposals, and the function of proxy advisors.

The US is facing substantially stricter oversight, on one hand, increasingly moving to curb environmental and social proposals and suppressing the authority of proxy advisors. Conversely, European regulators are shifting to modernise shareholder rights, extend political participation, and potentially standardise rigid stewardship rules.

The US Securities Exchange Commission (SEC) has retreated on mediating in no-action requests, enabling companies greater freedom to omit proposals, resulting in a decrease in the quantity of ESG proposals. Conversely in Europe, proposals are legally binding across many administrations and supervisory bodies are evaluating the Shareholder Rights Directive (SRD II) with the view to bolster as opposed to diminishing shareholder rights and engagement, with a SRD III expected to be put forward by late 2026.

ISS, a larger advisor in the US, has said it will cease suggesting voting for environmental and social (E&S) proposals, changing to a case-by-case review this year. European managers are prioritising systemic stewardship and demonstrating greater support for E&S proposals in contrast to their US equivalents. Europe is seeking increased integration of capital markets, enhanced transparency, with consultations to rectify SRFII to better the identification of shareholders.

Proxy voting reform today

Proxy voting has shifted to become a strategic pillar of corporate governance functioning as a core mechanism for shareholders to impact company decision-making, ensure director accountability, and preserve long-term investments.

Today, global asset managers operating US-Europe cross-border portfolios are facing high-risk, as they manage complex regulatory fragmentation including EU's Undertakings for Collective Investment in Transferable Securities, Alternative Investment Fund Managers Directive, and US's SEC rules. Proxy advisors are seeking to address this split through abolishing universal recommendations and opting for personalised, region-specific voting, set to become guidelines by 2027.

Global asset managers are experiencing high stakes, such as potential mandates, terminations, and reputational risk as a result of these cross-jurisdictional divides, with European asset managers having ended mandates of US asset managers who fail to comply with rigorous European ESG stewardship standards.

Europe — harmonisation and intricacy

Proxy voting reform in Europe is prioritising enhancing transparency, digital efficiency, and client guided pass-through voting to attain improved stewardship standards.

Key reforms are set on curbing fragmentation across member states, ramping up scrutiny of proxy advisors, and allowing asset owners to have authority voting on ESG concerns.

Large European asset managers such as DWS and Legal & General are progressively permitting clients in pooled funds to direct votes using tools they have introduced. Pass-through voting adoption, enables investors to choose customised voting policies compared to depending on a single, standardised method.

Continuing reviews of the EU's Shareholder Rights Directive II (SRD II) seek to address national fragmentation in proxy channels. The latest consultation on the SRD II framework is concentrating on refining regulations on vote transparency, shareholder identification, and the likely requirement to fix the five per cent threshold for lodging proposals.

Peter Reali, senior vice-president and general manager, Institutional Governance, Broadridge, remarks: "There is renewed momentum behind harmonisation in Europe at the policy level, but the picture on the ground remains mixed.

"Good examples are the Capital Markets Union and the European Commission's latest call for evidence on the evaluation and review of the SRD II, which signals that shareholder rights, transparency in the intermediary chain, and the functioning of cross-border voting remain active policy priorities at EU level.

Simultaneously, implementation has been inconsistent, and the market continues to face meaningful national variation according to Reali.

"So the answer is really that both dynamics are happening at once: the EU continues to push toward greater harmonisation, but operationally there is still fragmentation because member states

have applied the framework differently and market practices continue to vary across jurisdictions."

An Investment Company Institute (ICI) spokesperson says the European Commission's review of the SRD is the focus point of EU discussion around reform. "That framework governs the exercise of shareholder rights in listed companies and is primarily aimed at improving shareholder identification, communication, and participation across borders within the EU.

In ICI's view, the SRD framework is functioning well and has delivered meaningful improvements in these areas. If the Commission were to consider adjustments, they should be narrow, evidence-based, and carefully targeted to focus on reducing remaining inefficiencies and preserving effective information flows and cross-border voting, rather than reopening the framework more broadly."

SRD II created a clear directional consensus, according to Sarah Wilson, Minerva Analytics CEO, which includes: shareholder identification, vote confirmation, engagement transparency, intermediary obligations to facilitate ownership, not just exchange.

"The Listing Act, ESMA's reviews, and the broader Capital Markets Union agenda continue in the same direction. There is genuine appetite for further convergence at the messaging, disclosure, and post-trade layer.

"But. There is a real lack of joining up across a whole raft of regulations. Plus, the European Union is not going to produce a uniform companies act any time soon. The treaties preserve member-state competence over company law and the political appetite for ceding that competence has never really existed. The cultural diversity it reflects is itself part of the European settlement itself, whether that's Germany's two-tier board, France's loi PACTE, the Netherlands' stakeholder jurisprudence, the Nordics' nomination-committee tradition, and the UK's now-distinct stewardship code are different models, each sitting in different bodies of national law that govern the actual mechanics of voting."

Wilson explains that this condition is not unique to Europe:

"The US is structurally similar: 50 state corporate-law regimes, with Delaware's long dominance now under active competitive pressure from Texas, including a new Business Court, high-profile reincorporations, and a state-backed exchange.

"So, the right framing is pluralistic harmonisation: a shared direction of travel at the operational and disclosure layer, layered

over genuinely different national legal and cultural conceptions of what a shareholder is for. For global investors, “harmonisation in Europe” should not be read as “one European regime emerging.” It is many regimes becoming more interoperable while staying substantively distinct.

Heightened scrutiny of proxy advisors including Glass Lewis and ISS is resulting in amendments to how voting recommendations are created, particularly regarding separating services, and targeting possible conflicts of interest.

The majority of European asset managers (80 per cent) continue to vote in support of environmental and social proposals. Glass Lewis is moving toward custom voting systems with plans to stop providing general benchmark rules by 2027, as it accounts for diverging cross-jurisdiction ESG approaches. Greater investor engagement has resulted in increased turnout at annual general meetings and there has been a take up of more automated voting systems to oversee the larger volume.

Wilson says Europe is not relinquishing its first principles,

“Cross-party support for stewardship and disclosure has held up through multiple election cycles. Reforms are incremental and closely debated by market participants. We’ve not got an extreme asymmetry — the US arguing about what fiduciary duty even means, Europe getting on with implementation — and that’s what custodians, asset managers, and proxy infrastructure providers have got to plan around.”

US approach — gradual reform, market-driven answers

US proxy voting is in the midst of substantial reform, stemming from a 2025 court judgement rendering void strict SEC supervision of proxy advisors. A change toward ‘proxy voting choice’ is enabling asset managers to pass voting choices to investors. Reforms are seeking to diminish the sway of large firms including ISS and Glass Lewis, and to diminish ESG factors in ERISA plans, and decrease the expenses of fund voting.

In July 2025, a District of Columbia Circuit Court ruled that instruction from proxy advisory firms does not classify as a ‘solicitation’ under the Securities Exchange Act, undermining 2020 SEC rules that intended to increase oversight of these firms. However the White House is considering executive demands to limit advisor recommendations.

A December 2025, US administration executive order targeted the enhanced oversight of proxy advisors, in tandem with a SEC guidance instructs regulators to review all proxy voting rules to reconsider diversity, equity, and inclusion and ESG policies, and emphasise investor returns. The slew of executive orders passed in late 2025 and implemented through 2026 are aimed at curbing ESG factors in ERISA plan proxy voting, requesting fiduciaries to solely concentrate on financial, risk-adjusted value.

US proxy voting policy has moved towards diminishing the sway of shareholders and proxy advisors with social agendas, giving companies greater authority over their annual general meeting agendas.

ISS has now taken a case-by-case stance toward environmental and social proposals for 2026, compared to automatic backing. Large asset managers such as BlackRock have changed their stewardship policy terminology from ‘long-term shareholder value’ to ‘long-term financial value’ reflecting a shift in values from ESG to financial.

Regulatory pressure is rising to increase the minimum stock ownership needed for giving in proposals, which could restrict a path to the ballot. Universal proxy rules mandate that firms and dissidents name all nominees on their cards, generating a more impartial yet complex voting process.

Reali comments: “Current US regulatory developments are pushing proxy voting toward an increased focus on financial metrics, greater scrutiny, clearer process, and stronger accountability.

“In practice, that means firms are under more pressure to show how voting decisions are made, how engagement is governed, and how policies are applied consistently. The effect is not just procedural. It is changing how stewardship teams document decisions, oversee voting, and manage risk.”

An ICI spokesperson notes: “In the US, proxy reform is currently likely to focus on shareholder proposals, and potentially regulation of proxy advisors. Also, recent developments among public companies have focused on increasing investor participation through a retail shareholder voting programme for one large corporate issuer. For US funds as issuers, challenges have centered around reaching quorum, even for routine matters. ICI has recommended a more tailored quorum requirement in tandem with a higher approval threshold as one way to overcome this.

Wilson explains that US regulatory developments are currently the sole largest variable in global proxy practice, with almost none of that technical.

“The current administration’s posture, tighter constraints on proxy advisors, narrower 14a-8 admissibility, a pivot toward ‘pecuniary interest only’ framings of fiduciary duty, and active anti-ESG legislation at state level, is rewriting the substantive rulebook faster than infrastructure can adjust.

Much of the political debate on this area is formed on a misinterpretation of fiduciary duty and blatant misinformation in some places, she argues.

“Fiduciary duty is not a blank slate. It has decades of settled content under ERISA, Delaware corporate law, and state trust law, centered on duties of loyalty and care. None of that authority equates fiduciary duty with maximising short-term financial return, and none of it instructs trustees to ignore material risks.

“The pecuniary interest only framing now in vogue treats consideration of climate, supply-chain, regulatory, and human-capital risk as somehow a deviation from fiduciary duty, when on any serious reading, the deviation runs the other way: ignoring material risk is what the duty of care actually forbids.

“Compounding this, no-one invoking pecuniary has been willing to define it operationally. That ambiguity is itself the point, it gives fiduciaries a reason to be cautious, which suppresses voting activity without anyone having to legislate suppression.

“The result is real and unresolved tension on the ground: state pension trustees caught between political directives and their actual legal duties; plan sponsors second-guessing every governance vote; asset managers running parallel policies that some clients regard as legally required and others as legally suspect. The tension is unresolved precisely because it is built on a misunderstanding that no actor has the political incentive to clarify.”

Divergence over proxy voting reform

Contrasting attitudes to ESG issues, fiduciary duty, and the role of proxy advisors are broadening the transatlantic divide on proxy voting reform and policies. The recent departure from international uniform voting guidelines by large advisors highlights the investor concerns over the divergence.

Reali, describes the cross-jurisdictional proxy voting environment as shaped by structural divergence rather than gradual convergence. He explains that different regulatory, political, and market lenses, through which the US and Europe increasingly approach proxy voting reform, is creating greater complexity for global investors.

“The main drivers are differing priorities around transparency, accountability, governance, and the role of stewardship in the market. Rules and expectations are becoming more jurisdiction-specific, with firms needing to respond to local requirements while still maintaining a coherent global voting framework.

Reali predicts the divergence as likely to widen: “Regulatory focus is further developing market by market, and investors need to plan for a more fragmented environment and not assume harmonisation.”

An ICI spokesperson notes: “It’s difficult to draw direct comparisons between nascent developments in the United States and discussions underway in the European Union, as they address fundamentally different issues within very different regulatory and market structures.

“The EU and US proxy voting landscapes have long evolved within distinct legal and institutional ecosystems, and in the EU in particular, differences across Member State practices continue to shape how the framework operates in practice. These structural features make one-to-one comparisons challenging. Also, for funds, proxy reform can mean many things, and relate broadly to how funds vote proxies as investors or conduct their own proxy campaigns as issuers.

“In any jurisdiction, ICI believes that effective shareholder rights twinned with efficient processes for companies and funds are a cornerstone of well-functioning capital markets and sound corporate governance.”

Anti-ESG political pressure in the US

The December 2025 US executive order ‘Protecting American Investors from Foreign-Owned and Politically-Motivated Proxy Advisors’, instructed the SEC and other bodies to review and potentially abolish regulation or guidance that encourage ESG, and Diversity, Equity, and Inclusion (DEI) policies, if policies do not align with prioritising pecuniary returns. The order required the Department of Labor to tighten fiduciary standards, to

force ERISA plan managers to focus on financial returns over social policies. SEC was directed to carry out comprehensive evaluations of specific firms, including Institutional Shareholder Services (ISS) and Glass Lewis. Following this mandate, ISS and Glass Lewis amended their proxy voting practices to lessen their focus on wide ESG mandates instead shifting to a case-by-case approach for clients. Glass Lewis said in late 2025, it would discontinue uniform proxy voting recommendations for US and European clients, over differing investor priorities and stances on fiduciary duty.

Sandford Lewis, director and general counsel of Shareholder Rights Group, says sustainability and DEI policies is a clear area of difference between jurisdictions as there is a blatant effort from the US government to curtail the proxy advisors' ability to back sustainability and DEI policies.

"In the US there is a concerted campaign, happening both at the federal level and at the state level, to constrain the ability of proxy advisors to support environmental and social shareholder proposals and to integrate ESG analysis to proxy voting and asset management. There is also significant pushback against this trend including a recent court case finding that restraints on proxy advisor abilities to support environmental and social proposals violates constitutional norms. However, the fight over these issues are likely to continue for the foreseeable future.

"In addition, the White House published an executive order on 11 December calling for regulators to adopt constraints on both proxy advisors and environmental and social shareholder proposals. Again, this contest is expected to play out over the next few years."

"In addition to the efforts to constrain proxy advisors, US regulators are also making it more difficult for large asset managers to connect sustainability concerns with proxy voting on directors. In my opinion, the threatened imposition of complex and costly 13 D disclosure requirements for large asset managers has had the effect of silencing some asset managers from engaging on material issues. This threat also applies to European asset managers holding assets in US companies."

The ESG split

The divergence in proxy voting practices between the US and EU contrary stewardship philosophies is most marked across ESG issues. While European firms have continued strong backing of

ESG-linked proposals, only declining marginally to 91 per cent in these three years, US asset managers have noticeably diminished their support of ESG-linked proposals with a decrease to 31 per cent support in the last three proxy years, according to a Morningstar survey March, 2026.

Campaigns against ESG and DEI in the US were solidified by the December 2025 Executive Order, intending to diminish the impact of large proxy firms on DEI and ESG issues. Consequently, proxy voting in the US is progressively being marked by opposition to ESG. At US companies, shareholders have put forward approximately half as many proposals on environmental, social, and governance issues (184) in the 2026 proxy voting season, compared to last year. It comes as Republicans are putting pressure on moving corporate influence from investors to managers.

In Europe, numerous asset owners have ended US manager mandates due to voting misalignment, such as Dutch pension fund PME Pensioenfondsen terminating its partnership with BlackRock for its equity portfolios after an ESG evaluation of its external asset manager. It followed another Dutch pension fund PFZW cutting back €14 billion from the companies in an effort to move to a more sustainability-focused investment approach.

Wilson explains that the clear, durable structural divergence across ESG for global investors, with differing rules, rules, rhetoric, and legal risks attached has resulted in there no longer being a single workstream.

"It is the place where the cultural gap and the misinformation gap between regimes are doing the most concrete work, concrete because it shows up in votes cast, engagements not undertaken, and disclosures not made."

Europe is ramping up its ESG disclosures and due diligence requirements. Wilson explains that the continent has embedded sustainability into market infrastructure, with SFDR, CSRD, the Taxonomy, and the supervisory architecture viewed as a core component of capital markets, not an optional overlay.

She notes: "The premise, while contested in detail, but broadly accepted across the political spectrum, is that sustainability information is financially material and that markets price it better when it is disclosed consistently. That premise sits comfortably alongside the European stewardship tradition and is supported by decades of work in actuarial, prudential, and risk-management thinking."

In stark contrast the US is moving the other direction, and on the foundation of contested and frequently misstated readings of fiduciary duty, Wilson remarks.

“The chilling effect is the most important phenomenon to understand here, because it operates well beyond the formal rules. Once a category of risk is politically coded as ESG, fiduciaries have a strong incentive to underweight it or to avoid engaging with it altogether, even where ignoring it would itself be a fiduciary failure under any settled understanding of the duty of care. Climate transition, regulatory exposure, supply-chain dependency, and human-capital risk are financially material on any serious analysis.

“Yet plan sponsors, state pension trustees, and asset managers increasingly behave as if active engagement on those topics carries more legal risk than passive disregard. That is exactly backwards as a matter of fiduciary law, but it is a rational response to political and reputational pressure in the absence of any actor willing to clarify what the duty actually requires.

“Interestingly, Asia sits in a different place again; pragmatic, issuer-led, often state-influenced, and generally more comfortable with stewardship as a directed activity than either Europe or the US.”

Overall the market is seeing a split with diverging standards across the regions where Europe is increasingly ESG-focused, while the US is moving in a profit-first, anti-DEI direction.

Sway of proxy advisors

Proxy advisors have stronger influence in the United States, compared to Europe, due to more diluted, collective action rights of US shareholders.

The US regulatory environment has traditionally created the conditions that have made it more difficult for institutional investors to function collectively.

This has resulted in them employing third-party advisors for cover against potential political or regulatory hitback when voting on contentious issues, while European investors have engaged with companies straight up. Despite the variation between jurisdictions, proxy advisors command a global influence with companies such as ISS and Glass Lewis having a major share of the advisor market across both areas.

Shareholder rights

Under UK law, shareholders can file proposals if they possess five percent or more of the voting rights, or if 100 shareholders possess an average of £100 each, in an effort to encourage shareholder engagement.

Meanwhile, the US requires a length of ownership, and minimum monetary amount (for example US\$2,000 held for three years or US\$25,000 for one year). Traditionally, the UK has supported institutional investors to sway managers, while the US has been more critical of such action, with different avenues for impact.

Fragmentation risk for investors

As proxy voting reform is progressively fragmented with the US and Europe diverging on their approaches towards core issues, asset managers must navigate operational burden. This involves handling dual systems, different deadlines, formats, and voting platforms, and additionally leads to greater costs, and risk of miscounted votes. Strategically it creates difficulty in enforcing consistent stewardship policies internationally and it can cause governance arbitrage across jurisdictions.

Lewis notes that: “Global asset managers are establishing differential policies and services for US and European asset owner clients, reflecting the greater demand for ESG stewardship in Europe. There are also US asset owners, particularly public pension funds in states that take a proactive posture on systemic risks like climate change, that are demanding the same types of services, but the large US asset managers are also under fire from Republican state attorney generals and certain congressional leaders that are targeting unprecedented investigations and novel anti-competition law theories leveled against proactive managers of global risks like climate change. This is having a chilling effect in the US.”

Challenges of fragmentation can include scaling operations, managing contrasting ESG regulations, handling high liquidity risk, and different laws on technology while pursuing growth in the private market. Asset managers must balance centralised control with local market adaptation and function within a volatile environment characterised by complex foreign exchange markets, changing interest rates, and geopolitical stakes.

Reali explains: “Fragmentation risk remains significant and is growing. Global investors are dealing with different regulatory

expectations, market practices, reporting requirements, and stewardship standards across jurisdictions, which increases operational complexity, cost, and the risk of inconsistency. It also makes it harder to maintain a coherent global voting approach while still responding properly to local rules.

“In many cases, current market infrastructure is still not well suited to that reality. Legacy processes, fragmented data flows, manual touchpoints, and differing market standards can all make cross-border voting less efficient and less scalable. For global investors, the need is increasingly for infrastructure that supports consistency at a global level but can still adapt to local requirements.”

Wilson describes fragmentations as having “graduated from a back-office nuisance to a material operational and reputational risk.

“A global manager today runs parallel stewardship policies, parallel public disclosures (CSRD-aligned for Europe, increasingly cautious or anti-ESG-aware in the US), parallel proxy voting workflows, and parallel internal narratives.

That sometimes means having to say meaningfully different things to different audiences about the same vote on the same security.

“That is not a sustainable equilibrium without clear guardrails. It creates legal risk in both directions: anti-ESG litigation and state-contract exclusion in parts of the US, and inadequate stewardship challenges in Europe. That creates client communication risk, because asset owners increasingly notice the inconsistency. And it creates operational risk, because the underlying infrastructure was built for domestic intermediation, not for global stewardship at scale.”

Wilson says market infrastructure is the more painless part to deal with, with ISO 20022-aligned messaging, golden-source shareholder identification, standardised vote confirmations, and shared reference data all amenable.

She comments that the industry has lacked commercial pressure or incentive to deploy the technology harmoniously, despite having it for decades.

The conceptual difference between the underlying regimes — not only the operational difference — is the more challenging issue according to Wilson. She says this gap cannot be engineered away:

“Investors need to translate, not merely comply. Global managers will increasingly need teams that genuinely understand both the European stewardship tradition and the American shareholder-primacy tradition as living frameworks, not just as sets of rules to be checked off. I do think that the infrastructure questions are solvable, but the cultural-fluency question is the one most firms are underinvesting in.”

Asset servicers navigating the divide

Reali explains that: “Divergence raises the bar significantly. Service providers are under pressure to offer more flexible, integrated, and transparent solutions.

“The value proposition is shifting toward helping clients manage fragmentation without creating more of it internally. Providers that can combine strong local market coverage with better workflow integration, data visibility, and exception management are likely to be at an advantage.

Wilson remarks: “Fundamentally it means having to acknowledge that stewardship is not really “just plumbing”. Custodians and asset servicers are exceptional at what they were built to do: securities settlement, asset safekeeping, transaction infrastructure, the regulated plumbing on which global investing depends. Stewardship is a different discipline. It is interpretation, translation, and advisory judgement across regimes that no longer share assumptions, and it does not fit naturally into a custodial operating model.

“The cost of trying to make it fit is real. Maintaining divergent operating models, jurisdiction-specific compliance, parallel reporting frameworks, and reconciliation across mismatched record dates and confirmation standards is expensive, and the trajectory is for that cost to grow rather than shrink. Anti-ESG state contracting in the US, CSRD and SRD II reporting in Europe, and a continuing flow of national-level rules in both directions all land on operational teams that were not designed to make stewardship judgements.

“There is also a defensive imperative. As substantive rules diverge, the operational risk of getting it wrong grows. A missed vote, a misclassified ESG-related proposal, an inconsistent disclosure, any of these can become a public-affairs problem in ways they wouldn't have five years ago. The cleanest way to manage that risk is to put it in the hands of specialists whose entire business is owning this complexity end-to-end.

“The providers who define the next decade are the specialist proxy voting solutions that partner with custodians, take the regulatory and cultural complexity off their plates, and let each part of the chain do what it does best.

“Stewardship is not plumbing, and pretending otherwise is the most expensive mistake an asset servicing model can make.”

Market infrastructure gaps

Reali explains: “The biggest differences tend to lie in how voting rights, market deadlines, shareholding structures, and intermediary chains are organised across jurisdictions.

“A key distinction is that the US is a record date market, whereas non-US markets are much more of a mixed bag. US proxy voting is highly efficient, with a vote acceptance rate of over 99.99 per cent, which reinforces the point that the US market infrastructure is generally not seen as needing fundamental repair in the same way that cross-border or more fragmented non-US processes often do.

“The fragmentation issue is much more a non-US market challenge; in the US, many of these operational frictions do not arise in the same way.

“For investors voting across borders, those differences can make the process more operationally complex, less transparent, and harder to standardise.

“The result is often more manual intervention, greater reconciliation challenges, and less certainty that voting instructions are processed and confirmed consistently from end to end.

“From a transparency and efficiency perspective, fragmented infrastructure can slow decision-making, increase operational risk, and make it harder for global investors to maintain a single, consistent voting framework across markets.”

There are distinct differences between the two blocs, Wilson remarks with US proxy infrastructure established on a deploy intermediated role: “Securities held in street name through Cede & Co. at DTC, retail proxy distribution dominated by a single processor in Broadridge, and a long-standing reluctance to have issuers know who their beneficial owners actually are.”

“That architecture reflects a Wall Street assumption that the relationship between issuer and shareholder is transactional, occasionally adversarial, and best mediated by a whole range of market actors.”

Europe’s infrastructure is more fragmented, Wilson states.

“SRD II’s shareholder identification regime, vote confirmation requirements, and engagement disclosure obligations reflect a different cultural premise which is that the issuer should know its shareholders, that voting is an act of active ownership — stewardship rather than a market transaction, and that the chain between beneficial owner and ballot should be auditable end-to-end.

“The practical consequence is an asymmetry: European investors increasingly get vote-chain visibility into European issuers that US investors still do not get domestically. Cross-border, both sides still wrestle with deadline mismatches, record-date variation, language and translation friction, and inconsistent confirmation.

“But the trajectory diverges. Europe is closing operational gaps in a direction the culture supports. The US is reopening conceptual ones.

“For cross-border voting specifically, this means the friction is no longer evenly distributed. Voting a European portfolio from the US is becoming materially easier than voting a US portfolio from Europe, not because of bad infrastructure on either side, but because the two systems are optimising for different things.

Custodians sit in the middle of that asymmetry.”

System under pressure

As proxy voting reform faces a marked transatlantic divide, ESG is the most clear-cut area of difference.

Divergence has the potential to diminish investor confidence and voting integrity in international markets and requires proper coordination.

With EU reforms largely focused on sustainability and stewardship, the US on management alignment, asset servicers are being pushed to enhance transparency and generate split-system voting platforms to navigate this broadening, high-stakes divergence. ■

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Fresh perspective

Lester Buxton, a project manager at Xceptor, discusses his unconventional path into fintech and how his doctorate in theoretical quantum physics helped him along the path in unexpected ways

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 completing my PhD in theoretical quantum physics, I wanted a career that involved working with different people and challenged me beyond the academic world.

I was not specifically looking at financial services, but when I came across Xceptor, the role felt like a natural fit.

Problem-solving was something I loved most about my research, and at Xceptor, we're tackling one of the most persistent and costly challenges in capital markets operations: fragmented data. Delivering solutions that address this for clients – while meeting their unique needs – means finding practical, effective answers every day.

I was also drawn to Xceptor's culture, particularly the opportunity to work closely with clients and collaborate across different teams.

I did not know much about the industry when I first joined, but that only made it more appealing. I wanted something that would push me outside my comfort zone, and it is done exactly that.

What aspects of your job do you enjoy most?

I love working with a range of people, both internally and externally. I get to collaborate with everyone from developers and business analysts to clients and their operations teams.

As a project manager, I am often the person connecting all those different perspectives, which I find rewarding. I also enjoy that no two days look the same.

When something unexpected comes up on a project, figuring out the best path forward with the team is genuinely satisfying.

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

Being newer to the industry definitely has its pros and cons. On the plus side, coming from a different academic background means I approach problems without preconceptions. I ask questions that others might not think about, and I am not constrained by 'the way things have always been done'.

On the other hand, there's a depth of institutional and market knowledge that more established colleagues have built over years, and that takes time to develop.

I have been fortunate that my Xceptor colleagues have been incredibly generous with their time and knowledge, which has helped me close that gap faster than I expected.

Have you noticed any misconceptions about the asset servicing industry?

Absolutely. I think the biggest misconception is that it is dry or purely back office work. Before I joined, I had little knowledge about asset servicing, and I suspect most people outside the industry feel the same.

The reality is that it is fast-paced, requires complex problem-solving, and involves constant collaboration with clients and stakeholders. There is also a perception that you need a finance degree, which certainly was not the case for me.

“Do not assume you need a traditional finance background. I came from quantum physics, and the analytical and problem-solving skills I developed have been just as valuable. Be curious, ask lots of questions, and do not be afraid to say ‘I don’t know’”

Is there anything in the industry you would like to see evolve or change?

I would love to see the industry become more accessible and diverse. My own path, from a quantum physics doctorate to fintech, shows it is possible, but there is still a long way to go in terms of attracting talent from a wider range of backgrounds.

Beyond that, the pace of technology adoption could be faster.

There is enormous potential for automation and data-driven decision-making in asset servicing, and while companies like Xceptor are leading the way, the industry as a whole could be bolder in embracing change.

What is the training process for a new employee? Was it beneficial to your role and those now in the same position?

When I joined, there was a structured onboarding process through Xceptor Academy that gave me a strong grounding in both the product and the industry.

But honestly, much of the most valuable learning happened on the job: working on live client projects, learning from experienced colleagues, and resolving challenges in real time. Moving from implementation consultant to project manager was a big step, and I learned a huge amount through that transition.

The combination of formal training and hands-on experience is important, and it is great to see Xceptor’s onboarding process continue to evolve.

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

That is a big question! I would like to shape how we deliver for clients at a strategic level, whether that is leading a delivery function or moving into a broader leadership role. I am also passionate about supporting the next wave of industry talent, so mentoring and people development would be an important part of that.

Ultimately, I want to keep being challenged and continue working with great people. That is what drew me to Xceptor in the first place.

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

Do not assume you need a traditional finance background. I came from quantum physics, and the analytical and problem-solving skills I developed have been just as valuable. Be curious, ask lots of questions, and do not be afraid to say ‘I don’t know’. People respect honesty and a willingness to learn far more than someone who pretends to have all the answers – that is the best lesson I learnt from my PhD!

Finally, find a company whose values align with your own. The culture and the people you work with day-to-day make an enormous difference to how much you enjoy your work and grow in your career. ■

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Industry Appointments

Capitolis appoints Messer

Capitolis has appointed Mary Messer as head of North American sales. Based in New York, she will report to Melanie Carucci, global head of sales at Capitolis, and will lead efforts to deepen and grow bank and investor relationships across North America for both Capitolis' capital marketplace and portfolio optimisation businesses.

Commenting on her appointment, Messer says: "Capitolis has pioneered solutions that create real economic value for our clients, enabling them to do more of the kind of business that strengthens their balance sheets and the broader market.

"I am excited to help deliver that value across North America, supporting our clients while contributing to the overall strength and stability of financial markets."

Messer brings more than 20 years of global banking experience with leadership roles spanning rates, prime brokerage, derivatives clearing, custody and fund services, and securities services.

Most recently, she served as managing director and head of North America bank sales for securities services at Citi, leading strategic client relationships with major global banks.

Prior to Citi, Messer spent over 15 years at J.P. Morgan, holding senior roles

across derivatives clearing, collateral management, custody and fund services, and rates markets.

BNP Paribas's O'Brien takes on new role

BNP Paribas has appointed Gary O'Brien as head of Financial Intermediaries & Corporates (FI&C) Client Line for its Securities Services business in Asia Pacific.

Based in Australia, O'Brien will report to Franck Dubois, head of Asia Pacific for Securities Services at BNP Paribas.

He brings over 20 years of experience at BNP Paribas, having started his career in 2005 within the bank's Australian Securities Services business.

He later headed Custody & Clearing Product for Asia Pacific from Hong Kong, before taking charge of the Banks & Brokers segment globally and the FI&C Client Line for the UK and Middle East.

The firm says that with his deep regional knowledge, strong relationships with global partners, and proven track record in delivering complex, market-focused solutions, O'Brien is well positioned to lead the FI&C Client Line in Asia Pacific for BNP Paribas' Securities Services business and further strengthen its presence in the region.

Pirum adds Lima

Pirum has appointed Renato Lima as chief revenue officer to lead the firm's global revenue operations across EMEA, North America, and APAC — where Pirum extended 24/5 dedicated service coverage from 1 April 2026.

As the industry confronts accelerating regulatory obligations, demand for Pirum's Complete, Connected Lifecycle platform is growing across all regions and client segments.

Based in London, Lima's mandate is to translate that demand into disciplined, data-driven growth at scale.

Ben Challice, CEO at Pirum, adds: "Renato's appointment to the leadership team continues to signal where Pirum is heading. We have built a platform that processes over US\$6.5 trillion in transactions daily, covers the complete securities finance lifecycle, and is trusted by every major securities finance firm.

"The next chapter is about turning that foundation into sustained global growth — across new regions, new client segments, and new capabilities as the industry moves toward AI-first operations. Renato brings the industry relationships, the commercial discipline, and the collaborative approach that this next phase demands."

Lima joins from FIS, where, as senior vice president, head of sales for Capital Markets, he led international sales teams across the globe for nearly nine years, building a consistent record of revenue growth across complex, long-cycle institutional relationships.

Prior to his tenure at FIS, Lima spent close to 15 years at Bloomberg, culminating in his role as European head of Enterprise



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Xceptor appoints Brookshire as CPO

Xceptor has appointed Sareena Dalla Brookshire as chief product officer to lead its global product organisation.

This is a newly created role and will be based in New York.

Brookshire will focus on advancing Xceptor's AI-first product vision and the continued delivery of high-impact, client-led innovation across mission-critical capital markets workflows, says the firm.

She brings nearly two decades of capital markets experience, most recently serving as chief product officer at BNY Pershing, leading a large global product organisation to deliver measurable platform modernisation, product growth, and commercial outcomes.

Prior to this, she also held senior positions at Vanguard and BlackRock, where she played a key

role in new product development and transforming digital user experiences.

Commenting on her appointment, Brookshire says: "I've seen first-hand the challenges capital markets firms face when modernising within a highly regulated environment, and data plays a critical role.

"Xceptor has built a powerful platform that enables operations teams to deliver trusted data across the trade lifecycle. I'm excited to work closely with our team and clients globally to lead the next phase of AI innovation."

Michiel Verhoeven, CEO at Xceptor, adds: "Appointing our first CPO is a clear signal of where Xceptor is headed. Sareena's extensive leadership experience in capital markets makes her a strong fit to help us drive this next phase of growth."

Solutions and, prior to that, as European head of Global Data, where he oversaw a department of more than 200 data analysts.

According to Pirum, the combination of enterprise sales leadership and deep data expertise puts Lima at the centre of what clients need most: a partner who understands both the commercial relationship and the data infrastructure that underpins it.

Alumia and Universal Investment select Albrecht

Alumia, a MiFID-regulated investment advisory and fund distribution firm, and Universal Investment, an Europe's fund service platform and a strategic shareholder in Alumia, have appointed Jeremy Albrecht as a member of Alumia's board of managers.

This appointment has been approved by the Commission de Surveillance du Secteur Financier (CSSF).

Jeremy Albrecht, CEO and country head of Universal Investment Luxembourg and UI efa, is a seasoned industry leader with over 20 years of experience in financial services.

His strategic presence in Luxembourg will facilitate direct access and foster stronger collaboration between our organisations.

The firm says Jeremy's appointment from Universal Investment's senior leadership signals a renewed focus on collaborative efforts — especially with the UI efa team and the broader Universal Investment group — to explore new opportunities and enhance their partnership.

With a robust background in asset servicing, client management, and regulatory affairs, the firm expects Jeremy to make a significant contribution to Alumia's governance framework. ■

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