

# ASSET SERVICING TIMES

Leading the Way in Global Asset Servicing News and Commentary

ISSUE 393 24 June 2026



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## Clearstream unveils digital securities infrastructure

Clearstream, Deutsche Börse Group's post-trade business, has unveiled a next-generation digital securities infrastructure for both traditional and tokenised securities markets, which will create a digital-first and fully hybrid platform handling both traditional and digital securities.

Market participants will be able to hold and combine traditional securities, digital securities, and cash varieties in one portfolio. Clients will have institutional-grade access to blockchain technology and crypto assets, including stablecoins and other securities tokens.

The digital securities infrastructure will launch in stages, with the main components going live across 2026 and 2027.

Subject to regulatory approval, it will cover the entire securities lifecycle, from issuance, distribution, settlement and custody, through to asset servicing, liquidity, and financing.

It will serve Clearstream's clients across both traditional and digital financial markets, regardless of the technology, asset type or money type involved, for all assets regulated under the EU's MiFID and MiCA legislative frameworks.

Clearstream is developing the platform with market partners and clients, to deliver practical use cases for the market including large-scale tokenisation of securities, settlement directly on blockchain, and reusing the same assets as collateral across multiple transactions.

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### Comrade Trustee Services goes live with Smartstream’s Air

Comrade Trustee Services (CTSL), trustee for the Defence Force Retirement Benefit Fund in Papua New Guinea, has gone live with Smartstream’s Air, the AI reconciliation and data automation solution.

The go-live delivers a fully automated, straight-through reconciliation workflow, enabling CTSL to improve operational efficiency, accuracy and auditability.

CTSL adopted Air to scale and manage operating in a complex data

environment, reconciling multiple file types, including fixed-length files and PDFs, requiring advanced matching logic.

This has replaced manual data collection and excel pre-processing, cutting processing time, and improving efficiency and accuracy.

Smartstream says the firm’s processing time has been reduced from up to eight hours to under five minutes, with scalability for complex file types, formats and reconciliation logic.

### Zodia Custody gets Payment Institution license by CSSF

Zodia Custody, an institution-first crypto asset platform with shareholders and investors, has announced that it has been granted a Payment Institution licence by Luxembourg’s Commission de Surveillance du Secteur Financier (CSSF). This new regulatory authorisation enables Zodia Custody to extend its core crypto-asset custody service offering to stablecoins.

The firm says that this marks a key developmental milestone, complementing Zodia Custody’s existing Markets in Crypto-Assets (MiCA) Crypto-Asset Service Provider (CASP) licence and enabling seamless, regulated custody, and transfer functions for stablecoins across the European Union. The combined MiCA (granted in December 2025) and Payment Institution license authorisation strengthens Zodia Custody’s position as a core infrastructure provider for institutional digital finance, the firm adds.

Ami Nagata, managing director, Luxembourg, at Zodia Custody Europe, says: “Institutional adoption of crypto assets demands infrastructure that meets the highest standards of regulatory adherence and operational efficiency.”

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### Broadridge joins Anthropic’s Project Glasswing

Broadridge Financial Solutions has joined Anthropic’s Project Glasswing, an industry initiative focused on using frontier AI models to help secure critical software and strengthen cyber defense.

Project Glasswing brings together organisations that build or maintain software for critical infrastructure, including financial services, to address a fast-evolving threat landscape.

As part of the initiative, participants will use Claude Mythos Preview, Anthropic’s unreleased frontier

model, to strengthen defensive security efforts across foundational systems that represent a large portion of the global shared cyberattack surface.

Tim Gokey, CEO of Broadridge, notes: “Cybersecurity is fundamental to the resilience of financial markets.

“We are participating in Project Glasswing to apply frontier AI models to our own systems, helping us stay ahead of emerging threats and supporting a safer financial ecosystem.”

### MarketAxess introduces TraX Tape

MarketAxess has unveiled TraX Tape, a data solution that provides a consolidated view of bond market activity, enhanced with additional context and real-time insights. TraX Tape provides a single, standardised feed that consolidates and improves market data, enabling clients to interpret trading activity with greater confidence and efficiency, says the firm.

According to the firm, built on MarketAxess TraX data, TraX Tape aggregates data from a global network of dealers and clients and applies proprietary data cleansing processes.

The solution then enriches the regulatory transparency data with additional real-time insights and analytics, including trade direction and pricing context from MarketAxess’ AI-powered pricing engine.

Dean Berry, group chief operating officer and CEO of EMEA and APAC at MarketAxess, says: “Market participants have more data than ever but turning that data into actionable insight remains a challenge. TraX Tape is designed to deliver a clearer and more complete view of market activity, helping clients make more informed trading decisions.”

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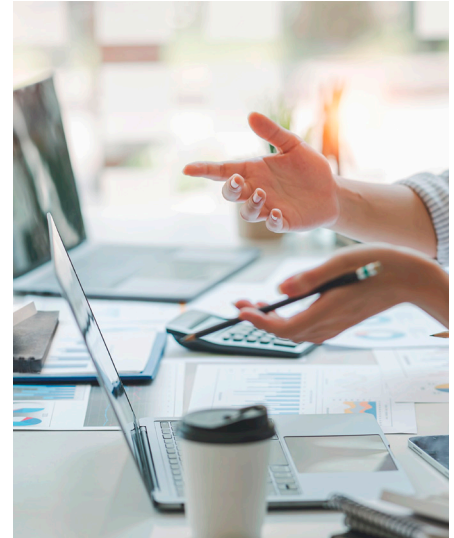
### Yealand collaborates with Contra Capital

Yealand has partnered with Contra Capital, which the firm says will strengthen its network of investment management relationships and reflects ongoing demand for a considered approach to Authorised Corporate Director (ACD) and fund services. According to the firm, the collaboration reflects a shared focus on building long-term partnerships that combine governance with operational experience and a service model intended to evolve alongside client needs.

The appointment also marks a step in its growth as it supports a larger number of investment managers seeking more agile, relationship-led approaches to fund oversight and administration.

Rob Leedham, CEO, Yealand Fund Services, notes: “Investment managers increasingly want a partner who understands the operational realities of running and growing a fund business, and who can support them through every stage of that journey. We’re excited to begin working with Contra Capital and supporting their future ambitions.”

David Lynch, investment manager, Contra Capital, adds: “From the outset, Yealand brought a level of engagement and understanding that felt different. Their approach felt collaborative, commercially aware and genuinely aligned with what we were looking for in a long-term partner.”



### Centroid Solutions and TRAction form a partnership

Centroid Solutions, a global capital markets technology provider, and TRAction, a regulatory reporting specialist, have announced a partnership aimed at streamlining and enhancing regulatory reporting processes for mutual clients.

Through this partnership, the firms say, trading data flows seamlessly from Centroid Solutions’ infrastructure directly into TRAction’s reporting systems, significantly reducing manual intervention while improving the accuracy, efficiency, and reliability of regulatory reporting workflows.

TRAction’s reporting solution aims to help firms reduce the operational complexity associated with fragmented reporting environments by eliminating the need to implement any additional systems.

Quinn Perrott, co-CEO at TRAction, says: “Financial institutions are already managing increasingly complex operational environments, and regulatory reporting should not create additional operational challenges.”

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### Clearstream enhances LiquidityNext

Clearstream has enhanced LiquidityNext, its self-service liquidity analytics capability, accessible via the Xact Web Portal.

The new solution centralises historical and intraday data into a single view, allowing institutions to track utilisation trends, find settlement bottlenecks, and oversee liquidity more effectively across the settlement lifecycle.

According to the firm, the improvements strengthen LiquidityNext’s analytical capabilities

and forward-looking insights such as alerts to locate unusual utilisation patterns and emerging settlement pressures and end-of-day cash balance visibility for improved funding oversight.

The firm says that the main benefits include improved visibility across credit, collateral, cash, and settlement activity, better identification of liquidity and operational pressure indicators, greater oversight through historical and intraday analytics, and centralised self-service liquidity intelligence, and reporting.

### First Commerce Bank selects FIS Core Banking

First Commerce Bank has selected FIS as its core banking platform. As part of the agreement, the bank receives access to the wider HORIZON ecosystem — an API-enabled platform designed to simplify integrations, accelerate fintech connectivity, and support the bank’s long-term modernisation strategy. FIS core banking solutions allow institutions to manage operations across the money lifecycle while building toward next-generation capabilities such as real-time payments, embedded finance, and AI-driven insights.

Melissa Cullen, head of regional and community banking, FIS, says: “Community banks need more than modern technology, they need a partner that is invested in their long-term success. First Commerce Bank is building for the future, and FIS HORIZON gives them a flexible, modern foundation backed by the expertise, responsiveness, and partnership needed to support that journey.”

Gregory Garcia, chief operating officer, First Commerce Bank, adds: “We chose FIS because of the strength of the HORIZON platform and because the team demonstrated a real commitment to our success throughout the process.” ■



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# The cost of compliance

As firms face growing compliance demands, documentation is changing from a record-keeping exercise into a cornerstone of operational resilience, finds Zarah Choudhary



Documentation has never been the most glamorous aspect of asset servicing. For decades, it has been viewed as a necessary administrative function sitting quietly in the background of onboarding, tax processing, reconciliations, compliance checks, and regulatory reporting.

Today, however, documentation has become one of the industry's most significant operational challenges, according to many industry leaders.

As firms contend with increasingly complex regulatory requirements, growing volumes of data, expanding private markets activity, and compressed settlement timelines, the burden of collecting, validating, maintaining, and evidencing information has increased dramatically. While automation initiatives have transformed many operational processes, documentation remains one of the most persistent sources of friction across the investment lifecycle.

The challenge is no longer simply producing documents. Firms must now demonstrate how decisions were made, evidence every step of operational processes, and maintain consistency across multiple jurisdictions, counterparties, and regulatory regimes.

### **The expanding compliance burden**

The regulatory expectations placed on financial institutions continue to grow.

Phil Flood, global business development director for regulatory and STP services at Gresham, points to an increasingly complex landscape shaped by European Market Infrastructure Regulation (EMIR) Regulatory Fitness and Performance (REFIT), Central Securities Depositories Regulation (CSDR), Securities Financing Transactions Regulation (SFTR), Markets in Financial Instruments Directive II (MiFID II) reviews and US Treasury clearing reforms.

"The regulatory landscape has grown significantly more complex," he says. "At the same time, the shift toward near-real-time obligations has compressed the windows available for documentation accuracy and exception handling."

Settlement reform has added another layer of urgency.

Steve Walsh, managing director at Duco, says the introduction of T+1 settlement has fundamentally altered operational expectations.

“T+1 settlement obligations have sent shockwaves through the US markets,” he explains.

“The complete timeline for understanding the impact of any post-trade event on underlying assets has been compressed to the trade or event date.”

The challenge is not simply regulatory volume. It is the interaction between regulation, market structure, and operational complexity.

Rachel Wheeler, global product head of regulated fund solutions at Waystone, says firms are now navigating a far more fragmented regulatory environment than they were five years ago.

“Documentation and compliance requirements have become significantly more complex as firms navigate an increasingly fragmented regulatory landscape,” she says.

“We have seen a substantial increase in disclosure obligations, governance requirements, reporting expectations, and evidential recordkeeping.”

At the same time, tax requirements continue to evolve.

Cross-border investing, withholding tax recovery processes, treaty eligibility checks, and global tax initiatives have created additional documentation demands.

Asset managers are increasingly required to maintain detailed records across multiple jurisdictions while monitoring ongoing changes to tax frameworks and reporting obligations. The result is an operating environment where documentation is no longer a back office consideration but a core component of governance, compliance, and risk management.

### **Managing documentation across global markets**

As firms expand internationally, documentation challenges multiply. A document that satisfies one regulator may require substantial modification elsewhere.

Different counterparties, custodians, and service providers often maintain their own templates, requirements, and review processes.

Wheeler says firms are increasingly forced to balance consistency with local market requirements.

“A document or disclosure that is suitable in one jurisdiction may require significant adaptation elsewhere due to different supervisory expectations, investor protection requirements, or market practices.”

The challenge becomes particularly acute when firms are managing global custody networks, cross-border distribution models, and alternative investment structures.

According to Rehan Ahmed, CEO of Marketnode, each additional market introduces fresh operational friction.

“The impact is material, and it compounds,” he says. “Each new market or counterparty adds fresh friction rather than reusing the work already done.”

Cross-border transactions are becoming increasingly documentation-intensive as regulators demand greater transparency and stronger controls, as per the experts.

Research from the BIS Innovation Hub’s Project Mandala highlights how increasing regulatory requirements have driven up compliance costs across international payment and investment ecosystems. The report notes that cross-border compliance processes continue to be hampered by manual interventions, data quality issues, duplicate checks, and a lack of standardisation.

Meanwhile, withholding tax processing remains another area of significant complexity.

According to PwC, inconsistent treaty application, documentation requirements, and reclaim procedures continue to create operational burdens for firms managing international portfolios. Standardising documentation workflows and automating validation processes are becoming increasingly important for organisations seeking to reduce operational risk and improve efficiency.

### **Why documentation remains highly manual**

Despite years of investment in digitisation, many documentation processes remain surprisingly labour-intensive.

Corporate actions, reconciliations, tax reclaims, onboarding, and Know Your Customer (KYC) continue to rely heavily on manual intervention.

Walsh identifies corporate actions, settlement, reconciliation, withholding tax processing, and client onboarding among the industry's most persistent documentation challenges.

"These are all pillars of process in asset servicing — challenges that have existed for decades," he notes.

For many firms, the issue begins with information gathering.

Stuart Tait, head of LPPA partnerships for Europe and the UK at Carta, argues that documentation collection remains one of the largest operational bottlenecks in private markets.

"Data is still shared across numerous data rooms, portals, and email threads, so simply gathering and checking that all required documentation has been received typically involves a manual retrieval and verification process."

The challenge is compounded by the long-term nature of private market investments.

"Maintaining accurate records across thousands of investors, entities, and fund relationships often requires substantial manual review and coordination throughout the life of a fund," Tait adds.

Rob Calder, enterprise sales executive at Canoe Intelligence, says custodians and service providers frequently struggle to collect documents efficiently, particularly during peak periods.

"Collecting documents can be a time-consuming process for custodians, especially during periods when volumes are high," he explains.

Even after documents have been gathered, extracting data often remains difficult because much of the information is contained within unstructured PDF reports.

Marketnode's Sooraj Sreenivasan points to KYC as another area where significant manual work remains.

"KYC remains a clear example. While there has been meaningful progress in digitising parts of the process, it continues to be one of the more manual and resource-intensive areas of documentation."

The lack of common standards across jurisdictions continues to create operational complexity, forcing firms to manage fragmented processes that resist automation.

## Automation, digitisation, and AI

Faced with mounting documentation burdens, firms are increasingly turning to automation and AI.

Much of the early focus has centred on creating stronger audit trails and reducing operational workloads.

Murray Campbell, principal product manager at AutoRek, says automation offers significant benefits in evidencing controls and maintaining records.

"With all actions tracked and evidenced, it is far easier for a firm to demonstrate the controls they have in place," he explains.

Automated workflows can remove the need for operational teams to manually generate evidence while creating electronic review and sign-off processes that strengthen oversight. Increasingly, AI is being deployed to address documentation challenges that traditional automation has struggled to solve.

Ahmed adds that firms are focusing on high-volume processes first.

"Most firms have started where the volume is highest, automating extraction and validation to reduce manual handling and give teams a more consistent baseline."

However, connecting information across systems, counterparties, and jurisdictions remains significantly more challenging.

Tait notes that AI is increasingly being used to connect fragmented information sources and create a more complete view of fund activity.

"Fund managers, investors, and service providers often hold different pieces of the same information," he says. "AI is increasingly being used to connect information across those sources and create a more complete picture of fund activity."

Waystone has also seen growing interest in AI-powered document analysis, regulatory horizon scanning, and data extraction. However, Wheeler emphasises that AI remains an enhancement rather than a replacement for expertise.

"Given the complexity of many regulatory requirements, firms still need experienced professionals to validate outputs and exercise judgement where interpretation is required."

Flood believes the industry is entering a new phase of automation altogether.

“The most significant shift is the move from AI as an assistive tool toward agentic AI that handles routine classification, matching, and exception triage autonomously.”

Importantly, these systems are beginning to generate their own documentation and audit trails, creating greater transparency and explainability within operational processes.

## Documentation as operational risk

Documentation failures increasingly represent more than administrative inefficiencies. They can delay onboarding, slow product launches, create reconciliation breaks, increase regulatory exposure, and damage client relationships.

Operational risk has become a growing concern across the asset management industry.

Research cited in Broadridge and Securities Industry and Financial Markets Association (SIFMA) operational risk studies highlights how increasing operational complexity, vendor dependencies, regulatory requirements, and resource constraints continue to challenge firms of all sizes.

The risk is particularly acute where manual processes remain heavily embedded.

Campbell notes that reconciliations and operational workflows still frequently rely on spreadsheets and manual intervention, limiting transparency, and creating challenges for audit and compliance functions.

Similarly, Flood argues that documentation overhead often becomes the critical path in onboarding and client implementation projects, directly affecting time-to-revenue. As firms expand into new products, jurisdictions, and asset classes, the operational consequences of poor documentation management continue to grow.

## What needs to change?

While technology is clearly part of the solution, most industry participants agree that automation alone will not eliminate documentation challenges.

Greater standardisation remains a key priority.

Wheeler argues that standardised templates and disclosure frameworks can reduce duplication and improve efficiency, although complete harmonisation across jurisdictions is unlikely.

Calder believes standardisation has become increasingly urgent as private markets continue to scale.

“As we look forward to the democratisation of private markets and the anticipated surge in retail investment, the need for standardisation and scalability has become both essential and urgent.”

Others argue that the standards themselves already exist.

According to Marketnode’s Sreenivasan, the challenge is often adoption rather than creation.

“The industry has implemented standards for high-volume and high-risk trading and settlement activities and has also established standards for KYC. The challenge is less the absence of standards and more their limited adoption.”

Looking ahead, the industry appears to be moving towards a future where compliance and documentation become embedded directly within operational workflows.

The BIS Innovation Hub’s Project Mandala offers one example of this direction through its ‘compliance by design’ approach, which seeks to automate regulatory checks and validate requirements before transactions are completed. By embedding rules directly into processes, the project aims to reduce duplicate checks, improve transparency, and increase straight-through processing.

For asset servicing firms, the destination is becoming increasingly clear.

The future is unlikely to involve less documentation. Instead, it will involve smarter documentation, stronger automation, and more intelligent ways of proving that processes have been completed correctly.

In an industry where operational resilience is becoming a competitive advantage, documentation is no longer simply paperwork. It is evidence, oversight, and risk management rolled into one. ■



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## Building scale in tokenised collateral

As tokenised collateral moves from proof-of-concept projects to production-scale deployments, questions around interoperability, regulation, and market infrastructure are becoming increasingly important. Tonic's Chris Watts, CEO and co-founder, and Steven Czarnota, head of digital, discuss the industry's progress with Zarah Choudhary

## Tonic has evolved alongside the wider digital asset market in recent years. How has the company's strategy and business model changed as institutional adoption has matured?

**Chris Watts:** Tonic has always been underpinned by our expertise-led model and client centricity, enabling us to accelerate growth outcomes for our clients. Historically we have been focused on a core set of connected domains, covering collateral, clearing, financing, broader post-trade, treasury, and risk.

Two years ago, we made it our mission to become the specialist bridge across TradFi and DeFi ecosystems for our clients, underpinned by our deep understanding of both worlds.

We are there to give speed and the right direction to our clients' transition into DeFi, helping to future-proof their business model and growth. Today we are in a unique position to do just that.

With collateral mobility becoming the most significant use case the industry has coalesced around, as market leaders we were a natural first port of call for our clients looking at tokenised collateral.

Knowing that was coming, we invested heavily in our internal digital asset education, confident that this would be a game-changing market shift, where our clients would lean on us for specialist support. We have also seen a shift in our digital asset engagements over the last two years. 12–24 months ago, early digital collateral engagements were heavily weighted toward advisory work, often led by education, market landscaping,

regulatory implications, strategy, and use case prioritisation, as clients focused mainly on early proof of concepts. That focus has now shifted, as the industry steps into productionised and scalable solutions. As a result, we now find ourselves working with clients much more deeply across client strategy validation, business case definition, platform selection, target operating model design, and platform implementation.

Driven by our clients' needs, we have also organically expanded way beyond pure tokenisation and collateral into the wider digital asset agenda, spanning crypto, digitally native money market funds, and stablecoins.

## Tonic has worked on a range of digital asset and collateral initiatives across the industry. Which projects or partnerships best reflect the role the firm is playing in today's digital asset ecosystem?

**Watts:** We are fortunate to sit alongside many of the industry's core service providers, including custodians, central securities depositories (CSDs), clearing houses, and dealer banks. Tonic is considered a trusted partner to our client base, who provide expertise-led support across our Advise, Transform, and Implement service modules.

We have to be careful about sharing specifics of client projects, but the common thread is helping them bridge between TradFi and DeFi ecosystems, with Tonic optimising their strategy and accelerating their transformation lifecycle, to drive commercial growth.

# TONIC >>

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- Synthetic

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We also often help bridge these firms to their end clients, whether through industry working groups or structured client interviews, to validate and prioritise their product roadmaps, so they can execute at speed.

One engagement that is public, and so can be shared, is our work with DTCC on their Collateral Appchain. We supported DTCC in bringing that product-to-life for their clients through a flagship industry event — the Great Collateral Experiment.

We also partner closely with a lot of the key players in the DeFi ecosystem, whether distributed ledger technology (DLT) platforms, interoperability applications, stablecoin, and crypto firms. Here we offer high value to our clients by helping accelerate important partner selection decisions.

Something Tonic can offer any firm with is a free digital asset infoshare session. Here we informally walk through key market trends and insights, so companies have the understanding to make key early digital asset decisions.

### **Collateral management has emerged as one of the strongest tokenisation use cases in capital markets. Why has this area gained so much traction compared to other tokenised asset classes?**

**Steven Czarnota:** Industry research has done a lot to bring this to life recently. Firms have repeatedly evidenced significant savings tied to being overfunded across fragmented collateral venues, in some cases by as much as 25 per cent.

That makes it an easy use case for the market to rally around, because the business case is unambiguous.

Funding and optimisation algorithms can have limited impact, due to constraints across the underlying TradFi pipes that move collateral today.

Removing those frictions via DeFi solutions also opens up a wide set of sub-use cases, including mobilising new collateral types such as gold and money market funds, removing the double funding of substitutions, and enabling intraday collateral for real-time financing and central counterparty (CCP) collateral.

A large part of our advisory work with clients is identifying where, across that set, the greatest economic benefit sits for their specific book.

### **How closely connected is tokenised collateral to other developing areas such as digital money market funds, tokenised cash, and onchain liquidity solutions?**

**Czarnota:** The core value proposition of tokenisation is asset mobility and liquidity, and the reason you move an asset is either a cash trade or to post as collateral. So when any asset becomes mobile on DLT, collateral immediately comes into the picture.

A related prerequisite to building volume scale for digital collateral, is ensuring that both securities and cash movements are digitised within the same operating model.

For example, if you have a tokenised bond used in a repo transaction, you need a cash leg, which means you also need to think about what that tokenised cash leg looks like.

At that point the risk profile of a tokenised deposit versus a stablecoin becomes a first-order question. Similarly, as soon as a money market fund is tokenised, it is mobile and can be used for financing or posted against derivatives exposures.

### **Where is the market for tokenised collateral today in terms of adoption, transaction volumes, and real-world client demand? Which use cases are seeing the most momentum?**

**Czarnota:** There is meaningful volume flowing today, and solutions such as Broadridge, HQLA<sup>x</sup>, and Kinexys have been in the market for some time.

Most of the use cases that have reached scale to-date have focused on solving intraday liquidity needs, through real-time repo products.

While hundreds of billions are flowing through these platforms each day, the broader, cross-product collateral market sits at around US\$39 trillion, so tokenised collateral still represents only a small share of the total. Repo accounts for the bulk of that market, so it makes sense for the industry to have concentrated there, where the balances make the business case self-evident.

That said, the use case set is widening. Regulatory tailwinds mean firms are now comfortable operating in the uncleared space, and clearing houses themselves are beginning to accept tokenised forms of collateral.

### **Despite growing interest, large-scale adoption has remained relatively gradual. What do you see as the biggest barriers to scaling tokenised collateral volumes across the industry?**

**Czarnota:** Legal and regulatory status has historically been a drag on design and delivery timelines, although most firms have now secured the legal confirmation that representing their own books and records on a DLT network is technology neutral.

The challenge is that digital collateral uptake has often played out so far within walled gardens and private DLT networks, which has held back critical mass.

Critical mass is the single most important factor for tokenised collateral, because the value only materialises when firms can reuse their assets across their breadth of counterparties and venues.

That makes interoperability the real enabler, and it is where the industry has the most work to do.

Today there are 70+ known DLT platforms in the financial markets, meaning that — in the rush to build suitable DeFi solutions — we have managed to re-create silos that risk acting as a blocker to scale.

Fortunately, specialist interoperability vendors are now acting as the glue that connects these platforms to create a single, unified collateral mobilisation network.

People and culture can also be considered a potential barrier to growth here. DLT and digital collateral solutions are being productionised right now and are becoming ready for mass usage.

However, inertia, education, and lack of strategy can be blockers across some segments of the market. Some parallels here to the relatively slow speed of AI roll-out across financial markets.

### **Looking ahead over the next two to three years, what developments do you think will be most important in accelerating adoption, whether through regulation, shorter settlement cycles, or increased market infrastructure interoperability?**

**Czarnota:** Interoperability will be the single biggest accelerant over the next two to three years.

Firms are solving the connectivity problem in different ways, whether by connecting into common Layer 1s, wrapping tokens, or enabling direct integration between DLT networks.

As these approaches mature, they unlock the cross-network reuse of collateral that drives genuine scale.

Regulatory clarity is the second major tailwind. We are moving beyond DLT as a record-keeping layer toward truly digitally native assets, with the European Central Bank now accepting digitally native debt and US regulators encouraging central counterparties (CCPs) to accept stablecoins and crypto with reasonable haircuts.

Shorter settlement cycles, demand for 24/7 trading and the continued build-out of market infrastructure will reinforce this trajectory, but interoperability and critical mass are the two factors most likely to move the dial on adoption.

### **As firms begin shaping their long-term digital collateral strategies, what key decisions are they currently facing, and what practical steps should institutions be taking now to prepare for this transition?**

**Czarnota:** Firms sit at very different points on this journey.

Some technology providers have been active in the market for years, but because this part of the industry moves quickly, they are continually evolving their services in pursuit of scale.

A number of these firms built on infrastructure that is no longer current, and are now making important decisions about what will give them durable scale going forwards.

Firms newer to the market are focused on accelerated education.

This is often followed by which use cases will allow them to enter the game and start catching up with their peers as well as which solution providers they want to partner with.

What is becoming clear across both groups is that the industry is moving toward a network of networks.

The conclusion most firms reach, regardless of where they started, is that their target state needs to be clear and multichain. ■

# THE MANY SIDES OF DIGITAL ETFS

Eamonn O’Callaghan, global head of ETF Product at CACEIS, examines the regulatory, operational, and custody considerations shaping the growth of digital ETFs and ETNs as investor demand for cryptocurrency exposure through traditional investment wrappers accelerates



Investors have been purchasing digital assets since their inception. However, there has been growing investor interest in purchasing this asset class through an exchange traded fund (ETF) or exchange traded note (ETN) wrapper, which can be observed in the results of the numerous investor surveys and also through investor flows. The introduction of digital assets in ETF wrappers has expanded access by providing investors with exposure to this asset class without the need for direct custody or private key management.

These ETFs/ETNs blend traditional market infrastructure such as trading, clearing, settlement, and custody with cryptocurrency price tracking. Below we take a look at the many sides which need to be considered regarding these products.

## The regulatory side

In the US, up to January 2024, funds were permitted to gain indirect exposure to digital assets which was generally achieved through holding derivatives or futures. In January 2024, the Securities and Exchange Commission (SEC) amended their approach and permitted spot bitcoin ETFs. This change enabled ETFs to directly hold digital assets such as bitcoin. Quickly after, a number of asset managers submitted regulatory filings to launch within the updated regulatory structure including Blackrock, Fidelity, Ark/21Shares, and Grayscale.

In Europe, Undertakings for Collective Investment in Transferable Securities (UCITS) are restricted from directly holding digital assets. Given this position, the vehicle of choice to directly hold digital assets is the ETN.

The Commission de Surveillance du Secteur Financier (CSSF) recently permitted Luxembourg domiciled UCITS to “invest indirectly in crypto assets for a maximum of up to 10 per cent of their net asset value”.

This will be an interesting space to watch in the coming months and years as asset managers start to utilise the revised regulation.

## The buy side

Up until now, US spot Bitcoin ETFs have gathered US\$370 billion in assets, not an insignificant amount since their launch in January 2024. According to the ETF Book, in Europe digital ETNs have gathered US\$16 billion in assets and year to date inflows were US\$748 million.

These products are being bought by a wide variety of investors from virtually across the entire investor spectrum including, retail, high net individuals, institutional allocators (pension funds, family offices), hedge, and quant funds.

However, the key segments where there is the highest demand are retail investors and institutional allocators.

Digital ETFs/ETNs are approved by the SEC in the US and in Europe by the national regulator where the product is domiciled such as the Autorite des Marches Financiers (AMF) in France.

This regulatory approval provides investors with a level of comfort they do not necessarily receive if they purchase digital assets directly through their brokerage account.

There is also the additional comfort provided by large recognised asset managers running the funds. These factors are acting as tailwinds for growth.

## The operations side

Supporting and running a digital ETF/ETN requires changes in some areas and a complete re-think in others, below are some of the key points:

**Technical architecture.** Many of the systems in place within financial institutions were developed prior to the introduction of digital assets. As such, these traditional systems will not have the technical capabilities needed to support some of the unique attributes inherent to digital assets.

Hence, the technical architecture to support digital ETFs/ETNs, should be reviewed to ensure that the functionality in place is capable of supporting them.

It is likely that in some areas, enhancements will need to be introduced. In other areas, new native systems will have to be developed.

**Custody of digital assets.** Acting as custodian of digital assets, such as bitcoin, requires specialised systems, expertise, processes, and regulatory approvals.

To obtain the Markets in Crypto Assets Regulation (MiCA) approval is a complex and detailed process with the relevant regulatory authorities.

In June 2025 CACEIS received its MiCA approval enabling it to act as custodian. With the ability to provide issuer/common depository services, transfer agency, accounting, and custody solutions, CACEIS is able to provide a true front-to-back service for ETNs with a digital underlying.

**System interoperability.** With the potential for the introduction of new systems to operational processes, and the goal of reducing manual touch points and promoting full straight through processing, system interoperability is crucial in promoting these goals. Hence, front, middle, and back end systems need to be analysed and tested to ensure that data flows as envisaged. In some cases middleware may need to be developed to bridge any connectivity gaps.

**Oversight and governance policies.** Supporting digital ETFs/ETNs introduces the requirement for enhancements to oversight and governance policies.

Oversight and governance policies throughout the value chain should be reviewed through the prism of where enhancements need to be made in supporting digital assets in a risk-free environment. This includes areas such as white-listing of wallets, verification of ownership, risk analysis of operational processes, and due diligence of the Authorised Participants (APs).

### The flip side

While still relatively new, digital assets within the ETF/ETN wrapper have received significant inflows since their introduction. In addition, there is evidence of strong investor interest, most notably with retail and institutional allocators.

This demand is likely to drive additional well-known asset managers to launch these products and leverage their brand and distribution channels to gather assets.

This in turn creates the need for service providers to enhance their offerings in order to support these complex products.

CACEIS's institutional bank grade digital custody solutions, combined with issuance services for fund units, gives asset managers the confidence to unlock new digital opportunities.

Using CACEIS Bank's recent digital assets solutions allows for integrated assets servicing for both traditional securities and digital assets without any additional setup when already onboarded with us. Such an end-to-end solution avoids the need to add new providers and workflows. CACEIS has the expertise, systems, and scale to support asset managers' digital asset journey. ■

*“While still relatively new, digital assets within the ETF/ETN wrapper have received significant inflows since their introduction”*

**Eamonn O’Callaghan**  
Head of ETF Product  
CACEIS



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# Stricter foreign direct investment screening

The cumulative strengthening of FDI screening and geopolitical protectionism has fractured global capital markets. In the first of a two-part series, Tahlia Kraefft explore how against this backdrop of greater complexity for investors managing cross-border guidelines, custodians have evolved into regulatory intermediaries enforcing multi-jurisdictional compliance before transactions



Governments across major markets have been heightening their regulation of investment flows, in and out of their borders, since 2018. Geopolitical tensions, national security concerns, supply-chain resilience policies, and strategic technology rivalry have driven the significant expansion of foreign investment screening. Regulators have actively shifted from liberalising trade to asset protection and security. Investment controls are being employed by governments as a tool to further economic growth and to protect national interests along with export controls, tariffs, and industrial incentives.

Cross-border transactions are experiencing greater regulatory scrutiny and fragmentation across large economies, as governments change the intent of these evaluations from procedural customs to integral parts of transaction risk assessment. This is leading to an ongoing increase in statutory restrictions across economies. Custodians are finding themselves at the centre of these changes, having to monitor ownership thresholds, track beneficial ownership, manage increasingly complex reporting obligations, and advise clients on market-access constraints. Wider screening scopes, mandatory filing obligations, and greater scrutiny of complex ownership structures, are resulting from stricter foreign direct investment (FDI) regulations worldwide. As the world order becomes increasingly multipolar, the regulation overseeing this capital transition is continually changing and increasing in complication.

### **Era of free-flowing capital ends**

Advanced economies predominately lifted capital account restrictions in the late 20th/early 21st century (1980–2009) in the interest of economic integration, resulting in a period largely characterised by unregulated, free-flowing cross-border capital. Amid mounting concern over foreign state control and key technology from governments the approach transitioned from economic liberalism, to economic protectionism in the mid-to-late 2010s. Increased scrutiny amid geopolitical concerns such as US-China relations, Ukraine conflict escalated with the implementation of compulsory FDI controls including the US's Foreign Investment Risk Review Modernisation Act (FIRRMA) regulation, the EU's FDI Screening Cooperation Framework launched in 2020. This was followed by the UK's enactment of the National Security and Investment Act in 2022, and Cyprus' FDI screening law in 2026 marking the final EU state to be covered under the screening net. Custodians have assumed a key position as regulatory infrastructure facilitators, as successive FDI regulations have led to the fracturing of global capital markets.

From years of increased liberalisation — the shift to stricter foreign investment guidelines is a significant development, Tom Platts, partner at Stephenson Harwood says. Geopolitical trends have seen an expansion in foreign investment restrictions combined with an increase in the number of jurisdictions implementing them, he says. A wider number of different transaction structures such as share purchase, asset deals, certain insolvency scenarios, and certain internal restructuring, depending on the jurisdictions, are now covered under the rules. Asset servicing is majorly impacted according to Platts and it is especially complex where a number of divergent FDI regimes are implicated.

### **Modern growth of FDI screening regimes**

With more than 100 jurisdictions mandating FDI reviews, the global landscape national security-based of FDI screening has grown rapidly. Governments progressively view stringent national security-based screening as a crucial regulatory response to geopolitical shocks along with heightened US-China competition, supply-chain resilience anxiety, and to ensure security of private data and technologies. Regulators have moved from rigid screening of inward-facing investment to surveilling outbound investments in geopolitically susceptible or competing markets to avoid the transmission of key technologies. Supervisory bodies have widened the range of sectors considered strategic to include data-intensive businesses, technology, critical infrastructure, defence, semiconductors, and energy. They have increased the guidelines around foreign control, and enhanced surveillance of cross-border transactions.

Chris Rowland, executive vice president and head of Custody, Digital and Fund Services Product, at State Street explains: "FDI rules have moved from the margins to the mainstream, with screening regimes expanding beyond defence and critical infrastructure into areas such as financial market infrastructure, technology, data, payments and other core services. Recent developments, including the EU's FDI Screening Overhaul, US CFIUS and outbound investment controls, and AIFMD II, showcase this trend."

### **Europe and UK heighten screening controls**

The EU FDI Screening Regulation enforced in 2020 was the catalyst for a wave of new or expanded national regimes, according to Platts. This included well-established regimes such as France, Italy, and Germany in addition to nascent regulation being implemented in 2025 (for example in Croatia, Cyprus, and Greece).

### ***“A direct signal to entities active in the asset servicing chain that ownership changes in central securities depositories, central counterparty clearing houses, and payment system operators will face heightened regulatory hurdles within the EU”***

**Tom Platts**

The scale and proliferation of FDI screening regimes has been the most impactful development in FDI rules, according to Christine Graham, in the global Antitrust and International Trade team at Bryan Cave Leighton Paisner. The increase from only 12 EU Member States having a form of FDI screening mechanism from almost 10 years ago to now all 27 demonstrates this, Graham comments. She says this pattern is being replicated to a large extent across the globe.

“The starting point is that the compliance universe has expanded dramatically in a relatively short period of time. But the more consequential problem for asset servicing is not the proliferation itself, rather it is the divergence that comes with it.”

In 2022 the UK’s National Security and Investment Act (NSIA) came into full force which majorly expanded the types of transactions requiring national security reviews included beyond mergers and acquisitions to involve categories such as minority investments and acquisitions of voting rights. It gave the UK government the authority to review, enforce conditions on or block FDIs or mergers that threatened national security across a broad range of sectors.

Graham says the NSIA stands apart from many other FDI screening regimes, in that it is country-agnostic, meaning that the regime captures both UK and non-UK investors. She says the NSIA has been a significant investment screening development through its introduction of mandatory notifications across 17 sensitive sectors.

“In terms of asset classes, emerging technologies, such as artificial intelligence and semiconductors, alongside critical infrastructure, critical raw materials, and businesses having access to sensitive data, remain the central preoccupations of screening authorities. These are sectors that are genuinely central to economic growth

and competitiveness, but they are also the sectors where a hostile actor could gain strategic leverage and exploit them for military or geopolitical purposes.

According to Platts, the NSIA has matured into a highly active regime: “With the UK government reporting 1,143 notifications between 1 April 2024 and 31 March 2025 In the last annual report on the NSIA — being approximately 26 per cent more notifications under the NSIA as compared to the previous reporting period.”

The NSIA mandatory notification regime is being expanded to include three new standalone sectors: critical minerals, semiconductors, and water, and is planning to issue more comprehensive guidance on major changes to current sector definitions.

Platts explains: “For custodians and fund administrators, this means that a growing number of portfolio transactions in UK-based companies may require regulatory clearance before completion, directly affecting transaction timelines and the ability to execute trades without delay. It also remains to be seen whether the scope of the NSIA will be reduced to exclude transactions such as internal reorganisations and certain insolvency matters.”

Each regime has separate thresholds, individual procedural obligations, and own timelines, he says:

“There is no common template. And when you are dealing with a multi-jurisdictional transaction, that means managing parallel filing obligations across regimes that do not speak to each other, with inconsistent timelines and meaningfully different substantive tests. That creates real deal execution risk, and it is a risk that sits squarely with the asset servicer to manage.

“The look-through requirements that many of these regimes impose have also added a layer of operational complexity. For funds with complex, multi-layered investor structures, identifying the ultimate beneficial owner to the satisfaction of multiple screening authorities simultaneously is not straightforward and often results in delays to notifications.”

According to Graham, the current landscape is particularly complicated due to the tension governments are navigating between remaining open and staying attractive to foreign investment — which is essential for growth — while simultaneously protecting strategic assets from hostile acquisition.

She explains: “Recent geopolitical events have sharpened that tension considerably. The dangers of over-reliance on a single supplier for critical technologies are now well understood at a policy level, and governments are responding by scrutinising not just individual transactions but the broader implications for supply chain resilience and domestic industrial capacity.”

Platts notes that at the EU level the revised FDI Screening Regulation, updated in December 2025, will mandate all of the 27 Member States to engage a national screening mechanism and build a minimum scope of mandatory screening mechanisms including the screening of specific categories of financial service providers, such as central counterparties, central securities depositories, and operators of regulated markets.

He comments: “The explicit inclusion of financial market infrastructure entities within the minimum scope of the EU’s mandatory screening mechanism is a direct signal to entities active in the asset servicing chain that ownership changes in central securities depositories, central counterparty clearing houses, and payment system operators will face heightened regulatory hurdles within the EU.”

He emphasises that FDI screening no longer being a niche issue marks a core shift. “It is now part of transaction execution and operational risk management, alongside multiple regulatory requirements, including merger control, foreign subsidies, sanctions and export control regimes.”

### Global capital markets fragmentation

The growth of FDI regimes has accelerated the geo-economic fragmentation of global capital markets. It has changed investments from a profit-driven model to a bloc-based model leading to the divergence of cross-border capital flows and fracturing of global value chains. Capital market fragmentation is being pushed by the widening of screening mechanisms including large economic blocs strengthening and lowering intervention thresholds for FDI. Not just outward flows are the targets of these controls but internal restructurings that implicate foreign parent firms. Cross-border mergers and acquisitions and greenfield investments are predominantly concentrated along political alliances, especially in strategic fields such as data infrastructure, critical minerals, and semiconductors. Furthermore, lags and disjointedness between regions in enforcing global standards are generating friction for cross-border banking operations.

***“These regimes are often opaque and the penalties for failing to notify can be severe — including transaction avoidance in some jurisdictions — investors inevitably err on the side of caution and file even where the obligation is uncertain”***

**Christine Graham**

The macroeconomic consequence is reduced investment volumes with global FDI being highly volatile and recent productive investment being subdued out of localised conduit flows.

Emerging markets and developing economies that lack deep capital markets are experiencing the largest GDP contraction risks. Rising trade policy uncertainty and sanctions are broadening the dispersion of investment results, leading to increased debt rollover and funding uncertainty.

Rowland comments: “FDI screening is no longer a specialist mergers and acquisitions issue; it is becoming part of the operating fabric of global investing. Asset owners and asset managers increasingly need to consider how they can move capital with confidence through a more fragmented and security-conscious market environment.”

Marta Garcia, partner, at Stephenson Harwood conveys that the absence of a uniform FDI regulation across jurisdictions significantly adds to the hurdles custodians experience managing cross-border operations and generates operational and regulatory complexity.

“Despite broad convergence on the principle that strategic sectors require protection, the implementation details continue to operate as a patchwork of national regimes and could vary substantially across jurisdictions in terms of notification triggers, sector definitions, review timelines, ownership thresholds, and remedies.

She explains that the absence of a single compliance framework that can be applied globally means that where multiple jurisdictions are implicated, the FDI regime in each relevant jurisdiction must be considered.

“What may be classified as critical national infrastructure subject to FDI review — and indeed, which may be restricted — in one jurisdiction, may not trigger another jurisdiction’s regime. As a result, each jurisdiction requires a detailed filing requirement analysis and this process may be time-consuming and resource-intensive for the parties.”

Additionally, the filing obligations and timing demands vary between regimes, increasing complexity to the management logistics of the deal timeline and raising costs, Garcia comments.

“This growing divergence reflects a broader trend toward regulatory fragmentation and localisation, which can result in certain jurisdictions needing to be carved out of the proposed transaction or operations. It is increasingly important to consider any potential FDI/other regulatory requirements early to avoid any issues later on in the deal timetable, and to ensure that parties are adequately protected in the transaction documents.

Divergence is the most underappreciated challenge in this area, Graham states, leading to genuine headaches in practice.

“The fundamental issue is that whilst most governments are broadly trying to achieve the same thing — protect critical infrastructure, ensure resilient supply chains and technological sovereignty — the way they go about it differs quite significantly.”

She explains that regimes frequently possess different thresholds, different sectors in scope, different timelines, and different criteria for what makes up a national security or public order concern.

“Europe is a good illustration of both the problem and the attempts to address it. With 27 Member States each setting their own rules, gaps inevitably emerge — and gaps can be exploited by foreign actors seeking to acquire control of sensitive assets through the path of least resistance. That tension between national competence and the need for EU-wide coherence is what drove the adoption of the original FDI Screening Regulation in March 2019, which created a cooperation mechanism enabling the Commission and Member States to exchange information on investments that may present national security or public order risks.

“The difficulty is that the world moved very quickly after that. Covid, the Russia-Ukraine war, and escalating geopolitical tensions meant that a framework designed in a more benign environment very quickly started to feel inadequate. So in January 2024, the Commission brought forward a revised

proposal as part of a broader package of economic security initiatives. That went through the full interinstitutional process, with a draft text published in February 2026, and formal Council approval this month.

The revised framework is expected to come into force in early 2028, bringing meaningful changes, Graham comments: “For the first time, mandatory screening will be required across all Member States. There will be a common minimum sectoral scope, an expanded framework to capture non-EU investors, greater information sharing between Member States and the Commission, and more harmonised procedures. It is a significant step towards coherence, though it is worth being clear-eyed about this — meaningful differences will remain, and navigating those differences will continue to be one of the central challenges for investors operating across the EU.

“And that points to a broader practical reality. Because these regimes are often opaque and the penalties for failing to notify can be severe — including transaction avoidance in some jurisdictions — investors inevitably err on the side of caution and file even where the obligation is uncertain. Ireland provides a striking illustration of this: since the regime came into force in January 2025, approximately 65 per cent of the transactions notified were considered by the Department not to meet the mandatory notification criteria.

“That is a significant proportion of filings that, on the government’s own assessment, need not have been made — and it reflects just how difficult it can be in practice to draw the line with confidence.

“That uncertainty and unpredictability has a real cost. It adds time, it adds expense, and in some cases it becomes a factor in whether a deal proceeds at all.”

## Conclusion

As governments move to increase supervision of foreign capital, custodians are acting as regulatory intermediaries in a less unified global financial ecosystem with greater oversight. Stricter FDI controls have not stopped global investing, however the rules of engagement have shifted.

Capital is flowing through an increasingly fractured regulatory environment where national security, market access, and geopolitical alignment are playing a greater role in investment choices. ■

# Connected thinking

## MiniCREST and why an end-to-end mindset matters

Kevin Wooldridge, CEO of Message Labs, looks at how effective business continuity planning requires firms to adopt an end-to-end testing mindset that encompasses systems, data, processes, and people

In business — as in life — we are always encouraged to ‘see the bigger picture’.

Placing decisions or activities in context is viewed as critical to success. Even doing the right thing can be counterproductive when done at the wrong time. Resources may be constrained or market dynamics may create unwanted friction. We are exhorted to focus on outcomes, to be effective rather than merely efficient.

An end-to-end mindset can be applied in any situation, but in the ever-changing landscape of financial messaging there are two main applications.

The first is to ensure that messaging is built into the change process throughout: from horizon-scanning for upcoming upgrades or market-wide transformations to building and maintaining a permanent message-aware change capability.

The second is to ensure that critical technology applications and the messages that flow between them are tested as part of an overarching business capability and are not treated as isolated products.

This latter aspect of the end-to-end mindset is often either overlooked or underpowered by organisations due to financial constraints or immovable project deadlines. Even in cases where an end-to-end test phase is pencilled into project plans at the start of the development lifecycle, when it comes to execution it becomes clear that not enough thought has been given to what end-to-end testing really represents, what value it adds and how it can be effected.

Quietly, it gets dropped, or at best, squeezed.

This represents a significant risk to the organisation. While each individual component may work perfectly, when they are all put together in live operations with real people, real data, and inter-system or inter-party dependencies, something breaks.

A compelling and pertinent example of this is the recent announcement and set of related publications regarding MiniCREST from Euroclear UK and International (EUI). MiniCREST is EUI's solution to a long-term outage of their core system, CREST. In such a situation, to reduce market risk and enable the continuation of critical financial infrastructure, MiniCREST may be invoked to “deliver a minimum level of service” to the market.

EUI have done a great job explaining what the service entails and why it is critical to the UK financial industry. They are clear which types of organisations will be impacted and there is a clear path to implementation, with testing windows throughout 2027 and beyond.

They have gone further than most organisations: there's even a document that sets out mandatory testing requirements. The identified ‘critical cohort’ of involved organisations already know that they will be required to test connectivity as well as download and upload capabilities.

But here's where the big picture mindset comes in.

MiniCREST is a failsafe. It is a fallback in situations where CREST either does not start or fails intraday. In such situations, mere

connectivity and the ability of systems to exchange messages, while critical, is only a small part of the picture.

By the time MiniCREST is invoked by EUI, the market will already be in crisis, by definition. It is not a decision EUI will take lightly — or probably quickly — and the market will inevitably already be impacted by settlement delays. The invocation itself will create more uncertainty. Which messages have or have not been received by CREST at the point of conversion to the backup system? Which transactions have settled?

Quite apart from the purely technical aspects of hooking up to a new system, operational teams will need to reconcile asset balances, cash positions, transaction statuses and message queues. Not all market activity will be supported by MiniCREST and perhaps not all systems in an organisation can be repointed.

Systems that have for decades been able to rely on CREST as a 'source of truth' may suddenly be showing stale positions or have no data. Critical business information may become incorrect overnight or intraday; information that drives business decisions. Corrective actions may be overlooked or duplicated, always with a cost attached.

Then there is the reverse scenario: the moment when CREST comes back online and takes over the reins of settlement once more. Less dramatic perhaps, but teams (both technical and operational) will need to know exactly what to do to realign their systems back to the standard day. Inevitably, there will also be a range of checks and balances required to ensure nothing has been missed.

Consider two (hypothetical) critical cohort organisations. One assigns resources to test the technical connectivity of its systems to MiniCREST. The other (a big picture mindset organisation) also ensures that its systems run effectively during the outage and that business decisions are based on appropriate data, that operational and technical teams have rehearsed the cutover and interim state multiple times, and that procedures are written and maintained.

For this enlightened organisation, testing a MiniCREST cutover will become part of its standard regression test pack, and simulated cutovers will be performed as a regular part of business continuity management.

If or when MiniCREST is invoked in anger, which of these two organisations is likely to fare better during what will already be a

***“Systems are complex because the business operations they serve are complex”***

significant crisis?

End-to-end testing cannot be seen as a luxury. Test plans that encompass the entirety of a business-critical process (such as trading, settlement and reconciliation) should be inked-in to every project plan and should be viewed as being just as critical as development or implementation and not as a candidate for cost-savings if the project runs into trouble.

Systems are complex because the business operations they serve are complex. In a complicated and connected world, it is not enough to test that each component works individually. Only when everything comes together — systems, data, parties, operational teams, market activity — can we see whether those same components contribute harmoniously to the big picture.

**Kevin Wooldridge**

CEO

Message Labs



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## A career shaped by change and complexity

Jack Niven, vice president of North America at AutoRek, discusses his journey into asset servicing, the misconceptions surrounding the industry, and why curiosity, client exposure, and continuous learning remain essential for the next generation of financial services professionals

***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?***

My journey into the asset services industry was not something I planned from day one, but it quickly became an area I was drawn to once I understood the complexity and scale of what sits behind the investment process.

Early in my career, I was exposed to the operational and servicing side of financial markets and saw first-hand how critical asset servicing functions are to the smooth running of funds and trading businesses. What stood out to me was that, while it often operates behind the scenes, asset services sits right at the intersection of regulation, risk, technology, and client trust. When things work well, it enables growth and confidence; when they do not, the impact can be significant.

Over time, I became increasingly interested in the challenges firms face as they scale — growing transaction volumes, increasing regulatory expectations, and more complex asset classes — often supported by legacy processes and manual controls. That naturally pulled me deeper into roles focused on financial operations, controls, and technology, where I could help firms improve resilience, efficiency, and oversight.

What has kept me in the industry is the constant evolution. Asset services is never static — markets change, regulations evolve, and client expectations are higher than ever.

Being able to work with asset managers, banks and financial institutions to modernise how they manage data, controls and risk is both intellectually challenging and commercially rewarding. That combination is what keeps me motivated and the work interesting.

***What aspects of your job do you enjoy the most?***

What I enjoy most about my role is working at the intersection of clients, complexity, and change.

I really enjoy engaging with asset managers, banks, and financial institutions to understand the real operational challenges they face — whether that is scale, regulation, legacy processes, or increasing asset class complexity — and then helping them think differently about how they solve those problems. Every organisation is operating in a slightly different context, so no two conversations or solutions are ever the same.

I also enjoy the collaborative aspect of the role. Working closely with internal teams across product, delivery, and professional services to shape solutions that are both commercially compelling and realistic to deliver is something I find particularly rewarding. It is satisfying to see a deal progress from an initial conversation through to a solution that genuinely improves how a client operates day to day.

Finally, I am motivated by the fact that this work has a tangible impact. When firms modernise their controls, reduce manual processes, and gain better visibility over their data, it improves decision-making, reduces risk, and allows teams to focus on higher-value work. Being part of that transformation — and helping clients move from reactive operations to a more controlled, scalable model — is what keeps the role engaging for me.

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

One common misconception about the asset servicing industry is that it is purely operational or ‘back-office’ in nature, and therefore static or purely reactive. From the outside, it can look process-heavy and slow to change, without much strategic impact.

In reality, asset servicing plays a central role in the stability and scalability of financial markets. It sits at the heart of data integrity, regulatory confidence, and client trust. When done well, it enables firms to grow, launch new products, enter new markets, and respond to regulatory change. The problem is that the strategic importance of asset servicing is not always visible until something breaks — which can unfairly understate the value of the function.

Another misconception is that legacy processes are purely a technology issue. While systems are often part of the challenge, many of the constraints are cultural or organisational long-standing ways of working, risk aversion, or fragmented ownership across teams. That complexity is easy to underestimate from the outside.

In terms of what I would like to see evolve, I think the industry is already moving in the right direction, but there is still progress to be made. I would like to see greater focus on proactive control rather than reactive remediation, with more standardisation, automation, and intelligent use of data across the lifecycle. Too much effort is still spent fixing issues after the fact rather than preventing them upstream.

I would also like to see asset servicing spoken about more confidently as a value-creating function rather than just a cost centre. As firms deal with increasing complexity across asset classes, regulation, and volumes, strong servicing capabilities become a competitive advantage. Elevating that mindset internally — supported by better technology and clearer ownership — is where I think the biggest evolution will continue to happen.

***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 new employees was structured but also very practical, which I think is essential in an industry as complex as asset servicing. There was a strong initial focus on understanding the fundamentals of the industry, the regulatory environment, and how different parts of the business fit together, before moving into more role-specific and client-focused learning.

What I found particularly beneficial was that training extended well beyond formal sessions. Being involved in in-person client meetings early on helped bring the theory to life, as you can see first-hand how firms operate, what challenges really matter to them, and how conversations evolve in real time. Attending industry events was also valuable, both from a learning perspective and in helping to build broader context around market trends, peer challenges, and where the industry is heading.

Spending time in the office with colleagues was another important part of the learning process. Sitting alongside more experienced team members, listening to live discussions, and having the opportunity to ask questions in the moment accelerated my understanding far more than documentation alone ever could. That informal, day-to-day exposure helped build confidence and practical judgement quickly.

For someone entering the industry or a similar role now, I think that mix of structured onboarding, real client exposure, industry engagement, and in-office collaboration is hugely beneficial. Asset servicing has a lot of nuance, and learning by doing — supported by experienced colleagues — makes a real difference.

As the industry continues to evolve, I also think ongoing learning is just as important as initial onboarding. Continued exposure to clients, events and internal collaboration ensures knowledge stays relevant and keeps people developing well beyond their first few months.

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

Over the next decade, I see myself continuing to build on my role as vice president of North America, deepening my impact in a market that is still relatively new to me after spending over a decade operating primarily in the UK and Europe.

Making the move from the UK market into North America has been a significant and very deliberate step in my career. It has required learning a new regulatory environment, a different client landscape, and distinct cultural and commercial dynamics. What I have enjoyed most about that transition is the challenge it brings — building credibility in a new market, forming fresh relationships, and adapting how I approach clients while still leveraging the experience gained over many years in the industry.

In 10 years' time, I would like to be seen as someone who has successfully bridged those markets, helping to grow and shape businesses across regions while contributing at a strategic leadership level. I am particularly interested in roles that sit at the intersection of asset services, technology and transformation, where I can influence both long-term strategy and how organisations execute against it.

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

My main advice to graduates entering financial services is to stay curious and give yourself time to learn. It is a complex industry, and no one expects you to understand everything straight away.

Focus on learning how the wider business works, not just your own role. Ask questions, seek exposure to different teams, and take every opportunity to sit in client meetings, attend industry events and learn from colleagues in the office as those experiences accelerate development quickly.

I would also say do not chase titles early on. Prioritise experience, relationships, and building strong communication skills. Financial services is built on trust, and how you listen, collaborate, and adapt will shape your career just as much as technical knowledge.

If you stay open-minded, put the work into learning, and take advantage of opportunities as they arise, progression tends to follow naturally. ■



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# Industry Appointments

## Swift appoints Michael Manos as chief information officer

Swift has appointed Michael Manos as chief information officer.

In the role, Manos will lead Swift's technology platform strategy, including network, security, and cloud capabilities, helping to ensure the organisation's services and systems remain secure, resilient, and able to support future innovation across the global financial community.

He will also oversee Swift's work on post-quantum cryptography, its response to emerging AI technologies and the company's multi-year roadmap for adopting new cryptographic standards while maintaining interoperability and uninterrupted service.

Manos joins Swift from Dun & Bradstreet, where he served as chief technology officer.

He brings more than 30 years of technology leadership experience, having previously held senior roles at Fiserv, AOL, and Microsoft.

His experience spans technology operations, infrastructure, platform automation, and the development of payments, banking, and e-commerce platforms. He succeeds Cheri McGuire, who has served as chief technology officer since 2021 and is retiring.

## Langham Hall welcomes back Boger as Head of Fund Administration

Langham Hall has welcomed back Tatyana Boger as head of Fund Administration in Luxembourg. Boger returns to Langham Hall following a period as partner at a professional services business in Luxembourg.

Having originally joined Langham Hall in 2015, she went on to spend more than 10 years with the firm, playing a central role in the development of the Luxembourg business and progressing through senior positions, including head of administration, before later leading group-wide strategic projects. She will lead the Luxembourg fund administration business, working closely with colleagues across client service, operations, depositary, and alternative investment fund manager functions.

Boger began her career with Deloitte in Cyprus and Luxembourg.

Across two decades in professional services, she has developed broad experience across private markets, fund operations, and client delivery.

The firm says that her appointment reinforces its commitment to hands-on senior leadership, technical discipline, and long-term client relationships in a jurisdiction at the heart of European private fund activity.

## Ocorian appoints Hansford as Head of growth EMEA

Ocorian has appointed Richard Hansford as head of growth EMEA as the firm says that it continues to broaden its support for asset managers across Europe, the Middle East, and Africa and help clients pursue growth across borders.

Hansford brings more than 20 years' experience partnering with alternative investment managers across asset classes and joined Ocorian 14 years ago.

In his new role, he will work closely with global teams to accelerate growth and deepen client relationships across the firm's integrated platform.

Ocorian says that the appointment supports its strategy to deliver a more connected offering spanning fund administration, governance, compliance and investor reporting, helping clients scale efficiently while maintaining control across the lifecycle.

## IQ-EQ appoints Slater as Managing Director for the Middle East

IQ-EQ, a global investor services group, has appointed Michael Slater, as managing director for the Middle East. Based in the Dubai International Financial Centre, Slater will lead IQ-EQ's strategic and operational activities across the Middle East, driving growth, deepening client relationships, and further strengthening the group's position.

Slater, formerly executive director and head of Middle East and Africa at Northern Trust, brings extensive financial services experience to the role. Having spent more than 30 years working across the region, notably in the UAE and Saudi Arabia, he has successfully established and scaled



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### **Euroclear selects Lombard**

Euroclear has appointed Eric Lombard to its board of directors as a non-executive director. Lombard brings more than four decades of experience to the role, across finance, public sector, and government leadership.

Most recently, he served as France’s Minister of Economy, Finance, and Industrial and Digital Sovereignty from 2024 to 2025.

Prior to that, he was CEO of Caisse des Dépôts et Consignations from 2017 to 2024, a major French public financial institution.

Lombard was previously on the Euroclear board of directors from November 2022 to December 2024.

He also serves as president of Halmahera, an investment company.

The firm says his leadership roles across both private and public

financial institutions position him strongly to contribute to Euroclear’s strategic priorities and governance.

Francesco Vanni d’Archirafi, chairman of the board of Euroclear, notes: “On the behalf of the board, I am delighted to welcome Eric Lombard to the board. His extensive experience across the private and public sector combined with his strategic perspective, will be of great value.”

Lombard adds: “I am very pleased to rejoin Euroclear’s board of directors at a time when resilient market infrastructure, sound governance and a long-term perspective are more important than ever.”

He continues: “I look forward to supporting the company as it continues to serve clients, contribute to safe, efficient, and connected financial markets and pursue its strategic ambitions.”

operations, launched offices in key financial centres, and built strong relationships with institutional investors, including sovereign wealth funds, and central banks.

### **Ramu exits S&P Global**

Madhu Ramu is departing his position as global head of product and data, enterprise solutions at S&P Global, where he led an over 500 person organisation across product, data, operations, design, and implementations at S&P Global Enterprise Solutions.

He initially joined IHS Markit (acquired by S&P Global in 2022) 14 years ago as managing director, head of product and data, Corporate Actions and Global Markets Group.

In this position, he oversaw the global data and operations for corporate actions and reference data, ran global client implementations and operations, established offshore delivery centreWs, and drove data quality service-level agreements across institutional workflows. Prior to this, he was a content specialist for fixed income and reference data at Thomson Reuters.

### **Apex Group appoints Dr Khan as Head of Shariah Products**

Apex Group has appointed Dr Areeba Khan as head of Shariah Products, which the firm says strengthens its Sharia-compliant product and servicing capabilities across global markets.

Khan brings extensive academic, advisory, and industry experience in Islamic finance and Islamic capital markets.

In her role at Apex Group, Khan will lead the development and expansion of Sharia-compliant products and services, supporting clients across asset management, wealth, alternatives, and digital assets. ■