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A landmark Asian connection for HSBC

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HSBC Securities Services has become the first fund administrator in Singapore to connect a Singaporean domestic fund to an electronic securities processing platform.

This development, in partnership with Lion Global Investors, leads the way for fund managers in Singapore to achieve greater international distribution of their domestic funds, said a statement from the bank.

Many large financial institutions operating in the US and Europe only distribute funds to which they can link electronically. The trend is now emerging in Asia, enabling the growth of cross border distribution of Asian domestic funds.

Tony Lewis, head of HSBC Securities Services in Singapore, said: "This is an important milestone for our global distribution support and transfer agency (GDTA) operation. The needs of our clients are front and centre of our GDTA proposition, and enhancing our product offering to support the distribution strategies of our clients has long been a key focus. We are delighted to be first to market in Singapore."

Collaborating with HSBC, Lion Global Investors is the first to take advantage of linking to an electronic, securities processing platform.

Whee-Leng Cheong, head of business development for the Americas at Lion Global Investors, said: "This is a critical move forward in our strategic growth initiatives beyond the shores of Asia. With this platform, Lion Global Investors is able to extend its products and expertise into new markets and in turn globalises the brand. We are very pleased to be part of this ground breaking development."

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State Street finalises Morgan Stanley integration

State Street Corporation has finished integrating Morgan Stanley Real Estate Investing's fund servicing operations.

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European Stability Mechanism selects Citi

The European Stability Mechanism (ESM) has chosen Citi to provide transaction services for its investment mandate that could reach €80 billion in assets.

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A landmark Asian connection for HSBC

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The bank has also made key promotions and hires in recent days, adding Roy Zimmerhansl to its securities lending business and making Sooraj Sreenivasan its new global head of transfer agency and distribution support.

Roy Zimmerhansl became global head of securities lending at HSBC Securities Services on 1 March.

He reports to John van Verre, head of global custody and treasury services, and is based in London.

With Zimmerhansl's arrival at HSBC Securities Services, former global head of securities lending Wayne Burlingham becomes head of securities lending product management.

He reports into Zimmerhansl and focuses on the development of the securities lending product.

Nick Thomas also reports to Zimmerhansl as head of securities lending sales.

Sooraj Sreenivasan replaces Gina Slotosch, who was appointed as head of global custody product management for the bank in September 2012, as global head of transfer agency and distribution support for HSBC Securities Services, effective from 1 March.

He is based in Singapore and reports directly to Ian Stephenson, global head of fund services for the bank.

Sreenivasan will focus on developing transfer agency and distribution product capabilities, and improving the client experience.

State Street finalises Morgan Stanley integration

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The integration, which began in February 2012, involved more than 150 Morgan Stanley Real Estate Investing (MSREI) accounting, operations and technical staff moving to State Street, along with proprietary real estate servicing technology.

State Street provides accounting and administrative services to MSREI on a global basis across all of MSREI's investment vehicles with $36 billion in AUM.

Michael Levy, global CFO and COO of MSREI, said: "State Street's integration of our real estate fund servicing operations has been seamless, and we have been very pleased with their capabilities, technologies and commitment to customer service."

"State Street's leadership in servicing alternative assets will ensure that Morgan Stanley Real Estate Investing can stay focused on delivering returns for investors."

George Sullivan, executive vice president and global head of State Street's Alternative Investment Solutions group, said: "Rising operational and technology costs, complex fund structures, increased governance and transparency demands are just some of the factors driving the need for a strong administration partner in real estate fund management. Our integration of MSREI's fund servicing operations further strengthens State Street's ability to service this growing asset class."

European Stability Mechanism selects Citi

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The ESM is a permanent crisis resolution mechanism for countries in the eurozone.

Its mandate is to finance loans and other forms of financial assistance to the 17 EU member states that use the euro currency. It oversees capital of €700 billion, including paid-in capital of €80 billion, and has an effective lending capacity of €500 billion.

In a statement, Dirk Jones, global head of securities funds services client sales management at Citi, said: "One of ESM's most important requirements was time to market with an optimal operating model. A number of Citi divisions collaborated to develop and launch this mandate. Citi was able to quickly design and implement a solution with the breadth and depth necessary to meet all of the ESM's needs under very demanding deadlines."

"Citi is proud to support ESM as a key institution that aims to enable ongoing financial stability in Europe," added Freddy Boom, head of the public sector group for Europe, the Middle East and Africa at Citi.

Chinese renminbi is on the up

SWIFT's latest RMB tracker has shown that Chinese renminbi (RMB) payments have grown 171 percent in value between January 2012 and January 2013.

The RMB grew 24 percent in value in January this year while the Russian rouble (RUB) dropped 5.4 percent.

In December 2012, the RMB was larger than the Danish krone, South African rand and New Zealand dollar. It has now overtaken the RUB to become the 13th most popular payment currency in the world.

Lisa O'Connor, global RMB director at SWIFT, said: "We'll have to see if the drop in RUB is systemic, but it is clear that offshore centres like Hong Kong, London and Singapore are fuelling RMB payments."

"RMB payments in Singapore grew by 123 percent year-on-year and by 33 percent in the last month. The recent appointment of ICBC as the RMB clearing bank in Singapore can only support that. Given the acceleration of RMB payments it will be interesting to see if the RMB displaces the THB in coming months."

Ipes Fund Services to launch UK depository

Ipes Fund Services will launch an alternative investment fund depository at the end of Q1 2013 to support clients with meeting a requirement of the Alternative Investment Fund Managers Directive (AIFMD).

AIFMD requires funds that come under its remit to appoint an independent depository.

The firm worked with a consulting firm and a UK law firm on the new depository, which it expects to be operational in March subject to regulatory approval.

The Ipes Fund Services depository will offer functions for both custody and non-custody asset types as defined under AIFMD, including asset safekeeping and verification, cash overflow monitoring, and operational oversight.

"Much of the concern regarding the new depository requirement centred around unnecessary duplication of work and higher costs and this is where working with an administrator can be advantageous," said a statement from the firm.

"We anticipate that through providing a depository service to our clients, we will be able to eliminate duplicate work and reduce the associated costs, by up to 50 percent or more, as we are already undertaking tasks such as such as recording and executing cash payments and signing off on investment transactions which tie into the cash monitoring and asset verification requirements."

It added: "When choosing a depository, fund managers should undertake a detailed review of the type of assets held and then look at all the options in the market for service provision. It is an important decision and we are having discussions with our clients regarding their fund structures and depository requirements."

Omgeo CTM celebrates worldwide expansion

Twenty-eight investment manager and broker-dealer firms have signed to adopt the new exchange-traded derivatives functionality in Omgeo Central Trade Manager (CTM).

Omgeo CTM is the firm's new central matching service for equity, fixed income, exchange-traded derivative (ETDs) and contracts-for-difference trades.

The firm recently increased asset class coverage on Omgeo CTM, adding central trade matching workflows for ETDs, building on the existing cross-asset class functionality.

The development of Omgeo CTM, including the addition of new ETD capabilities, as well as the migration of broker-dealer clients from its legacy local matching solution, have contributed to a 35 percent increase in Omgeo CTM clients in the past year.

Ted Leveroni, executive director of derivatives strategy and external reactions at Omgeo, said: "Many of our clients want to operationally standardise their ETD post-trade processing with their equity and fixed income transactions, which are usually matched on the same day as trade date."

"We added ETD functionality to Omgeo CTM because we recognised that there was a need for a community-based solution that addressed the emerging regulatory framework around transparency and risk mitigation in the processing of derivatives. We are pleased to see our community embrace automation in this asset class."

TMX to buy Equity Financial's transfer agency business

TMX Group is to acquire Equity Financial Holdings's transfer agent and corporate trust services business for $64 million.

"This acquisition further diversifies our revenue base, opens new growth avenues and provides TMX Group with an even stronger offering for our customers," said Tom Kloet, CEO at TMX Group.

TMX Group currently provides investor relations, design services, shareholder data and tracking, and market analytics. The equity business currently offers services to 700 clients, most of which are listed on Toronto Stock Exchange or TSX Venture Exchange.

It also supports public market activities through maintaining security holder registers, acting as a depository agent for merger and acquisition transactions, and assisting issuers in discharging their obligation to hold meetings of security holders.

"With this acquisition we will further broaden our portfolio of services and enhance the value we can deliver to public companies," said Kevan Cowan, president of TSX Markets and head of equities at TMX Group.

"We look forward to welcoming the equity team of professionals to TMX Group and are excited to work with them to expand the business and serve our customers."

Under the terms of the agreement, TMX Group will pay $64 million for these assets subject to certain post-closing price adjustments, which will be funded from existing cash and credit facilities.

Certain terms and conditions within the credit agreement will be amended. In 2012, the business generated revenues of approximately $17 million and was profitable.

The transaction, which is expected close at the end of March or early April, is subject to closing conditions, including certain consents and an equity shareholder vote.

SmartStream launches new reconciliations solution with TLM

SmartStream Technologies has launched its latest reconciliations solution to cut operational costs and duplication of feeds. The firm also hopes that the new solutions will lead to a single platform for back-office operations.

The drive towards a single utility, as opposed to siloed operations in the back office, will allow for better control over each entity and the ability to confidently report to all business lines.

TLM Reconciliations Premium version 2.4, which has a single solution for all reconciliations types, has been benchmarked with two tier-one investment banks that were able to carry out more than half a billion auto matches in one hour.

Daniel Twiggs, head of product management of Smartstream Technologies, said: "Reconciliations is just the start, banks are looking at the entire package to manage all back office requirements on one platform."

"We are continually developing our solutions on a regular basis by understanding our client needs through our user forums where we gather information on specific market needs."

TriOptima eliminates record numbers of Japanese yen

TriOptima has eliminated JPY271.6 trillion ($3 trillion) in cleared interest rate swap notional

principal outstandings from LCH SwapClear, the largest ever triReduce compression cycle in JPY interest rate swaps.

Since TriOptima began offering its triReduce early termination service in JPY in 2004, almost JPY1.6 trillion ($18.3 trillion) in cleared and uncleared swaps have been eliminated.

"The banks, LCH SwapClear and TriOptima worked together to achieve these record-breaking results," said Ken Nishimura, head of TriOptima Japan. "Contributing to the success of the cycle was an increase in participants as institutions recognise the benefits of compression. We anticipate continued expansion of the process in 2013."

Compression services are offered through TriOptima's triReduce service to swap market participants with significant two-way flow. In triReduce, participants are able to tear up their existing trades at their own mid mark-to-market valuations.

NAB Asset Servicing connects to Calastone

NAB Asset Servicing has successfully connected to the Calastone global transaction network, with the business now receiving fund transactions electronically on behalf of fund manager clients.

Calastone is an independent global transaction network for the managed fund industry.

The firm's asset servicing head of registry services, Anthony Gale, said that he was excited by the opportunity to achieve STP on managed fund transactions that historically have relied on fax and manual data entry.

"Straight-through processing provides benefits to all market participants through the reduction of risk and improved accuracy and timeliness. We certainly won't be sorry to see the end to the hundreds of faxes we receive on a daily basis."

"NAB's participation in the Calastone initiative helps build the momentum across the industry for a straight-through processing solution for managed fund transactions. We look forward to getting all our clients on board over the coming months."

Phoenix checks off auditing standards

Phoenix Fund Services has obtained ISAE 3402 Type II certification for its internal control procedures across its investment operations and fund administration business for the year to 30 September 2012. This follows an initial accreditation to 30 September 2011.

The 3402 standard was published by the International Auditing and Assurance Standards board in December 2009 and became effective in June 2011. It replaced the SAS 70, an internationally recognised auditing standard developed from the American Institute of Certified Public Accountants, which helped companies to identify service organisations that comply with defined control objectives and audit standards.

Rob Leedham, director of operations, said: "This accreditation provides our clients with reassurance that Phoenix is delivering a service to a high standard and in line with the required control objectives as an investment operations and funds administration business."

CACEIS to help UCITS fund managers with compliance

Crédit Agricole's asset servicing banking group CACEIS has honed its collateral management services for UCITS fund managers in the wake of the European Securities and Markets Authority's (ESMA's) consolidated guidelines on exchange-traded funds (ETFs) and other UCITS issues, and repo and reverse repo agreements.

ESMA published the guidelines in July and November 2012 respectively. It released the official translations on 18 December, giving national authorities two months to confirm whether they will comply.

The new guidelines include collateral requirements that CACEIS will fulfill with daily valuations on OTC derivatives, securities on lend and

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assets pledged as collateral, as well as making margin call calculations.

The firm also monitors compliance with the new risk diversification ratios, both by issuer and by counterparty. For OTC derivatives, CACEIS's new service takes into account the forthcoming regulatory measures of the European Market Infrastructure Regulation, which requires initial then variation margin call calculations.

For cash collateral, CACEIS segregates, in the fund's accounts, the securities originating from management activities that are eligible to lend, and those originating from the reinvestment of collateral.

"The latter, under the new guidelines, can no longer be reused. CACEIS's trading room also offers collateral reinvestment and transformation services that comply with ESMA's new requirements," explained a statement from the firm.

Laurent Durdilly, products and solutions director at CACEIS, said: "Regulators are placing collateral at the heart of the effort to rebuild confidence in the financial system following the 2008 crisis. However, systematic use of collateral and the more demanding requirements on its quality and liquidity mean that it is in increasingly short supply."

"CACEIS anticipated these changes and has honed its collateral management expertise, taking into account not only current and future regulations but also requirements concerning the optimisation of collateral usage."

ESMA's consolidated guidelines include other notable requirements. The repo and reverse repo guidelines say that UCITS funds should be able to recall assets that are subject to repo arrangements at any time, while those that are engaged in reverse repo should be able to recall the full amount of cash at any time on either an accrued or mark-to-market basis.

ESMA originally proposed allowing a proportion of assets "to be non-recallable at any time at the initiative of the UCITS", and then only assets in overnight repo and reverse repo arrangements would be recallable at any time.

Its guidelines apply to all fixed-term repo and reverse repo agreements that do not exceed seven days.

ESMA's guidelines on ETFs and other UCITS caused confusion when they were published, leading some commentators to believe that under the guidelines all revenue that is earned from securities lending would have to be returned to a UCITS fund and its investors.

An ESMA spokesperson confirmed that all net revenue must be returned, but this does not include the cost of running a securities lending programme.

Conifer completes SOC review

Fund administrator Conifer Fund Services has completed a Service Organisation Controls (SOC) 1 Type II review.

SOC 1 (SSAE 16) is a reporting standard from the American Institute of Certified Public Accountants that is intended to meet the needs of the management of user entities and the user entities auditors, as they evaluate the effect of the controls at the service organisation on the user entities financial statement assertions.

The review dealt with the Conifer Fund Services divisions in the US and British Virgin Islands alongside an exception-free examination of its control processes within its middle/back office and fund administration divisions.

Jack McDonald, CEO of Conifer, said: "We're proud to see that our operational systems continue to achieve the highest standards as determined by annual expert examinations."

"This result is further testament to Conifer's commitment to exceeding industry best practices by investing in operations and technology that evolve well ahead of our peer group."

Douglas Lang, managing director and global head of Conifer Fund Services, said: "This achievement underscores our success in developing robust products and services, including our cloud-based product offerings, that in turn provides hedge fund managers and investors great comfort in a volatile marketplace."

Chapman's Eye on the market

Ahead of the hunt

In this issue, I thought I'd touch on some practical suggestions for those folks who are either currently looking for a job or thinking about starting to look. I'll begin with a truism that is even more valid in the current market—that it is much better to look for a job while you are still in one. I regularly receive calls from people who, in either a rush of blood or fit of pique, left their former roles to "allow themselves time to focus on searching for a new job", only to find themselves still out of work many months later. Hiring managers and HR have a perception that in this market, rightly or wrongly, good people do not leave firms of their own volition, which sows a seed of doubt in their minds as to the 'real' circumstances behind their departures.

Secondly, the search for a new role must be conducted like a military operation, with detailed research and preparation, lateral thinking and discipline in execution. When the market was in its 'normal state', some five years or so ago, a brief call to a single credible recruiter was all that was required to start the process and a raft of job offers—for a broadly competent candidate—would be received in due course. Now, a candidate has to look at firms' own websites, look at all of the external third-party websites and get coded for job alerts such as those sent out by Asset Servicing Times, and also register with a number (probably no more than four or five should be optimal) good quality recruiters who have demonstrated competence, credibility and focus in their chosen sectors. Candidates should also ensure that their LinkedIn profiles are as accurate, comprehensive and up-to-date as possible, as several firms now have teams of internal headhunters who trawl through LinkedIn looking for relevant people.

Thirdly, it is vital to be flexible—don't get transfixed on looking for the 'perfect' role, but look at descriptions of roles that you wouldn't usually consider, as they might well require skillsets that you are able to transfer profitably and successfully from your current role. Finally, be persistent with firms and recruiters alike, but do walk the fine line between stalking and assiduous follow up. I wish you well.

As ever, if you'd like to comment on or discuss any of the above, do drop me a line at paul@hornbychapman.com

Paul Chapman, managing director, HornbyChapman Ltd

Bottom line:

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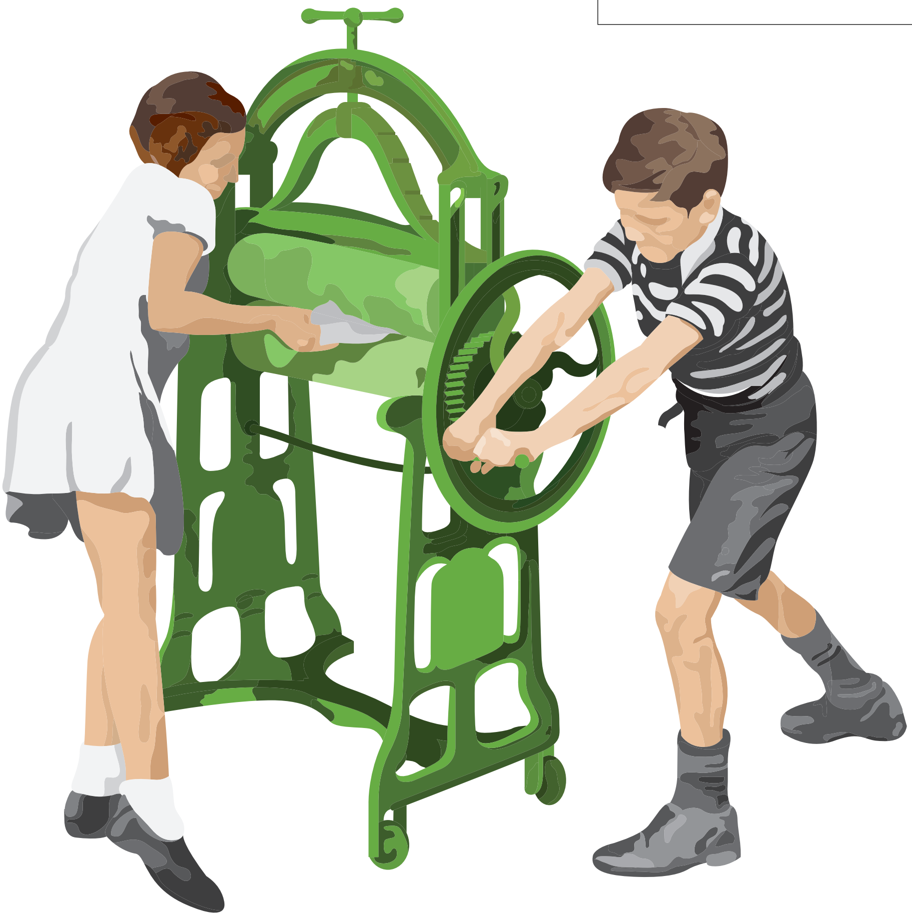


The mandate mangle

BNP Paribas bags ACSRF and AG Insurance, and Deutsche Bank will act as depository for Swedish beauty company Oriflame Cosmetics

The Australian Catholic Superannuation and Retirement Fund (ACSRF) has reappointed **BNP Paribas Securities Services** to provide custody and fund administration services to its AUD$4.5 billion investment portfolio.

ACSRF chose BNP Paribas based on its technology offering and capabilities in performance measurement and reporting, mandate compliance, unit pricing, and fund accounting.

Greg Cantor, CEO of ACSRF, said: "After evaluating several competitive bids, BNP Paribas stood out as the best fit for our requirements."

"We first appointed them in 1995, and at each review since, they have continued to demonstrate an ability to meet our needs, innovation, and ongoing investment in technology. The trustee board is excited about BNP Paribas' pipeline of further innovations."

Pierre Jond, managing director of BNP Paribas Securities Services in Australia and New Zealand, said: "We are delighted to continue this successful long-term partnership."

"The superannuation sector is of key strategic importance to the business on both a global and local basis and success stories such as this highlight our ability to service this sector."

BNP Paribas Securities Services has also secured a mandate from AG Insurance in Belgium. The bank will act as one of its two global custodians for the assets underlying its insurance products.

AG Insurance, which is Belgium's largest insurance company, mandated BNP Paribas to provide a range of services, including custody and settlement.

Antonio Cano, CEO of AG Insurance, said: "We chose to work with BNP Paribas because of its strong global custody offering and broad market coverage. The migration of our assets, which took place at the end of 2012, went very smoothly and is now completed. This has given us full confidence that our portfolio is in the safe and capable hands of a solid company with a proven track record and long standing experience."

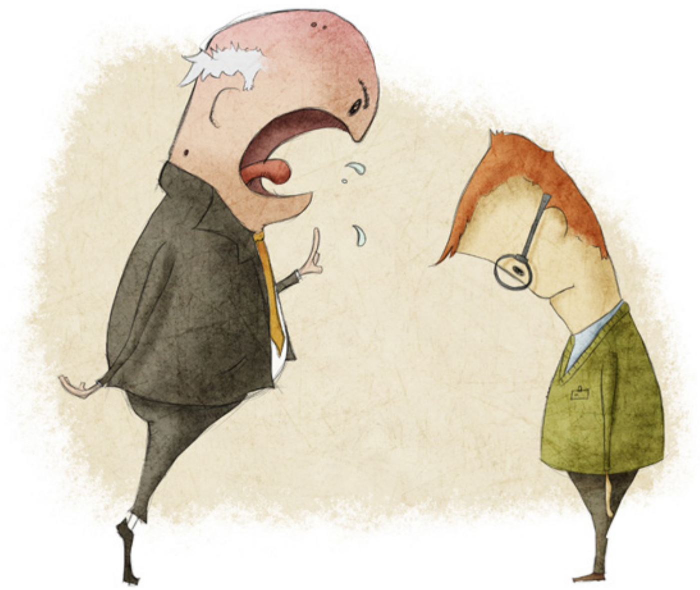
Renaud Vandenplas, head of BNP Paribas Securities Services in Belgium, said: "Winning a prestigious client such as AG Insurance makes us very proud, and we look forward to working in partnership with their teams. This mandate represents a key milestone for us in Belgium and it is in line with our strategic objective to maintain our position as leading global custodian in this market."

Oriflame Cosmetics has appointed **Deutsche Bank** as depository bank for its sponsored Level I American depository receipt (ADR) programme.

Oriflame Cosmetics is an international beauty company selling Swedish, nature-inspired beauty products in more than 60 countries worldwide.

Oriflame is a Luxembourg company group with corporate offices in Luxembourg and Switzerland. The company is also listed on the NASDAQ OMX Nordic Exchange.

Akbar Poonawala, head of global equity services at Deutsche Bank, said: "We are delighted to be selected as depository bank for this notable company and look forward to working with Oriflame to further enhance its ADR investor relations and to develop the programme."



Playing the blame game

As Luxembourg prepares to submit to AIFMD, liability-caused fee increases were a notable concern at a recent ALFI breakfast seminar

GEORGINA LAVERS REPORTS

The Association of the Luxembourg Fund Industry (ALFI) recently announced record figures for the Luxembourg fund industry at the end of 2012, with Luxembourg-domiciled funds' AUM reaching $3.2 billion, an increase of 13.7 percent since the end of 2011.

Speaking at a recent breakfast seminar, ALFI chairman Marc Saluzzi attributed this to net inflows and market increase, and said that 2012 was the year in which he saw a rebrand in fund management. His hopes for 2013 centred around good financial markets, as well as some rest from regulations and tax developments—any new ones, at least.

Of the Alternative Investment Fund Managers Directive (AIFMD), Saluzzi explained that Luxembourg has had a bill before parliament since August 2012, which is expected to go through in Q1 2013. A major priority of the association is to foster a beneficial environment for alternative investment funds in the framework of the directive.

The association mulled over two major features that are of particular interest to the alternative investment fund sector in its contribution to the draft law.

The first part was the creation of a limited partnership structure, which ALFI describes as adding "a flexible and secure partnership structure to Luxembourg's fund product offering and which might be particularly appealing to investors familiar with the Anglo-Saxon model".

Luxembourg had something akin to a limited partnership, Saluzzi explained, "but it ultimately proved too difficult to have to keep explaining to Anglo-Saxon fund managers and institutional investors". The second part was the clarification of the taxation regime around private interest—a very important issue for private equity funds.

To play (or not) by the rules

In meetings with the US and Asia, the major question from them is always whether there is a shift from regulated to unregulated funds, said Saluzzi.

"The message we got from US and Asia is that a portion of institutional investors are asking for regulated products. However, institutional investors are asking about cost as well, and it is hard to drive cost down compared to Cayman Islands products," he said.

A significant cost is depositories, with the directive introducing the appointment of a single depository for each alternative investment fund and its manager. The directive stresses the need to separate the safekeeping functions from the management functions and to segregate the investor's assets.

As well as core duties which were mostly laid out in UCITS regulation and therefore familiar, the directive also states that the depository should be liable for the losses that are incurred in the performance of its obligations, which are suffered by the different parties in the chain.

In the case where the depository holds the assets in custody and those assets are lost, it has an obligation to return a financial instrument of the identical type or the corresponding amount to the alternative investment fund. For any other losses, the depository will be liable to the fund or its investors as a result of its negligence or "intentional failure to properly perform its obligations," said a statement from ALFI.

Any delegation to a third party will not affect liability. If the financial instruments that are held in custody by a third party are lost, the depository is still liable. Only in the event that the depository can show that the delegation was made in accordance with the directive and there is a written contract that expressly transfers liability will depositories be able to dodge it.

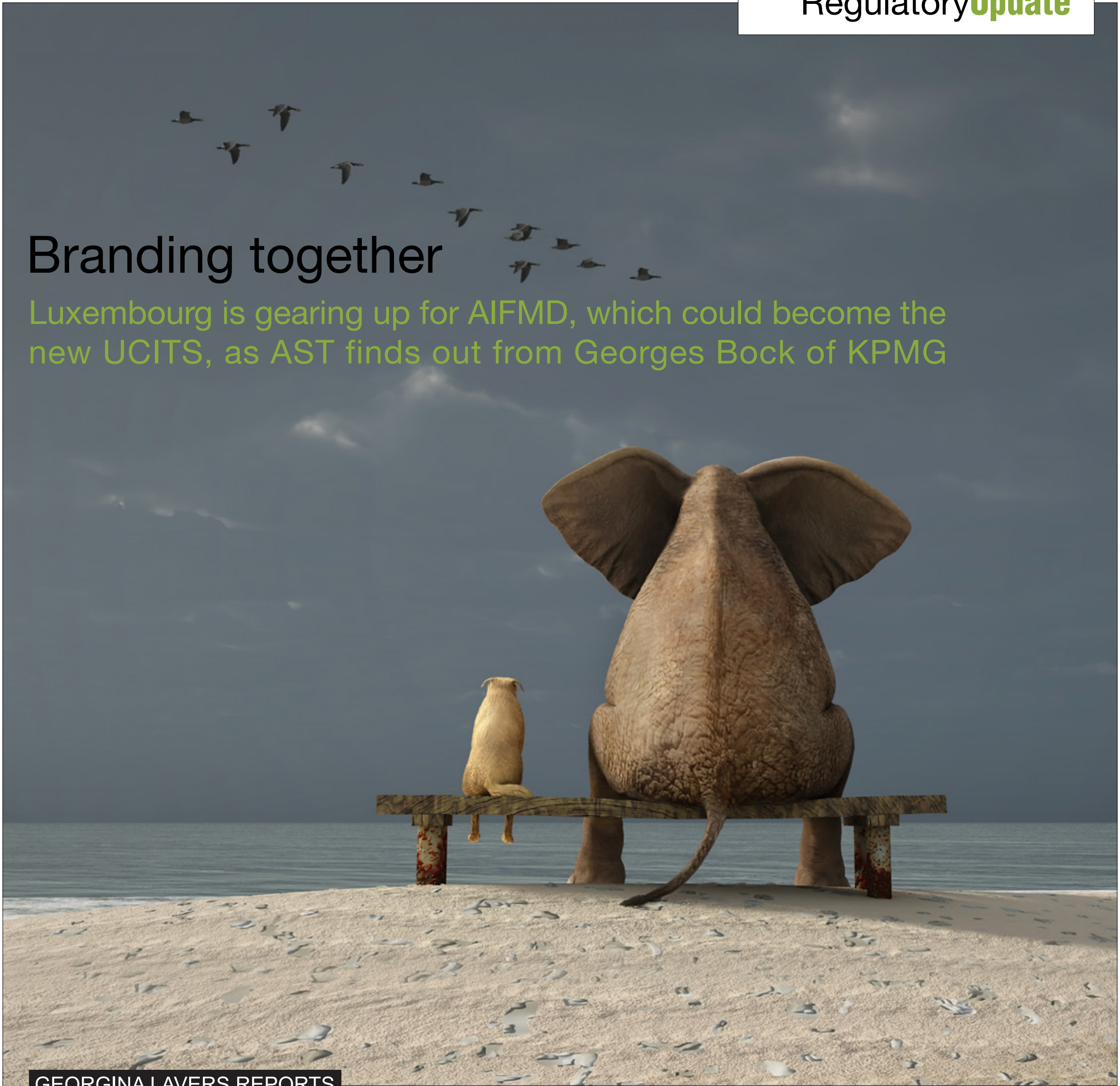
This increased liability is leading custodian banks to say that they will hike up fees, but they remain reluctant to reveal by how much, with Saluzzi agreeing that most have been shy about publicising the cost of AIFMD or UCITS V.

"We were talking to local hedge fund managers in the US and Asia, and the feedback from one was, if you can keep the additional cost below 50 basis points, then they will look at an alternative investment fund."

Camille Thommes, director general of ALFI, added that having an internalised custody network will create a different cost than using a third party depository. "We see consolidation: we have 68 depository banks and I'm not sure they will all be willing to suffer increased liability." **AST**

Branding together

Luxembourg is gearing up for AIFMD, which could become the new UCITS, as AST finds out from Georges Bock of KPMG



GEORGINA LAVERS REPORTS

Do you think that Luxembourg is taking the right position on AIFMD, and what do you predict its effects on the country to be?

Luxembourg has embraced the Alternative Investment Fund Managers Directive (AIFMD) as key to its future success in the alternative space—a strategic opportunity for establishing itself further in this arena. So, how exactly will this be achieved? It will not just be a matter of simply implementing AIFMD, but going one step further and combining its implementation with an attractive package of legislation directed at those operating in the alternative market. Changes will cover corporate law and more specifically Luxembourg legislation related to limited partnerships, bringing the Luxembourg framework more in line with the Anglo-Saxon model seen in offshore locations such as Jersey and Guernsey.

Further significant changes will also be made in the area of tax law, in order to ensure that the new limited partnerships arrangement is fully tax neutral. Last but not least, by means of implementation of a carried interest law, a greater number of managers should be attracted to Luxembourg to take advantage of the financial centre.

In a nutshell, Luxembourg is gearing up for AIFMD to become a global brand and not just a European passport. For us, this is likely to be history repeating itself—the UCITS story take-two.

What are the tax effects of the AFIMD directive?

As is usually the case with tax, the thorny issue is that of residency, especially for AIFMD managers dealing with cross-border funds. AIFMD managers may run the risk that their fund is now subject to taxation in the country where the manager resides, instead or sometimes even in addition to the country in which the fund is established. While there are some exceptions to this, including real estate funds, which are taxed where the property is located, this may provoke a multitude of problems when it comes to tax, with implications for everything from direct tax to treaty benefits. Managers will therefore have to carefully consider tax implications when choosing where the management company will reside.

The second tax component requiring some forethought is VAT; where management companies are operating cross-border, as is often the case, steps need to be taken to ensure that VAT costs do not become too high.

There are two main ways to approach the question of VAT. Firstly, pertaining to overall (gross) VAT costs, you first need to consider the VAT rate that is due. In the EU, VAT rates range from a low of 15 percent in Luxembourg to a high of 27 percent in Hungary. Managers thus need to take the VAT rates that are applicable in their chosen location into account when choosing a home for their management company.

With regards to gross VAT, one further area worth noting is that of tax exemption. To see whether any exemptions apply, you once more have to look at tax legislation in the country where the fund is established. If exemptions are found to be applicable, this may be one way of keeping VAT costs down.

The second aspect relates to net cost and whether it is possible for the management company to reclaim any VAT that has been paid. Once more, this will depend on how each member state implements AIFMD and the fund's input VAT recovery right should be verified.

To summarise, the matter of tax is somewhat complex and shouldn't be taken lightly. Managers will need to take into account both the overall nominal VAT rate, as well as the net cost, or right to reclaim input VAT, before choosing where the fund will reside.

What do you think of ESMA's final guidelines on remuneration of alternative investment fund managers?

The guidelines are very much based on those published by the EBA (CEBS) in 2010 for credit institutions and investment firms. These guidelines posed numerous difficulties for those involved at the time, especially with regards to defining the principle of proportionality, the nomination of 'identified staff', and the capability to pay out variable remuneration through adapted deferrals and through non-cash instruments.

As far as alternative investment fund managers are concerned, I'd expect them to face similar difficulties and challenges. The definition of the principle of proportionality will be key as it may allow them to avoid some of the more stringent requirements, including deferred payouts on non-cash instruments and the need to set up a remuneration committee.

From a general standpoint, the European Securities and Markets Authority (ESMA) did not consider many of the comments made by the industry with regards to its consultation paper, where the difficulties in transposing the remuneration guidelines from the banking sector to the alternative world were put forward.

Moreover, in order to avoid a potential circumvention of the remuneration rules, ESMA even came up with significant amendments to the guidelines with regards to the delegation of portfolio or risk management activities, where the alternative investment fund managers are requested to ensure that the entities to which these activities have been delegated are subject to remuneration requirements that are equally as effective as the guidelines or, and this is undoubtedly going to be very difficult to implement, appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated.

A further layer of complexity is added when the new guidelines are considered in the present regulatory environment; they are one of a series of remuneration guidelines. Larger organisations that fall under several of the recent regulations will be looking for these guidelines to be somehow combined.

In this context, we certainly expect further discussion and questions on this topic in the months to come.

Do you have any predictions as to possible fee increases from custodians after AIFMD comes into play?

In the alternative market, which is a market driven by institutional investors and high net individuals, I truly believe people would be ready to pay a premium for the added value of greater protection from the custodian bank, if the increase in fees is reasonable. If the right balance is found, this may see AIFMD find a market beyond Europe to establish itself as a global brand. There's a real appetite for higher protection around the globe and AIFMD could be the product that chases away any remaining doubts investors have over investor protection, left over by the financial crisis.

As to possible fee increases, it's difficult to make any reasonable prediction, as there are currently very few people who are ready to shoot. For me, it's of utmost importance for alternative investment fund managers to be in a position to appoint their custody banks right now. At the moment, this is certainly not the case as ther are currently very few custodians ready.

My expectation, however, is that the innovative nature of both the market and the directive will mean that the premium to pay on this protection will be competitive. That's also why I believe AIFMD is going to be an overall success story.

Do you think Luxembourg is destined to be an administrative hub?

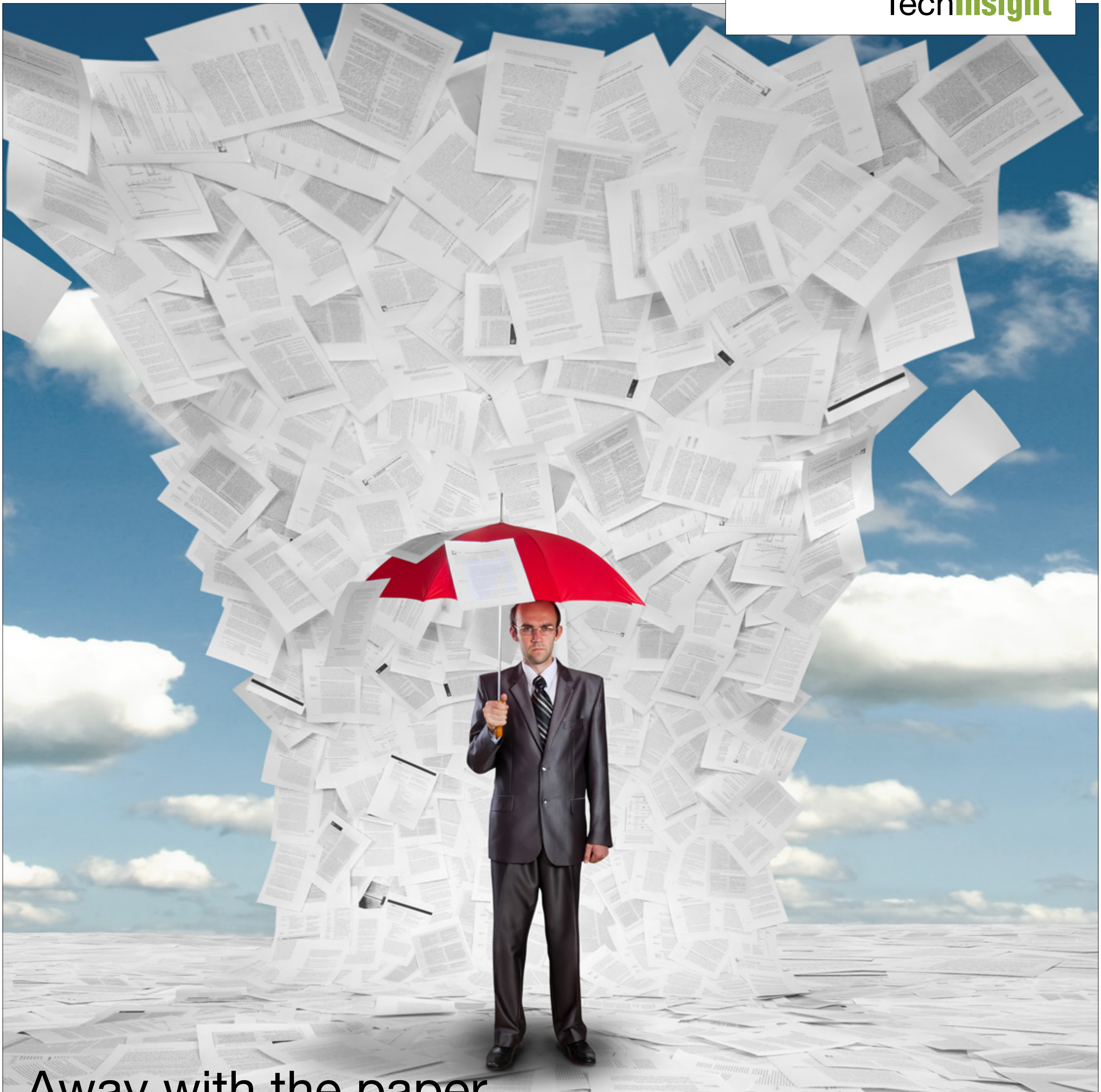
There is a conservative angle to this and then a more a progressive angle. Being the main administrative hub in Europe and worldwide when it comes to cross-border operations is a nice position to be in. We are determined to maintain our position in the market place and to build upon this market lead when tackling the alternative space.

In our approach to alternative funds, there's a real drive to turn this into something bigger. One only has to look to the recent law implementing AIFMD to see that Luxembourg's ambitions extend beyond administration. With the new package for the alternative market, the government is clearly aiming to attract more managers to Luxembourg. The country has a real chance to rise above its first class administrative reputation, but of course our ambitions have to be tempered to the size of our country.

What are your feelings on the state of the financial services sector in the country?

In comparison with other European centres, Luxembourg is doing well. We have been a little spoilt in the past by ever increasing growth rates and business constantly flooding in. Right now, we're still seeing an influx of new investment management businesses and have hit a record high of €2400 billion in terms of overall funds administered and domiciled in Luxembourg. It is, however, very clear that business and operating models are changing in Luxembourg and we have to constantly adapt to these new requirements from the business side to remain on the top. The Luxembourg government is firmly backs the industry and ensures that its players have all the tools that they need to succeed. Luxembourg is expanding rapidly into growth markets such as Asia and Latin America, where it holds a market share of 90 percent upward in foreign funds. When all is said and done, we can't really complain here in Luxembourg. **AST**

Georges Bock
Managing partner and chairman of the executive committee
KPMG Luxembourg



Away with the paper

Calastone's Phil Goffin makes a strong case for the elimination of faxes while bemoaning certain industry buzzwords

Calastone has always has been about reducing risk and reducing cost. Since we started in 2007, we believe that we have helped the market move to STP, and reduced cost and risk for UK fund managers and investors. But there is still a long way to go. Looking at the UK funds industry and Europe, fund managers—in a post-Retail Distribution Review (RDR) environment—are typically running off of about 60 to 75 basis points. This is still quite a strong margin when compared to the US where fund managers run off of about 40 basis points, including their administration costs. That is what I would call a really squeezed margin.

There's an enormous amount of cost reduction that will still come out of this industry over the next five years, and most understand that. But we are on a journey towards something that will end up being better for the consumer while allowing the fund manager to focus on its core competency—managing money. For us, the more margin erosion there is, the more electronic it becomes, because more people will look to outsource their STP. Even in the UK market, there is still at least 25 percent of manual processing. That is a ridiculous number, and it all needs to go fully STP.

Whether the shift from an internalised operation to outsourcing will change liability all depends on the part of the chain. Fund managers are outsourcing their administration, and they have pretty much done that now to the transfer agencies. Fifteen years ago, when I came into the UK and was working at Threadneedle Investments, fund managers were holding all of that business. Now they have outsourced that and they are outsourcing all of their fund accounting as well as their transfer agency. I think that this is a good thing for the whole industry, because it means that fund managers can concentrate on what they're good at—which is managing funds—as opposed to trying to run all of the processes.

The UK is ahead of Europe and the rest of the world in this. The RDR that we are going through at the moment is a massive change in our industry, but we will not see its full effects for the next two to three years. We have unbundled the financial advisor from the pricing model of the fund manager, so your eye as a consumer can go and buy an investment product, pay an advisor's fee, a fund manager's fee, and potentially pay the platform its fee too, and that is a significant change. Fund managers have started to look at their fee structures, and some have adjusted upwards.

What I predict will happen is that the consumer will become more aware, and over time, those margins will come down—they have to. RDR is the starting point of consumers asking about what they are paying for, and what they want to spend money on is efficiently managed funds. The UK industry is an actively managed industry. If they overprice, then the passive/tracker funds will gain a larger share of market. So it becomes very important, because there is a point where a product is overpriced and consumer demand begins to move.

Growth across the globe

As a business, we have spent the last year in the Australian market basically catching the curve of that growth, but it is a very different to the UK. Everyone thinks it is similar to the UK, but it is more focused on retirement compared to investment. For a start, since 2002, every time you are paid, 9 percent of your income goes off to a pension fund. The minimum obligation that is required by employers is set to increase 12 percent, gradually stepping annually from 2013 to 2020. Someone from a different country might think that, psychologically, it would be difficult to handle, but once it is gone, you can invest it in your pension funds and your retirement. You have no choice, so you are saving towards a retirement income. It is something that I think the UK wants to achieve, but if the government tried to do that overnight, there would be a rebellion. All of that liquidity would come out of the economy. The UK government is moving towards a similar model over time with NEST, but in terms of technology, the UK definitely leads the pack.

The UK market is still close to 25 percent manual, but parts of the Australian market are approximately 80 percent manual, as an an example of the kind of difference we are dealing with. So at a philosophical level, they are ahead, but in terms of technology, Australia has a way to go. Now, the Australian government has said that it has to make this market 100 percent STP in a very short timeframe. Superstream is the name for the government-mandated changes to electronic pension-based messaging. It is not yet live, and the legislative documentation is not yet finalised, but it is expected in early 2013. This means that Calastone has walked into a very active market, because a point-to-point connection versus a network to do all of this STP does not work, because have to connect the whole market.

Asia is behind the UK too in terms of automated processing. The challenge that we have in the Asian markets is the businesses there have not fully moved to STP. A firm may choose to put people on this, instead of an electronic solution. From a cost-level at one point, you can understand how that may work, but it is not sustainable. It does not enable all of that full STP and that whole process to evolve over time.

Settling for the best

Just recently, we launched phase two of our settlement solution with Barclays. For example, from a platform such as Cofunds through to Threadneedle administration, we are providing that settlement piece and the payment moves through Barclays. That is helping to give a strong level of liquidity, taking the risk off the platforms from having to hold exposures overnight. Settlement in the UK is at T+4, which is a common number, but with the settlement solution we can get down to T+1 if required. You cannot get to T+0 unless you are trading the same day. Reducing it down to T+1 will reduce risk in the market, but it just depends on whether legacy software technology can evolve. As the market continually evolves, we expect to get to that point.

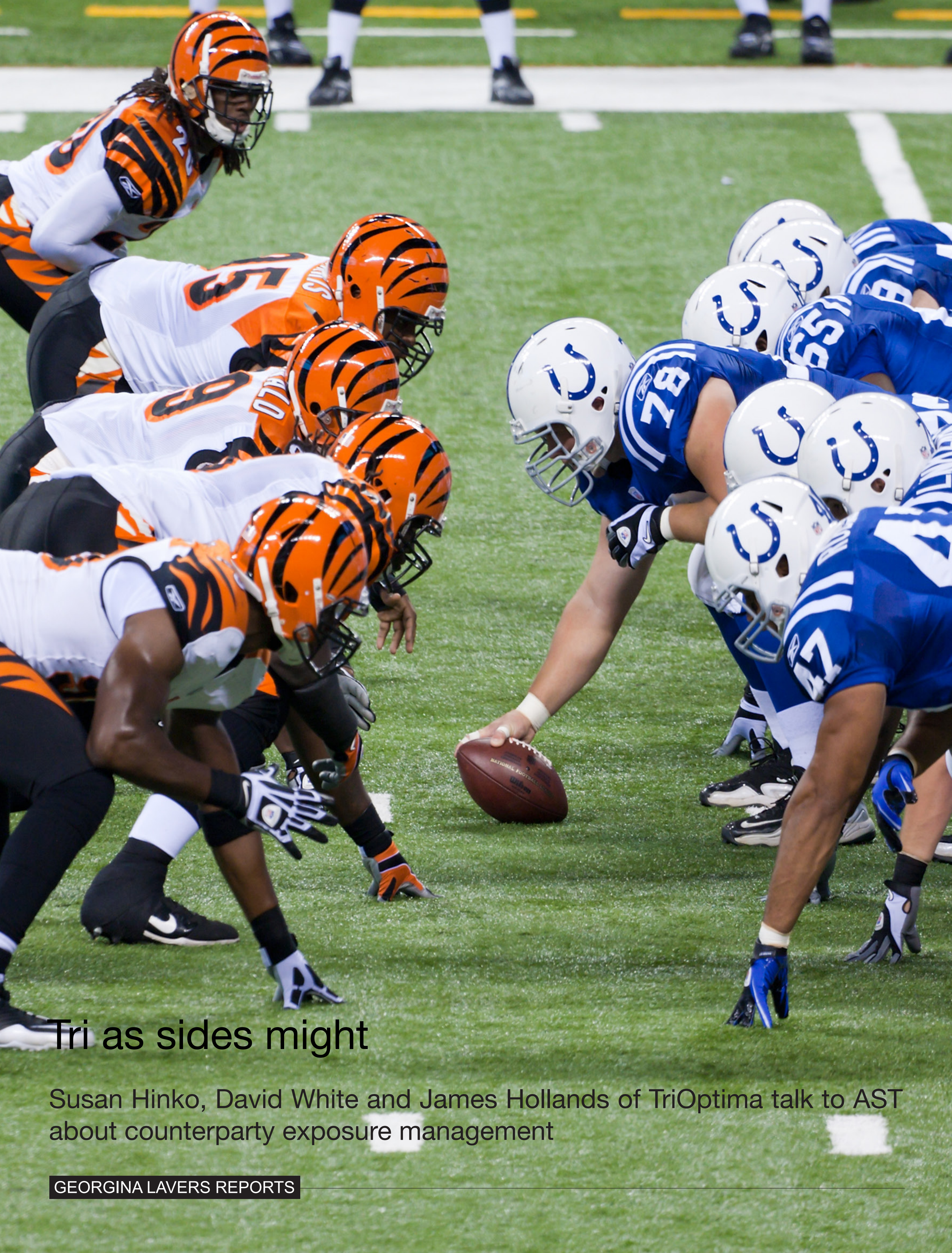
At some point, I see faxes being completely terminated. I was in Liverpool visiting a client and they showed me the day's faxes—the pile was nearly four inches thick. They are processing a huge amount of STP orders, but non-STP orders can still seem prolific. These faxes are coming from everywhere, including offshore, and the holdouts to STP tend to be the traditional domiciles. When I asked why they were doing that, the answer was just, "that's the way they've always done it". People say that you can automate fax, but the point is that you still have to re-key it. From our perspective, if you look at where our market is, there are more than 12 million orders in our downstream market, and a large portion of them are running through manual processes. Not the core funds—if you or I go and buy a Threadneedle European fund from a platform, that's fine—but it is the more uncommon instruments, such as venture capital funds or discreet funds, that do not go through platforms that tend to end up with these manual processes and people using faxes. I think it is because they do not do huge volumes of orders. We were with one of our big clients recently, a venture capital trust firm, and they said that they were doing a lot of these fund orders. They told me that they had 20 people re-keying. Why do you need that? We can give you an electronic connection, and you can remove all of that.

That's where we play a really strong part, because without us, and without EMX or Euroclear, the market would not have achieved STP. I originally ran the project to refinance EMX when it was an industry utility and it needed financial investment before Euroclear bought it—while at Threadneedle, we raised £8 million. The reason that historically Threadneedle was so keen on that was because we thought it was a really important piece of infrastructure that the industry needs. It was not because the firm was going to make a lot of money from it—more the consideration that without it, the industry would take years to get to STP. When Calastone came into a market as a competitor, we moved the cost of an electronic order from £5.50 to £1.50, saving the fund managers more than £24 million in real cost-to-date.

Unmentionables

There's a catchphrase that everyone talks about—interoperability. Calastone as a network is what we would call interoperable. We have always said, whatever format, standard or type you want to send us, we will take that through a hub, translate it, and push it to whatever format is necessary. It could be a fixed message and we will turn it to into a SWIFT, a fax and we will turn it into an XML—it does not matter. But what does interoperability actually mean? Does it mean that as a network and as a hub, we should connect with other networks and hubs? We do—we connect with SWIFT and with Clearstream. Other hubs should follow suit. Everyone should be working together to make STP possible, because it is not a UK or European market, it is a global market. AST

Phil Goffin
Executive director of UK sales
Calastone



Tri as sides might

Susan Hinko, David White and James Hollands of TriOptima talk to AST about counterparty exposure management

GEORGINA LAVERS REPORTS

How did TriOptima get started?

Susan Hinko: TriOptima launched in the year 2000 with the launch of our initial service of portfolio compression—the service triReduce—in 2003. To date, we have terminated $322 trillion in notional principal in interest rate, credit and some commodity swaps. TriReduce is a dealer-focused service, and not really for the broad range of financial institutions. In 2006, we launched triResolve as a portfolio reconciliation service, working intensely with sell-side banks. Due to the changing regulatory environment, now the buy side—both through the asset servicers that we have as customers, and also directly—makes up the bulk of our numbers of customers.

James Hollands: triResolve is a portfolio reconciliation tool that has broad usage across sell and buy sides. We have quite a few asset servicers using the service on behalf of their end-clients. triResolve itself has 280 subscribers across the sell and buy sides, about 200 of which are on the buy side. It is in this segment where we continue to see the fastest growth.

David White: Both triResolve and triReduce speak to credit risk, and triReduce in particular emphasises reducing that credit risk. The main difference between the solutions lies in the difference between reconciliation and compression. In 2006, the major sell-side institutions were having large and prolonged collateral disputes. They had their portfolios of trades, and they would exchange collateral on the value of those trades every day, to protect themselves against defaults. Disputes over these valuations were too large, lasting too long and were too frequent. They needed to determine the source of those differences quickly and efficiently. To do that, they had to reconcile their trades: pair all of the key economic terms and all the valuations that go with those corresponding terms.

The firms reconciled manually, and that doesn't allow you to: (i) do it very quickly; or (ii) look at the issues analytically. Usually, the reconciliations were done in Microsoft Excel and in some other in-house systems. This was extremely challenging, given that the size of the portfolios sometimes reached 100,000 trades and the data from each counterparty needed to be normalised. TriOptima leveraged the matching algorithm that was developed for triReduce (the compression service). We then worked with the banks to design a much more automated central hub service. The banks send us all of their trades against each other every day, in their own data formats. triResolve normalises that data, matches them all off and produces the results online that each institution can view and investigate internally and with the counterparty to resolve those valuation and data differences. In addition, a toolkit of analytics enables an institution to analyse the results to determine the origins of the differences and identify any systemic patterns.

Hollands: A mark of the success of the service is that we now have more than 90 percent of the global markets' bilateral OTC derivatives—or collateralised derivatives—coming through the service, which is 6.3 million trades. The only touchpoint everyone has with us is that they have to send us their portfolio trades, and then they can see their trades, versus all of their counterparty's trades.

What specific things do asset servicers ask of you that other clients may not?

Hollands: It partly depends on their relationship with their end client. Some asset servicers manage what we call 'breaks.' When a reconciliation happens, if there are any issues and something doesn't match, this is a break. Then someone has to resolve it with the end counterparty. Some of the asset servicers do all of that on behalf of their end client, and others pass that work back to the end client, so the level of service can vary depending on the asset servicer and its arrangement with the client.

With triResolve, we're agnostic—the service can be used in either way. The asset servicers can use triResolve and manage the breaks, or the end-clients can have users looking at triResolve.

Sophisticated end clients will want to get involved and look at their trades, look at their counterparty's trades, and see the different valuations—useful information for anybody trading in the OTC space—because if you are a small buy-side firm, it is always useful to see how your dealer is valuing the trades. Depending on how sophisticated that small buy-side firm is, the asset servicer can give them access or not.

Hinko: Our buy-side clients did want to reconcile on different things than the sell side did, including independent amount and collateral balances. Buy-side firms wanted us to expand the range of fields that we were reconciling, and that was proposed and driven based on their needs.

White: We now provide the ability to reconcile the core OTC derivatives as well as the collateral that's held on the back of those derivatives. On top of that, repos are used quite widely in the market, and the buy side have really driven the reconciliation of the repo population, as well as exchange-traded derivatives.

Hollands: The world is getting more complicated around collateral, initial margin and independent amounts for both clearing and bilateral, so I think the asset servicers do see that there is opportunity for them to take on more of this outsourced work. The buy side will probably be looking for more help, and certainly some of our asset servicer clients think that they have relatively ambitious business plans going forward.

Hinko: In order to be able to maintain good collateral management, you have to have good reconciliation, as that is the foundation of collateral movement. You reconcile the trades, you reconcile the valuations, and you agree the valuations, and you make a collateral call based on the valuations. We don't manage the collateral per se, but we are the first very important step to making the collateral call and managing your exposure. In that sense, it is a very important part of counterparty credit risk management, because as we saw with Lehman Brothers, you don't want to be over-collateralised. If something goes wrong, your assets can be tied up for years. There is a lot more focus on precise collateral management these days, both because of the risk of default but also because of the demand for more collateral and the need to manage capital efficiently. **AST**

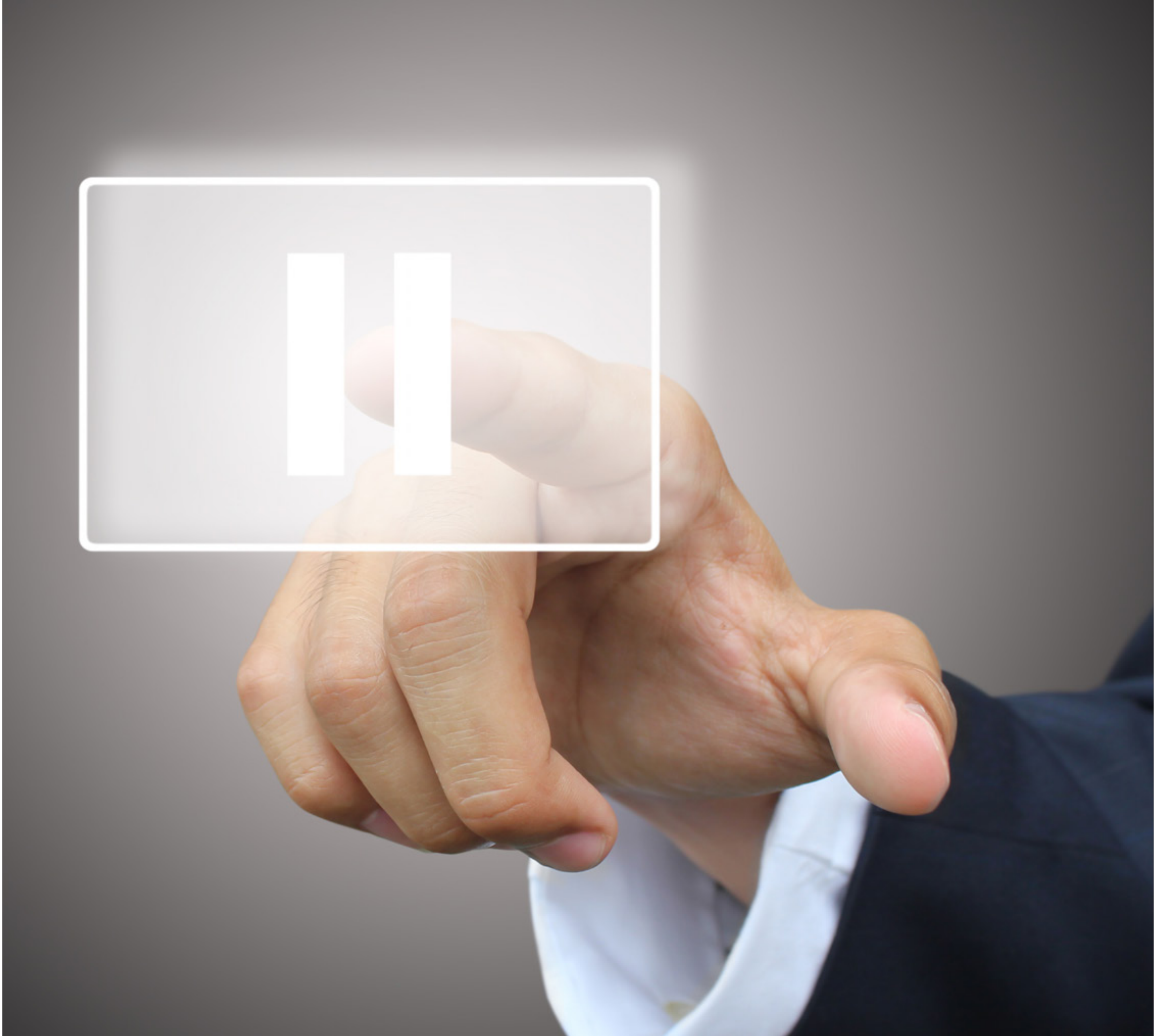
Susan Hinko
Global head of industry relations
TriOptima

David White
Product marketing executive for triResolve
TriOptima

James Hollands
Head of sales for triResolve
TriOptima

Suspended moderation

GCMs are best placed to monitor client exposure and identify situations in which suspension is warranted, says Kazimierz Sycz of SLIB



General clearing members (GCM) are exposed to the risk of default of their non-clearing (NCM) clients. This is the same kind of exposure that the central counterparty (CCP) has on its clearing members. While the CCP will monitor risk on the clearing members, it does not assess the risk that the GCM runs on its NCMs—this is expected to be the responsibility of the GCM itself. In fact, many GCMs have in place sophisticated risk management systems that help them to monitor and mitigate this risk.

Risk management involves, first of all, accurate estimation of the client's exposure. Once identified, the exposure can be mitigated by margin calls on the client. Until quite recently, the standard practice was to compute the exposure in an end-of-day batch and to call margin the next morning. However, the GCM is at risk from the moment the client trade enters the CCP system. Clients can accumulate quite large positions during the trading day and be unable to unwind them. Clearly, the GCM must monitor a client's exposure close to real-time. Intraday margin calls on clients have become market practice for those GCMs that deploy appropriate tools.

A related issue has generated interest recently. If the client fails to meet a margin call in due time, the GCM should be able to avoid further exposure and to suspend its clearing obligation on this client—temporarily or permanently (declaring the client in default). In the markets that we consider in this note, this means blocking further access to trading for the client. However, current market infrastructure does not, in general, allow for such a blocking/suspension to be activated at any time. There is at least one exception: a well-known European CCP, in a vertically integrated market, that offers its GCMs a 'stop button' function.

The client suspension feature can be implemented in several ways. It can be an integral part of the CCP system. It might take the form of a 'controlled' market access gateway that is similar to those used in sponsored access. When discussing alternative implementations, it is helpful to separate clearly two aspects:

- Identification of an undesirable exposure that may require stopping an NCM from trading, and;
- Actually closing access to the market.

Both aspects might be covered in a single system. However, there are reasons to keep them separate.

Identifying critical exposures

We argue that while computation of client exposures and identification of critical ones could be done by CCPs, it pertains properly to GCMs.

The rationale behind this is, principally:

- Many NCMs are managed under multi-CCP clearing contracts
- Suspension of an NCM is, in general, triggered not by margin requirements but by margin (collateral) deficiency
- The computation may involve factors that are private to the GCM.

In the fragmented European landscape, a given NCM is often active in multiple markets; the contract with its clearer will usually cover multiple CCPs. The GCM's exposure on such a client is a function of exposures in the individual CCPs. In the simplest case, it is an aggregation, but it can be more accurately expressed as a cross-market net exposure that is measured with a single methodology on positions from all markets. If it is the CCP that computes exposure at NCM-level, it can only do this locally and it cannot provide a global view on risk.

Trying to manage risk on a multi-market client by specifying an exposure limit for each of the CCPs would be rigid and unwieldy. Most GCMs agree that a breach of a local limit should not automatically trigger suspension of the client if its other credits are under-utilised. Conversely, in such a scheme, an NCM may take an across-market position that breaches the global limit with the GCM, without necessarily breaching any local CCP limit.

While the GCM may want to control and limit total margin requirements and total net considerations of an NCM, the crucial measure of exposure that may lead to client suspension is margin deficiency: the difference between margin requirements and collateral pledged by the NCM.

CCPs can compute margin requirements, but, in general, they have no knowledge of the client's collateral arrangements and of the current valuation of pledged securities or currency deposits. This information is local and private.

Actually, when considering client suspension, the GCM will often include other factors. This may involve exposure on positions other than those that are guaranteed by the CCP (eg, OTC activity), or some form of client credit valuation, possibly including elements that are unrelated to the business between the clearer and the NCM. Once again, this information is private, and sometimes not fully formalised.

At least one GCM told us that suspension could not always be triggered automatically on a breach of some limit. In general, it will require validation by the risk officer. Therefore, it cannot be readily outsourced to the CCP or another party.

There are other arguments for leaving client monitoring and identification of critical exposure in the hands of the GCMs.

If implemented by the CCP, such a monitoring system is likely to be based on the algorithm of this particular CCP. The GCM may prefer to use its own risk procedure (properly validated, of course) or, if working with the CCP algorithm, to use parameters that are more strict than the ones that are used by the clearinghouse.

Then, there is the delicate point of potential legal issues resulting from a CCP-centralised, CCP-managed system, including responsibility for the calculations and decisions that it triggers, or for consequences of possible errors.

Finally, a CCP-centralised system with its one-size-fits-all approach is likely to have a detrimental effect on innovation and competition between GCMs. It may penalise GCMs that have invested in the appropriate risk technology and would be forced to abandon their current solutions.

Stopping a runaway client

In practical terms, access to trading can be either blocked by the trading venue, so that it no longer accepts any orders, or by the trading member, so that orders are no longer sent.

Some GCMs have been considering the use of 'controlled gateways'—such as those that are employed in sponsored access—to be able to prevent further trading by a rogue NCM. Such a gateway is supposed to both compute a client's exposure and to physically close access to the market when some limit is breached. It can potentially control high-frequency trading clients. Indeed, this technique can (theoretically) work well for a selected risky client that is active in a single market, or in a small number of markets. However, it soon becomes unwieldy when trying to cover more NCMs and all of the trading venues.

Market gateways are organised per trading member and market. The trading member itself normally manages the gateways in the markets under consideration. Clearers are not, in general, in the business of providing/controlling trading gateways.

Most market gateways are not risk-controlled. Regulators only require this control for sponsored access, where the (controlling) NCM acts as an agent for some other trading entity. More importantly, if the gateway does perform risk checks, these are of a very different nature—order size, order price, or the accumulated position. In general, risk control in a gateway is not based on the kind of algorithms that are employed in clearing risk management.

It seems that the logical place to situate the function to stop an NCM from trading is the trading venue itself. Suspension should be activated on reception of an external signal. Another signal should allow trading to resume.

If only for legal reasons, these signal messages should be sent to the trading venue by the CCP, rather than by the GCM directly. The CCP is also well placed to distribute the closure request to all of the trading venues in which the NCM indicated through the GCM as active (in this CCP).

Certainly, market access gateways can usefully complement such an infrastructure. The kind of pre-trade controls they can handle helps with controlling operational risk. As for clearing, gateways can be made to act upon an external signal from the GCM and stop the order flow.

The question of controlling risk on cleared clients is relatively complex. Partial solutions can be provided by the CCPs directly, or by operators of market access gateways. In the general solution postulated in this article, it is the GCM that monitors client exposure and identifies the situation requiring suspension of the client. This usually involves multiple markets, factors and workflows that are internal to the GCM.

The actual suspension of a client should be effected by the trading venue, activated on a signal from the GCM, and intermediated by the CCP. It should be reversible, and any legal issues need to be clarified. **AST**

Kazimierz Sycz
Risk project director
SLIB

2013

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ALFI Spring Conference

Location: Luxembourg
Date: 19-20 March 2013
www.alfi.lu

The 2013 ALFI Spring Conference at the Centre de Conférences Kirchberg in Luxembourg constitutes one of the biggest events in Europe as regards the investment fund industry.

Last year's event had attracted 955 people coming from 27 different countries. 54 organisations were present with a booth. In a whole, 337 different organisations were present.

Moscow Financial Innovation Forum

Location: Moscow
Date: 20-21 March 2013
www.fi-forum.com

The Moscow Financial Innovation Forum (MFIF) is a unique platform for international financial service providers to meet the growing Russian and former Soviet Union financial industry. Moscow is rapidly developing into a world class international financial centre and requires qualified and reliable partners for linking it with the international financial community.

The 13th Annual NeMa 2013—Network Management Conference

Location: Warsaw
Date: 18-20 June 2013
www.nema-event.com

Four hundred delegates registered last year. Brokers, global custodians, regional and local agent banks, regulators, exchanges, CSDs--almost all those who matter in the industry are on the agenda: but that is just a part of the story. The rest of the story is you. So come and join us and be part of the ever-growing NeMa Family.

FundForum International 2013

Location: Monaco
Date: 24 - 27 June 2013
www.fundforuminternational.com

Four hundred delegates registered last year. Brokers, global custodians, regional and local agent banks, regulators, exchanges, CSDs--almost all those who matter in the industry are on the agenda: but that is just a part of the story. The rest of the story is you. So come and join us and be part of the ever-growing NeMa Family.

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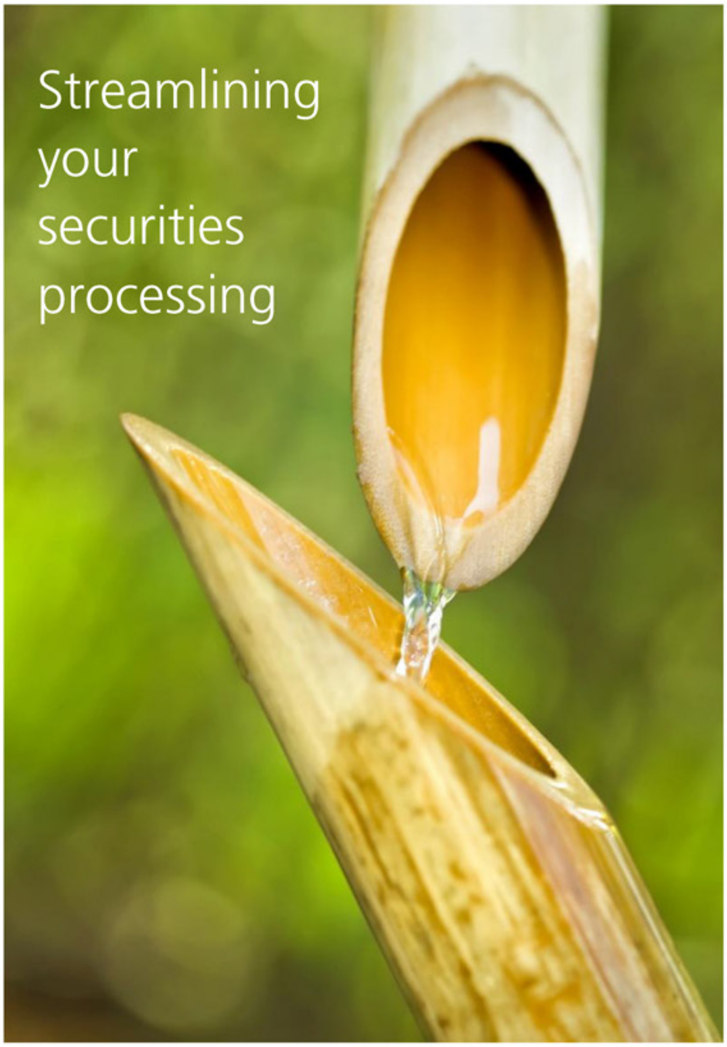

Whether you are a broker, a clearer, a settler agent, a custodian bank or an issuer agent, SLIB can offer you expert software solutions to streamline your securities operations and help mitigate your risks.

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25 years of expertise

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SLIB Order & Trade Suite	SLIB Clearing & Settlement Suite	SLIB Position Keeping Suite	SLIB Voting Suite	SLIB Risk Suite
Streamlines all processing steps along the trade lifecycle: order and allocation management, confirmation and trade reporting to the back office.	Interactively processes all clearing and settlement activities, as well as reconciliation with the CCPs and CSDs.	Assists you in all the tasks related to account / position keeping and custody.	Automatically collects and transmits the voting instructions of shareholders, prior a General Meeting. SLIB is the provider of VOTACCESS, the innovative platform chosen by the French marketplace.	Monitors in STP mode and optimizes the clearing risk across more than 10 CCPs in the world.

www.slib.com

Industry appointments

Deutsche Bank's global transaction banking division has appointed **David West** as regional head of trust and agency services in the Asia Pacific region.

West will be based in Hong Kong and report to Mrugank Paranjape, regional head of trust and securities services and cash management for financial institutions in the Asia Pacific region.

In his new role, West will build on Deutsche Bank's trust and agency services business, which comprises corporate trust, including agency and trustee services and escrow solutions, as well as corporate services, including special purpose vehicles administration and fund of hedge fund services.

Since moving to Deutsche Bank in 1999, West has held various positions within the bank's trust and agency services business in the US, UK and Hong Kong. Most recently, West was the regional head of product management for the business in Asia Pacific.

West replaces **Sally Gilding**, who has been appointed global head of corporate services in Deutsche Bank's global transactions business.

Gilding, who will be based in London, has been with Deutsche Bank for 15 years.

Before moving to Hong Kong in 2010 to lead the bank's trust and agency services business in the Asia Pacific region, she ran Deutsche Bank's global debt services business in EMEA.

Debra Baker has been hired to lead BNY Mellon's new global risk solutions group.

Baker is rejoining asset servicing after leading the US financial institutions client segment within BNY Mellon's corporate trust business.

The global risk solutions group will provide investment analysis products and services, combined with BNY Mellon's core custody and accounting platforms.

Calastone, the fund transaction network, is seeking to expand in the Australian managed funds marketplace, hiring **Shannon Sweeney** as its managing director in Australia.

Sweeney was most recently product manager of the global fund segment strategy leading global middle office and fund administration product at RBC.

Riva Financial Systems has hired **Jo Smith** as head of its project management office.

Smith joins Riva from Capita, where she held the position of head of project management.

She will be based at the Riva Financial Systems headquarters in the Isle of Man and will report to Tony Parker.

DST Global Solutions is expanding its Anova team in the Asia Pacific region.

It has appointed **John Hogan** as regional Anova solution manager for Australia and New Zealand, and **Daniel Kennedy** as regional Anova solution manager in Asia.

Hogan is based in Melbourne and Kennedy is based in Singapore, both reporting to Julian Webb, global head of data management and analytics.

Most recently, Hogan was responsible for a major investment management system upgrade at AMP Capital.

Kennedy has more than 20 years of financial services and technology experience to DST Global Solutions—10 of which have been spent in Asia.

Suzanne Smith has been appointed to the role of general manager of sales and relationships at NAB's asset servicing business.

Smith has 20 years of experience working in funds management, relationship management, investment banking, and in the hedge fund sector, and joined NAB in 2009 as general manager of NAB group relationships in wholesale banking.

Prior to joining NAB, she spent five years running the operations, investor services and compliance functions of a boutique global hedge fund that she helped establish with colleagues from ANZ, where she held various roles.

Byron Fraser has been appointed to Smith's previous role as acting general manager of client delivery at NAB. **AST**

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