asset servicing times

The primary source of global asset servicing news and analysis

Issue 190 16 May 2018

Data Strategy

Why taking a data-centric approach to IBOR is better

Forward Thinking

Find out what happened at this year's ALFI London Conference

NeoXam accelerates its international development

Cathay Capital and Bpifrance have signed an agreement to acquire majority stake in global financial software company NeoXam from BlackFin Capital Partners.

The deal comes off the back of a sustained period of growth for Neoxam, a provider of data management and transaction solutions to financial institutions.

Over the past two years the firm's €62.5 million revenue has increased by 25 percent and it has signed more than 32 deals and hired over 150 employees.

NeoXam's executive committee, which is in close liaison with BlackFin, has chosen Cathay Capital due to its resources and ecosystem delivered in Europe, China, and US.

With these new partners, NeoXam's management intends to leverage on the strong growth of the market and the technological assets of its data management, portfolio management system, and back office solutions to position the group as global leader.

With the global footprint of Cathay Capital, Neoxam will develop its presence in key markets, particularly the Asia Pacific and the US.

The final closing of the deal is expected at the end of May, terms of the transaction were not disclosed.

Commenting on the signing agreement, Serge Delpla, founder and CEO at NeoXam, said: "Our global business will undoubtedly benefit from the Cathay Capital network, particularly in China and North America, to continue to deliver world-leading financial solutions to our customers."

Hervé Descazeaux, partner at Cathay Capital, added: "Through this partnership, our platform bridging three continents and the strong international experience of our teams, we hope that NeoXam can continue its impressive growth rate, and we can facilitate investment into research and development, so they can expand their offering."

Laurent Bouyoux, chairman at BlackFin Capital Partners, commented: "We have been very supportive of Serge Delpla and the management in their ambitious geographical expansion strategy, which allowed Neoxam, initially France/Europe focused, to become a truly global player."

Benoist de Saint Lager, investment director at Bpifrance, concluded: "We are looking forward to working with NeoXam's team to help them grow and strengthen their leadership status in a European financial ecosystem we know well. Besides, we are pleased to partner once again with Cathay Capital."

asset servicing times

W: www.assetservicingtimes.com
T: @ASTimes_

Acting Editor: Becky Butcher
beckybutcher@blackknightmedialtd.com
+44 (0)203 750 6019

Junior Reporter: Jenna Lomax
jennalomax@blackknightmedialtd.com
+44 (0)203 750 6018

Junior Reporter: Maddie Saghir
maddiesaghir@blackknightmedialtd.com
+44 (0)203 750 6019

Designer: James Hickman
jameshickman@blackknightmedialtd.com
+44 (0)203 750 6021

Publisher: Justin Lawson
justinlawson@blackknightmedialtd.com
+44 (0)203 750 6028

Associate Publisher: Joe Farrell
joefarrell@assetservicingtimes.com
+44 (0)203 750 6024

Marketing and Sales Support: Paige Tapson
paigetapson@blackknightmedialtd.com
+44 (0)203 750 6020

Office Manager: Chelsea Bowles
accounts@blackknightmedialtd.com

Published by Black Knight Media Ltd

News Round-Up
CKV Spaarbank chooses Wolters Kluwer to provide regulatory reporting and financial reporting software
p6

News Round-Up
Greater China ETFs set to grow on investor acceptance, survey reveals
p7

News Round-Up
BNP Paribas sees 5.7 percent increase on revenues
p9

Data Strategy
Tim Versteeg of NeoXam explains why taking a data-centric approach to IBOR ensures a more robust architecture in the long run
p13

Conference Report
Hot topics at this year's ALFI conference included the future of the asset managing industry, blockchain and AI
p16

Industry Appointments
Comings and goings at Xceptor, Saxo Bank, Apex Fund Services and more
p21

Global Software Solutions for the Asset Management and Fund Servicing Industry

Riva - the future of TA

The success of global asset administration relies upon forward thinking, cost effective, technology solutions to efficiently support the markets of today and the opportunities of the future.

Riva offers

- Modern integrated software
- Multiple products and markets on one system
- Global support and compliance
- FinTech research and development
- Cloud deployment
- Professional services

For further information or to request a demonstration:

+44 1624 850140

learnmore@rivafs.com

rivafs.com

Riva

FINANCIAL SYSTEMS

CKV Spaarbank chooses Wolters Kluwer

CKV Spaarbank, the independent Belgian savings bank, has chosen Wolters Kluwer's OneSumX to provide its regulatory reporting and financial reporting software.

CKV will use OneSumX for regulatory reporting and for all national and European Banking Authority reporting obligations.

The bank will also use the software for analytical credit datasets (AnaCredit), the European Central Bank project designed to set up a dataset containing detailed information on individual bank loans in the euro area.

The bank has signed up to use OneSumX for finance, which provides financial institutions with fully integrated finance functionality.

CKV will use the solution for International Financial Reporting Standard (IFRS) 9 reporting, using the software's cost-calculation engine for compliance with the accounting standard.

Rudi Deruytter, CEO of CKV Bank, said: "CKV required a solution not just for AnaCredit, but also more widely for our regulatory reporting obligations and IFRS 9."

He added: "Wolters Kluwer was able to provide a truly integrated approach that matched our exacting requirements. The implementation of OneSumX will be vital for ensuring we are able to manage our increasing range of reporting requirements in the most effective way."

Kris Van Bavel, managing director of Europe, the Middle East and Africa for Wolters Kluwer's finance, risk and reporting business, commented: "Like many saving banks, CKV was aware that the manual process for managing reporting was sorely lacking. The bank's decision to implement an integrated solution with OneSumX reflects our leading position in helping banks across the region navigate the increasingly complex regulatory landscape."

He added: "More than 100 institutions across the region have chosen our AnaCredit solution in the past year and we are delighted to add CKV to this growing list. I look forward to working with CKV to ensure the bank's reporting obligations are achieved."

Costs should be on every hedge fund manager's mind, says panel

Those starting out in hedge funds should know the harsh reality that 50 percent of all startups will fail in their first year, according to a panel at the 2018 Hedge Fund Emerging & Startup Manager Forum.

The speaker stated that cost, as well as regulation, should be at the forefront of a startups business strategy. He said: "Investors have the second Markets in Financial Instruments Directive (MiFID II) and the General Data Protection Regulation (GDPR) always in mind."

He added: "The breadth and speed of regulatory change has been considerable, huge burden on a lot of companies and it will not go away."

Another panellist said: "Platforms are absolutely crucial, irrespective of jurisdiction and fund administration. Having that all in one place has been a genuine development in market. IT compliance in regard to platforms covers so much in how your fund is structured."

He furthered recommended that startups consult the Alternative Investment Management Association which, he said, have "sound practices for platforms".

He warned: "It's getting so expensive to outsource—don't lose control, outsourcing that is out of sight is where many managers fail. But there's ways of moving your IT towards your compliance. A bad expense ratio will destroy your funds."

In terms of regulation, another panellist, suggested to record everything. She said: "Produce something you can document, have something you can show investors, and keep each quarter up-to-date, they will not just take your word. If you can't justify your actions and choices, you're not doing enough, you must have detailed reporting."

Another panel on legal, compliance and regulatory issues for emerging managers, agreed that having a good quality CEO is key. One panellist said: "Portfolio managers have largely worked with the Alternative

Investment Fund Managers Directive, MiFID II GDPR—you will be spending so many days working on compliance for these regulations, it may be worth getting someone else in as a partner that can run your interference for you when you should be thinking about making basis points for your investors."

Cobalt secures investment from SGX

Cobalt, the foreign exchange (FX) post-trade processing network, has secured a strategic investment from the Singapore Exchange (SGX).

SGX's investment will support the continued expansion of Cobalt's presence into the FX space, boosting technology development.

Cobalt's solution leverages highly optimised technology alongside an in-house immutability service based on distributed ledger technology (DLT) to deliver a shared back and middle office infrastructure that is scalable, secure and fast.

Adrian Patten, co-founder and chairman of Cobalt, commented: "SGX's investment is a testament to our innovative application of technology in the FX space. Our platform addresses pain points faced by almost every institution that trades FX—the unnecessary cost and risk associated with post-trade processing. Singapore is an important global hub for FX and we are delighted to welcome SGX on board as we continue to expand our footprint in the region."

Michael Syn, head of derivatives at SGX, said: "We are pleased to be supporting this important FX market infrastructure, which is complementary to our growing FX futures business and a natural fit for SGX given our own commitment to product and platform innovation."

Henry Ritchotte, strategic advisor to Cobalt, added: "Exchanges around the world continue to invest in the critical infrastructure underpinning financial markets. This collaboration between a major Asian exchange and an innovative firm that has developed a unique high performance, DLT solution is a major step forward in upgrading the systems our industry relies on to operate efficiently, safely and cost-effectively."

Greater China ETF set to grow on investor acceptance, survey reveals

Brown Brothers Harriman (BBH) revealed exchange-traded funds (ETF) assets under management is set to grow on investor acceptance and pent-up demand, according to the results of its inaugural Greater China ETFs.

BBH released the results, which highlights that the potential inclusion of ETFs in China-Hong Kong Stock Connect would likely unleash demand for Hong Kong ETFs from Mainland Chinese investors.

The survey also revealed environmental, social and governance (ESG) is increasing in importance, Smart Beta demand is accelerating, and investors want more education.

Just under half, 48 percent, in the mainland, 60 percent in Hong Kong, and 75 percent in Taiwan said in the survey that they consider ESG factors "very important" to their investment decisions.

The survey revealed that nearly 90 percent of mainland investors would likely invest in ETFs through the Stock Connect programme.

This allows international investors to trade securities listed on the Shanghai and Shenzhen exchanges, and mainland investors to trade securities listed on the Hong Kong exchange.

The results also indicated strong ETF investment growth across Greater China this year and an uptick in investor demand for products with diversified exposure.

Additionally, 43 percent of mainland investors plan to increase ETF holdings, 65 percent of investors surveyed in Hong Kong and Taiwan are looking to increase their ETF exposure, the survey revealed.

Chris Pigott, BBH's head of Hong Kong ETF Servicing, said: "Regulatory reform has helped spur the growth of ETFs in the US and Europe. The inclusion of ETFs in Stock Connect will open another cross-border channel for mainland investors to deploy their capital and further diversify their investment outside the mainland."

Pigott added: "Some investors are put off by low trading volumes. Liquidity continues to be an area of focus for investors as some products in Greater China don't have heavy volumes and a number don't trade significantly on a daily basis, but the underlying assets they are invested in are liquid. Education could be a key to unlocking future growth."

StockHolding

SHCIL

India's Premier Custodian For Last 28 Years

You Are Invited To Participate In India's Growth Story

Your India Access is now made easy and smooth.

Come.... experience the early on-boarding solutions offered by StockHolding-India's Largest Custodian for last 28 years.

As India's largest custodian, our focus is to help you navigate the Indian Capital Market and experience our customized and comprehensive solutions for your investments in India.

THINK INDIA - THINK STOCKHOLDING

For all your Custody and Sub-Custody solutions

Deepest Local Expertise // Tailor Made Solutions // Flexibility in Service Offerings //

Fully Automated Solutions // Execution Excellence // Local & Cross Border Clients // Advocating Best Practices

STOCK HOLDING CORPORATION OF INDIA LTD.
https://custody.stockholding.com

For more information, please contact:

R.Anand	Vinay Purohit
Head - Custody	Head – Business & Products
Tel : +91 22 61779073	Tel: +91 22 6177 9038
Mob: + 91 998 777 6171	Mob: + 91 998 7776 259
r.anand@stockholding.com	vinay@stockholding.com

StockHolding

SHCIL

INDIA'S PREMIER CUSTODIAN

BNP Paribas sees 5.7 percent increase on revenues

BNP Paribas Securities Services has revealed its revenues reached €505 million for Q1 2018, a rise of 5.7 percent compared to Q1 last year.

Assets under custody and under administration was up by 5.3 percent compared to 31 March last year.

The number of transactions rose by 5.1 percent compared to the same quarter last year.

According to BNP Paribas, this was a result of the very good business drive and the positive effect of new mandates.

BNP Paribas gross operating income under securities services stood at €82 million.

The business also continued to develop joint offers with global markets, in particular in the execution and netting of derivatives, forex and collateral management.

BNP Paribas has continued to win new mandates with Intermediate Capital Group for one, it also finalised its partnership in the US with Janus Henderson Investors. Securities services also announced the acquisition of the depositary banking business of Banco BPM in Italy.

Equinoxe Alternative Investment rebrands

Equinoxe Alternative Investment Services has rebranded as Apex Insurance Fund Services.

The move has been made to leverage the insurance-linked securities expertise it gained through the acquisition of Equinoxe Bermuda.

Apex Insurance Fund Services is led by Matthew Charleson, who joined the group as head of insurance fund services last year.

He previously served as head of fund administration services at Kane LPI Solutions.

Charleson said: “The successful rebrand of Equinoxe Bermuda to ‘Apex Insurance Fund Services’ highlights the seamless integration of the wider Equinoxe business into the Apex Group.”

“The combined team allows us to offer unrivalled expertise and to better serve insurance funds both locally and beyond.”

Peter Hughes, CEO and founder of the Apex Group added: “Providing a full-service offering in Bermuda to vehicles investing in insurance fund products and insurance-linked securities underscores Apex’s commitment to always delivering client-focused services locally.”

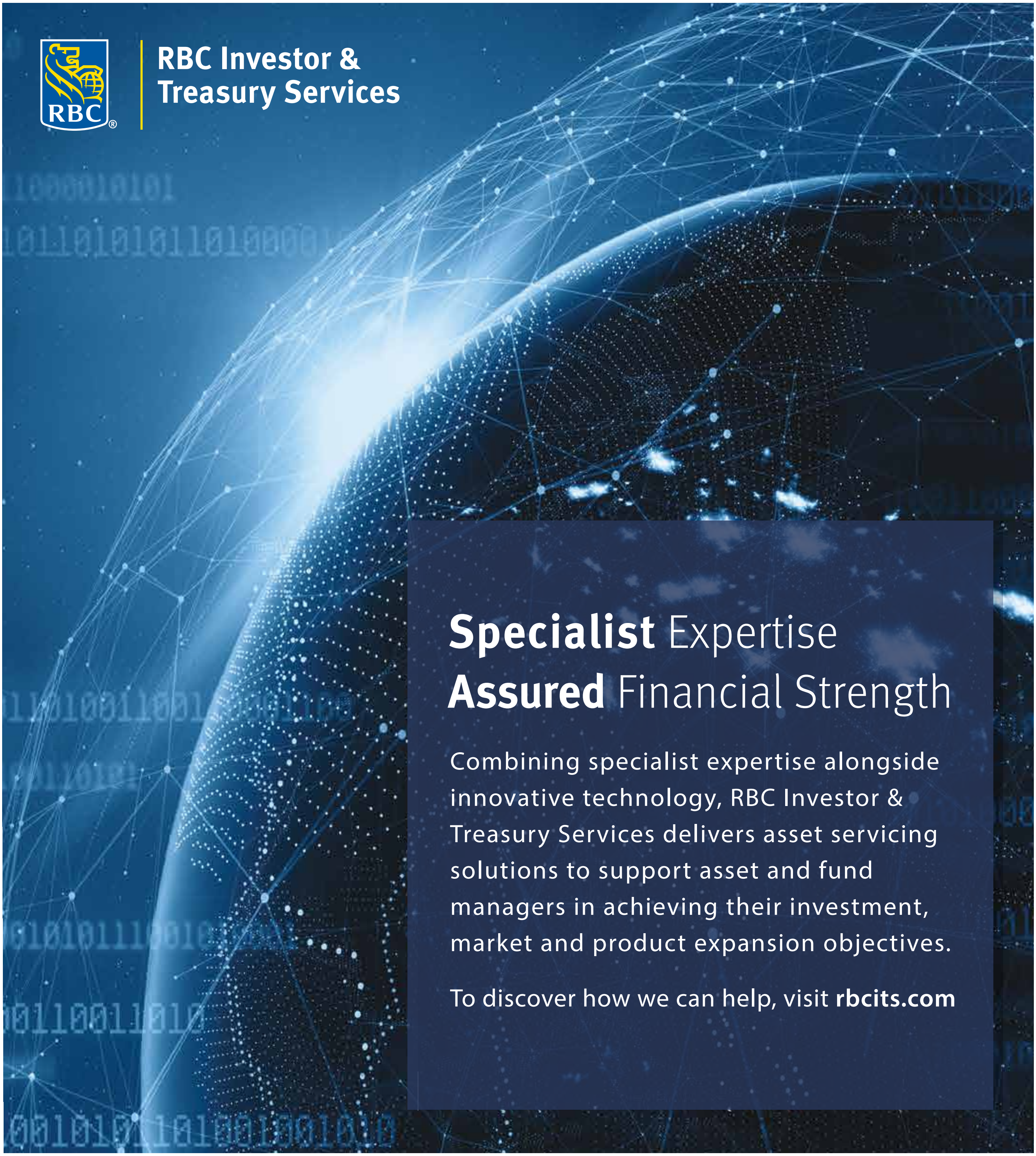
“When we combine our total service model with the ability to service all European jurisdictions and regulated products including banking it ensures we have the most comprehensive offering in the Bermuda market.”

Finastra joins Finance Innovation hub

Finastra has joined Finance Innovation to support innovation across financial services in France.

As part of its membership, Finastra expects to participate in a series of industry events and collaboration opportunities throughout this year, working together with customers and financial technology partners.

Events include working groups to discuss industry developments in areas such as asset management and banking.


RBC
RBC Investor & Treasury Services
Specialist Expertise
Assured Financial Strength
Combining specialist expertise alongside innovative technology, RBC Investor & Treasury Services delivers asset servicing solutions to support asset and fund managers in achieving their investment, market and product expansion objectives.
To discover how we can help, visit rbcits.com

Finastra will also contribute to the Finance Innovation think tank, in the production of industry white papers and articles.

Established in 2007 by Christine Lagarde (then Minister for Finance), Finance Innovation develops projects and research in banking, insurance, asset management, real estate and the digital economy.

Hugh Cumming, CTO of platforms at Finastra, said: “Joining the Finance Innovation hub brings Finastra a range of opportunities to further increase collaboration with fintech firms, banks and other financial institutions across France and to continue to grow local participation in our open innovation platform, FusionFabric.cloud.”

He added: “Our membership of Finance Innovation gives us the opportunity to work closely with fintechs in the region, supporting the development of innovative new apps on our platform and making these more easily available to banks and financial institutions not just in France, but potentially globally too.”

ASX: Technological change presents new opportunities for Australia

Across the financial services industry and all other industries, Australia is experiencing “a wave of technological change that presents new opportunities”, according to Dominic Stevens, managing director and CEO of the Australian Stock Exchange (ASX).

During a presentation at the 2018 Macquarie Australia Conference, Stevens suggested that the country’s future growth will come from new products and services that leverage existing platforms, operational capabilities, its brand and its trusted independent position.

He said: “As such, we are accelerating our programme to decommission older technologies and upgrade critical infrastructure to enable us to build new, contemporary products and services that will serve us, and the industry, for the next 20 years.”

Stevens also revealed that ASX’s results for the nine months to 31 March this year are up on the prior comparative period (pcp), which was helped by a very strong March quarter.

He noted that revenue was up 11.6 percent on the prior corresponding quarter and is now up 7.6 percent on pcp year-to-date.

Typically, our third fiscal quarter, which includes the traditionally quiet month of January, is a weaker quarter.

However, this year revenue held up very well. Stevens suggested that this has led to a strong jump over the prior period.

Stevens also revealed that capital raised this fiscal year is already in excess of what was raised in the full 2017 fiscal year.

He said that this will see the first year-on-year increase for total capital raised since the fiscal year 2015.

ASX also saw futures volumes were up by 18 percent on pcp for the March quarter.

He explained: “The increasing number of customers connecting to ASX from offshore drove a significant portion of this.”

“I spoke about this at the half-year result and it is good to see the continuing positive impact on activity levels.”

As for cash market trading, Stevens said the results were “pleasing” as equity volumes, so far this year, have been running below last year which has allowed ASX to “catch up a bit”.

Stevens also mentioned its “smaller but fast-growing” ASX collateral and ASX over-the-counter (OTC) clearing businesses.

He said that ASX continues to see growth with ASX collateral balances up 102 percent and OTC clearing value up 37 percent year-to-date against pcp.

Steven revealed that all business revenue contributions are up on last year, and apart from equity post-trade, which has been impacted by slower equity volumes, the increases are greater than 5 percent.

According to Stevens, listings are up 13.6 percent with the business having a solid Q3 against a weaker pcp.

He explained that results were helped by a “reasonable amount of secondaries in the quarter”.

He added: “Consistent with seasonal factors, initial listings were slow. But the pipeline remains healthy.”

Trading Services also continued to show good growth versus pcp with revenue for the nine months up 8.6 percent.

Stevens said: “Growth is being driven by new products and licensing in information services.”

“Continued sales success in technical services is seeing an expansion in the ASX ecosystem and increasing utilisation of ALC and ASX Net as a preferred connectivity solution for the financial markets.”

He suggested that in cash market trading, the ASX market share remains solid, with weak turnover growth partially offset by the continued migration of trading to ASX Auctions at the start and close of each trading day.

Derivatives and OTC also showed strong momentum, rising 5.9 percent for the nine months.

March this year was a record month for futures volume, at 18.3 million contracts traded.

This contributed to a record for the January to March quarter, which is an unusual quarter for a record given that January is normally much quieter, according to Stevens.

He said: “The drivers were a combination of increased market volatility in both the rates and equity markets, and new market participants.”

As for equity post-trade, Stevens revealed that revenue is “generally flat” on last year, reflecting the overall flat equity trading volumes. AST

Got a story for us? Contact us via:
beckybutcher@blackknightmedialtd.com

Data-centric approach

Tim Versteeg of NeoXam explains why taking a data-centric approach to IBOR ensures a more robust architecture in the long run

Following the 2007 and 2008 global financial crisis, the regulatory focus has been on large banks. However, it is generally believed that it is only a matter of time that large investment management firms, which can be considered systematically important too, will face the same regulatory pressure.

Proactive asset managers who are anticipating these changes will not only be better prepared for this, but it will also give them a competitive advantage relative to their slower adopting peers.

By leveraging for instance, the stress-test concepts from banks, an asset manager would improve its performance in these periods of market stress, regardless of regulation.

Against the backdrop of this anticipated change, it comes as no surprise that asset managers, now more than ever, require a completely accurate and timely view of portfolio transactions, positions, corporate actions and pricing to support investment and risk analysis.

This problem arises that, often, neither the trading book of records (TBOR) nor an account book of records (ABOR) can provide a fully consolidated, intraday view.

However, a centralised investment book of records (IBOR) providing a 'single version of the truth' that captures a timely record of positions, valuations and exposures based upon all the investment data of a financial institution, can.

There are a few approaches that asset management firms can follow to create such an IBOR. One approach is to extend the TBOR.

This requires the trading system to handle the full trade lifecycle, position history and security lifecycle and data management.

This will most likely prove to be a challenge as the nimble trading data model needs to be extended, different data loaders and distribution tools to be created and management tools to be added.

Alternatively, one could extend the ABOR capability.

This would involve incorporating intra-day transaction cycle handling and pending order information, amongst other intra-day and ad hoc functions.

But this could again prove difficult because intra-day workflows and real-time updating views based on flexible data input and output mechanisms require a fundamentally different design than the accounting centric, fixed batch driven design underpinning a typical ABOR.

The third approach, and arguably most preferable, is to establish an independent IBOR that is agnostic, yet ensures consistency with, TBOR and ABOR.

When the integration is data-centric rather than based on specific (and eventually changing) workflows, it will ensure flexibility, and thus the capability, to meet future business needs. This IBOR could be built in-house, or by using an existing vendor solution. It could provide benefits beyond just up-to-date views on positions, such as generating a golden copy data for risk, performance, TBOR and ABOR, and enabling reconciliations against custodians and ABOR.

A successful IBOR implementation will provide three key benefits: firstly, increased revenue by supporting better investment decisions based on timely and reliable data, secondly cost reductions as a result of increasing operational efficiencies, reducing data costs, and finally lower operational risks due to automated, transparent and governed processes.

As discussed, each method of implementation will have its own challenges, and not every approach will be achievable.

For example, in the case of multiple front office systems (TBORs) or when accounting is outsourced, extending those BORs will not be feasible.

Creating a new, dedicated IBOR from scratch does ultimately give the flexibility to tailor the solution to a firm's specific data and workflows, but could be costlier than buying an existing vendor solution.

Each approach has its pros and cons towards achieving the various IBOR benefits, but ranking and linking them to actual (required) investment data capability improvements determines the optimal approach to implementing a data-centric IBOR.

Formulating a formal data strategy framework will also help to define the roadmap for implementing an IBOR.

The framework should take into account not only the data architecture, but formalises why (benefits), who (governance), what (focus areas), when (roadmap) and finally, how (organisation and architecture), these benefits are achieved. When this is defined correctly and executed accordingly it creates a true 360-degree view of timely and reliable investment, reference and price data will be available.

Taking a data-centric approach ensures a more robust architecture in the long run.

Taking a data-centric approach ensures a more robust architecture in the long run

Tim Versteeg, chief sales officer and general manager, Asia Pacific, NeoXam

Forward thinking

Hot topics at this year's ALFI London Conference included the future of the asset management industry, blockchain and artificial intelligence

Maddie Saghir reports

Delegates gathered at this year's Association of the Luxembourg Fund Industry (ALFI) London Conference. On 3 May, panels in the morning discussed the future of the asset management industry, gathering views from politicians, CEOs, and regulators, while parallel workshops in the afternoon focused on specific topics including, UCITS, private equity, real estate, responsible investing and living and working in Luxembourg: myths and realities.

In one panel session, which included Denise Voss, Maxime Carmignac, Helena Morrissey, and Joanna Munro, it was discussed how the asset management industry is experiencing a set of unprecedented structural shifts.

Elizabeth Stone, UK asset and wealth management leader at PwC, moderated the session and opened with a discussion on the future investor, and how the industry should be reacting to this.

Voss said: "We have to start from the perspective of the future investor, it's about customer experience for millennials and younger generations."

She added: "This is why providing financial services for younger generations is a challenge for the asset manager, because I don't think that is actually what we do, necessarily."

Millennials will look to access financial services primarily through their Apple iPhones, Voss argued, and so management and fund platforms will have to be easy to access and engaging in order to capture their imagination through digital, technology, platforms, and apps.

Voss predicted a move towards artificial intelligence (AI) and an increasing need for a change of management for some business models with asset management.

Discussions surrounding blockchain, AI and distributed ledger technology (DLT) featured heavily at this year's conference, as one panellist said that younger generations—the future workforce—have an awareness of the opportunities technology can bring in terms of investment through robotics advice and applications.

Voss added: "I think asset managers have to realise there is vastly less loyalty with this generation so occupation has to constantly be updated. The huge challenge is changing the mind frame of the asset manager customer service."

In regards with encouraging the nation to invest more and engage with the industry, Morrisey, head of personal investing at Legal and General Investment Management, suggested that whilst technology gives us enabling tools, we unfortunately often assume that people are rational, whereas actually most of us behave on a more emotional level.

Morrissey suggested that another challenge is that the industry tends to concentrate on the what: what to buy, and the industry thinks more about the product rather than explaining things well in terms of emotional engagement.

We now have this ability to focus on the how, but we are still not really cracking down on what it will be to capture the why.

Another panellist predicted that there will be a domination of AI in portfolio management in the future, especially within exchange-traded funds (ETFs).

One panellist questioned whether or not the time will come when AI might replace asset management roles, but stated “it depends whether and when a similarity in capability will be reached, a time when AI can help judge human ability”.

The panel also discussed the emerging theme of environmental, social and corporate governance (ESG) and agreed that firms need experienced members of staff to help them with issues surrounding this.

One panellist said ESG is seen as separate topic to technology within asset management, but she predicted that it will be integrated in to technology moving forward.

Another panellist concluded: “The easy times are over—with ETF and AI, as well as tougher regulation, we are about to go in to a rough patch, only the strong will survive”, she warned.

Meanwhile, on the UCITS panel, one speaker said: “If you don’t innovate in technology you will fall by the wayside.”

The panellist warned the financial service industry that they must hire expert staff and build further expertise in-house in order to survive past 2025.

“Look forward to innovation for your whole organisation, not just certain parts of it. We are in a data-based business, we are still needing to build further expertise, there’s lots of complexity that doesn’t really go away,” the panellist commented in regards to moving forward in asset management.

The panellist continued to say that in terms of assets under management, in order to distribute across different facets, different data formats need support.

The speaker explained that “innovation firms are going to have to have a research and development function,” solely with the future in mind.

Both big and small firms within the industry should have a good team of staff that are solely employed for that reason alone, he added.

Another panellist suggested that back office collection of data needs an increase of due diligence on the same platforms.

He argued that technology is moving fast and so there’s “no single global warehouse” to manage the fast level of quantity of innovation.

One member of the panel concluded that although the industry is currently hindered by regulation, operations to comply with these regulations would become more commoditised; he also stated that there would be more scrutiny on anti-money laundering going forward.

Another panel session, which featured Patrick Laurent and Lawrence Wintermeyer, focused on crypto currencies and their relevance to asset management.

Nasir Zubairi, CEO of Luxembourg House of Financial Technology, moderated the panel, and predicted that, “everything that can be cryptosised will be in the future”.

Zubairi noted that there has been an intense focus on bitcoin in the ISO market recently, and claimed at the moment, 200 to 250 hedge funds are in some way involved in cryptocurrencies within Europe, but Luxembourg does not yet have that same level of hedge funds involved in the market.

Additionally, he stated that Europe is not as advanced as the US and Asia in this space, though in the future he predicted there will be “space to develop”.

He described the slowness of uptake in Luxembourg and the rest of Europe to a “chicken and egg issue”, stating that there is currently a “lack of regulation combined with frightened banks”.

However, he claimed that this could change as soon as regulators give their first guidance on bitcoin, being that bitcoin is, he said, “barely two years old”.

He added: “Things should be moving to the mainstream in asset management. If we’re patient, a lot [of rules for bitcoin] will fall into the regulations we’re going to have in the future.”

In the following panel, one speaker said that technology is bringing easier access to data, but questioned if it was emerging risks.

The panellist expressed concern over whether or not firms are using their application programming interfaces (APIs) effectively. He said: “Are you [asset management firms and financial services] organising yourself towards using API?”

Meanwhile, another speaker predicted that by 2025, investor protection lines of defence through technology will be where they need to be, but he said this would depend on domiciles in data protection and investor protection.

To conclude, touching on Zubairi’s conclusions, key messages, and a reminder of the need for asset management to adapt to the changing world around it and the consumers it ultimately serves, there seems to be one clear prevailing message: technology is here and offers both threat and opportunity. AST

A Canadian Asset Servicing Leader

With more than 1,300 professionals exclusively focused on servicing Canadian investors and global investors into Canada, CIBC Mellon can deliver on-the-ground execution, expertise and insights to help clients navigate the Canadian market. Leveraging the technology and scale of BNY Mellon, a global leader in investment servicing, and the local presence of CIBC, one of Canada's leading financial institutions, CIBC Mellon has the experience and the capabilities to help you succeed in Canada.

Canadian custody and sub-custody
Canadian correspondent banking[1]
Broker-dealer clearing
Securities lending[2]

Brokerage[1]
Investment fund services
MIS (Workbench, STP scorecard, trade match report card)
Data analytics[2]

[1] Provided by CIBC
[2] Provided by BNY Mellon

Learn more, contact:
Shane Kuros at +1 416 643 6365
www.cibcmellon.com

CIBC MELLON

Don’t miss your copy of Asset Servicing Times

Supervisory Reporting 2018

London

May

20-21

finance.knect365.com

FundForum International 2018

Berlin

June

11-13

goo.gl/o4zJi5

The Network Forum Annual Meeting

Austria

June

25-27

thenetworkforum.net/annual-meeting2018

GAIM ops

London

June

26-27

finance.knect365.com

intellect™
Design for Digital

INTELLECT™ OneMARKETS

Over 98%
throughput rate across asset classes

Administer/ Service
a wide range of Corporate Actions

Multi -Asset,
Multi-Currency,
Multi-Lingual Solution

Market Leader
in India with significant traction in International Markets

Supports
SWIFT 15022 messaging standards

Intellect OneMARKETS offers a robust, scalable and comprehensive 360-degree digital platform that supports straight-through processing, direct market access, and high speed execution across a variety of asset classes and market segments with seamless interfaces to local and international market infrastructure providers like exchanges, central counter-parties, custodians, and central securities depositories. It minimizes pre and post trade operational risk by digitizing asset servicing functions across front, mid and back offices

Analyze
statistical data related to settlement & corporate action transactions

Intellect OneMARKETS is designed to seamlessly fit into your technology landscape. It has ready connectivity with:

- 15 Exchanges
- 14 Depositories
- 06 Leading Core Banking Systems
- 02 ICSDs

A Securities Trading & Asset Servicing Platform

High Throughput Solution for Custodial Clients

Contact: +91 96194 22762 | preeti.mishra@intellectdesign.com

Comings and goings at Xceptor, Saxo Bank, Apex Fund Services and more

Xceptor, a UK financial technology company, has appointed two new senior executives, Sharon Cooper and Shaleen Dastur.

Cooper joins as new CFO, while Dastur joins as US sales director.

The appointments come after a period of growth for Xceptor. The new hires also underpin the firm's expansion plans into the US, where it is seeing strong demand for its services.

Joining as the firm's new CFO and board member is Cooper, who has experience of running finance and head office functions as well as operating with private equity and public market arenas.

Cooper's first CFO role was at Digital Barriers, where she built her finance team and head office function, prior to leading the sale of business to Voli Capita. Prior to joining Xceptor, Dastur spent almost 10 years at NorthPoint Solutions as business development manager and later became head of sales for the financial services practice. Most recently, Dastur was director of business development to S3 Partners.

Andrew Kouloumbrides, CEO of Xceptor, said: "I am so pleased to welcome Cooper and Dastur, both are senior executives of the highest calibre and will help us to consolidate our growth and meet the surge in client demand for our data automation technology that is increasingly recognised as the lynch pin for operational and digital transformation programmes."

Saxo Bank has appointed Steve Weller as CEO of the Middle East and North Africa region (MENA).

Based in Dubai, Weller will be responsible for growing and developing the business and client base in the region, and he will report directly to Damian Bunce, CCO of Saxo Bank.

Weller has over 25 years of international experience in the global foreign exchange market.

Most recently, Weller was managing director and global head of Sberbank of Russia's foreign exchange business.

Commenting on his new role, Weller said: "I am truly excited to join Saxo Bank and very much look forward to helping develop our business in Dubai and the wider MENA region. With the financial industry's attention increasingly turning to technology and digital client experience, Saxo's reputation in financial technology makes it the perfect place to operate in order to be at the forefront of these developments."

Weller added: "Saxo Bank provides uniquely broad and efficient access to global capital markets for its clients which is becoming increasingly relevant as clients seek to balance portfolios across geographies and asset classes."

Damian Bunce, CCO of Saxo Bank, commented: "We are extremely pleased to welcome Steve Weller on board as the CEO of the MENA region."

"Weller is a highly accomplished, resourceful and results-focused senior executive with a proven track record in consistently delivering robust and sustainable results."

"The MENA region is central to Saxo Bank's strategy and we have a truly unique offering to bring to the market. We need to execute effectively on the many opportunities and I am very excited that Weller will lead these efforts."

Apex Fund Services has appointed Richard Dinn as global head of custody and depositary sales.

Dinn has been hired to support the development of custody and depositary following the acquisitions of Deutsche Bank AFS and M.M. Warburg in Luxembourg.

He brings with him over 20 years of industry experience, providing consultancy support on fund structures and distribution channels across multiple markets worldwide.

Based in the firm's Dublin office, Dinn will report directly to the recently appointed chief revenue officer Fred Jacobs.

In his new role, Dinn will focus on expanding and developing the company's presence in the custody and depositary market.

Prior to joining the Apex, Dinn headed up MDO Management Company's newly-established Ireland office.

Dinn has also held several leadership positions at Citi over the last 20 years.

Sidley Austin has appointed Michael Schiavone, Daniel O'Shea and David Ni to its New York office as partners in the capital markets practice.

The trio joins from O'Melveny & Myers LLP where Schiavone chaired the capital markets practice.

The latest additions bolster the firm's capital markets team, which grew last year with the appointment of partners David Buck, Jon Daly, George Vlahakos, William Cooper and Angela Richards in Houston and Wim De Vlieger and Till Lefranc in London.

Edward Petrosky, global chair of Sidley's capital markets practice, said: "Michael Schiavone, Daniel O'Shea and David Ni are extremely talented capital markets practitioners with a substantial level of deal experience and market acceptance. Their practice will broadly diversify our preeminent capital markets practice and enhance our ability to serve our clients at the highest level across various industry sectors such as life sciences, financial institutions, consumer and media."

LUX Fund Technology and Solutions has appointed Jeremy Siegel as CEO to lead the company as it continues to build out innovative data solutions for the alternative assets sector.

Siegel joins LUX from Credit Suisse where he was a managing director in the global markets division and global head of the prime consulting team. He previously worked at Eze Castle Integration, Morgan Stanley and American Express. He will be responsible for building out Transcend, the company's flagship solution-as-a-service-based front-to-back office automation technology platform.

Siegel will replace Nik Takmopoulos, a founder of the firm, who will become president.

Alan Freudenstein, LUX board member and portfolio manager of Credit Suisse Asset Management's NEXT Investors, said: "We are pleased to welcome Jeremy Siegel to LUX as CEO as the company gets ready to introduce its innovative new technology to the marketplace."

Freudenstein added: "He will lead the company's growth strategy through new hires and product development, and applying new technologies to LUX's already existing platform that addresses the needs of the complex alternative asset management sector."

Commenting on his appointment, Siegel noted: "I am excited to be joining LUX at this pivotal moment, as the company goes into growth mode. LUX has assembled a strong team that has worked together at some of the largest global hedge funds designing, developing and delivering technology. I believe the company is well positioned to provide solutions that the alternative assets sector needs for cost-prohibitive build-outs of data warehouses and the consolidation of client data in a central location."

Nik Takmopoulos, founder of LUX, added: “Siegel has a proven track record of successfully working with hundreds of hedge funds to uniquely scale their niche business models and trading strategy through processes, outsourcing, oversight and control.”

“At LUX, Siegel will lead in our efforts to build out our state-of-art technology solutions that will allow funds to run their operations in-house more efficiently, with more flexibility, and cost efficiently.”

Arachnys has appointed Steve Mann as chief marketing officer.

Mann will focus on developing the Arachnys brand and driving demand for its financial crime solutions.

He has over 25 years of experience in business to business marketing, product strategy and brand development.

Mann has served as a product strategist and global marketing head for market-leading companies such as LexisNexis, SAP and Computer Associates.

Robert Lloyd-Watts also joins Arachnys as regional sales director for Europe and the Middle East and Africa and the Asia Pacific.

Lloyd-Watts will focus on solving anti-money laundering (AML), client due diligence (CDD) and know-your-customer (KYC) operational investigation requirements for financial institutions.

He has more than 20 years of experience delivering financial crime solutions and most recently worked at BAE Systems focusing on AML, KYC and fraud detection solutions.

Also joining the Arachnys team is Bill Bennett as regional sales director for North America.

Bennett has more than over 20 years of experience working with financial institutions to reduce risk and improve performance.

Prior to joining Arachnys, Bennett was at SAS where he delivered risk and compliance analytics solutions for their global accounts. Earlier in his career, he worked at Citigroup, J.P. Morgan Chase, Credit Suisse, Bloomberg and HazelTree.

Steve Mann and Bill Bennett will be based in the Arachnys New York office, while Robert Lloyd-Watts will be based in the London UK headquarters.

Ed Sander, president of Arachnys, said: “Steve Mann, Robert Lloyd-Watts and Bill Bennett join our team at a key inflection point as financial services firms face increasingly complex investigatory and operational challenges. These highly experienced individuals will play a key role in delivering comprehensive customer risk decision solutions to our clients.”

Neudata has hired Ian Webster as senior vice president.

Based in London, Webster will be responsible for building relationships with the firm’s buy-side investment management clients and alternative data providers seeking to monetise data.

Webster said: “I am delighted to join the incredible team at Neudata. Neudata have a fascinating position at the epicentre of the explosion in the number of funds using independently-produced research and data.”

“In particular I’m excited about Neudata’s opportunity to evolve the fragmented network of alternative data providers and investors into a well-structured marketplace, saving time and effort for all involved. Having run a data provider in this space for several years, I’m also keen to explore all the different ways we can help this side of the market.”

Rado Lipuš, founder and CEO of Neudata, added: “We are thrilled to have Ian Webster join our growing bench of alt data experts as Neudata continues on its substantial growth trajectory. Webster understands first-hand how the proper use of new and interesting captured data can be smartly leveraged to generate alpha.”

Mizuho has hired Natalie Berry as vice president network manager.

Previously at MUFG Securities, Berry served as network manager from 2015 to 2018. She has also worked at Jefferies and RBC Dexia Investor Services.

BNY Mellon has appointed Nitin Chandel as head of technology for India.

Based in Pune, India, Chandel will report to Bridget Engle, senior executive vice president and CIO of BNY Mellon.

He will lead a global technology team across Chennai and Pune, helping to drive technology transformation, focusing on digitisation and infrastructure.

Chandel will also be responsible for recruiting new members of the technology team.

Chandel joins BNY Mellon from Visa Inc where he was senior vice president for its developer platform and led a global team from India focused on making its services available as application programming interfaces (APIs).

Engle said: “We are pleased to welcome Nitin Chandel to our team of senior technologists, building strong capabilities in India. His proven track record of developing and executing API strategies will be instrumental in helping us continue to bring solutions to partners and other third parties.” AST