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Tell me LEIs, tell me sweet little LEIs

DTTC's Eugene Ing discusses the LEI issuance

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Shield FC bolsters team

Shield Financial Compliance (Shield FC) has appointed Eran Noam as the vice president of global sales and business development. In this newly created role, Noam will focus on sales and strategic business alliances, principally Shield 2.0 since its launch in March.

Noam has more than 17 years of experience in enterprise software sales and business development, including executive roles in NICE Systems and Qognify.

Commenting on his new role, Noam said: "I am very pleased to be joining Shield FC at this exciting stage of the company's development."

He added: "Shield is bringing the latest artificial intelligence and big data solutions to the thriving regulation technology domain and uniquely addresses the compliance officers requirements. Shield's mission is to empower compliance officers with its revolutionary automated, accurate and timely compliance assistant."

Shiran Weitzman, CEO at Shield FC, said: "We are delighted to welcome Eran Noam to our team. Bringing someone with Noam's background into the organisation is a key part of our strategic plans."

He added: "I believe our ability to deliver exceptional solutions and to support our clients is second to none and, with Noam's skill set, I am very confident that we will be able to widen our client base and partner ecosystem."

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Northern Trust delivers new compliance monitoring

Northern Trust has enhanced its post-trade compliance platform to provide institutional investors with more flexibility and control in monitoring investment activity across portfolios.

Northern Trust said it will now deliver a new version of its proprietary automated monitoring system, Compliance Analyst, and its online reporting and workflow tool, RADAR. Northern Trust's global asset owner clients, including pension funds, public institutions and insurance companies, can adopt this technology to monitor their manager's compliance with prescribed rules and understand the reasons behind any investment policy breaches.

Compliance Analyst offers expanded data coverage and system functionality, delivering transparency across portfolios quickly and intuitively.

Through RADAR, clients can also draw on new dashboard and workflow tools making it easier to monitor portfolios at-a-glance, identify breaches and take action to address them.

Commenting on the new compliance platform, Ian Castledine, global head of integrated research approval system product management at Northern Trust, said: "This redesign of our compliance monitoring capability helps our clients achieve their governance and investment compliance objectives in the most efficient and effective way."

He added: "Used alongside our extensive range of investment risk and performance analytical tools, this offers a step-change in how clients can monitor, manage and understand the full scope of their investment activities."

EFAMA: Total investment fund assets increased 95 percent since 2007

Total investment fund assets have increased by 95 percent since 2007, equivalent to a compound annual growth rate of 7 percent, according to The European Fund and Asset Management Association (EFAMA).

EFAMA announced the findings at its Annual General Meeting (AGM). The AGM also marked the end of a first year under the mandate of EFAMA president, William Nott. During this period, European investment funds assets has risen to €15 trillion.

William Nott, president of EFAMA, said: "This is a great achievement for our industry. I am certain that, despite challenges brought about by financial markets volatility, UCITS and alternative investment funds (AIFs) will remain leading savings vehicles as they provide the risk diversification, potential for return and investor protection."

He added: "One of the key strengths of our industry is the speed with which we anticipate and respond to challenges and opportunities. And that is a good thing, because the European market provides major opportunities for all asset managers across Europe."

"As a strong and united pan-European trade association, EFAMA's main task over the next few years is to help bring about transformative change in the asset management industry, so consumers can save for their futures with trusted, easily accessible, value for money, socially and environmentally responsible investment options."

During the AGM, Nott pointed to regulatory files such as the Capital Markets Union project and The Packaged Retail and Insurance-based Investment Products as key priorities for the Association. It was also announced Peter De Proft, director general, who has headed the industry body for the past eleven years, will step down in June 2019. De Proft will remain an honorary director general to the association and will have an advisory function to the new director general during the transition period after an appointment has been made.

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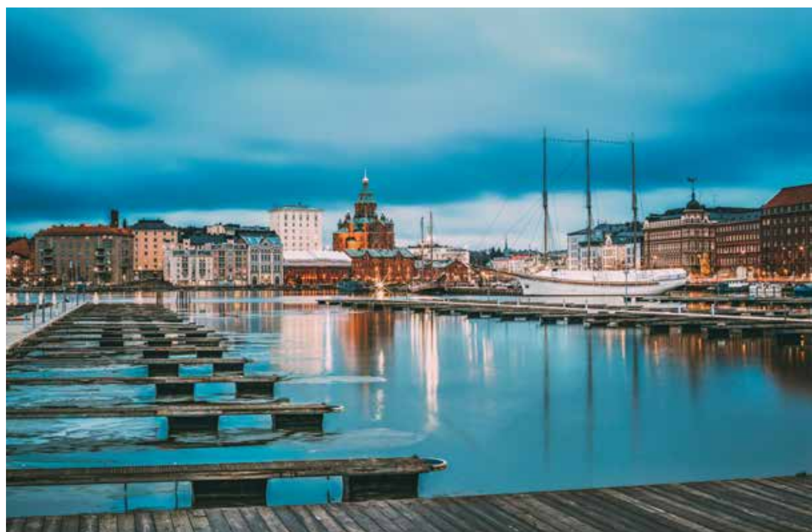

Torstone builds momentum in Nordic Market

Torstone Technology, provider of post-trade securities and derivatives processing, has signed a multi-year agreement with Nordic investment bank ABG Sundal Collier (ABG).

The agreement aims to provide access to Torstone's flagship cloud-based platform, Inferno, and acts as a further testament to its growing presence in the Nordic region.

This follows Torstone's entrance to the Norwegian market by connecting the Inferno platform to the Norwegian Central Securities Depository, Verdipapirsentralen ASA (VPS).

Inferno enables connectivity to multiple markets including Norway and Sweden. It will provide ABG with a flexible and future-proof operational platform to support their global business.

Additionally, Inferno will handle ABG's trade capture, confirmations, settlement, accounting and reconciliation, as well as static data management data.

As part of the project, Torstone has also built out connectivity to a major Norwegian custodian bank, as well as to regional payment and regulatory reporting service providers.

Geir Olsen, CFO at ABG Sundal Collier, commented: "We are pleased to partner with Torstone and have been very encouraged by the rapid progress made on the project. We look forward to leveraging Inferno's full set of capabilities once we complete the switch-over later this year."

Jonny Speers, global head of sales, Torstone, added: "We are delighted to be working with ABG Sundal Collier, a major Nordic financial institution, who has chosen to leverage our Inferno platform".

"We are excited about the opportunities in this market as we look to strengthen our presence here."

Brian Collings, CEO of Torstone, said: "Our partnership with ABG Sundal Collier proves again Torstone's ability to quickly enter new markets, underscoring the dynamic and flexible nature of our platform. We are working in close collaboration with ABG to further build out this partnership as we prepare to launch the solution towards the end of this year."

Commenting on his departure, De Proft commented: "Having led EFAMA during a period of significant change, I feel proud to say that asset management has evolved tremendously as an industry since the financial crisis, and has reached an impressive level of maturity, with a reiterated focus on the end investor."

He added: "Serving this association and working with such committed colleagues has been a great privilege. I am proud of what we have created and achieved together: an open dialogue with all European institutions and organisations, which will allow for constructive regulation to be implemented in the years to come."

William Nott, president of EFAMA, said: "EFAMA has gone from strength to strength under Peter De Proft's leadership, and he will be greatly missed by the EFAMA secretariat and the 28 country associations, 62 corporate and 24 associate members whom he has faithfully served and represented for the last eleven years."

EFAMA evidence Paper confirms failings of regulation for investors

The European Financial Management Association (EFAMA) has published an evidence paper, which confirms the failings of the regulation for investors.

The paper supports EFAMA's assessment of the negative consequences of the Packaged Retail and Insurance-based Investment Products (PRIIPs) rules by leveraging "live" data and direct insights from its corporate members on how the regulation is currently impacting the industry.

Six months into the implementation of the new PRIIPs rules, EFAMA published the paper, which showcased the disclosures made in the PRIIP key information documents (KID).The rules are based on "real life" data from its corporate members, and the disclosures, originally designed to enhance investors' understanding of retail investment products, are causing serious detriment to these same investors by mandating figures, the EFAMA revealed.

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Hedge Funds asset flows 'slightly negative' for May

Hedge fund asset flows are 'slightly negative', with investors pulling $1.59 billion from the industry during the month, eVestment's May hedge fund asset flows report revealed.

The overall year-to-date fund flows are still positive, at $12.51 billion, with overall industry assets under management (AUM) sitting at $3.319 trillion.

Despite the negativity, there are still many products gaining assets but for each gainer, there was another losing a little bit more, the report found.

According to the report, among hedge fund types, equity-focused funds pulled in +$3 billion in May and commodities funds pulled in $470 million.

Meanwhile, fixed-income/credit funds saw AUM fall -$2.38 billion and multi-asset funds saw AUM fall -$2.63 billion.

Among primary strategies, multi-strategy funds saw AUM increase +$2.23 billion, however, year-to-date (YTD) 2018 flows are still negative at -$2.74 billion, following up the negative full year 2017 where multi-strategy fund AUM dropped -$4.22 billion.

Other key findings found that market neutral equity funds are having a strong year among primary strategies, with inflows of +$1.76 billion in May and YTD AUM up to +$5.89 billion.

Managed futures fund redemption pressures continued in May, with these funds seeing -$3.92 billion inflows.

Approximately 63 percent of reporting managed futures products experienced redemptions in May, bringing the proportion losing assets YTD up to 60 percent.

The report also found that half of emerging markets funds saw positive flows in May, with segment AUM up +$570 million, and more than half are positive YTD, bringing YTD emerging markets fund flows to +$2.22 billion and overall emerging markets fund AUM to $308.46 billion.

According to EFAMA, performance and costs are particular regions that are suffering as a result. The disclosures made in the PRIIP KID region are at best confusing investors and at worst misleading them.

The evidence supports several of EFAMA's findings and conclusions; for example, the new methodology for calculating transaction costs produced confusing and unreliable figures. As a result, PRIIP KID's new methodology forced manufacturers to make claims for products that hinder investor's understanding of them, EFAMA cited.

Additionally, EFAMA found that looking at future performance scenarios without context will not help investors make investor decisions.

Meanwhile, further findings suggested that meaningful comparisons between similar investment products would become impossible because costs are now averaged over a product's recommended holding period. As a result, cost comparisons will not be possible for products with different holding periods.

Peter De Proft, EFAMA's director general, warned: "We urgently call on the European Supervisory Authorities (ESA) and the European commission to plan an immediate targeted revision of the PRIIPs delegated regulation, well ahead of any planned formal review of the rules. The clock is painfully ticking, and time is of the essence as investors are currently presented with misleading information. We believe that a level of urgency is justified and we ask the ESAs and the European Commission to take swift action in order to stop systematic misinformation of investors and avoid further consumer detriment."

He added: "We are also extremely concerned that the current legal framework is such that it will require funds to produce both a PRIIP KID and UCITS, key investor information document (KIID) simultaneously by December 2019. Given the compelling evidence of the negative impact of the PRIIPs KID rules on investors, we strongly recommend that the exemption for funds producing a UCITS KIID be extended until these issues are satisfactorily resolved in the upcoming PRIIPs review." AST

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Tell me LEIs, tell me sweet little LEIs

Eugene Ing, executive director of institutional trade processing at DTCC, discusses the LEI issuance and trends he saw leading up to its July deadline

Jenna Lomax reports

What does your role involve within the GMEI utility?

I am executive director, Institutional Trade Processing at DTCC, overseeing DTCC's GMEI utility. I'm responsible for the strategic direction of the utility, ensuring that it is aligned with industry standards and any upcoming regulatory requirements.

I also work closely with our clients to find solutions best suited to their legal entity identifier (LEI) needs.

What can you tell me about the end of the grace period of the LEI rule that's been delayed by 6 months?

We saw an increase in LEI issuance from November/December 2017 through to January this year, which was to be expected because there is bound to be a peak immediately prior to a large-scale implementation.

The issuance has subsequently settled back into a business-as-usual volume with no discernible uptick in June volume.

DTCC spent the grace period working with our clients to ensure that they fully understand the LEI requirements, with a view to providing them with the best solution possible.

What challenges has the grace period brought, and what opportunities will it bring, if any?

The grace period enabled us to have further conversations with firms still needing LEIs and to educate them about the importance of the LEI system.

While we are seeing steady uptake of LEIs amongst European and US firms, some firms, most notably in Asia, are still adapting to these requirements.

Firms that are familiar with the LEI process found the second Markets in Financial Instruments Directive (MiFID II) compliance less challenging.

At the end of last year, we launched a same-day LEI service to meet the needs of clients that required shorter turnaround times for LEI issuance leading up to MiFID II's 3 January deadline, and again up to the 3 July deadline.

How do you think the industry has managed the LEI uptake since MIFID II came into force?

Some of the larger players were already accustomed to the LEI regime—LEIs have been mandatory for over-the-counter (OTC) derivatives trade reporting in the US since 2012, and under the European Market Infrastructure Regulation (EMIR) in Europe since 2014.

MiFID II expanded the use of LEIs into different asset classes. Consequently, a number of firms had to adopt LEIs for the first time.

That said, the concept of LEIs has become increasingly familiar to financial services firms since its introduction in 2012.

With the use of LEIs in cross-border regulatory regimes, such as MiFID II, and conversations in other regions, we are seeing an alignment with the true vision of LEI as a tool to achieve the global transparency objectives as set out in the 2009 G20 mandate.

Have you seen progress in the last six months?

Yes, throughout 2017 we saw considerable progress with an increase in the uptake of LEIs.

In terms of the next phase, it is a case of firms that are either newly created or that have launched new entities that are still adapting to this regime.

We have always taken the view that firms strive for compliance and do their best to achieve it.

Now it is a matter of adjusting to the new regulations.

Do LEIs offer significant cost savings and improved cross-border data accuracy and transparency?

Undoubtedly. Under MiFID II alone, the LEI is used as a common identifier across various asset classes, as well as jurisdictions within and external to the EU.

We are also seeing adoption from some of the Asia Pacific regimes which intend to use the LEI to drive transparency.

The basic tenet of the system is a single unified identifier applied across borders, regimes and asset classes.

Harmonising around this data standard has achieved an increase in levels of transparency in financial markets.

Will the grace period given have a knock on effect concerning SFTR, which is due to go live in 2019?

It is unlikely. Principal parties of the trade that fall under the scope of SFTR should already have LEIs in place as mandated by other European regulations, however issuers of collateral and securities may initially face some challenges.

The Securities Financing Transactions Regulation (SFTR) is still evolving; its reporting obligations will be vast with more than 150 reportable fields so we are likely to see a learning curve for firms whose operational processes are still developing.

Furthermore, the IS020022 methodology for reporting, validation and access to data is yet to be published so there is a fair amount of learning to be done for SFTR.

What should firms be doing to improve their compliance with the regulation?

As far as being compliant with MiFID II, there is always work to do. However the regulation was a long time in the making and firms have invested substantial resources into their preparations to ensure compliance.

What other regulations are on the radar?

In terms of LEIs, The Hong Kong Monetary Authority has recently issued a consultation on further enhancements to the OTC derivatives regulatory regime in Hong Kong, including a proposal to mandate the use of LEIs for the reporting obligation.

Furthermore, the industry continues to work on certain aspects of EMIR directives mandating the use of LEIs.

What challenges and opportunities do you see for the rest of 2018 and moving forward to 2019?

The Regulatory Oversight Committee (ROC) is looking to add further data attributes to the global LEI system, such as information pertinent to corporate actions and additional clarifications on fund ownership related to Level 2 data.

From a DTCC perspective, we are looking to fully integrate the GMEI utility with our Institutional Trade Processing suite of products with the goal of increased operational efficiency.

Do you have any advice to give to those who missed the deadline?

Market participants need to make it a priority to apply for their LEIs as soon as possible.

Firms which transact in European markets but do not put the necessary measures in place to comply with the MiFID II LEI requirement will simply not be able to trade with European counterparties.

Eugene Ing
Executive director of institutional trade processing
DTCC

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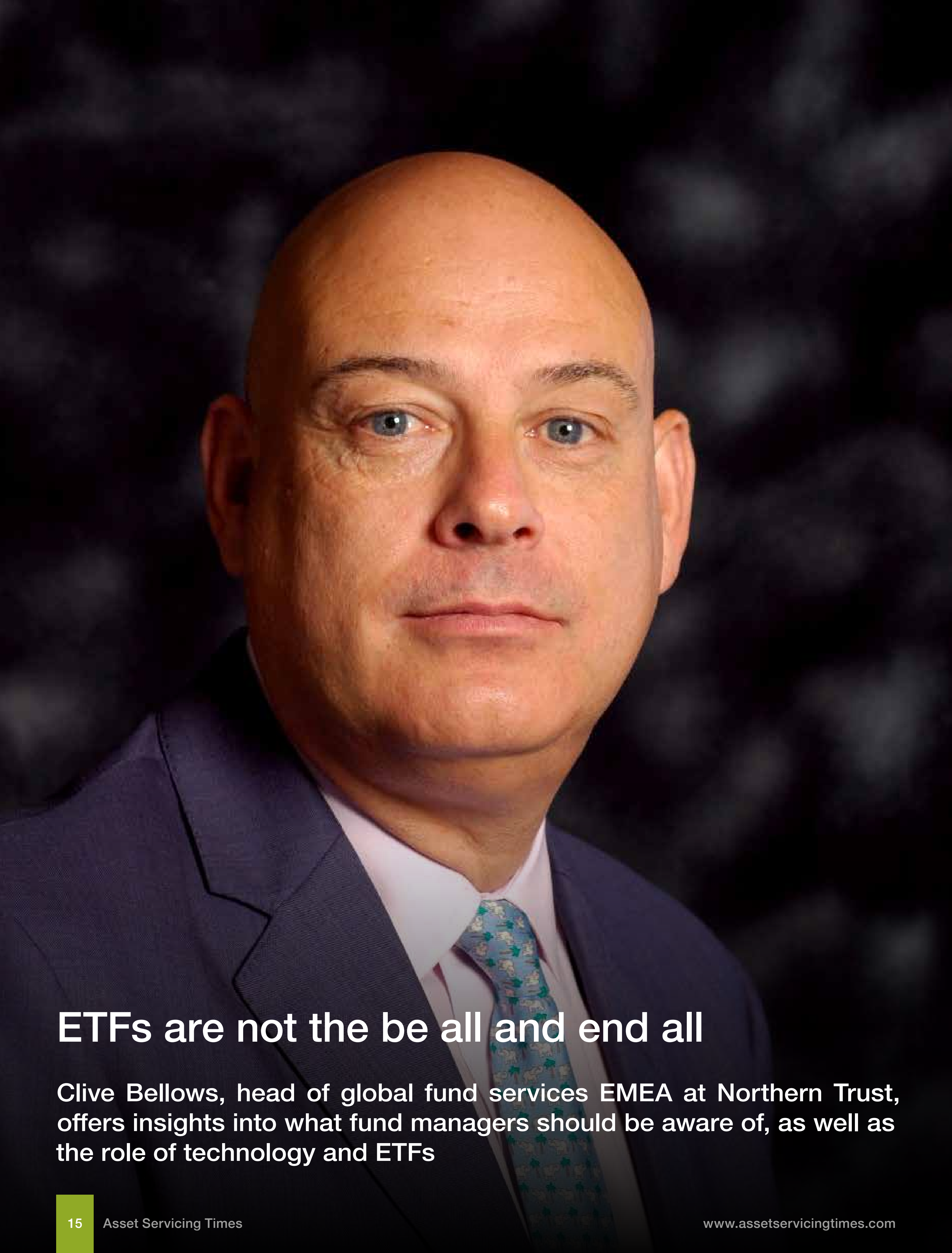

ETFs are not the be all and end all

Clive Bellows, head of global fund services EMEA at Northern Trust, offers insights into what fund managers should be aware of, as well as the role of technology and ETFs

Maddie Saghir reports

What trends are you seeing that fund managers should be aware of?

There is a focus on delivering value for money; the expense ratio of funds is important, coupled with making sure that the right product is directed at the right investor type. The Markets in Financial Instruments Directive (MiFID) is on everybody's minds, rightly so. Another factor is making sure that distribution is targeted in the right places for appropriate reasons.

How is technology driving change in the industry?

Technology continues to play an important role in a number of ways and there are clearly new ways of managing money that involves technology. However, the types of products that are being delivered or continue to require, not only the managers, but the matrix of service providers to also invest in technology, relates back to efficiency.

Additionally, some of that is about opening up new markets and making it easier to distribute and also collect data on the funds.

What challenges are you seeing around technology?

It is really easy to jump into the latest blockchain or robotic project, and you have to make sure that you know what your end objective is.

It is important to decide whether you want to develop technology as a company or use a vended solution or partner with somebody to do a combination of both. As you're going through technology change, it is important to remember to keep the lights turned on and have business as usual (BAU) constant whilst you are managing that. Changing, evolving, and running a business at the same time is easier said than done.

What impact are the increased compliance and regulatory burdens having on asset managers?

The new wave of regulation over the last ten years has been pretty relentless, so whether that's UCITS, or the Alternative Investment Fund Managers Directive (AIFMD), or MiFID, I do think that regulatory impact of change for managers is starting to slow down.

A lot of regulators around the world recognise that they've done a lot in reaction to the financial crisis and for all of the right reasons. I do think that there is a realisation that the regulation that has been put in place over the last five or six years needs to be allowed to settle down.

It will be tweaked and it will evolve but I think a lot of the fundamental regulatory change we have seen has in fact already done that and hopefully, that will give the industry a chance to get on with doing what it should be doing—managing money and delivering value to investors.

How has the industry had to re-think its approaches because of technological innovations around artificial intelligence (AI), automation and data analytics?

It has never been easier for managers to have access to data, whether it be closing a number of their funds, research, or more up to date and quicker notification of what is going on in their portfolios. You can almost have too much data, you need to get the data at the right time of the day and in the right formats in a way that it is easy to digest.

You can end up going down a lot of cul-de-sacs if you don't set out a clear strategy but there has never been more data available for money managers than there is right now.

Our industry has been around for a long time and for me, the fundamentals of delivering money and delivering values to investors haven't changed. There are different ways of achieving that now but that hasn't changed.

Equally, some of the traditional ways of active management and picking the right stocks are still as valid now as they were 50 years ago. There are also lots of ways to invest now that didn't exist then.

I don't subscribe to the view that exchange-traded funds (ETFs) are going to be the only way of investing in ten years time. I think that will continue to grow but there is a place for strategies whether that be traditional management, private equities, or real estate. There are a lot of different choices out there.

What is your outlook on the investment industry, such as the prospect of ETF providers offering low cost, and low margin investment solutions?

They will continue to be valid and for most investors, some exposure to ETFs makes complete sense. I would still believe though that there is room for a percentage of a portfolio to be in other asset classes and other asset types.

As I said, I do not subscribe to the view that ETFs are the only answer but I don't think we would all be here if we thought iShares was going to be managing every dollar available.

We have clients who have managed real estate portfolios and are delivering 10 percent year-on-year yield. I think any sensible investor is going to take a balanced view and they are going to have exposure to different ETF asset classes. ETFs are going to be important but there are still lots of other ways of managing money.

I think that there is an overemphasis in conferences like this (FundForum)—ETF is very trendy and has been for a number of years but there is a danger that we get over-focused on low-cost products, which absolutely have a place but the industry run the risk of ignoring other opportunities if we do that. AST

Room for improvement

Collaboration was a big focus at The Network Forum Annual Meeting. Find out what happened at this year's event

Becky Butcher reports

Delegates gathered in Vienna on 25 to 27 June for The Network Forum's Annual Meeting to discuss the most pressing issues in the industry. The biggest talking point of the conference was the need for collaboration between firm's.

One of the panels at the conference suggested that although there has been collaboration, there is room for improvement. A speaker said: "The industry has done well in cooperating, but it is still not enough."

The panel included Goran Fors of SEB, Philippe Laurensy of Euroclear, Julia Romanyi of Unicredit, Urs Staehli of ISSA and Mike Clarke of Deutsche Bank.

One panellist explained that the industry is still cautious about working together and cooperating because of worries around losing the competitive advantage.

Another said that the industry has to come together when new regulations are implemented because a lack of collaboration can cause complications in the market.

However, when the panel asked the audience what areas the current level of cooperation is most successful in, panellists were "surprised by the results".

Of those who responded, 76 percent suggested regulation, while operations and IT infrastructure both received 12 percent of the vote. Commenting on the results, a panellist said: "I am very surprised. Although there has been collaboration, we are able to do a lot more."

The audience was then asked where they thought further cooperation was needed. Just under half, 45 percent, said more work was needed around IT infrastructure and process innovation, while 41 percent said regulatory topics and 14 percent said work needed to be in the operations space.

Responding to the poll results, one speaker said: "I'm encouraged by the results."

The panellist explained: "What comes across very strongly is for us to embrace technologies that are available and use them to make the business better. However, we are only able to do that if we move step-by-step and hand-in-hand together to achieve that."

Another question posed to the audience was on the Association for Financial Markets in Europe (AFME) questionnaire.

Delegates were asked: "What efficiency has the AFME questionnaire brought to the industry?"

Over half, 60 percent of participants, said they can already feel some efficiency, however, there is still a long way to go; 25 percent said they are very happy with the efficiency already gained, but some minor adjustments are needed; 8 percent said we are at step zero, with no efficiency at the moment; 6 percent asked what is the AFME questionnaire good for; and finally, 2 percent suggested the industry is perfect as it is and it just needs to be more consistent using it.

From these answers, panellists encouraged the audience to "work together more", but reinforced the message that although there has been efficiency, there is still a long way to go.

Technology was also on the agenda. A panel, which featured Gavin Wells of Digital Asset, Peter Randall of SETL, Margaret Harwood-Jones of Standard Chartered Bank and Ryan Marsh of Citi.

Citi, explained that distributed ledger technology (DLT) is not a panacea, but the industry will have to learn about it.

Although DLT is just a technology, it does offer new avenues for the industry, according to a speaker. They suggested that DLT provides better data protection and greater efficiency.

However, in doing so, the panellist explained that it challenges entities and roles where it can provide better data management. The speaker said: "If a system can do it, you don't need to."

Another speaker said: "While DLT will give the industry a chance to be more efficient, it could disintermediate companies."

According to one panellist, the early opportunities that companies should be looking for in DLT is how to streamline processes. However, agreeing with the earlier comments, the speaker said: "There is a threat of disintermediation and it should be seen as a warning."

A panellist suggested that Financial Management Information Systems (FMIS) are critical in this process. They noted that the best chance of wide adoption will come from these systems, but it is important to consider the challenges associated with the technology.

The panel then moved on to discussing standards around DLT. The panel asked the audience who they believed would be best to drive standards for DLT in securities services.

Of those who responded, 27 percent answered regulators, 14 percent said SWIFT, 30 percent noted ISO, 9 percent suggested International Swaps and Derivatives Association or Financial Products Markup and finally, 20 percent said other.

One panellist suggested that standards should follow the industry path rather than following people who don't work within the environment. Another panel also discussed technology, focusing on how to choose the right technology for a company. The panel members suggested that firms need to understand the business needs in order to select a technology that is right for them.

One panellist explained that by doing this it will help firms to sustain business and stay relevant in the industry. However, another speaker noted that with all the change in the industry around regulation and technology, using a legacy system might not be the most cost-efficient way and in fact could be even more expensive.

Following on from the technology theme, the next panel discussed artificial intelligence (AI) and robotics.

One speaker said that everybody in the room is facing margin pressure from the core of the business, which has been going on for some time. The panellist suggested that this trend is set to continue.

They said: "In the custody space, margins have come down by 2 percent every year, however, people are happy with services but they want to pay less for it, which is causing the constant margin pressure."

Firms are also experiencing high levels of cost-cutting, but one speaker said how the industry is meant to hit the next level of efficiency with so much cost-cutting.

The speaker suggested you have to look for something else—that something else being AI. The panel noted that AI can be useful when it comes to managing the client experience.

One said: “AI can help enhance the client experience dramatically.”

Another panellist commented: “There are multiple areas where we can add robots to add value.”

However, one speaker explained that AI is dependent on data. They suggested the more data you have, the more chance you have of being able to use it wisely to enhance the business.

According to another speaker, there is value in investing in robotics, but you have to look at all the options available to get the best result.

During the conference, Societe Generale Securities Services released the results of its Independent Market Survey. The results showed that the biggest challenge for the agent bank industry over the next five years is regulation.

The 214 survey respondents included 28 percent sub-custodians, 20 percent global custodian banks and 16 percent from market infrastructure organisations.

Other challenges that participants selected were technology-based disruptors at 25 percent, costs of capital and liquidity at 15 percent, market infrastructures as competitors at 13 percent, and market weakness at 2 percent.

Survey participants were also asked what topics they have focused more on in the last two years.

On top, at 35 percent was asset protection. This was followed by 27 percent of respondents selecting cybersecurity.

Some 21 percent said data protection was a focus, while 9 percent said digitalisation. Finally, 7 percent voted for corporate social responsibility.

When looking at how many organisations will be providing a full range of traditional agent bank services in the next five years, 75 percent of survey respondents said they thought there would be less providers, while only 10 percent thought there would be more. At 8 percent, participants thought there would be no change, and an even smaller 7 percent said they think there will be new entrants.

The survey also asked to what extent did participants agree that agent bank services would be unbundled and supplied on a modular basis in the next five years.

Just under half, 47 percent, somewhat agreed, followed closely by 36 percent strongly agreeing. A much lower figure of 13 percent neither agreed nor disagreed, while 5 percent disagreed.

Moving on to Target2-Securities, the survey as participants what they had observed over the last three years. Some 44 percent stated they had seen no harmonisation, no market consolidation, no better liquidity and no lowering of costs. However, 32 percent noted that they have seen more harmonisation, 12 percent suggested there has been more consolidation, 10 percent believe there has been better liquidity and finally, 4 percent have seen lower costs.

Focusing on the biggest disruptors, survey responses showed that technology and regulation come out on top, while the inability to compete was less of a concern. AST

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Comings and goings at Citi, Layton Road Group, J.P. Morgan and more

The board of directors at Citi has elected Jay Jacobs as a new independent director.

Jacobs most recently served as president and managing director of Pacific Investment Management Company (PIMCO), a global investment management firm, prior to his retirement in September 2017. Jacobs was at PIMCO, serving as the firm's president from 2014 to 2017.

As president, Jacobs led the firm's operational, administrative and infrastructure areas and chaired PIMCO's global risk committee and served on its executive, compensation and audit committees.

Prior to PIMCO, Jacobs served as managing director and global head of human resources at PIMCO. He currently serves as an outside consultant to the firm.

Michael O'Neill, chairman at Citi, said, "We are pleased to have Jay Jacobs join Citi's board of directors. Not only does he have deep operational, administrative and business experience in the financial services industry, but he also brings to Citi's board insights gained from being an institutional investor and a client."

He added: "I'm confident Jacobs's perspective from these various viewpoints will prove immediately valuable to Citi."

Layton Road Group has welcomed new managing director Daniel Cohen with the aim to target brokerage and custodial space.

Cohen will seek to introduce and expand Layton Road's outsourced capital introduction solutions to the prime brokerage and custodial services industries.

With over 20 years of experience in the industry, Cohen joins the Layton Road Group after leading sales teams at Cantor Fitzgerald, J.P. Morgan and Bear Stearns.

He has contributed more than two decades in the prime brokerage industry having held senior roles in sales and risk management.

Cohen stated: "I am thrilled to be reunited with Tom Mahala and join Layton Road's veteran marketers and experienced sales professionals. Mahala has developed a ground-breaking offering that provides a better way to offer capital introduction services to alternative investment managers, institutional investors and prime brokerage divisions."

Tom Mahala, president at Layton Road Group, commented: "Daniel Cohen's 20 years plus of experience and abundant industry relationships on the West Coast puts him in an ideal position to deliver a better capital introduction experience to investors and managers alike."

He added: "The industry is changing and hiring someone like Cohen helps Layton Road fulfil a growing need to partner with high-quality, connected professionals, to assist investment managers meet their asset-raising goals."

Global advisory and fund administration firm, Maitland, has named Tim Oddy as London-based senior relationship manager for its UK and EU funds business.

The appointment comes in the wake of a sustained period of organic growth, together with a number of significant new client implementations over the last year and a half, according to Maitland.

Maitland added that Oddy will be responsible for the relationship management of its largest fund services clients and helping to raise awareness of its brand across the market.

He will report to Patric Foley-Brickley, head of business development and client management, Europe.

Maitland said that Oddy has over 35 years of experience in relationship and business development and a high level of sector expertise in securities services, fund administration, financial markets, corporate and investment banking, insurance and asset management.

Kieren McCormack has joined DeepWell Liquidity Management, a global financial markets intermediary for the buy-side community.

In his new role, McCormack will serve as head of origination. Deepwell, has hired a total of seven senior market professionals to its team across three continents as it eyes further growth and expansion into different asset classes.

Prior to Deepwell, McCormack led an independent brokerage serving the institutional and hedge fund space and spent 20 years at Credit Suisse.

Most recently, he served as managing director and head of prime services sales and coverage at Credit Suisse.

Commenting on the new appointments, Richard Leighton, CEO of DeepWell, said: "Our team brings extensive sell-side and buy-side knowledge, making us ideally placed to help our clients support their trading requirements."

J.P. Morgan has named John Murphy as head of custody and fund services for Asia Pacific.

He succeeds Colin McKechnie, who will return to New York after spending the last three years in Hong Kong leading J.P. Morgan's custody and fund services business in the region.

Teresa Heitsenrether, head of global CFS at J.P. Morgan, commented: "Our CFS franchise in Asia Pacific has achieved tremendous growth under Colin McKechnie's stewardship with assets under custody increasing by 3 percent over the last three years. Our business is well positioned for continued expansion, and under his leadership we will move to the next level."

Murphy brings a wealth of expertise to the role having worked across product, operations and client disciplines, and across regions across the US, Europe and Asia Pacific during his career spanning more than 20 years.

Based in Hong Kong, he will join the CFS Global Management Team as well as the Asia Pacific Management Committee.

Vermeg has terminated the employment of Lombard Risk CEO Alastair Brown and CFO Nigel Gurney.

Both Brown and Gurney have stepped down with immediate effect from the board of directors of Lombard Risk and all associated group entities.

Additionally, the Vermeg Board intends to effect redundancies in respect of up to three other senior management personnel within Lombard Risk.

The decision was made after Vermeg recognised a "material decline" in revenues from Lombard Risk.

Vermeg acquired Lombard Risk in February and expected an increase in revenue and a turnover of €100 million.

However, the unaudited full year results displayed a material decline in revenues, negative earnings before interest, taxes, depreciation, and amortisation, as well as a significant loss before tax, compared to the prior financial year.

In the offer documentation that followed the acquisition, it was stated that Lombard Risk would continue to operate under its existing executive management team within the Vermeg group. It was also stated that apart from the mutually agreed resignations of Lombard Risk's four non-executive directors and a limited number of planned redundancies, Vermeg did not intend to make any other material changes.

According to the company, it is now intended that the planned redundancy programme is likely to involve a material number of redundancies within the operational and professional services areas and a limited number of redundancies within the sales and marketing team.

The Vermeg Board noted that, while the scope of the redundancy programme is now wider than had previously been anticipated, "the overall total level of redundancies across the enlarged group, as a result of the implementation of the alternative integration strategy is still expected to be relatively limited and will have no impact on client support".

State Street Global Advisors S&P Depository Receipts (SPDR) has appointed Marcus Miholich as head of capital markets for Europe, the Middle East, and Africa (EMEA), and Asia-Pacific (APAC).

Based in London, Miholich will report to Tim Coyne, global head of capital markets for the global SPDR business.

Miholich joined the global SPDR business in October last year. Prior to this, he worked for Haitong Securities, where he was managing director and head of delta one, exchange-traded funds (ETFs), and cash equity trading.

Previous roles in his career included senior positions in sales and trading at Merrill Lynch, J.P. Morgan, and Morgan Stanley.

Most recently, Miholich was responsible for State Street ETFs Nordic business.

Commenting on Miholich's new role, Coyne said: "The European and Asia Pacific trading universes are fragmented and complex. Our capital markets team perform an integral role as subject matter experts on ETF trading. Their knowledge of the ETF ecosystem and relationships with market makers and authorised participants ensure that when clients trade our funds, they can access the liquidity they require at the right price point and with appropriate execution costs."

He added: "Miholich brings a wealth of ETF and trading experience to our team and we look forward to working with him to strengthen our capability in this critical function."

SANNE has appointed Ashley Vardon as new director of private equity funds, adding further strength to its global private equity offering.

Based in Jersey, Vardon will be responsible for the delivery and oversight of fund administration for private equity and listed funds within SANNE's Europe, the Middle East, and Africa (EMEA) business.

Vardon has extensive industry knowledge of private equity structures including the federation of small businesses Financial Stability Board regulated and unregulated companies, funds and ancillary, co-investment and carried interest vehicles.

In his new role, Vardon will aim to ensure that SANNE's best practice, efficiency and integrity is maintained throughout the private equity business.

Oliver Morris, head of private equity EMEA at SANNE, said: "We are thrilled to welcome Vardon to the team as his appointment significantly strengthens our private equity offering. His experience in private equity funds will be extremely beneficial to SANNE and will be vital in supporting our growing business." AST