asset servicing times

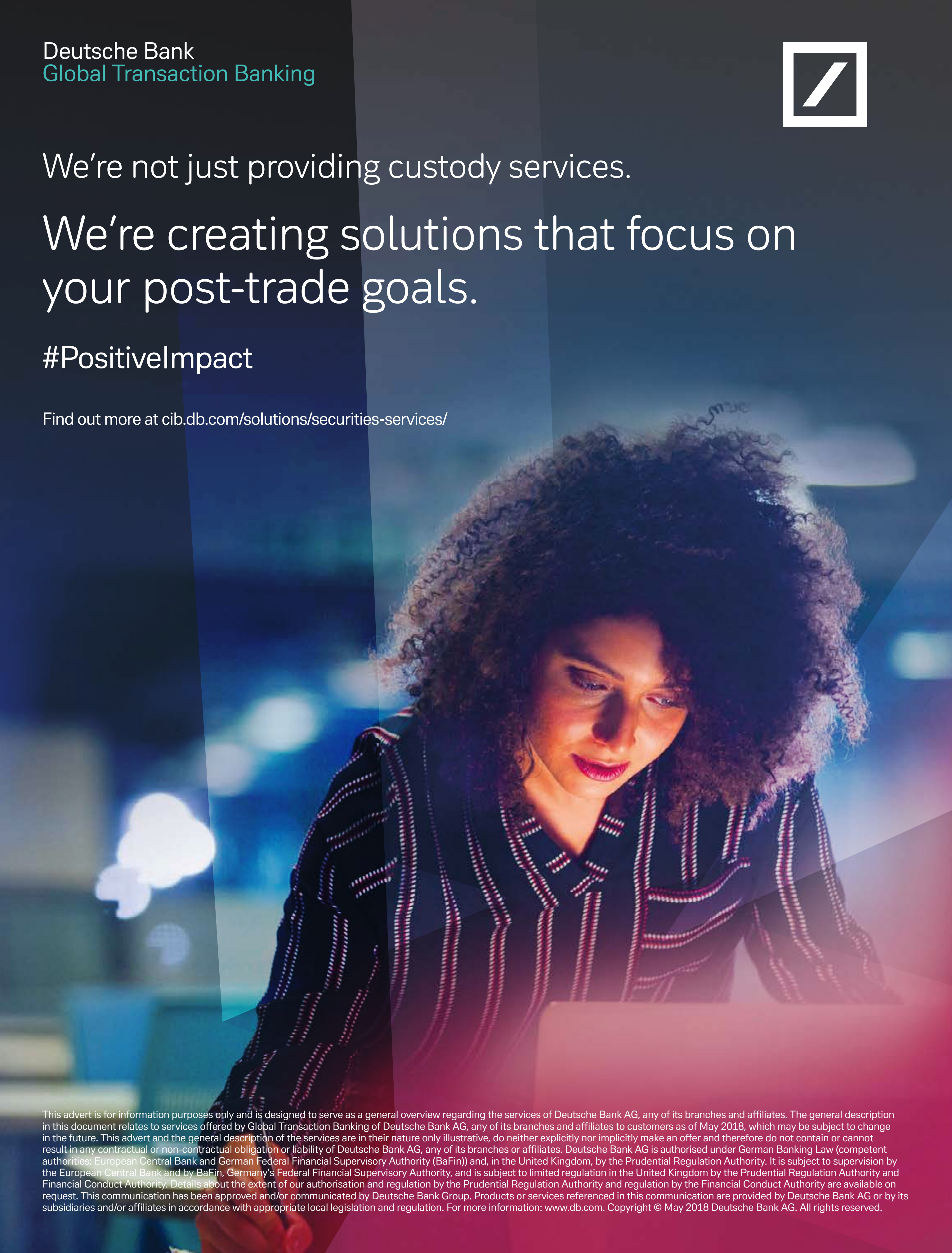
The primary source of global asset servicing news and analysis

Issue 196 08 Aug 2018

The future is ours to seize

India's asset servicing industry is growing at an astonishing rate, but what does the future hold?

Visit www.assetservicingtimes.com for the latest daily news updates


Deutsche Bank
Global Transaction Banking
We're not just providing custody services.
We're creating solutions that focus on your post-trade goals.
#PositiveImpact
Find out more at cib.db.com/solutions/securities-services/
This advert is for information purposes only and is designed to serve as a general overview regarding the services of Deutsche Bank AG, any of its branches and affiliates. The general description in this document relates to services offered by Global Transaction Banking of Deutsche Bank AG, any of its branches and affiliates to customers as of May 2018, which may be subject to change in the future. This advert and the general description of the services are in their nature only illustrative, do neither explicitly nor implicitly make an offer and therefore do not contain or cannot result in any contractual or non-contractual obligation or liability of Deutsche Bank AG, any of its branches or affiliates. Deutsche Bank AG is authorised under German Banking Law (competent authorities: European Central Bank and German Federal Financial Supervisory Authority (BaFin)) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available on request. This communication has been approved and/or communicated by Deutsche Bank Group. Products or services referenced in this communication are provided by Deutsche Bank AG or by its subsidiaries and/or affiliates in accordance with appropriate local legislation and regulation. For more information: www.db.com. Copyright © May 2018 Deutsche Bank AG. All rights reserved.

ESMA: National regulators need to improve their supervision of UCITS

The European Securities and Markets Authority (ESMA) has found that national regulators need to improve their supervision of UCITS engaging in efficient portfolio management techniques (EPM).

ESMA's peer review assessed six national competent authorities (NCAs) including Estonia, France, Germany, Ireland, Luxembourg, and the UK. The finding particularly related to the supervisory practices regarding operational aspects of costs, feed, revenues for EPM, and collateral management issues.

ESMA called on NCAs, in particular for Estonia and the UK, to make a number of improvements in their peer review. This included ensuring a more systematic and formalised review of the required EPM disclosures.

Additionally, ESMA advised reviewed NCAs to provide more comprehensive internal supervisory guidance on costs, fees, and revenues regarding EPM.

Meanwhile, Germany and Luxembourg in particular should ensure that all net reviews from EPM are returned to the investors, ESMA revealed. This in regards to revenue splits between investors, fund managers, and their service providers.

As well as this, they are advised to revise existing exemptions to the guidelines on collateral requirements granted in the UK and Germany.

According to ESMA, this is so that fund assets can only be used for EPM purposes where UCITS receive high-quality and liquid collateral in accordance with the standards set out in the ESMA guidelines.

Good practices were also identified in the ESMA peer review, which focused on data-driven supervision to help identify areas on which to concentrate resources.

Bespoke reporting tools to provide support to and augment oversight of UCITS and their adherence to the guidelines were also noted as a focus of good practice.

Steven Maijoor, chair of ESMA, said: "This is an important stock-take revealing both good practices and areas where improvements are needed. Ensuring that the use of efficient portfolio management by UCITS is sound and not detrimental to the protection of investors, is important."

He added: "In order to increase supervisory convergence in this important area, ESMA has asked NCAs to amend their supervisory practices in specific areas—as a true level playing field is built on consistent application and supervision of the rules."

Contents

asset servicing times

W: www.assetservicingtimes.com
T: @ASTimes_

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

Deputy Editor: Barney Dixon
barneydixon@blackknightmedialtd.com
+44 (0)203 750 6026

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

Net sales of equities turned negative for May

Net sales of UCITS and alternative investment funds (AIFs) registered net outflows of €1 billion, compared to net inflows of €43 billion in April, according to new data released by The European Fund and Asset Management Association (EFAMA).

The association said this data, released as part of its latest Investment Funds Industry Fact Sheet, reflected a spike in investor risk aversion and increased political risk.

Some 28 associations representing 98 percent of total UCITS and AIF assets provided the net sales data.

Net sales of equity funds totalled net outflows of €3 billion, down from net inflows of €16 billion in April. UCITS money market funds registered net outflows of €6 billion, compared to net inflows of €9 billion recorded in April.

Net sales of multi-asset funds totaled €9 billion, down from €10 billion in April.

Net sales of AIFs recorded net inflows of €8 billion, compared to net outflows of €3 billion in April. Total net assets of UCITS and AIFs registered €16,004 billion at end May, compared to €15,818 billion at the end of April.

Bernard Delbecque, director of economics and research at EFAMA, commented: "Rising trade-related tensions, increased political risks and gradually normalising inflation caused a spike in investor risk aversion in May, resulting in net outflows from equity and bond funds."

MiFID II brings 'far-reaching change', says LSEG

The revised EU Markets in Financial Instruments Directive and its associated regulation (MiFID II/Markets in Financial Instruments Directive Regulation) brings far-reaching change to Europe's trading and investment landscape, according to the London Stock Exchange Group (LSEG).

LSEG released an industry paper regarding the second Markets in Financial Instruments Directive (MiFID II), six months after its implementation date in January 2018.

The report identifies six key themes from the first six months of MiFID II and offers insights to help the industry going forward with comment from industry experts from LSEG, Invesco and Redburn, among others.

Although MiFID II had an effect on almost all intermediaries and asset managers involved in the European investment industry, the regulation includes some specific changes for equity market participants, reducing 'dark' trading options, increasing reporting requirements and introducing new rules on best execution, algorithms and research commissions, all of which LSEG covers in the paper.

LSEG said: "The new MiFID II era is very much in its infancy. Many of the new rules and processes are yet to bed down and may need further clarification, much of the new data being generated needs greater scrutiny and analysis."

In its research, LSEG found the combined impact of MiFID II regulatory reforms can present liquidity challenges for small- and mid-cap stocks, but new technology-driven research, trading and education solutions are helping to encourage activity.

Where trading was concerned, LSEG said: "MiFID II's best execution and reporting requirements means trading decisions are driven by data more than ever and trading protocols and mechanisms will emerge and evolve across asset classes as trading venues and liquidity providers innovate to broaden the range of execution options."

Northern Trust: Data optimisation is top priority

Data optimisation is a top priority to help institutional investors benefit from regulatory change, according to a new white paper by Northern Trust.

The paper reviews regulations led by the implementation of the second Market in Financial Instruments Directive II (MiFID II) and General Data Protection Regulation (GDPR) for Q1 2018.

Both regulations impose record keeping, data management, privacy and transparency requirements on many participants in financial markets, the paper revealed.

It also found the opportunity to capitalise on regulatory change is truly global.

Additionally, while MiFID and GDPR were legislated in the EU, they apply to organisations that conduct business in Europe from other jurisdictions.

Regulatory changes in other markets such as Australia, Canada, China, Singapore, South Korea, and the US will present additional challenges and opportunities, the paper stated.

Penelope Biggs, CSO for corporate and institutional services at Northern Trust, said: "Whilst compliance with legislation is paramount, the benefits of an effective data management strategy go well beyond regulatory compliance."

"Both investors and financial services providers have the potential to reap significant rewards from a service, capability and reputational standpoint."

Biggs continued: "It is this need for data-driven regulatory solutions across the globe that has inspired Northern Trust to dedicate significant resources toward building an extensive range of services to support clients in this area."

"Our services range from transaction reporting (for European markets infrastructure regulation, MIFID II, and Australian securities and investments commission) and tax reporting (Foreign Account Tax Compliance Act, Common Reporting Standard), to regulatory reporting (Solvency II, FTK, RG 97, NPORT) and cost transparency reporting (transaction cost reporting for MIFID II and the packaged retail and insurance-based investment products)."

She added: "As this white paper shows, the need for data-driven regulatory solutions isn't going away so we are working hard to help our clients achieve the best possible operational and commercial results from managing their data."

Niki Beattie, CEO of Market Structure Partners, suggests that markets have not yet become more transparent to end-investors.

She said: "We now have a highly complex and opaque market structure. In the equities market, trading on some venues and systematic internaliser is not being conducted in keeping with MiFID II."

"In other asset classes, much of the activity on multilateral venues is in reality bilateral because of its reliance on credit relationships. Trading venues and brokers are innovating to attract business, but the overall effect in not necessarily improving outcomes or transparency for end-investors."

According to Scott Bradley, head of sales and marketing for cash secondary markets at London Stock Exchange, buy-side firms are now increasingly more comfortable trading larger sized blocks electronically.

The new requirement to take "all sufficient steps" to achieve best execution, rather than "all reasonable steps", as under the original MiFID, has raised the bar at buy-side trading desks, according to Paul Squires, head of Europe, Middle East and Africa at Invesco.

The report also covers the subject of adapting RFQ to equities, central clearing, ease of use, anonymity issues and the range and depth of liquidity.

One example of innovation is London Stock Exchange's plans to launch an RFQ-based service for equities.

LSEG said it's new platform will allow for transparent competition within an efficient, highly automated workflow.

Concluding, Niki Beattie, CEO of Market Structure Partners, said: "New reporting requirements are always challenging due to the number of dependencies involved, and it may be necessary for regulators to issue more guidance."

LSEG added: "Six months into the MiFID II era is a suitable time to pause, reflect, and—most importantly—plan for the future. The first six months of MiFID II suggest that the LSEG's relationship-led approach has set us on the right course to help our members and stakeholders to operate efficiently and thrive in the new environment."

"In consultation with the market, we have developed innovative solutions that provide flexibility as clients look to deliver value to their own end-customers while meeting regulatory obligations."

"MiFID II will remain an ongoing compliance challenge for regulated firms, both due to its sheer scale and the evolving regulatory status of instruments and institutions."

Thomson Reuters Financial & Risk to rebrand

Thomson Reuters Financial & Risk has rebranded and will now be known as Refinitiv. The announcement was made following the closing of the partnership transaction between Thomson Reuters and private equity funds managed by Blackstone, the Financial & Risk business.

Closing of the transaction is expected to occur in the second half of 2018 and until then the business will continue to be known as Thomson Reuters Financial & Risk.

The new name, Refinitiv, was created based on feedback from customers and industry influencers.

According to Thomson Reuters, Refinitiv is a name that aims to blend definitive action in financial markets and a bold focus on the future.

As a standalone company, Refinitiv will continue to focus on providing data and insights, trading platforms, market data infrastructure and open technology platforms that support and connect the global financial markets community.

Is there still a reticence, a hesitancy for some, towards cloud data management?

Yes, but there is no denying that it is fast becoming a crucial element when it comes to alpha generation, whether that's enriching and unlocking data analytics at speed and scale or identifying trading patterns and creating new lines of business."

Concerning technology, Streets surmised that artificial intelligence is still in the "fairly early stages of consideration."

She added: "There are buy-side firms harnessing such technology for better insights. On the sell side, many firms are already using AI for fraud, compliance and trade surveillance. Regulators are now looking at AI too, to manage their data."

Concerning the cyber risk synonymous with technology, Streets warned: "This is at a time when we are seeing increasing attempts of cyber attacks."

"All institutions including tier two and three investment firms, not to mention wealth management firms managing the assets of high net worth individuals, should be on high alert."

She added: "I was reading a report just recently where only 15 percent of the buy side participants asked, were confident about their ability to tackle cyber risk. If we are to tackle this head on, cyber security must be heeded as an organisationally aligned approach to threat management."

"Already the preserve of boardroom executive responsibility, cyber reporting and regulation is fast climbing to the top of the agenda."

JHC furthers partnership with Silverfinch

JHC Systems (JHC) has broadened the scope of its partnership with Silverfinch, a regulatory data exchange and part of Compliance Solutions Strategies (CSS) product suite.

Silverfinch is to provide cost and charges data for managers supporting industries such as pensions and insurance.

JHC and Silverfinch originally partnered last year ahead of the second Markets in Financial Instruments Directive (MiFID II) deadline in January, which dictated that wealth managers provide full transparency around any costs and charges levied to their customers.

The partnership allows users of JHC Neon and JHC Figaro, two of JHC systems, to access all the data that they will need to report for the first time at the end of this year.

Commenting on the partnership, John Dowdall, managing director of Silverfinch, said: "Providing the data necessary to meet regulatory requirements is at the heart of what we do. Partnering with JHC has allowed us to expand our offering to an even wider pool of customers through its market-leading solutions."

He said: "Like JHC, we're a forward-looking organisation, which is why we are committed to serving industries where cost and charges information is a concern but not yet an obligation, such as the pensions sector."

Edward Lopez, chief revenue officer at JHC, commented: "Silverfinch's leading regulatory data has been key in helping us to prepare our clients for MiFID II, and as the wealth sector begins to settle into the new changes, we are already working on expanding the solution for adjacent markets such as the pension fund industry."

He added: "The partnership will allow us to provide services to firms in industries who are not yet obligated to comply but wish to be ahead of the game. As an organisation with significant growth aspirations, we were encouraged by Silverfinch's industry footprint."

Italian Social Assistance Fund selects SGSS

Italian Social Assistance Fund for Chartered Accountants has mandated Societe Generale Securities Services (SGSS) in Italy to provide depository bank services until 2020.

The mandate will allow The National Social Assistance Fund for Chartered Accountants (CNPADC) to benefit from SGSS's complete range of post-trading services to support its business.

According to SGSS, this will be done with the aim of ensuring controls and transparency towards its members in a constantly evolving regulatory environment.

Frédéric Barroyer, CEO of SGSS Italy, commented: "The renewal of this mandate for a further three years consolidates our position as a key player in the pension funds and securities services industries in Italy, with over €756 billion assets in custody."

He added: "We are very proud of the result; this demonstrates SGSS's constant commitment in providing innovative solutions that meet the growing needs of our clients and the markets."

Nasdaq sees revenue growth for clearing business

Total revenue in clearing has seen a period of growth, a Q2 2018 Nasdaq report has found.

Equity derivatives trading and clearing saw a 12 percent increase of total net revenues, the report revealed.

Net equity trading and clearing revenues was $72 million in Q2 of 2018, an increase of $5 million compared to Q2 of 2017.

According to Nasdaq, the increase primarily reflected higher US industry trading volumes, partially offset by lower US market share.

Meanwhile, fixed income and commodities trading and clearing saw a 3 percent increase of total net revenue.

Nasdaq found that net fixed income and commodities trading and clearing revenues were $21 million in Q2 of 2018.

This result is up $2 million from the same time period last year due to $1 million of organic growth primarily related to higher Newfield Exploration Company net revenues and a $1 million favourable impact from changes in foreign exchange rates.

Adena Friedman, president and CEO of Nasdaq, said: "I am pleased to see another period of strong organic growth in the second quarter of 2018, in particular, the portion of that growth sourced from expanding the ways we serve our clients."

"Additionally, we are continuing to build for the future by strategically repositioning the company, as demonstrated by the completion of our business divestiture in April and our continued organic investments to implement the Nasdaq Financial Framework technology offering and advance our information services businesses."

NAVigating the industry

Jon Trinder of Linedata discusses the current trends of contingent NAV systems and the demands in the industry he is seeing right now

Jenna Lomax reports

What trends are you currently seeing in the use of contingent NAV systems?

As a fund services product manager, my role is to keep abreast of changes in the asset management market and anticipate the needs of our clients and the wider industry in order to provide robust software solutions for them.

Some legacy systems are struggling to cope with the increasing demands of the industry, and this was observed by the Financial Conduct Authority (FCA) in their 2016 Asset Management Market Study.

Expectations from the regulators, fund supermarkets as well as the public are all rising around the business continuity of financial services.

The fund supermarkets have become very influential in terms of how asset managers distribute their funds. There is a real need for accurate and timely fund NAVs.

They will put an asset manager on warning of being thrown off the platform for consistent late delivery, potentially closing down a lucrative distribution channel.

As fund pricing solutions can and do fail, backup or contingent NAV solutions are increasing in popularity. It doesn't have to be a prolonged outage to have an impact, if your system goes down during that crucial window, prices can be delivered late.

It only takes one or two missed deliveries a week to get on the fund supermarket's radar.

What other consequences could there be?

Reputational for sure. People are still talking about previous high profile cases, some of which have also attracted hefty regulatory fines.

There is also the risk that if the fund is unable to be valued and the market takes a turn, then investors will be dealing on an inaccurate NAV which will mean either the fund or the investor will need to be compensated.

What kind of demand have you seen for contingent NAVs?

The Securities and Exchange Commission has proposed a new rule to the US 40 Act making it an offense to not have business continuity

plans in place, which is driving a huge uptick in demand for contingent NAV systems in the US.

But just generally we are seeing more interest in these solutions because the expectation from all quarters is that systems should always be up.

Are there any other regulations that are driving demand at the moment?

In the UK, the Senior Managers and Certification Regime (SM&CR), implemented by the FCA, extends oversight of the accountability for important functions beyond banks to the rest of the financial services sector.

The SM&CR requires the responsibilities of every single senior manager to be mapped out in detail so that the FCA can personally hold them accountable for any breaches.

For staff with regulatory obligations which include producing accurate and timely NAVs, the FCA will be looking to see if there is a pattern of behaviour, such as outages, worth investigating, should outages persist over a period of time that could indicate a lack of robustness in the control environment.

The FCA has also recently said it is looking at operational resilience and is going to be issuing a discussion paper.

Its focus seems to be on monitoring these types of continuity plans, so scrutiny of fund pricing and demand for contingent NAV solutions is set to increase.

What can Linedata offer and what would you advise to produce the most accurate NAVs?

Linedata has a highly-automated solution, which runs in the background to produce accurate NAVs with minimum input.

Our contingent NAV solution is a lighter version of shadow NAV, only taking into consideration things that are going to affect the NAV.

If asset managers are going to take on the risk of issuing the dealing price of their funds, they need a solution that they can trust isn't going to result in a compensation claim.

Our solution runs in parallel to the official NAV, independently valuing the assets to calculate the contingent NAV.

This enables greater oversight of the official NAV when it is published by reconciling the two in more granular detail.

In the event that the official NAV cannot be published in time, asset managers can flick a switch and publish the contingent NAV instead.

Are there any alternative solutions out there?

There's a spectrum of solutions available from benchmark NAV to shadow NAV.

There is a trade off between accuracy and effort, the more effort you put in, the more accurate it'll be. Shadow NAV is the most accurate as it's a duplicate book of records.

Benchmark NAV is light touch but doesn't have the accuracy. Our Contingent NAV solution gives you the accuracy of a shadow NAV for the effort of a benchmark NAV.

What is a benchmark NAV?

A benchmark NAV takes in elements of the NAV and predicts what the market effect is going to be, based on a weighted index and currency movements. But, at around 96 percent accuracy, it isn't as reliable as our contingent NAV solution which is 99.97 percent accurate.

Firms distributing dealing NAVs won't want to rely on something that's out by 4 percent when the threshold for compensating the fund or investors is 0.5 percent.

Do you think having contingent NAVs will eventually permeate across the asset management landscape?

The industry is evolving in several ways. There's the regulatory shift that we have discussed.

In terms of oversight, this has traditionally been managed through service review meetings and monitoring key performance indicators. But firms are increasing looking towards technology to help with this. Remarkably, a lot of asset managers are still performing fund oversight using Microsoft Excel and Access databases, which are not as robust.

A lot of consolidation is happening in the asset management industry creating bigger and bigger fund houses, again adding to the complexity of oversight. For example, its becoming more common for asset managers and asset owners to have multiple custodians who could conceivably provide different prices for the same asset.

By leveraging our technology, our customers can simplify the oversight process and perform more qualitative analysis.

Technology permeates our daily lives and is becoming faster and more reliable; the same expectations are being put on enterprise platforms as well.

The mood is changing towards needing to put a contingent NAV solution in place. AST

The future is ours to seize

The last decade has seen India's asset servicing advance at an astonishing rate, thanks to innovations in financial technology, but what does the future hold?

Jenna Lomax reports

Overall, India's asset servicing circle is an exciting place to be. Fairly new in its creation, an up and coming market, the country has become a heavy anchor within Asia's market since its National Stock Exchange began operations in 1994.

The National Securities Clearing Corporation Limited, a wholly-owned subsidiary of NSE, carries out the clearing and settlement of the trades executed in the equities and derivatives segments of the NSE. In terms of emerging markets, India is often spoken about in the same breath as China, but the country actually stands well enough on its own.

At this year's FundForum conference in Berlin, one speaker explained that although China is currently generating high levels of wealth in internal consumption, there is no reason why this trend cannot be replicated in India.

Just one example of a growing interest in India's emerging market is the initiative of the Canada Pension Plan Investment Board. The board, which has invested nearly CAD $5.30 billion in India since entering the market a decade ago, said it is looking for opportunities to invest in Indian infrastructure, power and real estate projects.

In addition, at the Global Custody Forum held in London in December, Rohinton Mewawala, executive vice president and COO of Stock Holding Corporation of India spoke on key trends in emerging markets and revealed that more than half of global economic growth is now driven by markets such as India, among others.

Mewawala stated India has the highest gross domestic product growth rate projection in the world and it's asset servicing growth also shows no signs of slowing down, its strongest financial technology hubs being Mumbai, Jaipur, Chennai and Pune.

Movin' on up

NSE was the first exchange in India to implement electronic or screen-based trading, a good springboard to start a strong asset servicing utility.

But more recently, the NSE officially signed an agreement for Nasdaq to deliver a customised real-time clearing, risk management and settlement technology to one of the world's largest stock exchanges.

In addition to the post-trade agreement, Nasdaq has also signed an agreement with NSEIT to utilise NSEIT's capability in implementations and project augmentation globally.

NSEIT is a global technology firm with a focus on the financial services industry.

According to NSE, the technology will provide a state-of-the-art architecture utilising the Nasdaq Financial Framework, which will enable all asset classes to be cleared and settled in one system.

These changes will increase efficiency, and effectiveness of the market, supported by a modern, flexible and efficient technology that reduces risks in the post-trade area alongside international best practices and standards.

Adena Friedman, president and CEO, of Nasdaq, says: "We will use this new partnership to bring Nasdaq's premium market technology, the Nasdaq Financial Framework, to the Indian capital market and to explore new opportunities for collaboration across each other's businesses."

"Additionally, we look forward to our partnership with NSEIT to work together to expand our technology delivery capabilities."

Elsewhere, Nomura has launched the Voyager—a financial technology partnership in India, aimed at harnessing emerging technologies to improve its processes.

Location, location, location

SmartStream has opened a new office in Jaipur, India, initially to serve a particular tier-one investment bank.

The managed service office will provide reconciliation, corporate action and cash management services for the client.

SmartStream has transferred the bank's operations and processes to the new site, and will manage its Jaipur and Bangalore sites.

Nick Smith, senior vice president of managed services at SmartStream, said: "What our office in Jaipur has enabled us to do is expand our capability to four locations—in doing so we've expanded our geographical footprint within India which enables us to provide a second site capability to service customers."

"Because of this separate geographical location, Jaipur enables us to utilise a completely different telecommunications infrastructure in India. This is something the banks will be looking for and will be demanding even within their own operations."

Smith adds that SmartStream's staff are very much behind its success in India.

"There's staff we are able to hire in Jaipur that we wouldn't have been able to hire in other parts of India. We are in a brand new business park—Mahindra World City Business Park."

Elsewhere, Northern Trust is expanding its operations in Asia by opening a new office in Pune, India.

According to Northern Trust, the Pune office will complement existing operations located across the region, including Bangalore, India, and Manila, the Philippines, and is expected to house more than 500 employees within two years.

Looking to the future

It's of little doubt that innovation will be key to the future of success for India's asset servicing. This was recently reiterated by Julia Streets of Street Consulting Ltd, when she said it's about "thriving not just surviving", when concerning innovation.

Streets indicated that change is also "being driven by a desire for efficiency that can give firms a competitive edge in a highly competitive world".

She adds: "Some firms are embracing the digitalisation journey, where they are investigating innovation including artificial intelligence, to help manage and normalise data processes."

Smartstream is one such firm aware of this, as Smith indicates: "Organisations are moving away from hosting solutions on-premise using their own servers and the costs this entails. We're seeing a real drive towards our cloud hosting offering. I see the landscape changing in India. In Jaipur, the services that we provide today probably would have been unheard of a decade ago."

Smith predicts: "As those people [in India] become more skilled and their knowledge of the financial markets evolves, it will become more and more of a global financial hub." AST

Don't miss your copy of Asset Servicing Times

FundForum Asia 2018 Hong Kong	TradeTech FX Barcelona
September 03-05 goo.gl/6uR3U9	September 11-12 bit.ly/2IES99z

Comings and goings at SGSS, Guernsey Finance and EuroCCP

Societe Generale Securities Services (SGSS) has appointed Mathieu Maurier and Gildas Le Treut, effective 1 September.

Maurier has been appointed as SGSS country head in Luxembourg and will replace Oliver Renault who has taken a new role within the bank.

He will report to Arnaud Jacquemin, group country head, and Bruno Prigent, head of SGSS.

Maurier has over 24 years of experience in the securities services industry. He joined Societe Generale in 1994 and held various positions, from operations and products development to relationship and senior sales management.

Meanwhile, Le Treut replaces Maurier's previous role, as he has been appointed global head of sales and relationship management.

Based in Paris, he will report to Christophe Baurand, head of coverage, marketing and solutions for SGSS.

Most recently, Le Treut was global director of prime clearing at ABN Amro Clearing.

Prior to this, he served as head of product and network management at ABN Amro Clearing.

Guernsey Finance has appointed Andy Sloan as deputy chief executive of strategy.

Sloan has been acting director of strategy on part-time secondment from the Guernsey Financial Services Commission for the past nine months.

He will join permanently to oversee development of jurisdictional-wide financial services strategy through Guernsey Finance. Prior to Guernsey Finance, Sloan was a consultant for DRASS Economics.

Before that, Sloan was head of policy and research at States of Guernsey from 2008 to 2013.

Dominic Wheatley, chief executive of Guernsey Finance, said: "Andy Sloan complements the strong team at Guernsey Finance, bringing with a broad mix of experience in international financial services, strategy regulation, policy and economic expertise."

He added: "I am delighted he is joining us permanently to develop jurisdictional strategy for finance services to build on the work undertaken by the agency this year."

Commenting on his permanent role, Sloan, said: "I am delighted to be taking on this challenge and look forward to working with the team at Guernsey Finance, the States of Guernsey, the Commission, and with the Guernsey International Business Association and the sector associations."

He added: "In this new role I hope to be able to bring together all stakeholders to focus on a common purpose and provide consistency, coordination and leadership to help drive development of the sector as we move towards 2020."

European Central Counterparty (EuroCCP) has appointed Cécile Nagel as CEO, effective September this year.

Nagel joins from the London Stock Exchange Group (LSEG), where she joined in 2009 working in a number of senior roles.

Her most recent role was head of LSE markets global product development and LSE exchange-traded products.

EuroCCP announced in November last year that Diana Chan would step down as CEO and hand over the management of the firm this year.

Jan Bart de Boer, chairman of EuroCCP's supervisory board, said: "We are delighted to have Cécile join as EuroCCP's CEO."

"She is one of Europe's leading market structure experts and is ideally placed to lead the business at a time when the equities market is expected to continue to transform as a result of regulatory change and the application of new technology."

Commenting on her appointment, Nagel added: "I am honoured to have been asked to lead EuroCCP. It is a major market infrastructure in Europe with a strong equities footprint and significant opportunities for growth."

"I look forward to working with my new colleagues to deliver the next stage of its development for the benefits of clearing members, trading venues and all stakeholders."

EuroCCP announced earlier this week that it has signed an agreement with Deutsche Börse to govern the project for EuroCCP to gain access to the Frankfurter Wertpapierbörse (FWB), the Frankfurt Stock Exchange.

The solution provides self-clearing exchange members and clearing agents with a choice of CCP for cash equities traded on FWB. AST


NEX
STREAMLINED COLLATERAL MANAGEMENT
Experience unrivalled automation and exception management with triResolve Margin's web-based service.
So you can focus on the risk, not the process.
Book a demo today by emailing triresolve-enquiry@nex.com.
triResolve MARGIN