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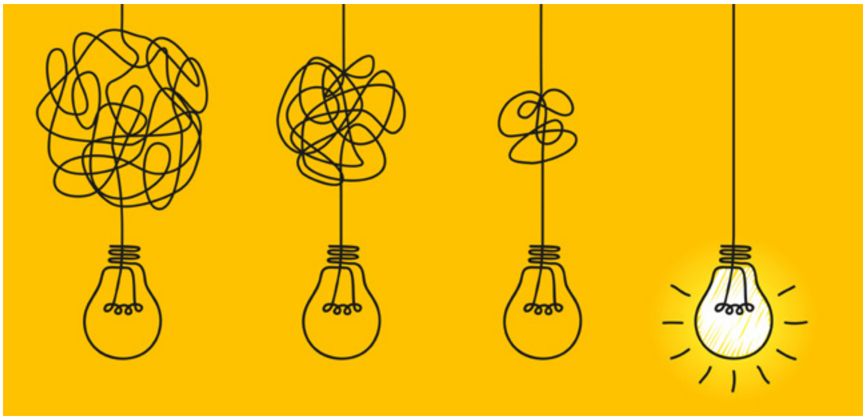

Paxos and State Street partner on T+0 pilot

State Street has established a partnership with Paxos, through which it will integrate State Street custody services into the Paxos Settlement Service. As part of the pilot testing, State Street, through its Digital and Alpha divisions, was able to simulate the settlement and custody of shares on the Paxos platform and asset movements with Credit Suisse.

Paxos indicates that its Settlement Service is a modern clearing platform designed to tackle the challenges presented by opaque margin, slow settlement cycles and high costs in today's settlement environment. Its private, permissioned blockchain is designed to enable two parties to settle securities trades safely through a modern clearing agency.

According to the project participants, State Street Digital and Alpha divisions, along with Credit Suisse, developed the workflow and system adjustments to test the potential for seamless T+0 settlement.

They report that the testing process confirmed the readiness of the Paxos platform to immediately deliver same-day settlement for industry participants. This contrasts with the evolution of the settlement lifecycle using legacy infrastructure, which offers the prospect of delivering T+1 settlement in 2024.

By leveraging Paxos Settlement Service for institutional settlement, State Street was able to send instructions to Paxos for settlement while still delivering the required messaging to interface with existing settlement systems.

Commenting on the initiative, Nadine Chakar, head of State Street Digital, says: "Our team is incredibly pleased to have collaborated with Paxos, Credit Suisse and State Street's Alpha team on this exciting industry initiative to facilitate seamless T+0 settlement."

She adds: "State Street Digital was created to help drive innovation and address the industry's digital transformation, and this pilot is consistent with our firm's broader focus on supporting clients across the front, middle and back-office." ■

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Fenergo launches FinCrime Risk solution

Digital solutions provider Fenergo has launched FinCrime Risk, an SaaS solution which centralises and automates risk assessment processes and streamlines anti-money laundering (AML) compliance.

FinCrime Risk enables firms to consolidate risk assessment into a central platform while digitalising manual processes, in an effort to increase operational efficiencies and enhance the client onboarding experience.

The solution features pre-configured financial crime risk model accelerators based on criteria recommended by the Financial Action Taskforce, which are designed by Fenergo's regulatory teams.

In the EU, under the Fourth AML Directive, financial institutions are required to identify exposure to countries with strategic deficiencies in their AML or counter funding of terrorism regimes, and apply enhanced due diligence to associated clients categorised as high risk.

In the US, it is expected that the forthcoming Notice of Proposed Rulemaking on Effective AML programmes will require financial institutions to implement mandatory risk assessments by law.

The changing regulatory landscape underlines the need for financial institutions to be prepared to demonstrate to regulators their ability to perform effective risk assessments or be held accountable, says Fenergo. Citing research conducted by Aite Novarica Group, Fenergo adds that 38 per cent of financial institutions use two or more systems for risk — reflecting the high number of firms that use different systems for different business lines and asset classes.

Commenting on the product launch, Stella Clarke, chief strategy officer at Fenergo, comments: "It was important for us to design a product that can be used across a wide range of geographically dispersed financial institutions, from corporate and investment banks to universal banks and payment service providers."

DLT Finance becomes Germany's first crypto-focused financial institute for digital asset services

DLT Finance has received nine new BaFin licenses, making the company Germany's first crypto-focused financial institute for digital asset brokerage, custody and staking services. The unique licenses, given to DLT Finance's subsidiary company, mean its clients will no longer need their own license, but will be able to trade legally and securely with DLT Finance.

The licenses will allow DLT Finance's clients to carry out over-the-counter trades and make deposits and withdrawals of crypto for instant trading.

Assets and services can be managed via DLT Finance's application programming interface, or through integration with the client's own dashboard.

Through the licenses, DLT's crypto custody services will further facilitate relevant compliance processes, as well as the ability to conduct staking.

They will also allow clients access to decentralised finance and liquidity mining, as well as borrowing and lending.

These developments will hugely improve access and regulatory cover for digital assets, propelling new actors into the crypto landscape, says DLT Finance.

Based in Berlin and Frankfurt, the fintech company provides asset managers and crypto exchanges with tailored financial services.

Temenos extends partnership with Amazon Web Services

Temenos has extended its global relationship with Amazon Web Services (AWS), allowing AWS access to the full suite of Temenos banking platforms for digital onboarding and origination solutions. The multi-year agreement will see Temenos digital solutions integrate with AWS' Salesforce CRM and Amazon Connect, a cloud contact center service that scales to support businesses of any size.

Amazon Connect capabilities include skills-based contact routing, voice and chat recording, built-in artificial intelligence and machine learning to personalise interactions and pay-as-you-go pricing.

Temenos solutions on AWS also help banks see an immediate and significant reduction in their carbon footprint and support them in achieving their ESG goals.

Temenos and AWS started working together in 2019 to integrate Temenos' open platform onto AWS.

John Kain, head of financial services market development at AWS, says: "Combining the reliability, high performance, and security of AWS with Temenos digital banking solutions, we can offer banks the business agility they need to transition to the cloud with confidence and innovate faster than ever before."

Max Chuard, CEO at Temenos, comments: "We are seeing an acceleration in our subscription-based business, and with this multi-year agreement we are offering our clients more choice in embracing the cloud for digital banking services and new business models such as banking-as-service with more certainty, predictability and at a lower cost.

"We are pleased to be strengthening our relationship with AWS and we will be extending it to offer all Temenos solutions, to help banks accelerate time to value and customer innovation."

Apex acquires fund services of Maitland International

Apex Group has acquired the fund services and third-party management company business operations of Maitland International Holdings, the international fund services provider, subject to regulatory approval.

As part of the acquisition, Maitland's 475 employees will join Apex, expanding its existing presence in the UK, Guernsey, Luxembourg and South Africa.

Founded in 1976, Maitland provides a range of fund services including administration, transfer agency and management company services to 120 investment managers and 25 fund sponsor clients.

Maitland's client base includes traditional, alternative and mutual funds across all fund types, strategies and investment styles.

The addition of Maitland will complement Apex's existing geographic reach, fund administration offering and management company services, delivered under the FundRock and LRI brands.

This is the latest in a series of integrated global acquisitions for Apex including the recent addition of MMC Group, the New Zealand-based provider of investment administration services.

Peter Hughes, founder and CEO of Apex Group, comments: "By becoming part of Apex Group, Maitland's clients and employees will benefit from access to the group's scalable single-source solution, underpinned by leading technologies and services delivered through our global reach and connectivity."

Steven Georgala, CEO of Maitland, comments: "On behalf of the board and our founding shareholders I wish to thank our staff and clients for their dedication and support, and I am confident that they will thrive and prosper within the Apex fold."

JUMP Technology and Lingua Custodia partner for reporting services

European data service provider JUMP Technology and France-based fintech company Lingua Custodia have partnered to provide their clients with advanced reporting services.

Through the mandate, JUMP Technology's JUMP solution will be able to provide users with an instant translation of their client, regulatory and digital reports, while Lingua Custodia's software will automate the translation of client factsheets and monthly mandates reports, as well as regulatory and internal ones.

Fully integrated into the JUMP Technology platform, the JUMP Reporting module automates all reporting processes of asset and wealth managers including multi-source data acquisition, data quality control, calculation of risk and performance indicators, validation of reports and multi-channel dissemination of reports.

With connectivity via REST API between the two solutions, the collaboration is part of a wider effort to reduce production costs and operational risks, whilst improving the performance of the reporting teams, says JUMP Technology.

Commenting on the mandate, Emmanuel Fougeras, CEO of JUMP Technology, says: "Lingua Custodia's financial linguistic solution integrates quickly and perfectly into our first in-class JUMP Reporting module, thanks to our open architecture based on cloud, web and REST API technologies."

Jersey Finance welcomes Limited Partnership amendments

Jersey Finance has welcomed a further series of amendments to Jersey's Limited Partnership Law which aims to provide fund managers with greater flexibility in their international fund structuring.

The amendments, which are subject to Privy Council approval, are expected to come into force in the third quarter of this year. They are designed to modernise the jurisdiction's regulatory framework, recognising trends and developments in the international funds environment.

The amendments include introducing wider protections for the limited liability of limited partners, by expanding "safe harbour" provisions where participation in the management of a limited partnership is concerned.

Further amendments include allowing third parties to have enforceable rights under the partnership agreement while not being a partner of the Limited Partnership.

The Limited Partnership vehicle is used extensively in cross-border fund structuring, particularly within the private equity and venture capital asset classes.

Other amendments include new reporting obligations to ensure the register is kept up-to-date, the introduction of a clearer termination process, and the initiation of wider amendment powers to facilitate more efficient legislative change in the future.

The last set of amendments to Jersey's Limited Partnership law were made in 2020, when a statutory basis for limited partnerships to be migrated from other jurisdictions was introduced.

The move provided greater legal certainty for managers and investors and resulted in a significant uptick in Limited Partnership fund structures moving to Jersey. ■

Expansion with purpose

Nick Parsons of Bravura Solutions talks to Jenna Lomax about becoming a CEO during the COVID-19 pandemic, the changing face of transfer agency, and the company's upcoming ventures

Can you tell us a little bit about your career and what led you on the path to becoming CEO at Bravura Solutions?

I am a technologist at heart and I have been working in the software industry for a very long time now. I was at DST Global Solutions for 13 years (now owned by SS&C Technologies).

It was there that I worked on the manufacturing side of the industry, selling fund accounting solutions for people that actually build the funds, whereas now my work with Bravura is very much more on the distribution side of the industry.

I have been at Bravura for 15 years, first joining as chief technology officer to work on developing our Sonata programme, and then I moved into sales — taking the proposition out there to the market.

This was during the time that Bravura was signing mandates with Fidelity, Citi and Prudential (now M&G). I served as chief operating officer at Bravura for 10 months before becoming chief executive in early September last year.

For those readers who may not know, what are Bravura Solutions' unique data solutions offerings to the market?

To give a clear overview, we are essentially a software product company, first established in Australia. As well as offering software products, we conduct all of the implementation and support services you would expect around them. Many of our products are now cloud-hosted, on a fully managed service basis.

Listed on the Australian Securities Exchange, Bravura has 17 offices across the globe and around 1,500 employees serving some of the world's leading financial institutions, as well as a collection of really interesting innovative small businesses.

Historically, the business has been split into two streams. One deals with the fund administration side where transfer agency (TA) systems sit. The other stream is very prominent in the wealth management space, in terms of providing systems to support retail products. This involves dealing with onshore and offshore bonds and general investment accounts, across a range of different asset types. So as well as funds, we have got full support for equities and a rich ecosystem for these operations.

"As well as offering software products, we conduct all of the implementation and support services you would expect around them"

In recent years we have made a series of acquisitions. We have acquired FinoComp which has given us a really strong set of microservices, adding to a powerful payment processing micro service, Babel. We have also acquired Delta Financial, which has a really good set of complex pension offerings, as well as Midwinter, an Australian-based company, which has a very powerful financial advisor solution.

The last two years have been an unprecedented and a challenging time for everyone. How did Bravura weather the storm of the COVID-19 pandemic, and how did Bravura support its clients through that time?

It certainly has been an interesting time to run a business and an interesting time to take over as the chief executive. From the very first week of March 2020, we put a huge focus on our people — to make sure they were safe, felt safe, and that they had all the resources they needed. From the get-go, we had a daily crisis call with people from all across our different regions. From conducting those calls we were able to inform and take the learnings from one region to another. As we know, the pandemic unfolded in different ways in different places.

For instance, New Zealand came out of lockdown much earlier than anywhere else, so we were able to really pioneer our programmes around flexible working there. Sadly, COVID-19 hit our people in India very badly last April. We know that a lot of our employees and their families were affected, which was very difficult. However, one of the things that really helped us through this was our infrastructure and our collective working culture.

We moved offices in London three and a half years ago, and in India two and a half years ago. When we moved, we put everyone on hotdesks, gave everybody a laptop — irrespective of their job — and got rid of all dedicated desks and telephones. Therefore, when lockdown came, we were very well-geared for working from home globally. We were in the best shape we could be professionally, for the time we lived and worked through.

2021 was marked as the year that things slowly got back to "normal". What are some of Bravura's key highlights from last year?

Diversity and inclusiveness is very important to us as a business. It is one of the things that makes a great workplace. Collaboration is a really important value for us, both internally and externally. Being able to create an inclusive environment is one of the things that really helps foster that.

We have also launched a really good mental health initiative, BWell, in partnership with the City Mental Health Alliance here in the UK, which is really powerful. Everybody has had times where they have struggled over the last couple of years.

This year is not necessarily any rosier. We always remember that people are our biggest asset.

Bravura has a significant presence in Australia and acquired major Australian software company FinoComp in late 2019. How has this acquisition developed since then?

It has developed really well. The essence of FinoComp is the microservices approach — attacking a given problem by building a series of modules. These are independent, standalone pieces of software that can be deployed in lots of different configurations. This was the route that Bravura was going down, prior to acquiring FinoComp.

With a microservices approach what we can do, for instance, is rapidly calculate fees and charges externally, and then load them into a core system in a timely manner, which can be a challenge for some of our competitors' systems.

We had already started building some smaller pieces, and deconstructing some of our bigger software solutions into families of microservices. Acquiring FinoComp gave us a sound base of new microservice products and a really enthusiastic customer base with this sphere of technology, accelerating the process.

We now have customers that sit across the transfer agency and wealth space, who have the same microservices deployed — this demonstrates us having a family of products which we can flexibly deploy to solve problems across the value chain.

How can Bravura's solutions come into play to help clients meet regulatory compliance?

Regulation is of course an area we could talk about for days. As for the microservices themselves, they are very good at helping people address the immediate regulatory need. We have solutions for tax reporting, performance reporting, and compliance reporting for significant parts of regulations, such as the Markets in Financial Instruments Directive's costs and charges rules.

One of the most important areas impacting clients is information security. We provide our product on a fully-managed service basis.

As you would imagine, there are meetings with auditors annually. With this in mind, we have invested heavily in Infosec to comply with ISO/IEC 27001. Of course, also on the horizon, we have the Financial Conduct Authority's Consumer Principle. It is a good and well-intended set of rules, and it is all about getting the industry to treat clients with proper due care and attention. The proposals are not just about doing the right thing, but about having the right data to be able to prove that you are doing the right thing by your clients. The consultation has already kicked off, with a suspected publication date of the findings at the end of July. From there, the industry has been given a nine-month implementation schedule.

That is not very long at all when considering most of our clients will run a rolling 12-month change programme where everything they are doing is mostly mapped out, including projects such as Pensions Dashboards. This means that many businesses will be tied up with the implementation date and will not necessarily have the bandwidth to do all they intended to within their 12-month programme.

“The challenge is how we integrate companies in the right way and that we do not lose the cultural value that they bring. That is all part of a general, broader strategy of maturing the business into a company that has got a wide portfolio of products that we can deploy up and down the value chain.”

What needs are your funds administration clients asking you to fulfil, given the operational and cost efficiency challenges they are currently facing? And what trends are you seeing in the transfer agency space?

If you look at the way platforms, fund managers and fund accounting platforms all interact with transfer agents, there is a lot going on there.

Transfer agents provide the core system of record for unit holders in funds, and they have to deliver very high levels of service and operational resilience. They are also subject to significant cost pressures, and it is not unusual for TA services to be bundled as part of a larger custody or fund accounting offering. Sometimes, the economics of all that, and putting them together, can be challenging.

Our messaging software, Babel, sits next to TA systems and collects orders over various different networks, triaging them and routing them to the right system.

It essentially provides an extra layer of resilience for market interactions. In times of market volatility (as we experienced in March this year with over £1 trillion worth of transactions processed), being able to deal with all the extra trade flow that is generated is the exact software that clients are looking for. It is also good to consider distributed ledger technology in that space.

You could say that much of the trading side of the funds industry has been digitised, but not yet fully digitalised. There are still a lot of inefficiencies that come with the usage of old paper and fax systems that have actually been encoded into industry practice. There is definitely more scope for moving even further away from that in the future.

What has Bravura got planned for the remainder of the year and 2023?

We will be continuing on the acquisition trail, looking for assets we can leverage across the client base. The challenge is how we integrate companies in the right way and that we do not lose the cultural value that they bring, that is very important to us.

That is all part of a general, broader strategy of maturing the business into a company that has got a wide portfolio of products that we can deploy up and down the value chain.

As we see the value chain blur — with the new entrants at the low end, and advisors desiring to effectively run their own platforms — we are well-positioned for that convergence. Where superannuation (or workplace pensions in UK) is concerned, we have a very innovative solution called Sonata Alta, which is essentially the Sonata product, with a built-in set of business processes to give high levels of automation and straight-through processing.

We went live with the pilot earlier this month and we are extremely pleased with the project, which has been watched very closely in the Australian market, and we look to bring the same capabilities to the UK market very soon. ■

Balancing the books

Brian Bollen looks at the current state of reference data for asset servicers, the problems presented by legacy systems, and the opportunities offered by the growing popularity of cloud services

"It's not like it was in my day." Take a glance at the international financial markets of mid-2022, and we might as well be inhabiting an alternative universe — at least, that is the way it seems to this child of the 1960s.

In 2022, the authorisation and execution of a single clean payment, or using Uber to get home from an office function, will likely involve exposure to more data exploitation and data gathering in a micro-second or two than was routinely experienced in any number of earlier lifetimes combined.

However, for asset servicing there is a melee of concepts to grasp — everything from exchange data and prices data, to securities description data and yield curve data to complex risk calculations. Not to mention data to assist with the pricing of complex derivatives and settled trades.

These are just a few examples cited by Jeremy Katzeff, head of buy-side solutions at GoldenSource, who joined the company in January 2021, charged with accelerating business growth on the buy-side as investment managers extend their purchases of data.

He previously worked at BlackRock, JP Morgan's Asset Management bank and Broadridge, giving him an extensive background in the demand for reference data and the uses to which it can be put.

"The scope of reference data in financial services is expanding well beyond the core, into alternative data, such as cell phone location data and ESG data, much of the latter goes beyond the original scope, to include carbon footprint and gender diversity data."

"The amount of data consumed on the buy-side has increased exponentially in recent years," he adds. "That poses its own questions: How do you make sure the data you are planning to use is clean? What data can you trust? And, what data can you even understand?"

Which data providers are good, and not so good, he might have said, but diplomatically did not. Katzeff did, though, avail himself of the opportunity to remind readers that the answers come at a cost, but with the rise of cloud computing data infrastructure, costs have fallen dramatically, enabling market participants to better manage their data within their budgets.

> *"The biggest challenge surely continues to be SSIs, which are still a leading cause of failed securities trades across all markets"*
>
> ***Pardeep Cassells, AccessFintech***

Modern job descriptions for those in the front office at financial institutions specify an understanding of computer sciences unthought of until even relatively recently. Some aspiring market traders might find the new heightened demands overwhelming. Some practising portfolio managers might find themselves falling short of that level were they applying for a position today.

Reference data is an area that is still ripe for improvement, states Pardeep Cassells, head of securities and claims at AccessFintech. "Storage, access, maintenance and transparency are all factors that could be enhanced," she adds.

"The last few years have seen various changes that have simultaneously attempted to introduce best practice static data; an example is the enforcement to use legal entity identifiers. The biggest challenge, though, surely continues to be standing settlement instructions (SSIs), which — errant, incorrect, outdated — are still a leading cause of failed securities trades across all markets."

To treat this problem, a key future need is the implementation of an aggregation layer, enabling all organisations to store and manage SSIs through their chosen platform whilst ensuring a level of normalisation and translation, Cassells outlines.

She goes on to say: "More generally, data best practice needs to be defined and enforced. Data dictionaries, normalised values, and ease of review of data fields across counterparties may also be welcome steps towards enhancing static data quality and smoothing out some of the obstacles that will trip up organisations as the market steamrolls towards T+1 settlement."

ESG data

What will be the continuing important elements in the industry's short-, medium- and long-term future? GoldenSource's Katzeff highlights data warehousing, industry consolidation and regulatory change are such elements.

A recent addition to GoldenSource's capabilities and data sources is its ESG Impact solution, promising greater access to raw ESG data, more nuanced portfolio screening and tuning, advanced analytics features including greenhouse gas scenarios, and further support for the European ESG Template (EET).

The official entry describes how the new capabilities offer enhanced analytics on top of the ESG data mastering, aggregation, standardisation and storage features of GoldenSource ESG Impact.

This includes the addition of 'what if' analytics, meaning that users will be able to analyse specific outcomes of potential investment shifts, such as swapping out or adding investments and the implications this would have for the overall portfolio ESG score.

Topic tagging and template tagging simplify the generation of the EET for a firm's products and the selection of products that fit a specific EET preference.

Based on tagging, GoldenSource also mimics the Sustainable Financial Disclosure Regulation Principal Adverse Impacts template, accelerating compliance with disclosure requirements.

Alireza Dorfard, head of market data and services at Deutsche Börse, highlights the supercriticality of data to the industry, with a special emphasis on transparency, a key consideration in the development of a new product launched in early May.

Bond Liquidity Data, based on Clearstream's range of post-trade services, will improve the ability of traders, managers and others to value fixed-income portfolios, measure risk, assess liquidity and to decide whether their operating models are optimal, says the German bank.

"The service is based on aggregating anonymised Clearstream data to provide a view that would not otherwise be available," says Dorfard, while conceding that Euroclear already offers a similar product. “We might have arrived at the party a bit later, but our new presence completes the picture,” he adds.

Deutsche Börse and its post-trade service provider Clearstream will offer transparency and insights into the highly fragmented fixed-income marketplace.

Leveraging aggregated data of settlement instructions for international securities from Clearstream’s international central securities depository, Bond Liquidity Data enables investors to fairly evaluate fixed-income assets and portfolios, measure liquidity and systemic risk of bond issuers and estimate execution prices for secondary trades.

“European trading in fixed-income instruments is highly fragmented and non-transparent, as most transactions are over-the-counter and different data is stored with different market participants.”

“Our customers have, therefore, a strong demand for high-quality data on fixed-income instrument prices and volumes. With this new offering, we further support them in making an informed assessment and decision,” outlines Dorfard.

Technology issues

In the early 1960s in central Scotland, data was the weekly family grocery order, written down in the tatty, lined notebook supplied by the local Co-operative store.

The data was supplemented by remembrance of the family’s Co-op number, essential for the claiming and payment of the mythical dividend. The number, for those interested, is deeply ingrained — 31114.

This paper-based memory sits light-years away from the complex technology issues currently facing the international financial market surrounding their data.

Gary West, general manager, Europe, Middle East and Africa at data warehouse specialist Yellowbrick, dissects the problems presented by legacy systems and the opportunities offered by the cloud in an online blog — of which Yellowbrick gave permission for Asset Servicing Times to cite.

> ***“Every financial institution I talk to is re-considering some aspect of their data infrastructure”***
>
> ***Gary West, Yellowbrick***

“Every financial institution I talk to is reconsidering some aspect of their data infrastructure. Renewal is of course an ever-present feature of the financial technology landscape with firms racing to compete,” West indicates.

“For many, the journey to becoming a data-driven enterprise is more a marathon than a sprint. As they explore new opportunities for leveraging their substantial data inventories, firms are finding hurdles and bottlenecks in the form of data quality issues and integration challenges.

He highlights: “Often, the fragmented nature of the institution — the legacy of relentless mergers and acquisitions activity in financial services — means different operational functions have different requirements from the same datasets.”

“This is hindering firms’ ability to derive true insight from their data sets, in the form of advanced analytics that can drive new innovations, new products and new areas of business.”

As a hint of what is yet to come, this bears a striking resemblance to prognostications being dispensed a decade or two ago, suggesting that little has changed, other than the scale and pace of underlying developments.

For some readers, this will surely reinforce the notion that human behaviour and the consequences thereof are immutable.

At a time where the data becomes more difficult to decipher than the simplistic five-digits of 31114, the technology might change, but not the carbon-based life forms operating it. ■

Tools, not technology

How can transfer agents overcome the complex challenges they face and grow their business? The vendor community's typical response is to roll out more new technology, but that is only part of the answer, outlines Deep Pool's chief revenue officer, Roger Woolman

Cutting-edge technology has its place. A vendor's real value comes through when they focus on delivering effective tools.

True innovation lies in solving problems, using technology not for its own sake but to provide real answers to real world issues.

Everybody's talking about digital

Digitalisation is a case in point. Digitalising the client experience has become a competitive necessity for fund administrators. Investors increasingly expect rich, multi-functional digital engagements that allow them to make decisions, interact with their investment manager, examine research and offer documents, and view information when they want it.

For investment managers, an integrated, digitalised environment offers real-time insights into their marketing, fundraising and client servicing processes, as well as lessons that can help improve client relationships.

In turn, administrators benefit from end-to-end workflows that aid efficient data capture and dissemination, and enhance control over the communications sent to their investment manager clients.

But how many asset servicers have initiated digitalisation projects and rolled out portal solutions only for them to go largely unused, or be restricted to glorified information hubs? In many cases, the digital offering lacks the specific capabilities different user groups want to see. A pretty front-end without proper service support behind it offers little value.

The emphasis instead must be on delivering seamless functionality that makes users' lives easier, for example client onboarding.

Many onboarding steps – from completing applications to capturing client risk profiles and conducting anti-money laundering/know-your-customer checks – remain paper-based and highly manual, making account set-up processes tedious and error prone.

Investor onboarding teams must perform hundreds of manual tasks every day to verify the identity and assess the risk and suitability of every new customer. Typically, that involves numerous back-and-forth interactions between investment manager and client, with employees needing to re-key the same data into multiple systems and spreadsheets.

What clients want is an integrated digital solution with self-servicing capabilities, that provides access to customised and digitised fund subscription documents.

They also want key investor information documents and fund reports, and the capabilities to upload their data securely, when they want, via their device of choice.

The result will be faster, simpler, more robust and compliant investor onboarding that improves the customer experience and engagement, enhances risk control and drives firms' internal operating efficiencies.

The long road to automation

End-to-end automation – a long-held but still unrealised ambition in the fund administration world – is another priority.

Tightening margins demand ever-greater efficiencies if administrators are to maintain their profitability.

Automated, systematic processes also reduce firms' operational and financial risks, and deliver much-needed scalability to help them grow.

Automation has become even more important in an era of tight labour markets and the "Great Resignation". Fund administration is a skilled business dependent on expert staff. Strategies to recruit and retain quality people – by offering flexible, digitally-enabled working arrangements – are one solution.

Technology-driven automation can help further by replacing manual-heavy processes, alleviating firms' staffing constraints and diminishing the associated key person risks.

Relieved of onerous, often repetitive tasks, staff can focus on more engaging, value-adding activities that make a real competitive difference. Employee satisfaction improves, making staff want to stay for longer.

Multi-asset class demands

Multi-asset class support is an additional imperative. Years of anaemic bond yields and stretched equity valuations have driven investors into a wider range of asset classes (particularly alternative). Hedge fund assets now top US$4 trillion and are predicted to hit US$5.44 trillion in 2026.

Private equity and venture capital funds continue to raise record amounts. Private equity is forecast to soar from US$5.33 trillion in 2021 to US$11.12 trillion by 2026. Investor interest in crypto assets, cryptocurrency-denominated funds and blockchain-based security tokens is spreading too.

This changing investment landscape offers fund administrators, with the right mix of investor servicing capabilities, an opportunity to expand their offerings and support a wider range of clients. Yet firms' system environments often fall short. Rather than a unified infrastructure delivering seamless services across multiple asset classes, firms typically contend with a fragmented jumble of asset-specific transfer agency (TA) platforms.

Such system duplication comes at a cost. Each TA application has a licensing fee. They require server space, plus a team of IT support and subject matter experts to run and maintain the software, adding headcount and key person risk — burdens administrators can ill-afford as they wrestle with intense and sustained margin compression. Consolidating systems onto an integrated platform with cross-asset class capabilities eliminates much of that cost and risk.

As interest and investment in digital assets ramps up, transfer agents also face the prospect of dual on- and off-chain environments existing in parallel, another complexity they will need to support.

To handle funds denominated in cryptocurrencies or that invest in crypto assets requires systems with the architectural flexibility to support longer strings of decimal places.

Plus firms need the ability to handle different settlement processes and reporting currencies, and potentially mirror what happens in a distributed ledger, employing smart contracts in a more traditional accounting system.

Data consistency and consolidation

A fragmented infrastructure using multiple systems to run different parts of the investor servicing business creates an additional problem: siloed data.

Data feeds and system integrations proliferate, adding cost and complexity. Data management and reconciliation to ensure cross-enterprise consistency becomes a huge undertaking.

In an effort to create a single source of the truth, many fund administrators have implemented data warehouses to sit above the TA applications. The disparate systems then feed the warehouse with all the investor data relating to the funds they service. While helping address firms' data consistency and reporting challenges, a data warehouse introduces an additional cost. It also magnifies the risk that some part of the process will fall down.

Keeping the data warehouse and underlying systems up-to-date to extract the most value possible from the available functionality also takes significant ongoing resources — investments that administrators can ill-afford to neglect.

Not staying current with the latest functionality makes it harder for firms to cope with market changes and clients' service demands. Operational risks creep in. Passing consultants' and prospects' due diligence examinations becomes more difficult. Competitiveness suffers.

The answer is to consolidate the systems onto an integrated, multi-asset class TA platform. A unified environment will provide the golden data source administrators crave, while eradicating the challenges that an extra data layer brings.

Workflow

Integrated technology solutions that can alleviate fund administrators' manual workloads, drive digital service delivery and foster consistent end-to-end data flows have become indispensable. But optimising operating efficiencies, client support and regulatory compliance takes something more: effective workflow management to bring it all together.

> *“Technology expertise must be married with deep experience and knowledge of investor servicing, and the everyday challenges transfer agents face”*

Granular, rules-based workflows smooth firms’ processes by triggering a series of automated steps for any kind of repeatable activity. Workflows expedite the assignment and fulfilment of processing tasks, increasing teams’ efficiency and productivity.

Intelligent business process management tools can consolidate and control document inflows, enable administrators to share documents and data and accept updates in a controlled fashion.

They can also automate message and approval capture where it is required. Slick, multi-functional digital experiences in particular rely on workflows to allow the smooth end-to-end, two-way flow of data that is so integral to digitalisation.

Having a flexible rules engine allows fund administrators to design customisable step-by-step workflows, create deliverable service level agreements for each client, and build robust controls around each process. In the same way, workflows can be used to systematise adherence to fund and regulatory compliance rules and reporting requirements.

Workflows also provide valuable transparency and accountability for user actions. Through a real-time dashboard, teams can track and query all the firm’s daily processing activities, and identify any problems and bottlenecks so they can better meet key performance indicators.

For example, if the net asset value (NAV) preparation is internally outsourced, the administrator can track the workflow in those outsourced locations and incorporate various levels of approval before the NAV is sent to the investment manager for sign off.

Where some form of manual intervention is required, automatically routing tasks to relevant teams for them to complete will speed up processing and foster higher quality results.

All communications and amendments can be tracked to create a robust audit trail.

Innovation partners

What should drive innovation? The application of technology to real-world challenges and opportunities to produce a radical beneficial impact.

Such result-led innovation demands advanced software engineering skills.

But technology expertise must be married with deep experience and knowledge of investor servicing, and the everyday challenges transfer agents face, to ensure all systems development is directed where it counts.

And those systems need to be fully employed. Ensuring staff optimise use of available solutions, to extract the most benefit from the technology capabilities, is all too commonly neglected.

Partnering with an expert vendor with the right mix of quality people, resources, consulting support and vision removes the innovation burden from fund administrators’ shoulders. With the right solutions, used well, fund administrators can focus on delivering the quality services clients want. ■

"I am excited to join Zeidler Group as it continues its journey as a leading and digitally innovative one-stop-shop provider"

Zeidler Group appoints Alexandra Milongo

Zeidler Group has appointed Alexandra Milongo as senior business development manager. Milongo will be responsible for the business development and growth objectives of Zeidler Group in Europe.

Based in Luxembourg, Milongo will report to Kunal Grover, head of business development.

Milongo has more than nine years' experience in client service, account management and business development.

Before joining Zeidler Group, Milongo was a client service manager at Schroders, the global investment management firm.

Milongo also held various business development and client service positions at Citco, the fund administration service group.

Commenting on her new role, Milongo says: "I am excited to join Zeidler Group as it continues its journey as a leading and digitally innovative one-stop-shop provider for the asset management industry. I look forward to working with Zeidler Group's legal, regulatory, reporting, and software engineering divisions to deliver exceptional client solutions and services."

Arne Zeidler, CEO and founder of Zeidler Group, comments: "Alexandra brings an abundance of valuable client service experiences, expertise and perspectives that will assist Zeidler Group in further enhancing our client service delivery and business growth objectives." ■

Fund administration provider Ocorian has appointed Ashish Prabhakar as head of business development, capital markets — Americas.

In his new role, Prabhakar will be responsible for growing Ocorian's business in the US. Based in New York, Prabhakar will report to Simon Behan, chief commercial officer.

Prabhakar brings extensive knowledge in conventional debt, collateralised loan obligations, escrow solutions, loan administration and agency, as well as insurance-linked securities, and project finance. Prabhakar has previously served at global banks including J.P. Morgan, BNY Mellon, and HSBC.

Most recently, Prabhakar was senior business development officer for HSBC's Issuer Services Group, in its global banking and markets practice, based in New York.

Commenting on his new role, Prabhakar says: "I am proud to join Ocorian's team in the US at this exciting stage in its growth. Ocorian has great traction in the US and I look forward to working with our global team and capital markets specialists to increase our business in this market, providing our clients with technology enabled, data-driven services tailored to their needs."

Behan adds: "I am thrilled to welcome Ashish to Ocorian. Adding this key role to our team in New York is yet further evidence of our commitment to building a significant presence in the US. Ashish's experience will prove invaluable in supporting our growth in the US and globally."

FINBOURNE Technology has appointed Robert Byrne as chief technology officer and Martin Shaw as client engagement executive.

Byrne's appointment as chief technology officer coincides with FINBOURNE's recent expansion into North America and Asia-Pacific, as part of its wider effort to further expand its global client base.

With more than 20 years' experience in financial services, Byrne specialises in data management, having held senior positions at Barclays Capital, RBS and UBS Delta.

As chief technology officer, Byrne will be responsible for managing FINBOURNE's team of developers, to identify viable market opportunities and build new functionalities using SaaS technology and application-programming-led data tools.

As part of the company's expansion, he will be joined by Shaw, who brings both product management and sales experience from SimCorp and Charles River Development.

Commenting on his new appointment, Byrne says: "I am genuinely looking forward to contributing to FINBOURNE's mission, and to evolving its interoperable data stack, to fix inherent data struggles and provide a future-proof solution."

Thomas McHugh, CEO and co-founder of FINBOURNE Technology, adds: "We are pleased to welcome Robert Byrne to FINBOURNE. Robert's skills and expertise will help us to build on our distinct and interoperable approach to data management. We aim to eliminate the operational pain that has burdened the industry for far too long, and instead deliver faster access to the value within investment data."

Citi has made a series of new appointments to its senior team, across the UK and Ireland.

Citi has appointed Alex Todd as head of Securities Services for Europe and Cilian Ó Gógáin as head of Securities Services for Ireland.

Based in London, Todd will join the Europe leadership team and will report to Maria Cantillon, head of sales and Bryan Murphy, global head of bank sales. Todd will also join the Securities Services Europe, Middle East and Africa (EMEA) ExCo as well as continuing in his role as EMEA head of bank sales.

He joined Citi in 2008, having previously held senior operations roles at UBS Investment Bank and Morgan Stanley.

Reporting to Cantillon and Ronan, as head of Securities Services for Ireland, Ó Gógáin will be responsible for the regulatory pre-approval controlled functions role (PCF 34) for fund accounting which covers both Ireland and Luxembourg.

Based in Dublin, Ó Gógáin will lead the effort to expand Citi's market share in custody, funds and execution services across the Irish franchise.

Ó Gógáin has been at Citi for 22 years, most recently serving as the global chief administrative officer for the custody and fund services business and the global client coverage organisation.

In addition, Armanda Mago will be responsible for Securities Services for Citibank Europe.

Also based in Dublin, Mago will manage the business end-to-end with direct accountability of Confederation of European Probation, reporting to Cecilia Ronan, CEO Citibank Europe Plc and Citi country officer, as well as Reto Faber, EMEA head of custody.

Mago has served at Citi for 12 years, most recently as direct custody and clearing head for Ireland. Prior to that, she was Securities Services Latin America cluster head.

State Street has shuffled its senior management team in an effort to deliver its strategic growth objectives.

Lou Maiuri, formerly chief operating officer, has been appointed president and head of investment services, while Eric Aboaf, previously chief financial officer, has been appointed vice chairman.

Maiuri will be responsible for all facets of State Street's investment services business, including client management, product, technology and operations. This expanded role has been created in an effort to promote alignment of State Street's products and solutions and differentiate its offerings in support of clients.

It will also help to facilitate revenue growth and assist the company to achieve its medium-term financial targets.

As vice chairman, Aboaf will be responsible for State Street's global markets business.

His role across all uses of State Street's balance sheet will further drive balance sheet optimisation and promote capital return to shareholders, State Street says.

Maiuri and Aboaf will both continue to report to Ron O'Hanley, chairman and CEO of State Street.

Commenting on Maiuri and Aboaf's new appointments, O'Hanley says: "Expanding and elevating Lou's and Eric's roles and remits will deepen focus and accountability for results across our business globally.

"I look forward to continuing to work with this outstanding leadership team for years to come as we further drive our strategy to be the best and fulfill our vision to help create better outcomes for the world's investors and the people they serve." ■

BNY Mellon picks Páraic Cosgrave as head of alternatives business development

BNY Mellon has appointed Páraic Cosgrave as head of alternatives business development for asset servicing.

Based in Dublin, Cosgrave will be responsible for BNY Mellon's global alternatives sales team to help shape BNY Mellon's business development across all of the company's alternatives sub-businesses of real estate, private equity, credit, hedge and fund of funds.

His appointment is part of a wider effort to grow BNY Mellon's presence in Ireland.

Cosgrave has more than 25 years' experience at small and large scale fintechs, banks, asset servicers and asset managers.

Prior to joining BNY Mellon, Cosgrave was global head of distribution and relationship management at Abbey Capital.

Before that, he was global head of sales and relationship management at BNP Paribas S.A..

Commenting on his new role, Cosgrave says: "I am excited to be joining the BNY Mellon team and look forward to contributing to the ongoing growth of the asset servicing business, as well as contributing to the overall growth of BNY Mellon's network."

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