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Ready for Next

Japan’s Iyo Bank picks DTCC’s ITP

Iyo Bank has become the first Japanese regional bank to adopt DTCC’s Institutional Trade Processing (ITP) services. ITP provides post-trade processing for equities and fixed income transactions.

As part of the mandate, Iyo Bank will adopt DTCC ITP’s CTM, ALERT, and Settlement Instruction Manager.

CTM, DTCC’s platform for the central matching of cross-border and domestic transactions, automates the trade confirmation process for equities and fixed income, as well as repurchase agreements.

DTCC’s ALERT is a global database of standing settlement instructions (SSIs), currently holding more than 13 million standing settlement and account instructions.

Firms who use CTM and ALERT are able to manage their entire post-trade matching process on a single solution, across asset classes and jurisdictions, while benefiting from an average 95 per cent same day matching rate, says DTCC.

When CTM and ALERT are combined with the Settlement Instruction Manager — which sends settlement instructions to custodians and interested third parties — ITP users can manage and monitor the lifecycle of a trade through to settlement completion, DTCC adds.

Naoaki Fujita, managing executive officer and general manager of funds operation and securities division, says: “With CTM, ALERT, and Settlement Instruction Manager, we look forward to further improving our operational risk mitigation capabilities for post-trade processing, while reducing labour resources through the digitalisation of manual, inefficient processes. As a result, we hope to enable our team to focus on more strategic areas that drive our business forward.”

Matthew Stauffer, head of ITP and president and CEO of DTCC ITP, comments: “We are pleased to partner with Iyo Bank in bringing greater post-trade processing efficiency and risk reduction to their firm.”

He adds: “DTCC is uniquely positioned to facilitate the straight-through processing of institutional trades by seamlessly connecting our global client community to an open and integrated ecosystem that services the full post-trade lifecycle.” ■

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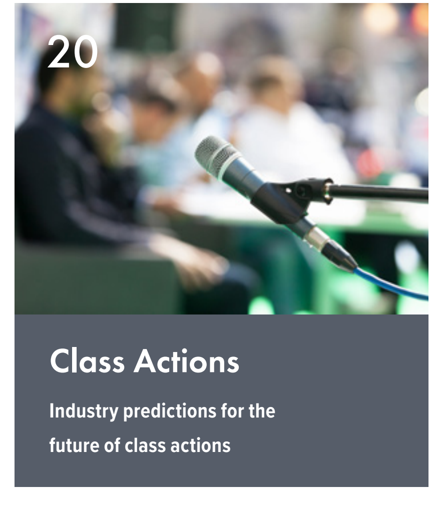

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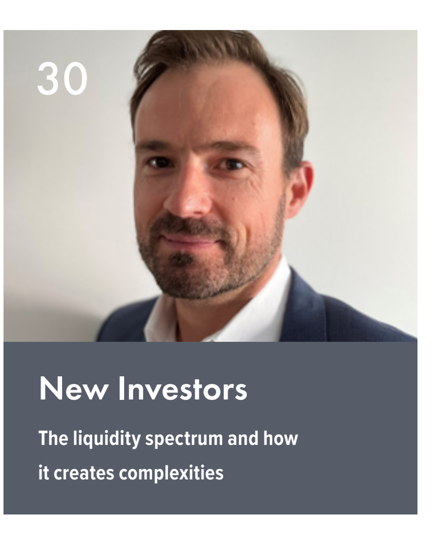

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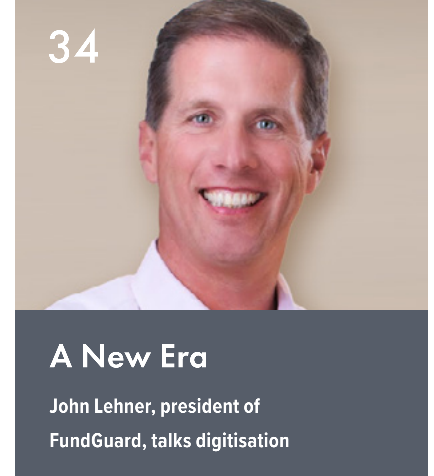

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SS&C acquires Tier1's CRM business

SS&C has acquired Tier1 CRM and its related assets, previously part of Tier1 Financial Solutions.

Tier1 CRM provides customer relation management (CRM) systems to sell-side financial services firms, and deal management CRM to investment banks.

The acquisition allows SS&C to expand their CRM potential, particularly around capital markets and investment banks.

Through the mandate, SS&C will gain more than 30 enterprise clients (across Canada, the US, and the UK) and over 60 employees (across Canada and the US).

Derek Landi, vice president and general manager of SS&C, says: "We will add talented employees and respected clients to our roster with like-minded product architecture and deep client expertise."

Doug Christensen, chief operating officer of Tier1 CRM, comments: "Joining forces with SS&C allows the business to scale as the customer base grows, and provides complementary solutions to many of SS&C's existing products and businesses." ■

FINBOURNE Technology partners with data scoring provider Denominator

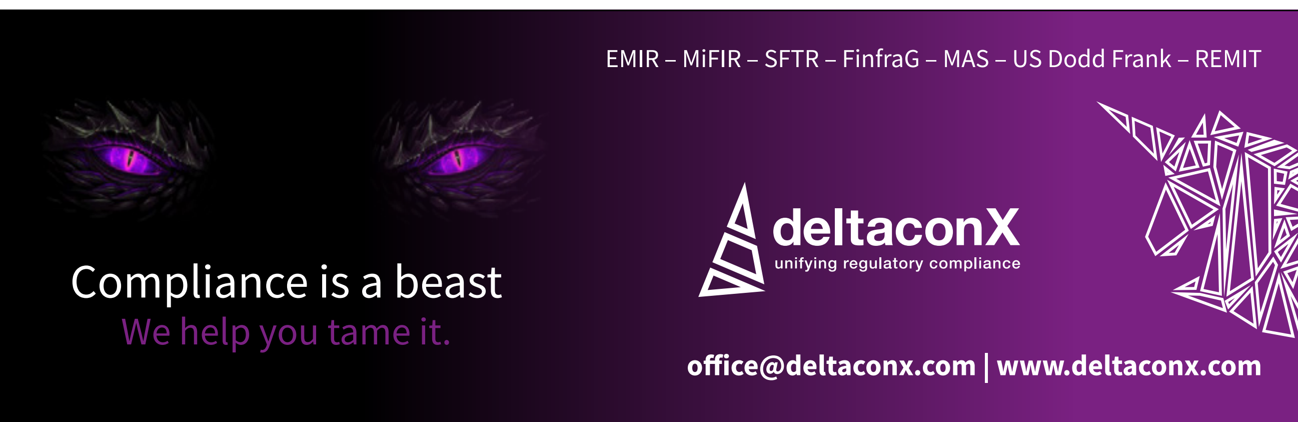
FINBOURNE Technology (FINBOURNE) has partnered with global diversity, equity, and inclusion (DEI) data scoring provider, Denominator, to support the global buy-side as it responds to increasing demands for DEI transparency.

The partnership aims to broaden the DEI footprint across the global investment community, to help support current data challenges and advocate different investment opportunities.

Through the partnership, asset managers can launch new ESG funds and products with a DEI-specific mandate, amid a new generation of value-based investors.

Integrating DEI data directly into investment operations assures asset managers and end investors that funds are accurately monitored and reported based on mandated outcomes, says FINBOURNE.

This also enables progress to be tracked over time, for a specific attribute or the whole portfolio, to make more informed



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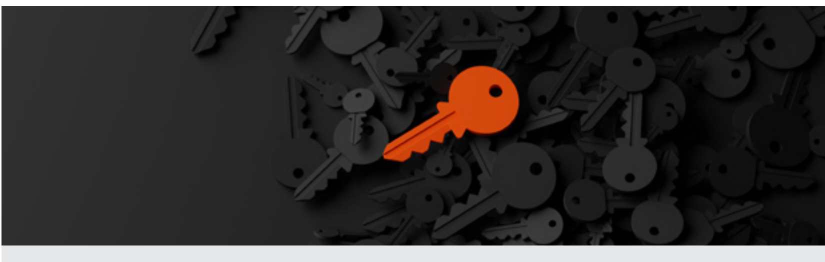

StonePine Asset Management picks CIBC Mellon for asset servicing

StonePine Asset Management (StonePine) has selected CIBC Mellon to provide its asset servicing solutions.

As part of the mandate, CIBC Mellon will provide StonePine with fund accounting, administration, global custody services, and unitholder recordkeeping. StonePine will also have investment information data access via CIBC Mellon's NEXEN investment data platform.

StonePine currently has approximately US$60 billion in assets under management and is led by CEO and chief information officer, Nadim Rizk.

Commenting on the mandate, Rizk says: "We are pleased to tap into CIBC Mellon's global network, buoyed by the strength and success of their global enterprise. In addition, their technology, agile implementation timeframes, and the support provided by their reputable client service teams really positioned them as a market leader and an organisation to which we are proud to entrust our fund operations." ■

investment decisions and report both internally and externally, it adds.

While accessing Denominator's data set with DEI data, firms can view raw data as well as final scores.

Denominator is built on internationally recognised frameworks, including the UN Global Compact's Sustainable Development Goals and World Economic Forum's Gender Parity.

Anders Rodenberg, CEO of Denominator, comments: "The integration of our exhaustive diversity, equity, and inclusion data will enable the global buy-side to harness new and customised investment strategies that will appeal to investors and deliver a competitive edge.

"As with the 'E' in ESG, we aim to move the dial for this critical social element of ESG, from negative screening and best-endeavour reporting, to driving positive engagement with global companies and making DEI an active priority for global business and society."

Matthew Luff, head of partnerships at FINBOURNE Technology, adds: "Partnering with Denominator empowers

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- Data analytics[2]

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

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our clients with quality data to create and manage an exciting new range of portfolios, catering to previously underserved sections of the population.

"Unlike measures such as emissions which are harder to conceptualise, we are all able to look around our workplaces and see diversity, or a lack of it."

He adds: "Our close partnership with Denominator delivers our clients actionable data and insights, to invest in those companies that are making strong returns, alongside a real commitment to DEI values."

Chong Hing Bank joins CLSSettlement as third-party bank

Chong Hing Bank has become the second Chinese bank to access CLSSettlement as a third-party participant via CLS settlement member, UBS.

CLSSettlement settles the payments on both sides of an foreign exchange (FX) trade simultaneously, mitigating FX settlement risks.

CLSSettlement is increasingly popular in the Asia Pacific (APAC) region, with a 31 per cent increase in participation of APAC third parties since 2018.

The Hong Kong Monetary Authority recently updated its Supervisory Policy Manual, further aligning with the supervisory guidance set by the Basel Committee on Banking Supervision for managing risk standards. Adhering to these global and local practices is supported by CLSSettlement.

Chan Yun Ling, head of treasury and markets at Chong Hing Bank, says: "The move represents the increasing FX trading volume of Chong Hing Bank, with the continuing support from Yuexiu Group, as well as the vibrant business opportunities for the Greater Bay Area."

Lisa Danino-Lewis, chief growth officer of CLS, comments: "With the growth of FX trading in many Asian currencies, market participants are becoming increasingly aware of settlement-related risk and are using CLSSettlement to mitigate this risk, while at the same time benefiting from enhanced operational efficiencies. Participating in CLSSettlement also supports Chong Hing Bank's adherence to global and local best practices, such as the FX Global Code."

DTCC's Project Ion live in parallel production environment

DTCC's distributed ledger technology (DLT)-based Project Ion initiative is now live in a parallel production environment.

The DLT-driven settlement service is now processing an average of more than 100,000 bilateral equity trades daily and more than 160,000 transactions on peak days in parallel production, with the existing settlement systems of the Depository Trust Company, DTCC's US depository service, providing the authoritative record of legal ownership.

DTCC indicates that the rationale for Project Ion is to provide a resilient, secure, and scalable settlement alternative to its users based on DLT.

This will also align with the U.S. Securities and Exchange Commission's (SEC's) plans to move the US market to an accelerated T+1 settlement cycle, with Project Ion built to support netted T+0 settlement as well as T+1 and longer cycles.

The project was built in collaboration with DLT specialist R3 using R3 Corda blockchain technology.

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With the production environment live, DTCC is working with its users on a phased expansion of the settlement platform. This may include extending the range of DTC activities that it supports, as well as central clearing activities provided through National Securities Clearing Corporation (NSCC), the DTCC clearing subsidiary, on this DLT platform.

Murray Potzmanter, DTCC managing director and president of DTCC clearing agency services and head of global business operations, says: "This is a milestone achievement for the equity markets and reflects the deep level of collaboration and partnership between DTCC and our clients.

"Project Ion is an important step forward in advancing digitalisation in financial markets, and opens the door to exciting new opportunities to drive greater efficiencies, risk management and cost savings for the industry."

He adds: "Digitised assets and emerging technology such as DLT are shaping and evolving the financial services landscape, and we remain committed to advancing innovative solutions that capitalise on opportunities, deliver new value, and drive the industry forward."

DTCC general manager of equity clearing and DTC settlement service Michele Hillery adds: "Project Ion provides a parallel book and infrastructure for limited bilateral transactions, with DTC's existing systems remaining the authoritative source of transactions.

"With firms across the industry at different levels of maturity around DLT adoption, DTC is building this platform to provide optionality and flexibility to clients."

"Those who are ready to leverage the Project Ion platform can begin development efforts today, while others can continue to use our classic solutions," says Hillery.

R3's chief executive David Rutter comments: "This is a watershed moment for enterprise blockchain technology in capital markets.

"Project Ion will transform the financial services industry globally for years to come, providing a framework for how this cutting-edge technology can be applied to strengthen and modernise a market to the benefit of all participants."

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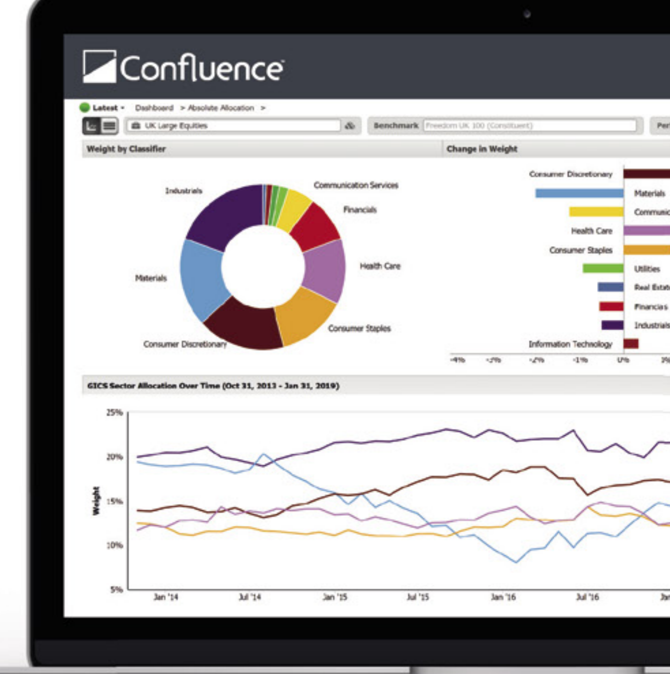

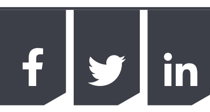

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US SEC's decision to let MiFID II no-action letter expire could cause problems

The U.S. Securities and Exchange Commission's (SEC's) decision to let its second Markets in Financial Instruments Directive (MiFID II) no-action letter expire "will create enormous problems for asset managers in Europe", according to Mike Carrodus, CEO of Substantive Research.

Carrodus' comments come in response to Substantive Research's asset management survey that examines attitudes to impending structural market changes, including SEC's decision to expire the MiFID II no-action letter in July 2023.

Carrodus' added that the introduction of an expiration date could throw global research markets and the relationships between European and global asset managers and US brokers into chaos, with detrimental impacts to competition in the investment research market.

The MiFID II regulations that came into effect in Europe in January 2018 unbundled trading and research, and pushed almost all European asset managers into paying for investment research in cash.

At that time, and in response, the SEC issued a no-action letter that allowed European asset managers to pay US brokers in cash. The letter was not intended to be a permanent solution, and in July 2022 the SEC confirmed that the Division "does not intend to extend the temporary position beyond its current expiration date in July 2023".

This means that European asset managers will no longer be allowed to pay for US broker research in cash and instead must pay through trading commissions, as their US counterparts do.

As part of its survey to gather opinion on the expiration date of the no-action letter, Substantive Research surveyed 40 asset managers — 85 per cent were European, while the other 15 per cent were based outside of Europe.

The overall finding was that European fund managers and US brokers that do business with each other will be severely disrupted, with additional concern that there will be a decrease in competition in the research market, which has already been hit by MiFID II's deflationary effects on research pricing.

60 per cent of asset managers predict the most likely outcome will be that global US brokers will be paid entirely in Europe for research consumed in both regions. Therefore, any smaller US brokers that do not have a European entity will be frozen out.

However, Substantive Research claims: "These smaller brokers simply do not have sufficient amounts of European revenues to justify fixing it all from their side, and may be seen as necessary collateral damage from the European asset managers that cut them."

Accordingly, 68 per cent of survey participants believe that this change will mean market share further consolidates to the bulge bracket firms, further entrenching a trend of market concentration to the big brokers.

Two other possible solutions that have been suggested by industry participants include brokers becoming registered investment advisors (RIAs), or a wider regulatory fix — the SEC's introduction of an 'RIA-lite' designation that would be less onerous for brokers.

Substantive Research says this would probably reduce the time frame needed to register, and would remove key obstacles that the brokers' compliance departments have identified. This solution was suggested in 2017, however the no-action relief ensured that there was no need to proceed with it at the time.

Respondents' views were split on whether brokers becoming RIAs will solve research payment challenges, while research payment accounts (RPAs) for the buy-side are not considered a desirable option. Either way, neither can be implemented in time, says Substantive Research.

Commenting further on the research finding, Carrodus comments: "Many would also have sympathy with the opinion that the EU and UK Financial Conduct Authority (FCA) should be the ones to fix this, but with 27 countries needing to agree in the EU, and the FCA focused on a number of other issues, a quick exemption to be allowed to bundle trades with research for US brokers would be very unlikely and probably unworkable, if it did happen."

He adds: "While this was not a problem of their own making, by far the simplest solution is for the SEC to listen to feedback from the US brokers and global asset managers headquartered in the US, and extend the no-action for at least another year. RIA and RPA solutions cannot be put in place by July next year, even if brokers and asset managers started working on them now.

"Without acknowledgement from the regulators that this is not something easily solvable, the likely outcome is that we will see more revenue hits for medium and smaller US brokers, and less diversity, choice, and competition in the research industry. European fund managers will need to source research from an even more concentrated set of bulge bracket names than before." ■

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Samir Pandiri
President
Broadridge International

Asset management and next-gen technology

Samir Pandiri, president of Broadridge International, outlines fund management strength post COVID-19, and why asset managers need to be ready for technology adoption and even more innovation

Although the traditional fund management industry emerged from the pandemic in a strong position, the sector still faces acute challenges.

Firstly, active managers are losing out to low cost passive funds, with asset share for active managers declining 35.8 per cent over the last 20 years to 53.8 per cent, and some even speculating passives could overtake active funds on assets under management (AuM) terms by 2026.

At the same time, managers are facing rising cost pressures due to new regulations and various operational requirements. In response, managers are increasingly embracing digitalisation — viewing it as a way to improve customer experiences while also obtaining cost synergies.

Broadridge looks at how traditional asset managers are currently approaching digital transformation, and their progress to date.

A digital transformation journey

Broadridge conducted primary research into progress with digital transformation by interviewing C-suite executives from 750 firms globally on the buy-side and sell-side. This allowed Broadridge to categorise firms as ranging from ‘beginners’ to ‘leaders’, using a proprietary digital maturity framework.

The study found that, relative to their peers in other financial services industry sectors, many traditional long-only asset managers are at an advanced stage of their digital transformation.

In terms of their digital maturity, 41 per cent of asset managers were categorised as ‘leaders’, and just 9 per cent were scored as ‘beginners’.

According to the Broadridge survey, 78 per cent of asset manager respondents said their main strategic priority area for digital transformation over the next two years would be portfolio management.

Operations were cited by 71 per cent as a priority, while strategic planning was also a key focus area, with 66 per cent saying they saw this as one of their top priorities for transformation. So how are traditional asset managers leveraging technology to achieve these objectives?

Digitalisation is playing an integral role in improving the client experience. In contrast to alternatives, whose client demographic is almost exclusively institutional, traditional funds cater to a wider mix of investors.

In fact, Boston Consulting Group says retail portfolios account for 41 per cent — or US$41 trillion — of the global assets currently controlled by active managers. Retail (and institutional) clients want the investment experience to be seamless, something which is especially true for the growing crop of millennial and digitally native investors.

With investors becoming more tech-savvy, many will want reports shared with them via apps or dashboards as opposed to email or physical correspondence. In fact, 28 per cent of investors have used a personal financial app, a figure that rises to 61 per cent among millennials.

Conscious of the changing investor dynamics, asset managers are making significant improvements to their in-house technology infrastructure. 45 per cent of managers told Broadridge that they are at the advanced stages of implementing a shift away from paper-based processes towards digital communications. In addition, 44 per cent of firms said they are at the advanced stages of developing seamless, omni-channel client experiences across devices.

30 per cent of managers noted they are at an advanced level of building micro-personalised marketing and communications that are unique to each individual user. A further 69 per cent of asset managers told Broadridge they were at a mid or advanced level of using data to improve customer experiences. Although fundraising has been strong, competition for investor assets remains high.

The managers that utilise technology to augment client communications and experiences will likely have a competitive edge moving forward.

Many traditional asset managers are also looking at ways to create efficiencies in their workflows, processes, and operations. This comes as investment firms of all types face growing operating costs – owing to regulation, added reporting requirements, and overheads arising from COVID-19. One way firms can reduce operating costs is through automation.

Replacing legacy infrastructure

By improving and automating inefficient or error-prone manual processes and replacing legacy infrastructure with modern cloud-based solutions, firms can realise significant savings and reduce risk. In fact, traditional asset managers are ahead of their counterparts in the alternatives industry, with 42 per cent of respondents telling Broadridge they are at the advanced stages of implementing a modern IT platform. Whereas hedge funds and private market strategies have been slow to integrate disruptive technologies like artificial intelligence (AI) and blockchain into their operations, traditional funds lead the way.

The study found that 28 per cent of firms were at the advanced stages of implementing robotic process automation (RPA) to automate workflow activities across the firm. 28 per cent also added they were at the advanced stages of adopting machine learning and AI tools for intelligent automation. Some managers told Broadridge they expect to make significant progress on blockchain in the next two years, a technology which could transform activities such as client onboarding, know-your-customer, and repo trading, along with regulatory compliance.

Data and analytics will be instrumental in supporting the traditional asset management industry's growth. The use cases for data and analytics are extensive, as they can be applied in investment decision making, operations, and investor relations. However, for data and analytics to yield decent results, information needs to be organised in a structured, systematised, and holistic format, which can be easily accessed across the entire business.

This can be a challenging undertaking, and only 15 per cent of asset managers told the Broadridge study they were at the advanced stages of implementing a centralised data platform. Some forward-thinking managers are even attempting to develop capabilities around predictive analytics – and applying it in operations and investments.

The Broadridge study found that 30 per cent of asset managers were at the advanced stages of using data for predictive analytics and/or other forms of advanced analysis. Such analytics can be used to fine-tune investment decisions, bolster returns, and improve operations.

However, adoption of new or disruptive technologies is not without its challenges, something the funds industry fully recognises. The Broadridge report found that 32 per cent of managers said their greatest challenge in driving digital transformation was the pace of technology change, followed by data security and privacy concerns at 26 per cent, and poor access to quality data at 20 per cent. While these challenges can be overcome, they can clearly frustrate technology change programmes at fund managers.

Evolving for the future

Asset managers are ahead of their peers in terms of technology adoption and innovation. However, there is still a great deal of work to do to move the industry forward in its digital transformation.

With the sector targeting an investor base which is becoming more tech savvy, while simultaneously operating in an increasingly crowded market environment, digitalisation will be a critical enabler and differentiator for fund managers. ■

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Changing landscapes

Experts from Goal Group, Pogust Goodhead, Libra Srl, and Phi Finney McDonald discuss the industry's pain points surrounding the filing of claims, as well as their predictions for the future of class actions

Do you think there will be any further class actions in relation to the COVID-19 pandemic? If so, what do you think we can expect to see?

Noah Wortman: To date there have been hundreds of class actions filed in relation to the COVID-19 pandemic. Although the pandemic may not have produced the explosion of class actions some predicted, and there has been a mixed bag as to their success, they do not appear to be disappearing anytime soon.

What we can most likely expect to see now are cases akin to the recently filed securities class action against Amazon in the US District Court, that alleges Amazon made false and misleading statements to investors concerning its continued investments in expanding infrastructure and fulfilment network capacity. Investors were assured that this was driven not just by recent increased demand related to the pandemic, but also by "long-term trends" and "strong multi-year demand". These statements did not necessarily ring true in reality. What we can probably expect to see are more claims being brought as company financials and results begin to crystallise as they relate to statements companies made during the COVID-19 pandemic.

Ben Phi: Unfortunately, the pandemic is far from over and further litigation seems likely. There has already been litigation against insurers across jurisdictions for denial of coverage, some of which are (or may be) framed as class actions. There have also been class actions brought against aged care facilities and other institutions seeking damages for negligence or breaches of contract in relation to their pandemic response.

Each of those circumstances could also give rise to shareholder class actions – for example, against insurers and listed institutional care providers – for failing to keep the market updated about the extent of their exposure to other claims.

Kris Verity: The pandemic has affected us all over the last few years, both personally and professionally. From a security litigation perspective, I would expect the number of actions to increase over the next few years. Many industries have been impacted, so we should expect to see litigation across the board including, but not limited to: pharmaceutical, video-conferencing, technology, supply chain, automotive, and transportation industries. In relation to the pharmaceutical industry, we have already seen the race to release the first vaccine impact some of the industry's leaders. Therefore, I would not be surprised if that industry is hit hard, but I am also curious as to how and when the other industries will come into play.

Kris Verity has been in the financial industry for more than 20 years working at some of the largest financial institutions in the world.

Beginning in global operations, specifically in withholding tax reclamation including global documentation, he eventually moved into relationship management and worked with various clients including retirement plans, endowments, and not-for-profit entities. Having joined Goal in 2021, Verity now works as vice president, sales in the Americas where he focuses on sales efforts to continually drive the business forward.

Kris Verity
Vice president sales, Americas
Goal Group

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What pain points are associated with the monitoring and filing of claims? How can these pain points be overcome?

Verity: Monitoring class actions is one of the biggest pain points as there is no centralised list of cases. Hundreds, if not thousands, of sources need to be researched on a daily basis. In addition, the increased complexity adds the challenge of identifying cases that impact a security and how that affects the asset owners.

Fortunately, companies such as Goal compile this information and simplify the process. Secondly, filing processes are not consistent. Each jurisdiction has its own process, system, documents, and laws. Although it would be simple and easy if every jurisdiction followed the same process, we all know that is unrealistic.

These are just two of the reasons why those looking to process securities class actions recoveries, and those who look to source external providers to remove their time consuming duties, have complex work to do.

Phi: Having worked with institutional investors for well over a decade, we have a good understanding of their pain points and modify our own practices in order to alleviate them. One common complaint is that lawyers and funders setting short deadlines for the return of documents can make the process worse, by not clearly communicating whether it is a hard or soft deadline.

Another complaint is lawyers or funders being opaque about whether investors have to 'sign up', or if they can participate as part of an open class. In addition, some funders in particular are inflexible about their contractual terms and amendments, and there is also the question of how to assess the relative merits of competing class actions relating to the same subject matter.

In the Australian jurisdiction, the rise of common fund orders and group costs orders has seen some lawyers and funders attempt to avoid scrutiny from institutional investors – particularly in relation to proposed fees – instead preferring to have that conversation with the Court. While some institutions are comfortable with that, most are taking a much more engaged approach to their class action participation. Many institutional investors are engaging deeply with the options available and taking positive steps to support their preferred legal teams and funding structures, rather than simply leaving such decisions to the Court. However, there is no one-size-fits-all approach.

Wortman: The monitoring and filing of claims in global class and group actions can be a complicated task that requires a great deal of time. It is likely that the sheer volume and international variety of class and group actions, of tracking and participation, will only continue to rise.

That is why it is important for institutional investors to have a regime in place to make sure that they are monitoring and managing global securities litigation and possible avenues of legal redress options across the world.

Participation can be achieved by instituting a class action policy that provides a framework around procedures and guidelines for monitoring a portfolio for potentially actionable losses, to protect interest and maximise any recoveries from those actionable losses. This includes understanding and evaluating securities class and group actions and other forms of collective redress on a global scale.

The following three-stage process of: monitoring and understanding, evaluation, and participation choice, provides a potential model. One step leads to the next, but it does not always have to result in the same outcome.

Ultimately, evaluation will lead to the choice of passive or active participation in a case. What form may active participation take: seeking participation in a class or group action or pursuing an individual or direct action?

One course of action does not necessarily rule out the other. For example, under certain circumstances, an investor could choose to participate passively, before moving towards more active involvement.

To maximise recovery, no matter the method you choose to pursue and evaluate such claims, it is crucial to be properly educated and informed. One way to effectively execute such a complex task is to partner with law firms and others that specialise in analysing and assessing cross-border opportunities, to seek legal redress and to advise on the various forms of shareholder engagement and legal strategy to aid in recovering money lost as a result of corporate malfeasance.

Should class actions be monitored as part of ESG policies? What has been your experience?

Rob Okhuijsen: In general, the market for ESG claims and third-party litigation funding (TPLF) in Europe continues to grow strongly. The market share for TPLF in Europe is now about 15 per cent of the global total. In the field of group and collective action, I mainly see an increase in ESG claims, data and privacy-related claims, and competition claims. At the same time, we see that there are a lot of assets available from more and more funders, law firms, bookbuilders, and platform providers who want to find their way to the same cases. This means strongly increasing competition, a shifting market field, and changing return on investment expectations.

Wortman: The past few years have shown that the current social justice zeitgeist has increased market and shareholder attention to company ESG policies. A growing number of lawsuits on the basis of ESG statements in securities filings, including bond offering documents, have been filed against corporations and governments. A stakeholder's right to pursue civil remedies varies depending on jurisdiction, but the scope of information that can form the basis of a lawsuit is expanding with greater inclusion of ESG.

ESG disclosures have historically been governed mostly by voluntary frameworks. But the voluntary nature of ESG reporting is on the wane, as evidenced, for example, by the requirement for banks, private equity firms, pension funds, hedge funds, and other asset managers to comply with sweeping new European rules set forth such as the Sustainable Finance Disclosure Regulation (SFDR).

As ESG standards and disclosure become not just best practice, but mandated by various cross-cutting regulations, the opportunity for claims based on alleged negligent misstatement, misrepresentation, or omissions in these disclosures has opened. Such claims have built on an existing body of case law establishing the clear liability of businesses for providing misleading information about their business practices.

As countries increasingly mandate disclosures through legislation such as the SFDR, the Modern Slavery Act 2015 (UK), Transparency in Supply Chains Act 2010 (California), and the Duty of Vigilance Act (France), the publicly available information about companies' ESG practices is only likely to increase.

The growing importance of social factors within corporate sustainability frameworks may continue to create new areas where investors or consumers identify gaps between disclosures and practices.

Areas that will most likely see increased ESG litigation in the coming years include consumer greenwashing, data privacy, labour-related issues, and health and safety.

Phi: We firmly believe that shareholder class actions, conducted well, play an important role in improving corporate governance standards. This is not only through the enforcement of private rights against a particular wrongdoer, but also the awareness that class actions raise disclosure obligations among company directors more generally.

When I completed the Company Directors Course run by the Australian Institute of Company Directors, I was pleased to see so many of my own cases being taught on the syllabus. Current and future directors were being taught about their legal obligations, and what they needed to do to avoid engaging in the type of conduct that could destroy investor trust and lead to expensive and embarrassing litigation. This can only be good for the market as a whole.

Many shareholder class actions engage with vital environmental and social issues that institutional investors and asset managers need to appreciate in the exercise of their mandates. Asset managers should also monitor for 'non-shareholder' class actions more generally, particularly if the asset manager is itself listed, or promotes itself as having ESG credentials or as an ethical investor.

Verity: Class action lawsuits and ESG strategy overlap in many ways. Class action monitoring and filing should be considered as part of an ESG policy, and I am sure awareness and participation will increase as cases continue to arise.

Many cases over the years have had a focus on fraud related to environmental impact, including Petrobras, Volkswagen, and Daimler, to name a few. From a governance perspective corruption, bribery, ethics, and risk are the foundations of security-based litigation. Asset owners should be monitoring all class actions globally as part of their ESG policy, and not just in the US.

What have been the main developments within the class actions landscape over the last year, and what lasting effects could these developments have on the industry?

Okhuijsen: In the Netherlands, the most important development is the introduction of the new Dutch Act on Collective Damages Claims Regime for Collective Actions, also known as WAMCA. The biggest changes compared to the old collective regime are that an exclusive representative (class representative) will be appointed by the court and that damages can also be claimed within the procedure. Under the old regime, the latter required a separate procedure. The new regime is also an opt-out regime, which makes it possible, as a class representative, to claim damages for the entire group of injured or grieved parties. The expectations of lawyers and funders of this new collective regime are enormous. Matters that previously seemed financially uninteresting and related to scattered damages have suddenly come into the picture. And the return expectations of funders and lawyers are high. Too high in my view.

There are a number of major risks here. More than 40 cases have already been filed under the new WAMCA regime. And the market is very fragmented. About eight parties look at almost every case, and for almost every case there are more parties that want to become the exclusive representative, and do not (yet) cooperate with each other. The claims mount up to many tens of billions. The progress is now proceeding slowly and the new regime still contains many uncertainties. The progress is therefore very phased.

The big question is what the rapid and sharp increase in the number of cases and the size of the claims will mean for the appetite of Dutch courts, and how they will look in practice at the fees that are reasonable for funders and lawyers. In a number of cases — take a securities case with only a limited price loss for the investors — you can also question whether these are actually beneficial for the claimants or, under this new regime, mainly for the funders. All this added together means 'exhausting' the market, in my opinion, and that is a serious threat.

In the meantime, the defence firms are conducting a counter lobby and keep repeating that we have 'American practices' in Europe now. And in a number of cases we are already seeing pushback by Dutch courts, with respect to the admissibility of claim vehicles. Not all parties take governance and procedural requirements seriously enough. Disappointments are therefore inevitable.

Rob Okhuijsen is a Dutch collective redress and group actions specialist. Prior to this he was a director of strategy and case development in the global claimants only law firm Hausfeld, working on the Trucks Cartel case among others.

Rob is the co-author of the Dutch governance code for litigation and settlement foundations (the Claimcode), which was implemented in the new Dutch collective action on Collective Damages in Class Actions. In 2020 he established a new firm, Libra Srl, which provides full services and funding related to group actions in Italy.

Rob Okhuijsen
Director, advanced solutions aligned propositions BV and CEO
Libra Srl

At the same time, under the influence of the European Commission and higher courts in, for example, Germany, we see an increasing professionalisation and legal clarity in the field of limitation issues and competition law claims — often to the advantage of claimants. Competition law claims can also be closely related to human rights law. Take, for example, matters concerning excessive pharmaceuticals pricing and 'pay for delay'. In Germany there are also very favourable developments in the field of the validity of claims assignment models.

Verity: There are still new types of cases appearing, and increased actions on other fairly new cases such as anti-trust. We are also seeing other markets hold more serious discussions around introducing class actions, or similar redress mechanisms. China is one market that has recently confirmed recognition of class actions and this will probably contribute to the rise in volume of cases we anticipate in the near future. As the space expands, so will awareness and education around this topic.

Phi: The class actions landscape continues to evolve at a rapid pace around the world. The continued growth of the litigation funding and insurance markets is creating incredible options for claimants who are interested not only in pursuing their causes of action, but doing so at the lowest possible cost and with the least amount of risk. The globalisation of class actions is also continuing, with information and know-how being shared between jurisdictions.

By way of example, Phi Finney McDonald is now pursuing shareholder claims in the UK, and we are excited about bringing our ideas, energy and experience to the unique challenges in that jurisdiction. These trends will see the law in jurisdictions such as the UK develop at a rapid rate – hopefully in a way that promotes the interests of claimants, rather than protecting wrongdoers. Notwithstanding the current global pressures, the ESG movement is here to stay, with asset managers understanding the importance of promoting good corporate behaviour and long-term sustainability.

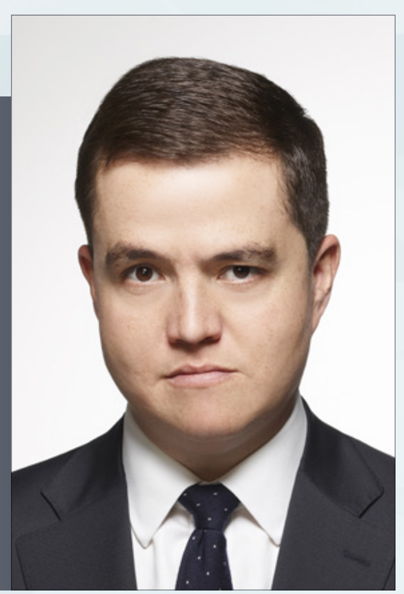
Wortman: The last year has seen many developments in the global class action landscape that are of note and impact consumers, investors, and people across the world. One of the most significant areas that saw development was environmental claims and the topic of jurisdiction, particularly as this applies to being able to advance claims in the UK against UK-domiciled parent companies regarding conduct of subsidiaries located outside the UK.

In Vedanta Resources plc and Konkola Copper Mines plc (Appellants) v Lungowe and Ors. (Respondents) (2019) UKSC 20, the UK Supreme Court issued a landmark judgment wherein it allowed over 1800 residents of Chingola, Zambia to bring proceedings in the English courts against Vedanta (incorporated in the UK) and Konkola Copper Mines (KCM) (its Zambian subsidiary), claiming that waste discharged from the Nchanga

Ben Phi is one of Australia's leading class action lawyers, and is widely regarded as one of Australia's pre-eminent shareholder class action law firms. His expertise extends across all areas of complex, high value, and multi-party litigation. He has developed a strong reputation for developing innovative litigation funding models that provide strong commercial returns for both funders and clients.

With a deep client focus, Ben has developed trusting relationships with institutional investors in Australia and across the world.

Ben Phi
Managing director
Phi Finney McDonald



copper mine (owned and operated by KCM) had polluted local waterways, caused personal injury to local residents, damage to property, and loss of income.

In Okpabi v Royal Dutch Shell (2021) UKSC 3, the UK Supreme Court allowed a claim by Nigerian citizens against The Shell Petroleum Development Company of Nigeria Limited (SPDC) to proceed. The Okpabi claims arise from oil leaks from pipelines and associated infrastructure operated by SPDC as part of a joint venture in the Niger Delta and are brought into negligence. The claimant inhabitants of the region contend that RDS owed them a duty of care because it exercised significant control over material aspects of SPDC's operations and/or assumed responsibility for SPDC's operations, which allegedly failed to protect the appellants against the risk of foreseeable harm arising from them.

The UK Supreme Court's recent decisions in Vedanta and Okpabi reinforces the position regarding the flexibility of the English courts' jurisdiction over parent company liability claims. In both Vedanta and Okpabi, the UK Supreme Court held that there were real prospects of establishing control or responsibility for environmental policies at a group level. Additionally, in Vedanta, there was also concern that the claimants could not access justice in Zambia because of lack of legal aid, lack of experienced lawyers to bring this type of complex and large-scale litigation against very well-resourced defendants. Moreover, as shown in Okpabi, 'real' and 'triable' issues such as there being damage, the subsidiary was responsible, and there was a good and arguable case that the parent company controlled its activities.

Unlike in Vedanta and Okpabi, in Município de Mariana and Ors. v BHP Group UK Ltd. and Ors. [2022] EWCA Civ. 951, litigation had already been brought in Brazil in relation to the largest environmental disaster in Brazilian history when the Fundão Dam burst in November of 2015 and sent toxic mining waste over 700km along the waterways of the River Doce.

While at first instance the High Court held that the parallel proceedings in Brazil and the sheer numbers of potential claimants (more than 200,000 and whose first language was Portuguese) rendered any English action 'irredeemably unmanageable', the UK Court of Appeal found that conclusion to be unsustainable. The UK Court of Appeal also provided guidance in relation to best practice in class actions. It cited the "clear illustrations of case management options" provided by the claimants and solicitors, and the "well-structured, coherent and entirely digestible" Particulars of Claim as factors in its conclusion that the claim was not irredeemably unmanageable.

As result of the above, it should be expected that proceedings relating to ESG issues abroad will continue to be brought in the UK courts.

As director of global collective redress at Pogust Goodhead, Noah Wortman brings his extensive experience in assessing and analysing corporate misconduct in the financial markets, as well as his commitment to finding global litigation and shareholder engagement solutions to investors across the world.

He has extensive experience advocating for global investors, promoting corporate governance and investor stewardship, and implementing strategies to achieve collective redress.

Noah Wortman
Director, global collective redress
Pogust Goodhead

To what extent do you think digital assets will be impacted by class actions as their popularity grows?

Phi: This is definitely a space to watch. Much will depend on where the industry heads, whether it becomes more established, and the extent to which it is regulated. Without wishing to be disparaging, there is a 'Wild West' element at present, and investors that have suffered losses often have no means to claim those losses back.

Another digital asset that will be litigated is our personal information and data — who owns it, what can be collected, what it can be used for, and how much it is worth are all questions that we expect to see probed in the years ahead.

Verity: Considering the lack of regulation surrounding cryptocurrency and digital assets, I expect there to be more class actions related to these products in the near future. As larger Tier 1 and 2 custodians and prime brokers build applications and release products to service these digital assets, it will build a foundation and provide a platform for class action lawsuits. I fully expect to see a wave of litigation surrounding these products similar to anti-trust over the last few years, especially now that regulations and control are being discussed.

Wortman: According to a May 2022 report by Morrison Cohen LLP, crypto has generated more than 200 class actions and other private litigation as at time of publication. This represents more than a 50 per cent increase since the start of 2020. Indeed, investors across the globe are facing approximately US$1.5 trillion in recent cryptocurrency losses, which has prompted the questions of: who, if anyone, is to blame, and who can be held to account. Interest rates and inflation continue to increase. Bitcoin has lost approximately 50 per cent of its value this year, and Ethereum is down approximately 65 per cent. The total value of crypto assets has dropped to less than US$1 trillion from its peak of US$3 trillion in 2021.

Digital assets are increasingly making their way into the economy with companies like Tesla, PayPal, and Square, plus financial institutions like J.P. Morgan, Mastercard, and Goldman Sachs backing cryptocurrency. Since 2016, investors have filed more than 35 securities class actions related to cryptocurrencies that include allegations that cryptocurrency token issuers and cryptocurrency asset exchanges are offering and selling unregistered securities in violation of applicable securities laws.

> *"Considering the lack of regulation surrounding cryptocurrency and digital assets, I expect there to be more class actions related to these products in the near future"*
>
> ***Kris Verity, Goal Group***

Given the millions poured into promoting crypto, often with celebrity endorsements, class actions and other regulatory enforcement was arguably inevitable. Charles Randell, chair of the UK's Financial Conduct Authority stated in a speech to the Cambridge International Symposium on Economic Crime in 2021 that he could not say if the particular token was a scam "but social media influencers are routinely paid by scammers to help them pump and dump new tokens on the back of pure speculation".

It is not just cryptocurrencies under intense scrutiny by investors and government regulators, but other digital assets as well. This includes wire and money laundering in connection with non-fungible tokens. The advent of digital assets might be relatively new, but the alleged fraud being committed is nothing new at all.

However, prosecuting fraud in the crypto world is extremely difficult. In going after digital fraud you hit a central question which is: are cryptocurrencies securities? No cryptocurrency has registered as a security. The exchanges through which they may pass are not backed by the government, like the Federal Deposit Insurance Corporation in the US. Since crypto exchanges are not regulated by the U.S. Securities and Exchange Commission, it can be extremely difficult to find out who is on the other side of the trade. Therefore, it will be very tough to establish liability for losses.

Do you have any predictions for the future within the class actions space?

> ***"We see class actions becoming even more widely accepted as a mechanism for holding corporations and governments accountable for their misconduct"***
>
> ***Ben Phi, Phi Finney McDonald***

Okhuijsen: The most important development for the coming years will be how the European Member States implement the new directive on representative actions for the protection of the collective interests of consumers. In most Member States, there is still no legal regime for collective actions, which can provide consumers with efficient and low-threshold access to justice.

For the Member States that already have a mechanism, this means further improvement. This will reduce legal inequality within the European Union, lead to an increase in collective actions, and put more pressure on multinationals to improve their behaviour. On the crypto matter, at time of writing, a landmark competition claim has been filed against major cryptocurrency exchanges, seeking damages of up to £9.9 billion. This claim is the first in competition law applying to the digital assets sector, on behalf of approximately 240,000 investors.

Phi: We see class actions becoming even more widely accepted as a mechanism for holding corporations and governments accountable for their misconduct. The costs of litigation will continue to fall, while the quality of legal and related services available to claimants will continue to grow.

Wortman: The world has continued to become an increasingly globalised marketplace. Class action lawsuits — from the Volkswagen "Dieselgate" emission scandal to environmental claims against oil giants or data privacy litigation against big tech companies — increasingly take on cross-border dimensions. This trend shows no signs of stopping anytime soon. The development of class and group action regimes in non-US jurisdictions will also continue to be explored and expanded by consumers and investors seeking access to justice to redress for the losses and injuries caused by the world's largest corporate malfeasance.

Multiple consumers may easily be affected by the same harmful conduct of a trader due to globalisation and digitalisation. The European Commission's New Deal for Consumers passed on 24 November 2020 and aims to improve the position of consumers within the EU by allowing consumer groups to initiate collective actions. Now that we are approaching the end of 2022, and the EU member countries are set to conform to the directive's mandate, more consumer organisations are beginning to take a greater and proactive role in seeking collective redress for their constituencies.

There will be continued evolution of collective redress regimes across the globe — litigation finance will continue to mature, and legal technology companies will continue to innovate.

All of these factors will benefit claimants in current and future collective redress actions as the parties also become more sophisticated. There will be greater access to justice, and better tools to achieve the justice sought.

Verity: The class actions space is only going to continue to expand. Cases will continue to appear and possibly become more complex. As a result, the service to file these claims will move away from traditional service providers who are already struggling to find they do not have the resources available to stay up to speed on the current caseload, as well as the knowledge to handle the additional complexities.

To add to that, as the last few years have been so turbulent, many industries have been greatly impacted and I believe further actions will arise from this. This space is not one I envisage slowing down any time soon. In fact the opposite applies. ■

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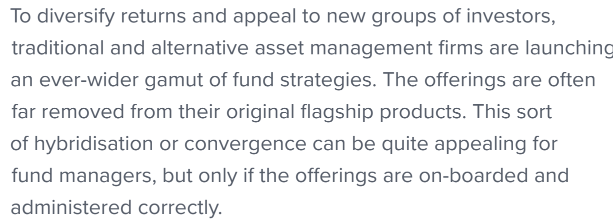
Devising a new liquidity paradigm

Asset managers are establishing fund ranges that offer clients access to both liquid and illiquid strategies. While unlocking commercial opportunities, moving up and down the liquidity spectrum can create operational complexities, outlines RBC Investor & Treasury Services' Craig Williams



To diversify returns and appeal to new groups of investors, traditional and alternative asset management firms are launching an ever-wider gamut of fund strategies. The offerings are often far removed from their original flagship products. This sort of hybridisation or convergence can be quite appealing for fund managers, but only if the offerings are on-boarded and administered correctly.

Illiquidity correlates with better returns

Frustrated by market volatility and soaring inflation, a number of long-only managers are now looking to capture the illiquidity upside by establishing private funds. Private markets have delivered significant returns over the last decade.

Take private equity, which generated a pooled internal rate in return of 27 per cent in 2021, making it one of the best-performing asset classes in the private markets universe, according to Mckinsey's Global Private Markets Review 2022, published in March. McKinsey's Review also found that at the same time, private debt — owing to its diverse range of sub-strategies — has proven resilient amid the various macro headwinds.

A lot of the major traditional players are looking to optimise their returns by developing multi-asset private capital solutions, whether it be private equity, infrastructure, private debt, or real estate. Conversely, some private capital managers are further diversifying their offerings by setting up alternative investment schemes that include different fund and corporate structures.

The foundations for a larger investor base

Hybridisation can be a useful tool for asset managers to attract clients, irrespective of their liquidity profile. For instance, there is a growing legion of private capital managers that are manufacturing more liquid products as they look to tap into the retail and affluent investor market; this is in addition to their more traditional institutional clients.

Other managers are developing investment vehicles that lie somewhere in the middle of the liquidity spectrum. Examples include open-ended funds with monthly or quarterly liquidity terms, or closed-ended funds with limited redemption windows, according to Schroders' Democratisation of Private Assets, published 15 March 2022.

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Rising interest rates and inflation — along with some of the other global geo-political challenges — are prompting investors to ask for greater liquidity in their fund structures. We see these requirements in the funds that we are onboarding.

Hybridisation unleashes operational complexity

While hybridisation has many benefits, managers do need to be aware that transitioning into new strategies can bring about operational challenges.

Long-only managers moving into private markets, for example, are likely to find themselves dealing with unfamiliar practices such as carried interest calculations and distribution waterfalls. In contrast, private capital firms building a more retail-orientated product will need to come to grips with unfamiliar distribution channels and liquidity structures.

Typically, private capital firms will have commercial relationships with just a handful of large clients, but retailisation could result in this becoming thousands of clients accompanied by a reliance on key distributors.

Onboarding such a large number of retail investors, while simultaneously conducting due diligence on each of them, is likely to be a significant logistical undertaking.

Asset managers will need to address these challenges, either by hiring the right people internally or working with suitable third parties such as distributors, depositaries, custodians, and administrators. To ensure liquidity, private capital funds may need to obtain credit lines from their banks or hold surplus cash to meet client redemption demands in some of their more liquid structures.

Outsourcing is one way to navigate hybridisation

Outsourcing is one way for managers to navigate the challenges of hybridisation.

As managers' operational requirements become increasingly complicated, many are having to invest in their internal systems and processes.

Alternatively, some firms are turning to third-party vendors for support, due to consideration of the added operational costs in the current inflationary environment, or simply because they are unable to recruit talent owing to the chronic labour shortages.

Managers running multiple strategies need to be selective when choosing their vendors and ensure that service providers can support them across multiple asset classes, whether it be open-ended, quasi-open-ended, or closed-ended fund structures. ■

"While hybridisation has many benefits, managers do need to be aware that transitioning into new strategies can bring about operational challenges"

Craig Williams
Head of product for private capital services
RBC Investor & Treasury Services

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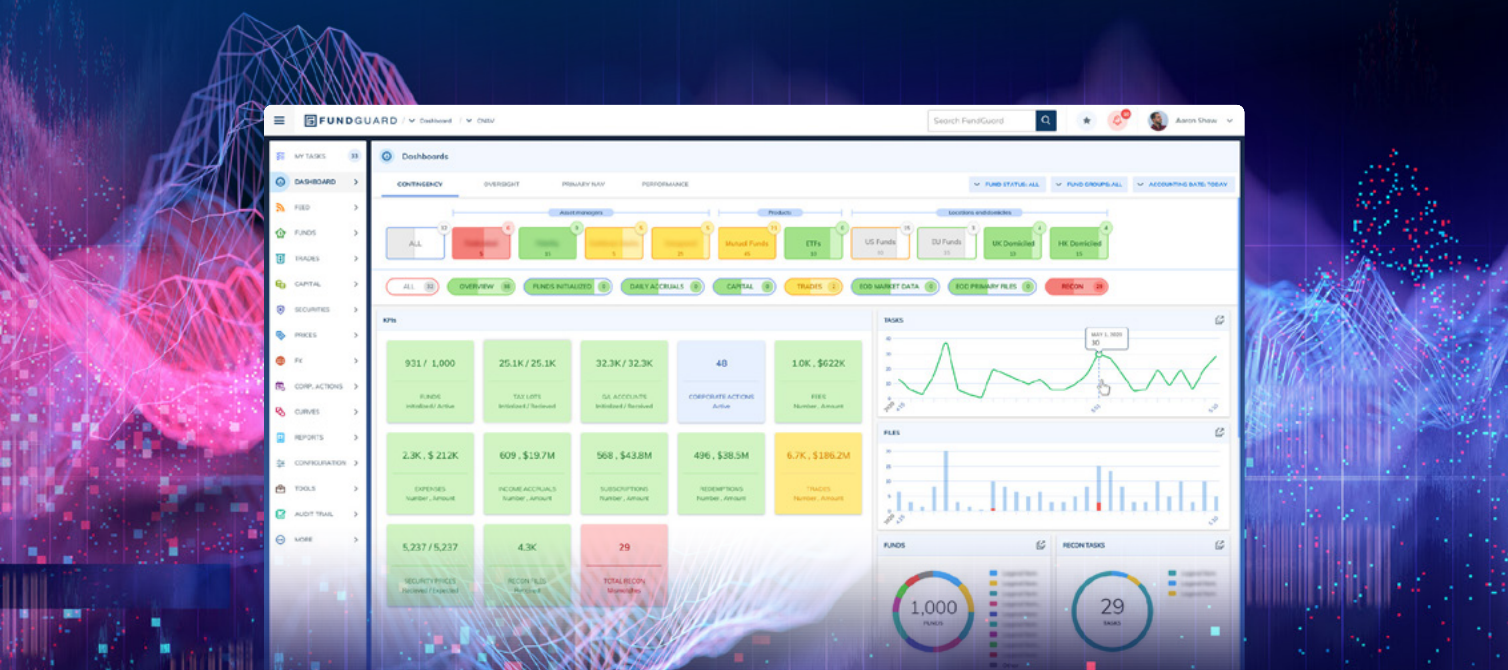

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A New Era

John Lehner, president of FundGuard, outlines why front-to-back and cross-industry operating models, driven by the use of cloud-native technology and AI, will pave the path for the future

The fact that the fund management industry has a major technology problem is well known. Legacy systems, many more than 30 years old, simply were not designed for an industry that does not look anything like it did when they were developed and built.

Data volumes are not only exponentially higher than ever before, but also more varied as new asset classes and products come to market. Client expectations have also changed beyond all recognition – gone are the days of a quarterly statement and an annual meeting to discuss. And of course, regulatory change has been significant and certainly does not look like it will slow down, making it essential to embed increased transparency and efficiency, and better safeguards into all business processes.

What this means is that today's asset managers need a single source of truth, in real-time, which will enable sophisticated, cross-business operations and data insights, deliver a differentiated customer experience, and support the increased regulatory oversight.

The good news is that, as an industry, we all have a clear idea of the challenges and generally accept that we need to change. The patchwork of temporary fixes and complex workarounds that are rife across the market are not sustainable and do not sufficiently meet the need, and fiduciary responsibility, to increase alpha, reduce risk and enhance customer experience.

The fact is that today's technology and the option to implement true digitalisation can solve these problems, driving change at a fundamental level. Doing so, however, requires an entirely new eco-system and a shift in thinking as to where middle and back-office processes become a utility, not a differentiator – a truly digital operating model. As firms increasingly see this, the questions shift from: "what do we need?" to "how do we make this happen?" Central to this is understanding what is required, and what the immediate and long-term benefits are.

A digital operating model

We have seen industry players investing in front office and client-facing technology as a pathway to digitalisation. Unfortunately, this does not meet the true need – which is to ensure that your data, and the processes and decisions that flow from that, move seamlessly around the organisation. Digitalisation needs to start from the back and should remove barriers, not add new ones.

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A true, ground-up, cloud-native approach enables this genuinely digital operating model. Implementing this solution as a utility, in which a certain base level of capabilities is standard, means that managers, custodians, and other industry players can differentiate themselves on the quality of their service and product offering — not on their ability to provide back-office processes. Firms will benefit from the learnings and automation that can be applied across the industry, particularly in the context of regulatory requirements and oversight.

Modern trading, front office, and dashboards only work when they are powered by real-time data that is consistently, immediately, and seamlessly integrated across all touch points. In turn, this drives better decision making and enhanced analytics (and increased profitability and customer satisfaction). But for most firms, this currently does not exist.

Cloud-based solutions also make change easier to manage. New asset classes – such as the surge in interest in crypto assets currently being experienced by global markets – can be easily incorporated into existing systems in a way that is not possible right now.

It is complex, but not as difficult as it looks

Organisations are often blinded by the fear of change because they believe that significant technology projects, particularly ones requiring wholesale change, can be prohibitively expensive and resource-intensive, and often with unclear return on investment that makes it hard to justify. This is exacerbated by a lack of certainty that any project really will lead to the changes and enhancements promised in the original project outline. These concerns have dampened some of the enthusiasm for a real move towards digitalisation.

While this is an understandable hesitation, it does not reflect today's reality in which process and migration has been completely transformed by cloud technology. The complexities and difficulties of preparing for and accommodating needs such as integration, infrastructure, data, and resiliency do not exist in the same way because these are built into solutions from the start.

What this looks like in the real world is that unforeseen obstacles are fewer and less hazardous. An excellent example of this is data. For any firm considering a shift in their internal workflows and the technology that facilitates this, data is always a concern. What data exists and how it can be transformed to work in a new environment has been, in the past, a massive project in itself. Today's machine learning and artificial intelligence (AI) tools have advanced so much that ingesting, processing, and reformatting data is less complicated, as well as less risky and time consuming.

Suddenly, what was once a major obstacle becomes just another step in the process.

Being in the vanguard of change

A truly digital, front-to-back and cross-industry operating model, driven by the use of cloud-native technology and AI, is undoubtedly the future.

Firms that are engaging with this today are shaping the future of investment accounting and will be the first to see the benefits of a high-quality utility that is informed by the industry 'hivemind' and removes the pain and risk of back-office processes, freeing up time and resources for true differentiators.

Better data, better analytics, more integration, and the ability to evolve quickly are all central to today's customers, many of whom have already gone digital and expect the same from their service providers. ■

John Lehner
President
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BNY Mellon's Pershing to welcome Cécile Nagel

BNY Mellon's Pershing has appointed Cécile Nagel as CEO of its Europe, Middle East and Africa (EMEA) business, effective October 2022.

Nagel will be responsible for growing the business, and creating new partnerships with financial institutions.

Nagel has extensive experience in driving growth and transformation in regulated industries, and is currently CEO of the European Central Counterparty (EuroCCP).

Prior to this, she served in several senior management roles at the London Stock Exchange Group.

Pershing provides financial business solutions, covering custody, clearing, settlement, and trading.

On her new role, Nagel says: "I am excited to join Pershing's EMEA business at a critical time for our clients, who are grappling with complex challenges as a result of heightened market uncertainty and changes in the way people and organisations invest their wealth and manage their assets. These institutions already see Pershing as a trusted, long-term solutions provider, and that will not change. I look forward to meeting my new colleagues and building on an impressive growth story for the EMEA business."

Jim Crowley, CEO of Pershing, comments: "Cécile has a demonstrable track record of leading successful, technology-enabled businesses and their people to deliver outstanding client service to financial institutions, safely and efficiently. Pershing in EMEA is in a genuine position of strength as the wealth, asset managers, and banks we serve continue to undergo structural transformation in the way they deliver investment and advice to clients." ■

Northern Trust has made four additional appointments to its global team.

Benjamin Bobroff has been appointed as global head of digital consulting solutions. Also joining the team and reporting to Bobroff are Pamela Clifford, Donald Marden, and Laura Ghamian.

The team is responsible for assisting asset owners and managers globally, providing support on how they can use Northern Trust's technology and digital solutions.

Based in London, Bobroff has been a Europe, Middle East and Africa (EMEA) senior consultant at the corporation since 2019, with the role later expanding to cover Asia Pacific in response to client demand.

Bobroff's career began at J. P. Morgan, where he rose to head of investor services technology sales for EMEA. In this role, he was responsible for the value proposition of technology and digital innovation.

Prior to this, Bobroff was UK sales director for strategic distribution partnerships at BlackRock.

Before joining Northern Trust, Clifford served at BNY Mellon for 18 years, where she was most recently director, global head of digital platform execution, asset servicing.

Marden joins Northern Trust from institutional investor Investics Data Services where he was most recently chief client officer for new business development, relationship management, and project consulting initiatives.

Ghamian is transitioning to the team from her previous Northern Trust role as a senior consultant. Earlier in her career, she managed key relationships of EMEA-based consultants and advisors.

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04 November 2022

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For more information contact justinlawson@assetservicingtimes.com

State Street has appointed Daniel Hickey as global head of network management.

Prior to State Street, Hickey was global head of network management at RBC Investor & Treasury Services from November 2020 to August 2022.

Before that, he was Europe, Middle East and Africa head of network management at Barclays Investment Bank from March 2018 to November 2020.

Hickey was a member of the British Army from 2007 to 2015, and was also a civil servant for the Home Office from 2006 to 2007.

Credit Suisse has appointed Dixit Joshi as chief financial officer, replacing David Mathers, who decided to step down after more than 11 years in his role.

Based in Zurich, Joshi brings three decades of experience in financial services to the position. He will report directly to group CEO Ulrich Körner.

In two months, Joshi will depart from his current position as group treasurer at Deutsche Bank, which he has held for the past five years. As group treasurer, Joshi played a key part in the bank's restructuring while overhauling the firm's balance sheet.

During his 11 years with the bank, Joshi was head of the fixed-income institutional client group, listed derivatives and markets clearing, as well as head of global prime finance and as head of Asia Pacific equities in Hong Kong.

Prior to joining Deutsche Bank in 2011, Joshi held senior roles at Barclays Capital. Between 1995 and 2003, he worked for Credit Suisse in New York and London, having started his career in 1992 at Standard Bank of South Africa.

As part of a reshuffle at Credit Suisse, Francesca McDonagh will also join the firm as group chief operating officer, joining the executive board alongside Joshi.

Michael Rongetti has been named interim CEO of the asset management division. Francesco De Ferrari, current CEO of the wealth management division, has been appointed CEO of Europe, Middle East and Africa, after serving in this role on an interim basis since January 2022.

Commenting on the announcement, Axel Lehmann, chairman of the board of directors, says: "Dixit and Francesca are joining Credit Suisse with impressive track records, adding a wealth of experience at this important juncture.

"All four are expected to drive our strategic and operational transformation into the future, with the clear objective to position Credit Suisse for a successful future and realise its full potential."

Körner adds: "They all join with extensive professional experience and a profound knowledge of the financial services industry, as we accelerate our efforts to make Credit Suisse a stronger, simpler, and more efficient group with more sustainable returns.

"Dixit has an impressive turnaround track record, with a broad experience across a range of investment-banking businesses, which will be invaluable on our journey in transforming the investment bank into a highly competitive banking and more sustainable markets business that complements wealth management and the Swiss Bank."

Asset servicing veteran Ileana Sodani has left BNY Mellon to begin a new role as head of global sales execution at J.P. Morgan.

Sodani has served at BNY Mellon since 1991.

Sodani was previously global head of client sales asset servicing at BNY Mellon, a role she held for more than six years. Prior to that, she was BNY Mellon's global co-head asset servicing sales.

In recent years, Sodani has held the roles of managing director, head of international sales asset servicing for Europe, Middle East and Africa (EMEA), and managing director, head of EMEA business development for asset servicing. Sodani's time at BNY Mellon also included a stint at Pershing Limited, where she held the role of managing director and chief relationship officer from 2013 to 2016.

Paul Pruymboom has left Commerzbank AG to take on the role of compliance officer at Intesa Sanpaolo S.p.A.

Based in Amsterdam, Pruymboom will take up his new role at Intesa Sanpaolo with immediate effect. Pruymboom served as compliance officer at Commerzbank AG from March to August 2022. Prior to this, he was head of relationship management at Deutsche Bank from 2016 to 2021. Before Deutsche Bank, Pruymboom also held senior roles at KAS Bank and ING Postbank.

Commenting on his new role via LinkedIn, Pruymboom says: "Very proud to announce that I have started in a new position as compliance officer at Intesa Sanpaolo S.p.A. — Amsterdam branch. I am very grateful to the team at Commerzbank AG Amsterdam branch for the great experience of working with such a professional organisation." ■

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