Asset Servicing Times
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A Contagious Buzz

BNY's Emily Portney reflects on her career, 2024 and looks ahead to next year

Regulation on the horizon

Part one of the look ahead to 2025

CorpActions 2024

Clelia Frondaroli on the complex world of corporate actions

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Lead news story

StoneX Group gets approval for digital asset business in Ireland

StoneX Digital International, a subsidiary of StoneX Group, has received approval from the Central Bank of Ireland to operate the digital asset business as a virtual asset service provider.

The approval marks the latest step in the group's continued global expansion into digital asset services for institutional clients, the firm says.

The StoneX Digital platform will provide execution and custody services, offering liquidity and flexible trading tools with multiple API integration options for connectivity. These services will be integrated into the StoneX group's suite of global prime brokerage services, complementing existing offerings across the StoneX product suite, including equities, ETFs, futures, and treasuries.

StoneX Digital was launched in June 2022 with a mission to provide institutional clients with sophisticated digital asset trading tools and market access.

Commenting on the news, StoneX Digital CEO Brian Mulcahy says: "StoneX Digital International's new status as a VASP underscores our dedication to supporting our global client base with secure, compliant, and reliable solutions in the rapidly changing digital asset landscape.

"This approval continues the expansion of our services into evolving markets and helps meet the growing demand for institutional-grade digital asset capabilities."

James McAuslan, global head of Prime Services and head of Securities for EMEA at StoneX Financial, adds: "The approval from the Central Bank of Ireland serves to enhance our custodial and clearing capabilities, while strengthening our product ecosystem and geographical relevance in one of the EU's leading financial centers.

"StoneX Digital is vital to our global expansion strategy as institutional clients increasingly seek exposure to digital assets." ■

AST

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AccessFintech's Synergy launches Swaps Lifecycle Management

Synergy, a network driven by data and intelligence by AccessFintech, has launched a new Swaps Lifecycle Management service to build on its established derivatives solutions.

The new offering allows hedge funds, asset managers, prime brokers, broker-dealers, outsourced middle offices, and fund administrators to enhance post-trade efficiency.

Synergy uses AI and cloud-native infrastructure to normalise data, generate actionable insights, and resolve exceptions in real time.

The new Swaps Lifecycle Management service will include portfolio lifecycle management, OTC derivatives cashflow management, and payment processing automation. ■

BNP Paribas launches new post-trade services

BNP Paribas has launched new post-trade management services in partnership with NeoXam.

The new services will utilise NeoXam's Investment Data Solution (IDS) to aid clients' decision making across the investment value chain and is said to facilitate the integration of multiple data sources into the BNP Paribas ecosystem.

The company also says that the services will include a holistic fund view and enhanced security and data privacy for users.

Florent Fabre, CEO of NeoXam, says: "The collaboration with BNP Paribas combines the best of two worlds — the extensive business expertise of their Securities Services teams, along with our leading Investment Data Solution"

"The launch of this new service, taking advantage of NeoXam's market-leading technology, is part of our core ambition to be a trusted data-led custodian for our clients," adds Arnaud Claudon, head of asset owners and managers client lines, securities services at BNP Paribas. ■

Zodia Custody collaborates with Dfns

Zodia Custody has partnered with Dfns, a wallet infrastructure platform, to bring more optionality to the company's technology stack.

The new partnership is said to complement Zodia Custody's existing platform and will provide an additional alternative multi-party computation (MPC) infrastructure to it. This will enable the custodian to accommodate a wider range of tokens and support new ones faster, the company says.

Chief commercial officer at Zodia Custody, James Harris, states: "Zodia Custody's partnership with Dfns adds another string to our bow, introducing MPC infrastructure to complement our existing robust HSM tech stack. With this integration, we will be able to support more tokens, coins and chains for our clients."

Clarisse Hagège, CEO and founder of Dfns, concludes: "For Zodia Custody, we are supporting a rapidly growing range of new assets, as an enhancement to its core custody platform. Our partnership with Zodia Custody is a testament to the solution that we have built to provide optionality, whilst ensuring safety and security for our clients in the digital asset space." ■

ESMA proposes 'coordinated' EU move to T+1 by October 2027

The European Securities and Markets Authority (ESMA) has published its final report assessing the move to a shorter settlement cycle in the EU.

The report highlights that the increased efficiency and resilience of post-trade processes, prompted by a move to T+1, would facilitate achieving the objective of further promoting settlement efficiency in the EU, contributing to market integration and the Savings and Investment Union's objectives.

ESMA recommends that the migration to T+1 should occur simultaneously across all relevant instruments in Q4 2027.

The EU's financial markets regulator and supervisor also suggests a coordinated approach with other jurisdictions across Europe for the transition.

In a potential roadmap, the authority proposes industry implementation of T+1 by the end of 2026, followed by a testing period, with the optimal go-live date set for 11 October 2027.

"Shortening the settlement cycle in the EU will undoubtedly change the way in which markets function today affecting all entities along the transaction and settlement chains, with different impacts depending on the type of stakeholder, the category of transaction and the type of financial instrument," says ESMA.

Regarding the quantification of costs and opportunities, the authority suggests that the impact of T+1 will represent important benefits for the EU capital markets.

This includes an overall reduction of risks and the reduction of costs stemming from the misalignment with the US and other economies, which adopted T+1 in May.

However, there are also certain challenges, including amending the Central Securities Depositories Regulation (CSDR) and the settlement discipline framework to ensure legal certainty and the necessary improvements in post-trading processes for a successful migration.

Additionally, all actors in the financial system will need to work on harmonisation, standardisation, and modernisation to improve settlement efficiency, says ESMA, which will require a certain level of investment.

The authority adds that the complexity of a trading and post-trading environment such as the EU capital markets means that this project will require specific governance to be put in place.

ESMA will now continue its regulatory work related to the revision of rules on settlement efficiency, and it will address T+1 governance together with the European Commission and the European Central Bank. ■

Boubyan Bank implements Sharia-compliant treasury platform

Boubyan Bank has completed the MX.3 platform implementation for Sharia-compliant treasury activity.

The implementation comes after the company sought out a Sharia-compliant financial solution which was capable of meeting current business needs while also maintaining compliance with international standards.

The solution was created in partnership with Murex, who designed the platform in a bid to accelerate time-to-market and risk management capabilities for treasury activities.

“We have succeeded in transforming our IT landscape with a solution that will facilitate new product delivery to our clients. We are pleased with the close collaboration to reach this point and look toward future development of our technology partnership with Murex,” states Adel Al Mutairi, treasurer of Boubyan Bank. ■

Avanza Fonder selects Northern Trust

Northern Trust has been selected as a provider of integrated trading services for Avanza Fonder, a Swedish in-house fund manager firm. The company’s Integrated Trading Solutions (ITS) outsourced trading desk will now support Avanza Fonder, which the firm says will help to lower costs, reduce risk, and enhance operational efficiency when conducting funds administration services.

Northern Trust will primarily provide outsourced trading for the firm’s global, emerging market, European, and US equity market index funds.

Head of Nordics at Northern Trust, Petra Sjogeras, comments: “We are proud to partner with Avanza Fonder as we continue to expand in the Nordic region.”

Jesper Bonnivier, CEO of Avanza Fonder, adds: “After opting to bring the management of our index funds in-house, we aimed to find a solution that would streamline our trading processes. By collaborating with Northern Trust and utilising their ITS platform, we’ve gained access to greater liquidity and scale.” ■

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Valu-Trac selects Tenemos Multifonds

Valu-Trac has selected Tenemos to drive the development and growth of its fund administration and transfer agency business, via Tenemos Multifonds SaaS.

The selection will replace Valu-Trac's in-house systems with Temenos Multifonds Global Accounting (MFGA) and Multifonds Global Investor (MFGI) end-to-end solution. The company says this will optimise operational efficiency and servicing through automation on a single platform.

The implementation of Tenenmos Multifonds will also aim to provide real-time visibility to potential challenges in Valu-Trac's fund operations, as well as a secure and resilient infrastructure.

Jonathan Child, fund operations director at Valu-Trac, says: "This is a strategic project for Valu-Trac, and after a thorough evaluation, we chose Temenos Multifonds as the best solution to meet both our current and future needs."

Managing director at Temenos Multifonds, Oded Weiss, concludes: "We are proud to welcome Valu-Trac as a new member of the Multifonds community, marking our continued strategic commitment to the UK retail investment funds administration market. As a SaaS client, Valu-Trac is well positioned for future growth." ■

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CACEIS obtains Digital Asset Provider status across Europe

CACEIS has obtained Digital Asset Service Provider (DSAP) status in France, following the launch of its digital assets business line at the start of 2024.

The company has also received Virtual Asset Provider (VSAP) status in both Spain and Luxembourg, which CACEIS says has strengthened its reputation among institutional and corporate clients across Europe.

The group will also continue to provide secure and regulated digital custodial services for cryptocurrencies and stable coins.

Philippe Bourgues, country managing director of CACEIS Bank Luxembourg branch, states: "I am delighted that our development plans have led to the creation of a digital asset centre of excellence here in Luxembourg, providing comprehensive support for group-wide clients operating within this new digital ecosystem." ■

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UII introduces Irish fund product offering

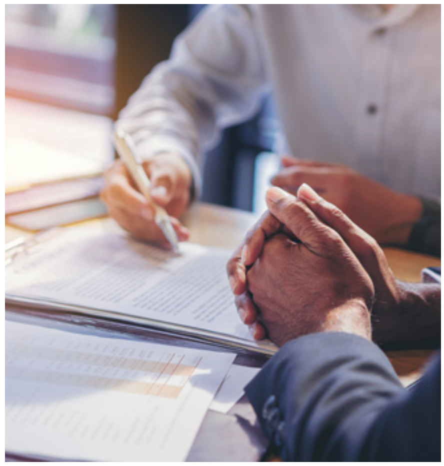
Universal Investment Group has expanded its product offering on its Irish platform, Universal Investment Ireland (UII).

The platform will now include Alternative Investment Fund Manager (AIFM) services for Irish-domiciled real estate funds.

The company says that this new product offering marks the continued expansion of UII's presence in the Irish funds market, and signals the firm's introduction to the real estate sector.

CEO of UII, Keith Milne, emphasises: "For us, this is a significant step in developing our Irish product range to suit client needs. To deliver best-in-class solutions for our clients, we consistently utilise the expertise of the UI Group to grow and evolve."

Marcus Kuntz, Universal Investment group head of sales and fund distribution, adds: "We are seeing great demand for our services as efficiency is becoming increasingly important to many asset managers and asset owners." ■



Apex partners with Ownera

Apex has partnered with Ownera to enable any financial institution and issuer with an Ownera FinP2P router to access Apex's range of services.

The routers interconnect a range of global tokenisation platforms including Digital Assets Canton, R3 Corda, and Tokeny, and extend access to custodians and asset servicing firms.

The integration with these routers will enable Apex to manage and distribute tokenised assets for clients across the FinP2P system. ■

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Zodia Custody enters Luxembourg

Zodia Custody has established a new presence in Luxembourg to service the increased investor interest in digital assets across European markets.

The entity has been launched ahead of key regulations, namely the European Union's Markets in Crypto-Assets Regulation (MiCAR), coming into force in the region. This was done to enable the custodian to better aid institutions and digital asset partners.

This will become the seventh territory that Zodia Custody currently serves, which the company says will further enhance its global presence. Luxembourg now joins the list of regions including Australia, Japan, Hong Kong and Singapore. ■

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Themis launches AML firm in Saudi Arabia

Themis, a firm specialising in financial crime prevention, has launched Tathabbat in Saudi Arabia.

Tathabbat aims to support Saudi financial institutions by providing know your finance (KYF) and know your customer (KYC) tools and solutions. The venture is said to play a crucial role in strengthening the Kingdom's anti-money laundering (AML) and counter-terrorist financing (CFT) frameworks, as well as enhancing transparency within Saudi financial institutions.

This also marks a significant milestone in Saudi Arabia's compliance standards, and aligns with the Kingdom's Vision 2030, which aims to provide a supportive business environment.

CEO of Themis, Dickon Johnstone, expresses: "Our investment in Saudi Arabia is a testament to the strategic importance of this region. With Tathabbat, we are committed to building a safer financial ecosystem by providing local institutions with cutting-edge tools to fight financial crime."

Ali Alasiri, CEO of Tathabbat, continues: "Saudi Arabia's Vision 2030 is transforming the region into a global financial hub. We are thrilled to partner with Themis to introduce Tathabbat, which will provide essential KYF support for businesses in this rapidly evolving market." ■

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A contagious buzz

Jack McRae speaks to Emily Portney, global head of Asset Servicing at BNY, on her career, reflections on the last year, and the bank's plans for 2025

Emily Portney loves the ever-changing nature of the asset servicing industry. In the 30 years BNY's global head of asset servicing has spent in the industry, the financial services has shifted, and continues to shift, at a rapid rate which makes each day exciting.

"The type of competition has changed," Portney says. "30 years ago, you had investment banks competing against investment banks, retail banks competing against retail banks. There were a few hedge funds and there might have been one or two very specific private equity firms. Now, all of these firms are blending."

As head of BNY's largest business, Portney has to ensure they stay in front of their competitors – no matter who or what they are.

Although, compared to when she started, she says "this industry is very, very different."

"The rapid pace of change is a 'new normal' and the technology that we now have, for example AI, and the promise that it has is huge. It is making us all smarter and better and can reduce risk across the system."

Portney studied sociology at university and explains that it was by pure "happenstance" that she ended up working in the financial services industry.

"I didn't have a plan when I was at school and undergrad," she admits. "I'm very glad I ended up in financial services. I think it is an incredibly dynamic industry and the pace of change is extraordinary."

Portney began her career at JPMorgan Chase as a management trainee and she says "took an interest in market structure and the underpinnings of markets and ultimately gravitated towards it over the course of my career.

"I was very fortunate to be able to move back and forth between more traditional functional areas in financial services, as well as business roles. That has been extraordinarily helpful in terms of both diversity and breadth of experience."

Portney has been at BNY since 2018, serving as global head of client coverage and head of Americas for asset servicing before becoming chief financial officer in February 2020 – a position that stands out as a highlight in an illustrious career.

"My time as CFO of BNY was a very proud moment and a highlight of my career," Portney smiles.

"It was a wonderful platform and an enormous opportunity for both personal and professional growth; especially given it was during one of the most interesting rate environments, as well as during Covid-19."

Portney heads the bank's Asset Servicing business and there is a sense that Portney was always destined to lead. She prides herself on her attitude that has helped her grow in the industry to the position she is in now.

"It is about how you rise to the occasion, how resilient you are. Are you curious? How open are you? It is about taking a little bit of risk and embracing the uncomfortable to actually really get to the next level," she emphasises.

A significant player

"I love being back in a business seat, especially in asset servicing," Portney says. "You can be innovative and impactful in terms of truly writing what the future might look like."

She points to the extent of M&A activity, new technologies, AI and a wave of "new players that compete in very different ways" as recent challenges that keep her on her toes.

What is her strategy for staying ahead of the competition?

"It's always a really interesting environment to navigate and you have to keep reinventing yourself – not just as a professional, for us as a firm, it's retaining our position as a key and significant player in the financial ecosystem," she replies.

Portney laughs before using a quote from the famous ice hockey great Wayne Gretzky to underline her methods. "You have to continue to invest to stay relevant. As with the famous quote: 'Skate to where the puck is going to be, not where it has been.'"

As far as BNY and Portney are concerned, "we're doing all the right things, they're clicking, and, frankly, the best is yet to come."

Part of the reason for Portney's optimism is because "the buzz internally and externally about how we're executing is contagious. We're really proud to be here and I'm really proud to work here."

Continued excellence

"It has been an extraordinary year," Portney reflects before pointing to BNY's acquisition of Archer as a standout moment for her, the company, and the industry.

"Now this acquisition wasn't just a win for asset servicing, it was an incredible win for the company. It really allows us to service the entire retail managed account ecosystem across manufacturing, servicing, and distribution in a way that no other competitor can," she says.

In keeping with the Gretzky quote, Portney emphasises that "in 2025, we will continue to innovate, continue to execute, continue to invest in our future — both in terms of capabilities as well as our people and talent, because, after all, this is a people business."

Portney expects the trend of clients looking to outsource will continue as they attempt to enhance their efficiency and scale. She explains that this comes amid widespread M&A activity predicted in the asset management space.

As well as the growth of alternative assets, Portney and BNY will be paying particular attention to digital assets and she believes that tokenisation will be at the top of the agenda with securities being released in a digital format an inevitability.

"Another trend certainly is what I call vehicle agnostic, or wrapper agnostic," Portney explains.

"It's much more about the strategy and how that strategy can be offered in many different wrappers. So you're seeing some mutual funds being replicated, or actually even migrated into an exchange traded funds. You're seeing ETF classes potentially coming into mutual funds. You're seeing the rise of interval funds. You're seeing business development companies in the private market world. It's all about the strategy, and then the wrapper."

Another important trend, Portney says, will be distribution and retail distribution.

"I think historically, many asset managers were largely focused on the institutional space. But as you are seeing demographics of the world change, especially with the expected transfer of wealth from older generations, the importance of actually accessing wealth managers is becoming incredibly important," she says.

Learning

Even after 30 years in the industry, Portney is still fascinated by asset servicing.

"You can have many different careers all in one industry. There's always something new to learn and I am an intensely curious person. I think that's part of why I've been successful and, in this industry, there's never a shortage of new things to learn," she says.

The development of more niche players has reshaped the competitive landscape and pushes the larger, legacy firms to keep adapting. BNY, almost 240 years old, has to keep pace with modern firms and technology and Portney believes it can only do that with constant evolution.

"The importance of scale to compete is that much more important. On top of that, you've got fintechs and new competitors that are able to make great strides in more niche and critical areas," she says.

The rise of modern technology and, in particular, artificial intelligence is a phenomenon that Portney could not have truly foreseen three decades ago, but embracing the changes is vital to remaining at the top of the game.

"I've been in the industry for 30 years and I do think it's an incredibly interesting industry. You can have many different careers all in one industry. There's always something new to learn and I am an intensely curious person. I think that's part of why I've been successful and, in this industry, there's never a shortage of new things to learn," she says.

As one of the lead figures at one of the world's largest banks, Portney takes on responsibility to help shape the next generation of leaders. She is constantly learning and says she "understands the importance and the criticality of having people who guide and shape you."

Her own positive experiences with mentors and industry leaders when she was breaking through has made her yet more determined to facilitate growth in the industry — for others as well as herself. "I do spend a significant amount of time mentoring and sponsoring the network of future leaders," she smiles. "There's nothing more rewarding than helping someone build their career, opening doors for them and really seeing them flourish." ■


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Regulation on the horizon

Clearing and settlement, digital assets, and ESG

As the asset servicing industry prepares to welcome in 2025, there are a number of potential regulatory shifts to look out for. In part one of this two-part series, the industry focuses on clearing and settlement, digital assets, and the ESG space

Jack McRae reports

Clearing and settlement

2024 saw a hugely significant year for clearing and settlement in North America, with the US, Canada, Mexico, and Jamaica moving to a T+1 settlement cycle in late May. There will be lessons to be learned by the rest of the world as they prepare their respective shifts to a shorter settlement cycle with the UK and EU expected to move in the latter part of 2027.

For North America though, Brian Ruane, global head of clearance and collateral management, credit services and corporate trust at BNY, says that “while T+1 was successfully implemented in 2024, the market remains vigilant from a risk management perspective and participants are certainly reviewing how they access clearing and settlement in T+1 markets.”

Ruane believes that the next step is a movement to T+0, describing it as “still in the future”, but admits that the industry has to push for a global market adoption of T+1 before it can embark on the “fundamental reworking of securities operations that would be required to move to a shortened settlement cycle of T+0.”

The US market infrastructure will continue to shift in 2025, with Ruane identifying the US Securities and Exchange Commission (SEC) rule to expand the central clearing of US Treasuries as the next significant change.

“The US Treasury central clearing mandate was announced in December 2023. Our clients are reviewing the SEC mandatory clearing rule and the central clearing access models that are offered by the Fixed Income Clearing Corporation and other Central Counterparty Clearing houses,” Ruane says.

He then warns: “It may seem that there is plenty of time before the mandate needs to be implemented — December 2025 for cash trades of US treasuries and June 2026 for repo trades. However, time is of the essence. Since this mandatory clearing change involves the largest and most liquid securities market in the world — the US Treasury market — the work associated with compliance with this rule may be time consuming.”

James Pike, interim CEO of Taskize, urges Europe to learn from the US’s move to T+1. “Greater efficiency, increased liquidity, enhanced risk mitigation, improved global competitiveness. These are just a handful of the benefits up for grabs if Europe can follow in the US’s footsteps and begin settling trades within one business day,” he says.

“2025 will need to be a year of action from financial institutions looking to prepare themselves for the monumental shift to T+1 settlement in the EU, UK, and Switzerland”

Daniel Carpenter
CEO
Meritsoft

Pike believes that although the UK and EU shift to a shorter settlement cycle will pose more challenges than in the US, “it is far from unattainable”.

He continues: “One of the tallest hurdles we must surmount is the communications challenge to resolving settlement issues, unearthed by Europe’s intricate network of asset managers, broker-dealers, custodians and sub-custodians – a system unrivalled in complexity anywhere else in the world.”

Pike suggests that the intricate communications network resembles the London tube map with its muddling number of players involved. “The issue is exacerbated by the fact most counterparties rely on email to reach each other, an inefficient and error-prone medium – especially under a shortened settlement cycle, when more is happening in a shorter timeframe,” he explains.

What is the solution for the industry?

“Slicker communication and more efficient processes – this is what financial institutions need to focus on next year. Market participants must streamline the way trades are settled and exceptions resolved, from agreeing more of the post-trade components at the point of trade, to enhancing much faster dispute resolution mechanisms to ensure clearer communication between broker-dealers, asset managers and custodians,” Pike says.

He concludes by emphasising that, “only then can Europe hope to reap the benefits of T+1 and avoid falling too far behind its transatlantic counterpart.”

Seizing initiative seems to be the key focus for the industry in 2025 and Daniel Carpenter, CEO of Meritsoft, a Cognizant company, only reaffirms that message.

“2025 will need to be a year of action from financial institutions looking to prepare themselves for the monumental shift to T+1 settlement in the EU, UK, and Switzerland,” he begins. “We’ve learned over the years, with the Central Securities Depositories Regulation in the EU and T+1 in the US, that the implementation of tactical workarounds to manage settlement operations leads to higher costs and inefficiencies over the long term.

“For example, with CSDR in the EU, we’ve observed that some banks are willing to treat tens of millions of euros in penalties on failed trades as a cost of doing business rather than invest in systems to better manage their settlement fails. This is not sustainable.”

What should be the plan then?

“Market participants in Europe should be using time in the next two years to proactively put in place solutions that enable them to not only better handle the operational activity for failed trades but reduce the total volume of fails,” Carpenter replies. “We believe market participants should implement a more strategic approach to trade settlement operations, leveraging AI capabilities to both identify at risk of failing trades in near real-time, as well as propose resolutions automatically.”

Also focusing on Europe, Vikesh Patel, global head of clearing, and president at Cboe Clear Europe, says that “in our view, forced top-down consolidation is unrealistic”.

Patel points to a recent high-profile report in which Mario Draghi, former Italian Prime Minister, advocated for a single EU securities supervisor, and a single central counterparty (CCP) and central securities depository (CSD) for all securities.

Rather, Patel argues that ”instead, we will continue to advocate for the industry to strengthen the existing competitive framework, particularly in cash equities, which has brought benefits to end investors, particularly through mandating true clearing interoperability for all major exchanges – allowing them to choose and consolidate bottom-up.”

He adds that he expects this debate to rage long into the coming year and continue to shape the financial landscape of Europe.

As for the industry, Patel says that "to ensure a more unified and resilient financial ecosystem, policymakers should prioritise regulatory actions that both address fragmentation and foster healthy competition and allow participants to continue to prioritise market-driven clearing solutions that enhance their operational and capital efficiencies."

Clearing and settlement will certainly remain near the top of the agenda for all post-trade regulation in 2025.

Digital Assets

"2024 was a pivotal year for digital assets, and we're seeing strong momentum toward adoption," Nadine Chakar, managing director, global head of DTCC Digital Assets, says. "More and more institutional investors – on both the buy and sell side – continue to be getting engaged with this technology."

Chakar points to the SEC's approval of Ethereum and Bitcoin ETFs and the first stages of the EU's MiCA — the first-ever blockchain-related asset regulation — coming into effect as demonstrations of regulatory development in 2024.

Despite this, Chakar says, "we still have our work cut out for us in 2025 and beyond. While we've clearly proven the merits of this technology, it's time to put real applications on the ledger using tokenisation.

"As we move beyond pilots and start putting projects into production, we'll need to make sure we're collectively driving toward an end goal: building an efficient digital market infrastructure and standards. Collaboration is the core ingredient that will help us capture the promise that digital assets hold."

DTCC has introduced its Digital Launchpad, "an industry sandbox that's bringing together financial market participants and clearing the path to scalable adoption of digital assets", Chakar explains.

She adds that this is helping them "lead the charge for industry acceptance and greater adoption of tokenisation solutions."

In 2025, Chakar says that DTCC will be continuing to build digital market infrastructure and "showcase how we can deliver the same efficiencies for digital assets as we do in traditional markets today, while also ensuring smooth market operation, transparency and liquidity."

ESG

On 20 January, Donald Trump will be sworn into the Oval Office and become President of the US for a second time. While some sections of the financial services industry will welcome his return, Steven Strange, head of product, asset management at ION, believes that his administration will bring difficulties in the ESG space.

Strange is not all doom and gloom, however. He says: “Despite the challenges facing the industry due to an incoming Trump administration, sustainable investing will remain a key pillar for next year’s regulatory landscape.

“Asset managers invest internationally, thereby making adherence to global regulations critical. In Europe, we expect to see the strengthening of the Corporate Sustainability Reporting Directive. Similarly, in key US states like California, Oregon, New York, Illinois and others, we are likely to see climate legislation and disclosure rules remain a key feature of the regulatory architecture.”

The impact of stringent ESG requirements is, Strange says, “vital as asset managers adhere to strict client mandates when investing, many of which now include ESG requirements in their investment policies.”

He adds that sustainability teams are already well established in Tier 1/2 asset managers and are responsible for managing data sourcing, analysis, and reporting.

“This is also underpinned by strong consumer sentiment in favour of investment transparency and sustainable investing,” Strange says.

Greg Hotaling, regulatory content manager at Confluence, is more stark in his assessment of the future of ESG regulation in the US. He says that, “the SEC in 2025 is expected to give up on its proposed ESG disclosure rules for investment advisers and for corporates, whether through its own deregulatory actions or due to adverse court rulings.”

Across the pond, the UK’s Financial Conduct Authority (FCA) is expected to adopt International Sustainability Standards Board (ISSB) reporting standards — designed to streamline ESG reporting globally. The authority’s Sustainability Disclosure Requirements (SDR) framework is, Hotaling says, “gains traction for its fund labelling categories.

“2025 will see important feedback from the industry about SDR’s usefulness. While the UK’s Green Taxonomy may be reconsidered, the focus on sustainability will remain, with continued attention to the Task Force on Climate-related Financial Disclosures and ISSB standards and to SDR requirements.”

Across the channel, “In the EU, demanding ESG regulations like SFDR and the Taxonomy Regulation will persist, despite industry and policymaker calls for streamlining which would take years to implement.” Hotaling says.

He also focuses on France, who “haven’t wavered in their view of sustainability as a vital regulatory priority”, as a microcosm of EU Member States implementing their own evolving ESG rules impacting investment firms.

Andrea Remyn Stone, CEO of Zema Global, goes further to state that “organisations that embrace ESG data as a strategic asset will lead the way.”

Remyn Stone believes that ESG will remain a central focus across the industry with “regulatory developments such as those stemming from COP29 playing a pivotal role.

“The progress on Article 6, which establishes a global architecture for carbon markets, is a game-changer for the financial sector.“

She adds that regulatory frameworks for carbon credit trading, safeguards to ensure environmental integrity, and transparent mechanisms for managing registries could pose challenges but also create opportunities for asset managers.

But how best will firms exceed?

Remyn Stone believes that “high-quality, actionable data will be critical for navigating complex reporting requirements, assessing climate-related risks, and unlocking value from carbon markets.” ■

As members of the industry have suggested, 2025 will be a fascinating year for regulatory developments in the clearing and settlement, digital assets, and ESG space. In the next issue of Asset Servicing Times, the impact of regulation on custody, data services, and fund services will be considered by some of the leading experts in their respective fields.

A new reign

Hearing from three industry leaders at a panel discussion at CorpActions 2024, Clelia Frondaroli delves into the complex world of asset servicing and corporate actions

Known as a key component of post-trade activity, asset servicing has historically been orientated around, and within, corporate actions. However, in recent years the industry has seen the demands of issuers evolve and move away from corporate actions as the volume of assets, data, and technological innovations has grown.

So is asset servicing still merely an extension of corporate actions, destined to continue living in the shadow of an old giant, or is it its own entity entirely, one in which issuers seek out a new set of innovations and solutions?

A chip off the old block

"We're at a tipping point."

Michael Collier, executive director of product management at JP Morgan, speaks in a clear and confident manner, addressing the room at CorpActions 2024, where he is the first to discuss the changing face of asset servicing. Expanding his view, he continues: "SRDII, ESG, class actions, corporate governance, that's now under the asset servicing umbrella, where traditionally it wasn't before."

He believes "there's definitely been a shift" from issuers seeking traditional corporate actions to asset servicing, where the volume of custody, class action, and proxy voting products on offer has increased but also evolved, transforming in a manner where the "process is more about servicing the asset" rather than corporate actions. With this, Collier poses a question: "What's interesting is, where these areas haven't been touched or considered before, how do we treat them in the same way as corporate actions?"

The answer may not be quite so straightforward. After all, when push comes to shove, the ever-increasing volume of asset solutions might prove to be the final nail in the coffin for traditional corporate actions. With a touch of nostalgia, Collier summarises: "The traditional ways, I think, are probably gone now, or [we are] definitely moving away from that."

A question of time and money

From the past to the present, the demands of financial institutions within asset servicing have also shifted and changed.

Leading the conversation, Martin Lawrence, chief customer officer at ValueExchange, acknowledges: "There is a demand for [corporations] to seek out asset servicing solutions to combine with what they're getting today from their global custodians. [There are] drivers which are forcing people to start hunting for asset servicing solutions."

Of these major drivers, Lawrence highlights three: asset growth, cost, and time. He begins: "We have seen, what our research has told us, is that firms today are managing approximately 20 per cent more assets year-on-year. That's a really big uptick in the volume of assets that everybody is managing."

"The problem with all those additional assets," he emphasises, "is that we're trying to put that into an inefficient model."

This leads to the second big issue within asset servicing — cost. Having divvied up the numbers and made the calculations, Lawrence estimates that "it costs the average investment manager around US$14 million per year to have an asset servicing team, and that's just direct [costs]". Adding indirect costs, such as safekeeping fees from the sub-custodian, depository, and the exchange into the equation, he does little to downplay the extent of the expense: "The end cost to beneficial investors is just huge."

Attributing a large part of these expenses to staffing costs, he continues: "There are 63 staff for any kind of local market asset servicing team, and staff costs are not coming down. So when we talk about scale, you often think the price is going to come down but because of staffing costs, it's really not."

This, Lawrence highlights, is a key obstacle to scale in asset servicing as more complex securities are brought into the investment horizon.

As for the final driver for issuers to seek out asset servicing solutions?

Lawrence points out: "If you look at it from an issuer's perspective, they all want more time. They want more time to understand who their investors are. They want more time to make their election."

He recalls a study that ValueExchange conducted around a five-day corporate event, where they found that only one-and-a-half days were given to the investor to make an election.

Realising that time has been lost to "intermediaries in the middle," he says that now "we're having to find solutions that allow that time and remove that friction in the market, to give it back to the issuer, back to the investor".

Dawn of the digital

Perhaps then, one solution to time, cost, and volume of assets to manage may be the implementation of new technologies and artificial intelligence (AI).

Yet, has the dawn of digital transformation arrived in the world of asset servicing? Naren Patel, head of broker-dealer and investment bank (sell side) business development at FIS, thinks so.

"We've seen a demand and change from a digital transformation perspective, the core processes which were error-prone, manual in many cases, are now being replaced by automation," he says confidently, strong in his conviction of the benefits that automation has brought.

He continues: "By allowing automation to take place, firms are now able to scale, create efficiencies, reduce the cost base, and actually handle the growing volumes that's been placed in the marketplace today."

Patel also brings in a new perspective, in which he says clients are at the forefront of what is driving the digitisation of core processes.

By calling for faster infrastructure, better access to online portals, and real-time data, he says that clients have transformed asset servicing to where "it is no longer a process that is in the back office. It's become a solution. It's become a need [where it's] really important that [clients] get information at their fingertips, in time, and always accurately".

AI, Patel maintains, will play a critical role in this, and as a result "the industry as a whole is getting more integrated, more digitised".

Coming clean

Yet, for some, AI has already lost its rose-tinted sheen. Collier counters Patel's enthusiasm for artificial intelligence with the idea that "AI is expensive. AI needs data and data storage — that comes at a cost. The challenge comes back to scrubbing of data. Why are we scrubbing? We need data up front, clean, and correct to allow that flow from issuer to customer."

This scrubbing of data has become a point of contention in the industry, believes Collier, where in order for data to be usable and useful for the end issuer, it needs to undergo the expensive and time-consuming process of scrubbing.

However, this has become increasingly difficult to uphold in an environment where the quantity of data has increased, and the time in which consumers want information has decreased.

Speaking frankly over the perceived futility of the process, Collier fights hard to keep the incredulity from his voice: "I think it's almost outrageous, because the point is that it's necessary, but it shouldn't be necessary."

On that note, Lawrence agrees: "Actually the main thing for AI is good quality data. AI is only as good as data, so it is the biggest thing that we can ever do."

As asset servicing continues to thrive in the wake of digitisation, automation, and asset growth, it has become essential for industry leaders then, that the demands of issuers are heard and heeded. After all, where would the industry be without them? ■

Ogier Global selects Wilson for AML services

Eric Wilson has been selected as associate director for Ogier Global's Anti-Money Landering (AML) services team.

Based in the Cayman Islands, Wilson brings over 20 years of experience in AML, compliance and financial services regulation to the role. He joins the company from Walkers, where he served as senior vice president for over five years.

The company says the appointment also marks Ogier Global's commitment to maintain high standards of compliance and regulatory oversight, ensuring the firm navigates the financial services landscape with ease.

Director of Ogier Global, Jayde Johnson, says: "[Wilson's] expertise in AML services and compliance, combined with his in-depth understanding of the regulatory landscape in the Cayman Islands, make him the ideal leader to drive our AML initiatives."

In a post on LinkedIn, Wilson adds: "Thrilled to embark upon this journey with Ogier Global! I look forward to contributing to our shared goals, and helping to drive success with such a stellar team." ■

Yin becomes president of Deutsche Bank (China)

Leo Yin has been appointed president of Deutsche Bank (China). He will take on this new role on top of his existing position as head of global corporate coverage for China.

Yin joined Deutsche Bank in 2015 and has over two decades of experience working in domestic and international banks.

He will report to Rose Zhu, chief country officer of Deutsche Bank China and Chairperson of Deutsche Bank (China).

Zhu says: "Leo's extensive experience, deep understanding of financial services, and proven leadership make him ideally suited to steer our bank during its next phase of growth. His appointment underscores Deutsche Bank's long-term commitment to supporting our clients and advancing our strategic priorities in China."

Danley new Waystone Cayman Country Head

Alaina Danley has been picked as Cayman country head for Waystone, a provider of specialist services to the asset management industry.

Danley holds over 20 years experience in investment management, with a specialty in fund-related transaction matters and institutional investor expectations. She has served over 12 years at the company in a number of management and fund governance roles, prior to which she served at Bain Capital.

Danley, in conjunction with her new role, will also serve on the Executive Committee of AIMA Cayman and is a member of both the Cayman Islands Directors Association and 100 Women in Finance.

Murray becomes latest leadership hire at Arthur Cox

Denise Murray has become the latest head of financial services compliance and regulatory relations at Arthur Cox.

She brings over 20 years of regulatory and industry experience to the role, and has spent over 15 years at the Central Bank of Ireland, where she served as the head of asset management supervision division, amongst other senior roles.

Murray will be responsible for overseeing the firm's financial services, compliance management, and regulatory relations.

This will be in addition to her role of broadening the company's service offering to clients, with a focus on compliance and regulatory risk work.

Commenting on her appointment, Murray states: "I am very pleased to join Arthur Cox and to have the opportunity to bring a new perspective on navigating the complex financial regulatory compliance environment, complementing the firm's already outstanding reputation as a provider of legal services in the funds, asset management and financial services arena."

Sarah Thompson, head of Arthur Cox's financial regulation group, adds: "[Murray's] appointment marks an exciting new chapter for Arthur Cox and our clients. Her deep knowledge of the regulator, combined with her practical industry insights, will enhance the strength and depth of our Financial Regulation Group." ■

DTCC appoints Winnike

DTCC has appointed Michael Winnike as managing director of Clearing & Securities Services (CSS), Strategy and Market Solutions. He will report to Brian Steele, managing director and president of CSS.

In this new role, Winnike will oversee strategic planning for CSS and partner with senior leaders to develop a holistic strategy that connects and aligns asset classes and market segments, define strategic objectives and lead key enterprise-wide initiatives.

The firm says he will also help identify new market opportunities and support the development of solutions to meet the evolving needs of the firm's clients, while representing DTCC externally across multiple stakeholder groups.

Prior to his new role, Winnike most recently served as director of Market Structure at BlackRock. Here, he led the firm's Treasury clearing programme and helped define the company's market structure strategy.

Walsh leaves Acadia

Acadia CEO Chris Walsh has announced he has left the company, a fintech that provides integrated risk management services. He says he will now "offer guidance to help innovators and investors successfully navigate the market" with Bochi Advisors.

Joining from NYSE Euronext, Walsh spent close to 13 years at Acadia as both chief operating officer and CEO.

On his time at Acadia, Walsh says: "My journey at Acadia has been nothing short of amazing. I've had the privilege to collaborate with and learn from some of the most talented colleagues, investors, and leaders in our industry.

SIX selects Sibbern as new CEO

SIX has appointed Bjørn Sibbern as the new chief executive officer, effective 1 January 2025. Originally from Denmark, Sibbern has more than two decades of experience in capital markets.

Since the beginning of 2024, he has been leading SIX's international exchange business as global head of exchanges and a member of the group executive board.

Prior to joining SIX, Sibbern spent more than 15 years at Nasdaq, most recently serving as president of European markets.

He holds an executive MBA, a diploma in business administration and a master of science degree in economics and business law from the Copenhagen Business School.

In his new role, Sibbern will succeed Jos Dijsselhof, who will step down after seven years with SIX to pursue a new opportunity in the Middle East.

Since joining the firm as CEO in 2018, Dijsselhof has helped to develop the company commercially and expand its international presence.

He successfully implemented the strategic realignment of SIX with the sale of the card business to Worldline and further diversified the company's business portfolio.

Under his leadership, SIX executed several acquisitions, such as the purchase of BME, along with other international investments, particularly in the financial information sector.

Dijsselhof will remain at the firm until the end of February to ensure a smooth transition.

On behalf of the board of directors, Wellauer expressed gratitude to Dijsselhof for his dedicated leadership.

Ball to head Zodia Custody Australia

Zodia Custody has appointed David Ball as managing director for Australia.

In this role, Ball will lead the digital asset custodian's Australian operations and focus on expanding its institutional client base and driving adoption of digital asset custody solutions.

He moves to his new position from head of business development.

Julian Sawyer, CEO of Zodia Custody, comments: "[David's] deep understanding of institutional requirements and proven track record with our Australian clients makes him the natural choice to lead our next phase of growth."

Ball says: "Having worked closely with Australian institutions, we understand their requirements for robust, compliant digital asset custody. I'm excited to build on our strong foundation and continue developing trusted partnerships with Australia's leading financial institutions." ■

Edwards joins FINBOURNE

Peter Edwards has joined FINBOURNE as head of sales for Asia, as part of the firm's efforts to strengthen its presence in Southeast Asia. Based in Singapore, Edwards will be responsible for supporting the company's growth in the region as well as accelerating client acquisitions across the entire product spectrum. Prior to his new role, Edwards served in a number of managerial positions at BYN, where he remained for just over a decade.

He most recently acted as head of sales Asia Pacific at BYN and brings with him a wealth of experience in leading sales initiatives across the APAC region and within Asian markets.

CEO and co-founder of FINBOURNE, Thomas McHugh, comments: "Peter's experience makes him a perfect fit for our company at this pivotal juncture. His role will be integral in reinforcing FINBOURNE's position in this dynamic region."

Edwards adds: "I'm excited to be able to contribute to FINBOURNE Technology's growth and expansion with a shared mission of transforming the financial services industry through long-term value creation, better data insights, and continuous innovation."

Spendiff joins Gen II Fund Services

Paul Spendiff has been appointed as head of business development, Europe for Gen II Fund Services. He brings a wealth of experience in fund sales, with a 20 year career spanning a number of managing director and global leadership roles for Apex, FundRock and Berlinguer. Spendiff joins the company from Ocarian, where he served as global head of fund sales for two years.

In his new position, Spendiff will be responsible for leading the company's sales strategy in Europe, alongside collaborating with business leaders on commercial activities and strengthening key client relationships. ■