ASSET SERVICING TIMES

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MarketAxess' Maria Calderon on what 2025 holds for the asset servicing industry in Latin America

ESG Compliance

Clelia Frondaroli on the work to tackle sustainability claims

Regulatory Predictions

Part two of the look ahead to potential regulatory shifts in 2025

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Lead news story

Crédit Agricole signs agreement for the acquisition of Santander's stake in CACEIS

Crédit Agricole and Santander have entered into an agreement for the acquisition by Crédit Agricole of Santander's 30.5 per cent stake in CACEIS, its asset servicing provider. Following the envisaged transaction, Crédit Agricole will control 100 per cent of the share capital of CACEIS. Crédit Agricole says its strategic priority is to continue strengthening CACEIS's position as a major European asset servicing player, supporting its clients' business development objectives.

CACEIS and Santander are maintaining their long-term partnership. Their joint venture for the Latin American operations will remain jointly controlled. Completion of the transaction is subject to customary closing conditions, including regulatory approvals, and is expected to take place during 2025.

The firm says the transaction is consistent with the Crédit Agricole Group's targets in terms of return of investment and return on tangible equity, and will have a negative impact of approximately 30 basis points on the fully-loaded CET1 ratio of Crédit Agricole. ■

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Contents

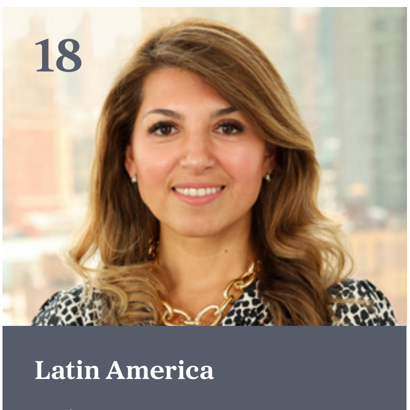
06 **News Focus**
Allvue acquires PFA Solutions

08 **News Focus**
GLAS acquires Watiga

10 **News Focus**
KFin Technologies joins BlackRock's Aladdin Provider Network

12 **News Focus**
Insignia Financial selects BNP Paribas as custodian in Australia

14 **News Focus**
Hex Trust launches new solution in Dubai



18
Latin America
Maria Calderon on what 2025 holds for Latin America

20
ESG Compliance
Clelia Frondaroli looks back on the work to tackle sustainability claims

24
Regulatory Predictions
Part two of the look ahead to potential regulatory shifts in 2025

28
People Moves
Clarke switches roles at Broadridge and more

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intraday reporting

accurate data

internal controls

post trade settlement

risk mitigation

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Allvue acquires PFA Solutions

Allvue has acquired PFA Solutions, a provider of specialised compensation solutions for alternative investment firms.

The acquisition will combine PFA's product, Firmview, with Allvue's range of alternative investment tools.

This is said to strengthen Allvue's position as a platform for alternative investors, as well as aid CFOs and finance teams with a more integrated solution to manage the fund lifecycle.

The addition of the PFA team will also help expand the firm's capabilities and industry expertise, alongside improving the range of technological solutions the company has on offer to clients.

"We welcome the PFA team to Allvue, and the addition of their transformative technology around carried interest and compensation data to Allvue's solutions, giving firms a single source of truth for funds and employees," says Marc Scheipe, CEO of Allvue Systems. ■

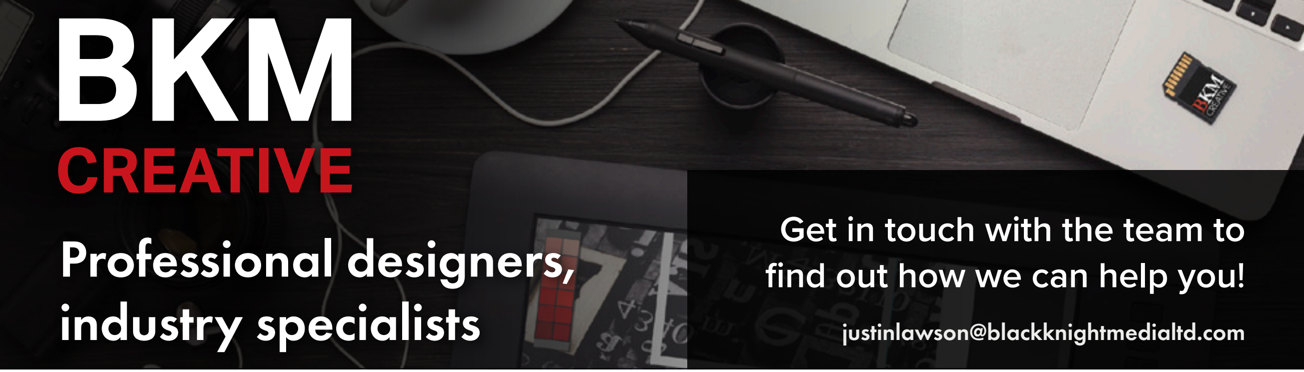
Emirates NBD invests in Zodia Custody

Emirates NBD has invested in Zodia Custody through its Innovation Fund, the bank's corporate venture fund. The investment marks the firm's ambitions to expand its crypto and digital asset offerings in the region. By investing in Zodia Custody, the bank aims to bridge the gap between traditional financial services and institutional digital assets in the UAE.

As cryptocurrency adoption rates rise across the Middle East, the company says that this collaboration also highlights the first of many in the digital asset and custody industry.

Marwan Hadi, group head of retail banking and wealth management at Emirates NBD, comments: "Our investment is significant in light of the UAE's progressive approach to digital asset regulation and its ambition to become a global innovation and technology hub."

Julian Sawyer, CEO of Zodia Custody, states: "As the fifth bank to cast a vote of confidence in our proposition, we are beyond grateful to Emirates NBD for placing their trust in us. This investment is a monumental step forward, paving the way for Zodia Custody to become a leading player globally." ■



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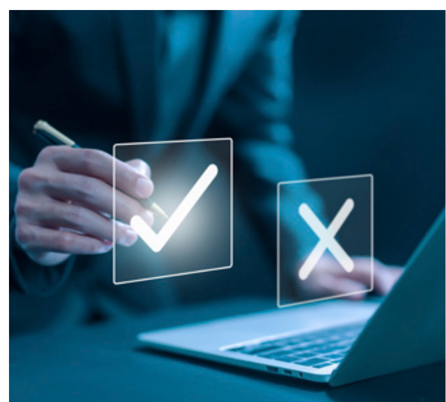

Premier appoints PAXUS

PAXUS has been selected by Premier Financial Services Limited, a Mauritius-based management and trust company, to provide fund administration support.

This support will be delivered via PAXUS's specialist fund administration system, which is said to provide back office fund administration services for open and closed ended alternative funds, including fund accounting and transfer agency.

Premier will utilise this solution in their newly launched fund administration business line, and marks the continuation of the company expanding their international client base.

Commenting on the adoption of PAXUS by Premier, Paul Kneen, CEO of PAXUS, says: "We are excited to welcome Premier Financial Services Limited as a new client. We firmly believe there is currently no better multi-functional market-wide product that can compete head on with PAXUS's offering as a total fund administration solution."

Druvnath Damry, managing director of Premier Financial Services Limited, adds: "As we continue our plan for expansion and innovation in the Fund industry, we are excited to integrate PAXUS into our Fund administration services." ■

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GLAS acquires Watiga

The Global Loan Agency Services Group (GLAS) has acquired Watiga Trust and Watiga Asia, known collectively as Watiga. The transaction was completed following regulatory approval from the Monetary Authority of Singapore (MAS) in late November.

The integration is said to expand GLAS's loan and trustee offerings to clients local to the Singapore area, while growing the company's footprint across the Asia Pacific region. Watiga's clients will now also be able to access an international service offering.

GLAS's founders, Mia Drennan and Brian Carne, comment: "This partnership bolsters the group's comprehensive regulated coverage across APAC, the EU, and the Americas, and gives our clients the opportunity to access our service and product offering to more clients."

Founder and managing director of Watiga, Matt Richards, adds: "Our team is excited to continue this journey with GLAS, which brings fresh perspectives and new opportunities. I believe GLAS's combination of technical expertise, financial infrastructure and their innovation mindset, all on a global scale, is beneficial for our clients, personnel, and stakeholders." ■

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KFin Technologies joins BlackRock's Aladdin Provider Network

KFin Technologies, a leader in technology and fund administration solutions for asset management, has joined BlackRock's Aladdin Provider network to enhance its operating model with asset managers.

The firms say the collaboration will see KFintech join a growing community of the world's largest asset servicers, enabling it to offer differentiated fund administration and accounting services to clients.

By leveraging the Aladdin platform's propriety data interfaces and workflows, KFintech aims to better integrate the flow of data with asset managers.

This will also enable KFintech to digitise manual processes, align reference data and research fund activity in real-time, and conduct middle office operations on behalf of clients.

Sreekanth Nadella, managing director and CEO of KFintech, says: "We are excited to leverage Aladdin's sophisticated data connectivity capabilities to enhance the service we provide to clients, allowing them to benefit from a more streamlined operating model, increased automation, and a reduction in the risk of errors.

"The collaboration aligns with our vision to deliver transformative and data-driven solutions to the asset managers by expanding our capabilities globally."

Tarek Chouman, global head of Aladdin Client Business, BlackRock, comments: "We are delighted to welcome KFintech to the Aladdin Provider network and enable our shared clients to connect data seamlessly through a single platform and bring clarity and efficiency to the entire investment workflow." ■

Ocorian acquires EdgePoint

Ocorian has acquired EdgePoint Fund Services, a US-based fund administrator.

The acquisition marks the company's intention to build and expand its onshore funds presence in the US. Edgepoint provides fund administration services to US fund managers across private markets, and will now combine expertise with Ocorian's global fund services business, the companies say. Edgepoint will also be able to expand its service offering to clients, using Ocorian's resources and global infrastructure to aid client operations.

Chantal Free, CEO of Ocorian, comments: "EdgePoint will help us expand our offering to US fund managers with US onshore fund administration and complement our current capabilities in regulatory and compliance consulting and capital markets. It will also help us to serve our US, European, and Asian clients globally."

EdgePoint founder, David Lemon, adds: "Ocorian understands our business, our clients, and our ambitions, and they're committed to retaining our local expertise and culture. This partnership will furthermore allow Ocorian to expand its offering to our local market." ■

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Insignia Financial selects BNP Paribas as custodian in Australia

BNP Paribas' Securities Services business has been appointed by Insignia Financial, one of Australia's pre-eminent wealth managers, to provide custody and administration services.

The companies say this strategic mandate with Insignia Financial further strengthens the position of BNP Paribas' Securities Services business in the Australian market.

Insignia Financial will benefit from the comprehensive suite of integrated solutions and multi-local expertise of BNP Paribas' Securities Services business, together with the financial strength of the BNP Paribas Group, say the firms.

The service offer will cover Insignia Financial's MLC and OnePath businesses, with the transitions to be finalised in 2025.

Kirk Newey, general manager, Fund Accounting and Operations, Insignia Financial, comments: "As part of Insignia Financial's simplification strategy, we undertook a review of our custody and related services arrangements."

"Following an extensive tender process, we chose BNP Paribas' Securities Services business. We look forward to working with BNP Paribas to deliver improved efficiencies and scale benefits to our members."

Patrick Colle, head of Securities Services and chairman of Financial Institutions Coverage, BNP Paribas, states: "It is a great pride for us to support Insignia Financial in its long-term scalability strategy. We are determined to put the full strengths of our integrated model, on-the-ground expertise, and digital leadership at the service of Insignia Financial's ambitions for growth." ■

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DekaBank receives crypto custody licence

DekaBank has received the crypto custody licence under the German Banking Act (KWG) from the European Central Bank (ECB) and the Federal Financial Supervisory Authority (BaFin).

The firm says that the licence enables them to offer customers secure custody of digital assets.

In addition, the licence also enables DekaBank to operate within the expanded European regulatory framework of the Markets in Crypto Assets Regulation (MiCAR), which came into force in full on 30 December 2024.

DekaBank says it can now build its crypto custody offering on the basis of this long-term legal framework. ■

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Hex Trust launches new solution in Dubai

Hex Trust, a provider of virtual assets custody, has officially launched HT Markets MENA, marking it as one of the first firms to facilitate fiat on/off ramp services in Dubai. The company says it facilitates these services through its secure custody platform, which is available to all institutional clients, and which helps broaden access to virtual assets markets across the region.

Filippo Buzzi, Hex Trust's regional director of MENA, states: "This unique offering caters to the huge appetite for on/off-ramp services in Dubai and is a significant achievement for HT Markets MENA.

"We see enormous potential for virtual asset growth in Dubai given the progressive regulations, welcoming governments, and thriving crypto ecosystem."

This follows regulatory authority approval in Dubai, as well as all relevant virtual assets licenses. ■

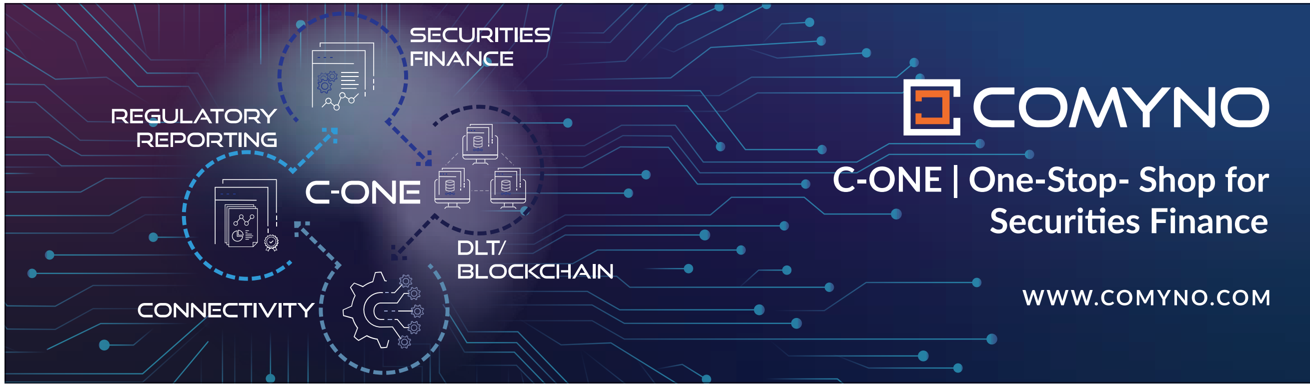
Komainu supplies custody support for UBS uMINT

Komainu has announced custody support for uMINT, the first tokenised investment fund introduced by UBS Asset Management and distributed through authorised partner DigiFT. This will provide uMINT token holders with a secure, regulated custody solution that Komainu says will be backed by their security measures and compliance framework.

uMINT users will also be offered a wide range of digital asset services, which will be supported through the UBS Tokenize platform and Komainu's custodial services.

Paul Frost-Smith, co-CEO at Komainu, comments: "We are delighted to be partnering with DigiFT to provide custody support to uMINT token holders, highlighting our commitment to supporting a diverse range of digital assets and fostering greater adoption of tokenised investments."

Henry Zhang, CEO of DigiFT, further states: "By integrating Komainu's custody framework with DigiFT's compliant tokenisation platform, we are enabling uMINT investors to experience the next generation of financial markets with enhanced security, transparency, and operational efficiency." ■



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Tenemos selected by AHAM Capital

Tenemos Multifonds Global Accounting has been selected by AHAM Capital to drive automation and growth in the Malaysian market.

Majority owned by CVC Capital Partners, AHAM Capital serves the fund-related needs of corporates, institutions, and pension funds based in Malaysia. With Tenemos Multifonds on board, the company says it will be able to support the firm's growth through automated end-to-end solutions.

Tenemos Multifonds will also be able to support Islamic funds in accordance with Shariah standards, through Multifonds' flexibility in chart of account and posting rules.

Allen Woo, chief technology officer at AHAM Capital, comments: "We are excited to partner with Temenos Multifonds for our fund accounting system replacement. Temenos' fully automated solution empowers AHAM to streamline end-to-end operations and achieve high STP rates." ■

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Philippines SEC proposes registration rules for crypto-asset service providers

The Securities and Exchange Commission (SEC) of the Philippines has proposed a new set of rules relating to crypto-asset service providers (CASP). The plans aim to require anyone providing crypto-asset services to acquire the necessary licence under CASP rules and guidelines.

All applicants for CASP registration must be a stock corporation registered with the SEC, have at least four members of staff residing in the Philippines, meet minimum capital requirements, and submit a complete application for authorisation to the SEC.

Under the proposed rules, the SEC states that it will have the power to "order the removal of a crypto asset in a crypto asset exchange in the interest of investor protection."

It also adds that "crypto-assets services may not involve crypto-assets having features that are prohibited under the CASP Guideline" and "unless allowed by the commission, crypto asset service providers should not conduct any offering, trading, or dealing activities of futures contracts or related derivatives involving crypto assets, as well as offer margin trading." ■

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Responding to pressure

Jack McRae speaks to Maria Calderon, head of LatAm Sales at MarketAxess, about what 2025 holds for the asset servicing industry in the region

The state of play

The asset servicing industry in Latin America is under a lot of pressure, according to Maria Calderon, head of LatAm Sales at MarketAxess.

Calderon believes that emerging markets and LatAm face this pressure as a result of "the uncertainty of further cuts from the Fed, an incoming Trump administration tariff regime, as well as local challenges from each country."

Donald Trump will be sworn into the White House on the 20 January and become President for a second term.

Riding a wave of American-first, protectionist policies to defeat incumbent vice-president Kamala Harris to the Presidency, Trump has promised a wave of high, aggressive tariffs which could strain relationships with and markets within LatAm.

Despite this pressure, she argues that there are reasons to be positive about LatAm.

"There were surprising bright spots in the high yield emerging markets universe including Argentinian and Ecuadorian assets," Calderon explains.

"And when looking back at the beginning of the year, there were surprise inflows into Mexican assets."

Calderon points to how, over the course of 2024, "we saw an increase of 42 per cent in debt offerings from Latin American sovereign issuers as well corporate issuers when compared to 2023."

She expects this trend — which she describes as a "a positive boost to liquidity and volumes for the region" — to continue this year and suggests that this figure could potentially be higher. This figure is dependent on the Fed interest rate cut decision.

"On the first Monday back in the New Year, we saw Mexico kick-off with a record size 8.5 billion sovereign bond offering, which sets the tone for other issuers to follow," Calderon says.

"At MarketAxess, we saw record volumes across emerging markets hard currency and local markets, despite the fact that local markets took a back seat given significant FX challenges throughout the year. "

Growing demand

Across the industry and around the world, the need for accurate and reliable data is becoming increasingly vital by the day. As technology develops and automation becomes the focus for a number of key players, having a reliable set of data becomes imperative — a fact that is not lost in Latin America.

"LatAm is starting to pay attention to enriched data and AI driven tools to source data," Calderon explains. "Investors are fragmented mostly to their own locally sourced asset pricing. We have run into a number of investors who are starting to rely on advanced sets of data, which they are putting to work for modelling their investment decisions."

Calderon believes that while advanced datasets may be in their early stages of deployment, there is, she says, "no question demand will grow in this sector."

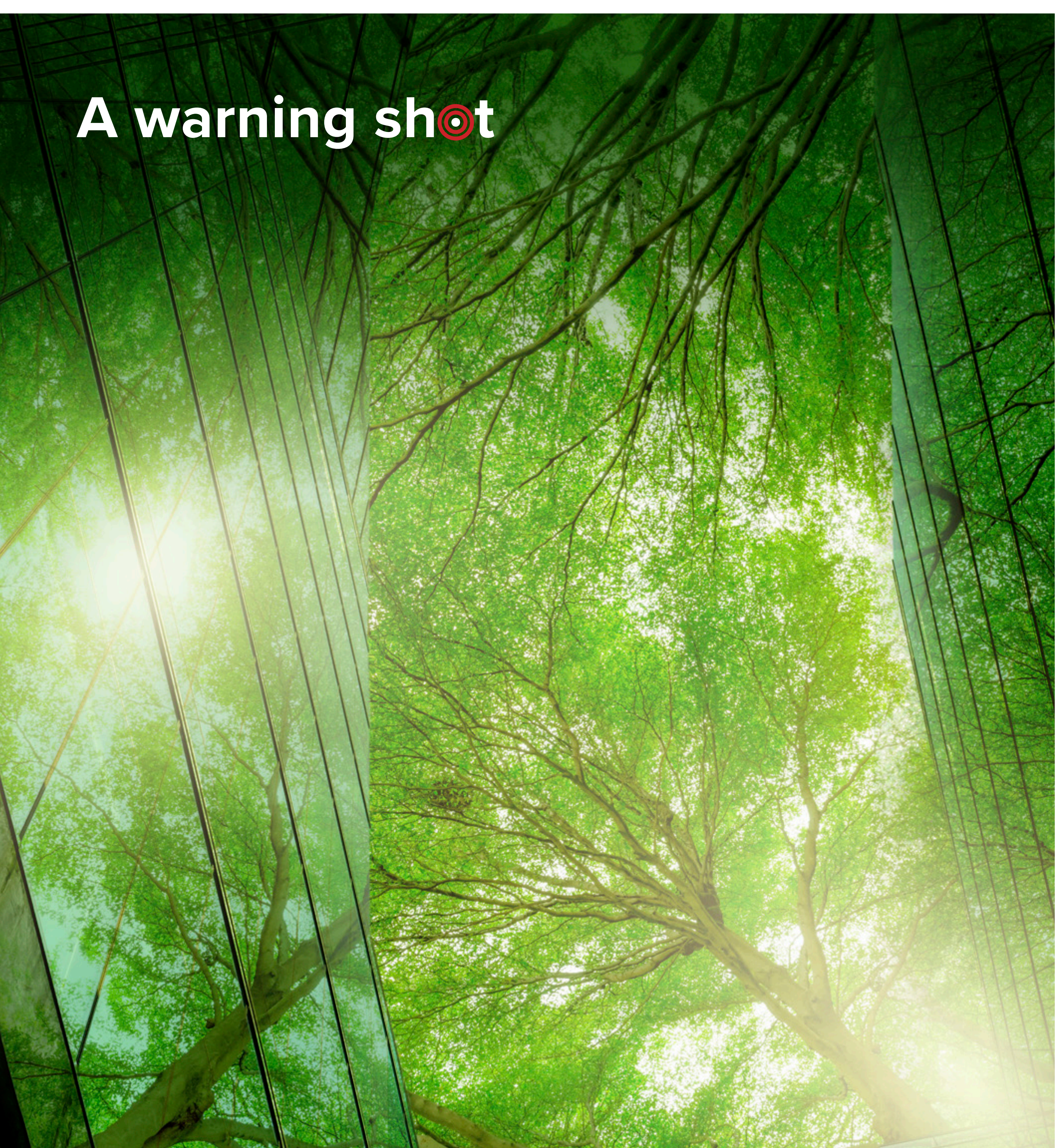
Data and technology go hand-in-hand and Calderon is witnessing trading technology evolve across LatAm. She explains that the region is seeing "significant new user adoption and cross selling into cutting edge technologies."

Calderon continues to suggest that "the region may skip early migration into technology and head directly into advanced usage. We see large adoption of block trading, RFM trading and demand for order book style trading which typically relies on fast technology."

Looking ahead, Calderon believes that this year will see investors using technology to help overcome challenges in navigating complex markets. Also within the technology space, Calderon believes that the industry will see "investors becoming more comfortable around trading block sizes electronically."

The key, advanced technologies that Calderon expects to be at the forefront of driving innovation in LatAm markets all focus on streamlining workflows. She points to automation and AI-driven gears that benefit portfolio trading and targeted trading as two developments to watch out for in the region.

As the world and LatAm braces for the impact of another four years of a Trump-led US government, the asset servicing industry will have to be adaptable and responsive to any major challenges on the horizon. It is clear that technology and data will once again grab the headlines in the industry, but firms will know it is time for action, rather than talk, as the industry evolves into an age of AI, automation, and digitisation. ■



A warning shot

As the world welcomes the new year, Clelia Frondaroli looks back on the work of regulators to tackle financial institutions' alleged sustainability claims

Environmental, social, and governance (ESG) funds have experienced a year of highs and lows. Between the influx of anti-ESG legislation and accusations of greenwashing, it is safe to say that both financial institutions and investments centred around ESG have not come out unscathed.

One such institution that has prided itself on its sustainable commitments, Aviva Investors, has appeared to have fallen under the scrutiny of Luxembourg's financial regulator.

Yet, as news surrounding Aviva's sanction from the Commission de Surveillance du Secteur Financier (CSSF) in relation to ESG violations sends ripples down the spine of corporations, what message does this send for the future of ESG regulations across Europe, and is it a warning or a threat from regulators?

Overzealous claims: The case in question

So what really took place at Aviva Investors to have warranted a fine from the CSSR?

It all began following an inspection carried out between 3 October 2022 and 11 May 2023, where the CSSF uncovered "persistent breaches" in the company's commitment to the Sustainable Finance Disclosure Regulation (SFDR).

The investigation concerned five sub-funds that had been marketed by Aviva Investors as being in line with Article 8 of the SFDR; funds that were said to support and promote "environmental and social characteristics."

The observations made by the CSSF, however, revealed that one of the sub-funds "failed to comply with the pre-contractual disclosures made in accordance with Article 8," as five per cent of the fund's net assets were derived from sovereign bonds whose ESG scores were below the exclusion threshold. This exclusion threshold, designed to screen out sovereign bonds with the worst ESG characteristics, should have excluded any bonds with an ESG rating of less than 4 (using Aviva Investors' sovereign bond ESG model, which assigns ratings based on a scale of 0 to 10).

The CSSF claims that the disclosures "did not adequately indicate that sovereign bonds with an ESG rating under the assessment of less than 4 could be held by the sub-fund" and that each of the bonds identified by the regulator had an ESG score of between 2.5 and 4.

The ESG characteristics of the other four sub-funds in question, the regulator says, were also not being adequately targeted or monitored.

In an attempt to counter this claim, Aviva Investors points out that "the use of an enhanced due diligence process allows the holding of sovereign bonds with an ESG score of below 4 under certain circumstances." Nonetheless, by July 2023 the firm updated the disclosures in their prospectus as a remedial measure in a bid to bring better clarity to their processes.

Following this update, and as a result of the cooperation from the company during the investigation, the authority has reduced the sanction to a manageable (for a firm with €287 billion of assets under management) €56,500 penalty, which the CSSR maintains is proportionate to their findings based on failure of compliance and the gravity of the breaches.

The bigger picture

Yet despite the admittedly small fine (which can barely be likened to a slap on the wrist for a company of this size and stature), the sanction still remains a significant milestone for ESG regulation in Europe. Not only is the fine the first to be issued by the CSSR in relation to SFDR violations, but it also marks the beginning of accountability for corporate actors.

According to the European Securities and Markets Authority (ESMA), Article 8 classifications are not awarded by regulators, but rather, financial managers themselves must determine whether their funds promote sustainability. By challenging the classifications that companies have awarded their funds (and in the case of Avivia Investors, being found guilty of overstating the 'greenness' of them), regulators are proving that with increased regulatory action comes heightened scrutiny.

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For a firm that has boasted about its commitment to sustainability numerous times, Aviva Investors are also eager to diminish the stain of discredibility the penalty has left on its record. The statement released by the fund manager stresses that "Aviva Investors remains committed to ensuring the highest standards of compliance with applicable legal and regulatory requirements" where "we recognise the need to encourage change not just with the companies we invest in, but in our industry and economy as a whole."

Perhaps then, change may come in the form of greater regulation and accountability for companies that appear to inflate their environmental credibility.

The penalty is also not the first to be issued towards a firm over these past few months for overstating their fund's sustainability claims. In late September, the Australian Securities and Investment Commission (ASIC) succeeded in bringing a AU$12.9 million (US$8.1 million) sanction against Vanguard Investments Australia for greenwashing violations.

Another company to exaggerate the rigorousness of its ESG exclusion criteria, around 74 per cent of the securities in the Vanguard Ethically Conscious Global Aggregate Bond Index Fund were not screened against ESG benchmarks, according to ASIC. Sarah Court, ASIC deputy chair, reveals: "Vanguard admitted it misled investors that these funds would be screened to exclude bond issuers with significant business activities in certain industries, including fossil fuels, when this was not always the case."

She continues: "Greenwashing is a serious threat to the integrity of the Australian financial system and remains an enforcement priority for ASIC. It is essential that companies do not misrepresent that their investment strategies are environmentally friendly, sustainable, or ethical."

Australian federal court judge, Micheal O'Bryan, who ordered the penalty, is also keen to reinforce the implications of the company's actions. He emphasises: "Vanguard's contraventions should be regarded as serious. The misrepresentations enhanced Vanguard's ability to attract investors to the fund and enhanced Vanguard's reputation as a provider of investment funds with ESG characteristics."

Therefore, between the CSSF and ASIC, regulators are perhaps demonstrating that greater actions will be taken if legislations are not adhered to.

Shifting currents

So, will 2025 be the year of environmental accountability for companies promoting ESG funds?

According to Vanessa Müller, partner and consulting at EY, the approach of the new year sees ESG as "no longer a matter of choice but a necessity" where regulatory changes should not be simply regarded as something to comply with but rather as an opportunity to drive sustainable finance.

She stresses: "Fund managers will need to scrutinise their investment strategies, ensuring that marketing materials and pre-contractual documents provide transparent and verifiable ESG claims."

In achieving this, alongside the proposed changes being made to SFDR regulations which may see greater justifications for sustainability claims regarding investments. Müller says, "the year 2025 is poised to be a pivotal moment for funds, banks, financial institutions, and insurance companies as regulatory shifts reshape sustainable finance practices worldwide." ■

Asset Servicing Times

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Regulation on the horizon

Custody, data services, fund services

As the asset servicing industry welcomes in 2025, there are a number of potential regulatory shifts to look out for. In part two of these predictions, the industry focuses on the custody, data services, fund services space

Jack McRae reports

Custody

In 2024, the custody space had to respond to developing geopolitical tensions and maintain resilience throughout. Jesús Benito, head of domestic custody and trade repositories operations at SIX, credits central securities depositories (CSDs) for maintaining financial stability in turbulent times.

"This past year, CSDs have proven their resilience, helping the system navigate a tough geopolitical environment while continuing to underpin financial stability," he begins. "At the same time, we have seen significant consolidation and closer collaboration, with tools like TARGET2-Securities (T2S) which have made cross-border settlements almost as straightforward as domestic ones."

Cross-border settlements are also the focus of Adam Cottingham, product manager for asset servicing at SmartStream. He explains that, "asset servicing is building momentum for the adoption of ISO 20022. Key custodians are moving their processing onto the standard with testing starting in 2025."

In order to get to that standard, Cottingham says, the industry needs to enhance its technology. "Compatibility of legacy systems and infrastructure along with the testing of these changes is now becoming a top priority," he says.

"When changing technology, firms also need to take into consideration the evaluation of a T0 operation, automation, AI co-piloting, beneficial owner enablement, and of course operational resilience as critical requirements."

Looking towards the coming year, SIX's Benito believes that "CSDs will play an even bigger role in shaping the future of Europe's Capital Markets Union."

He continues to state that, unlike in the US where a single framework makes one CSD more logical, the EU needs a "network of connected and interoperable CSDs that work together seamlessly while still encouraging competition. This means focusing on further harmonisation across tax and legal systems and breaking down the remaining barriers that hold back true cross-border efficiency."

Benito is emphatic as he insists that "CSDs have already shown they're up to the task, and with the right support, they can be a driving force in creating a more connected and competitive financial market across Europe."

image by techtonic/stock.adobe.com

Data services

Dan Reid, chief information officer of Xceptor, believes that "one of the most significant regulatory shifts set to reshape the financial industry in 2025 is preparing for the transition to T+1 settlement cycles in the UK and EU".

Key to addressing that shift will come in the form of converging AI and data automation, Reid says. He explains that firms will adopt "AI-driven automation tools to optimise internal processes, enhance predictive analytics, and automate tasks from decision-making to risk management, boosting efficiency and reducing operational risks."

Data is going to be imperative for the asset servicing industry in 2025. Reid claims that "unlocking new data sources, including unstructured and unconventional data types, will become essential.

"Similarly, an emphasis on data lineage — the ability to trace data back to its source — will be particularly crucial for compliance and operational insights. Tools that provide clear, auditable data trails will become non-negotiable in the quest to meet stringent reporting requirements."

As data gets more complex and more crucial, Reid adds that "firms must prioritise building adaptable systems that evolve in real-time with changing requirements. By leveraging data automation tools, operations teams can independently manage processes, enabling firms to respond proactively as new regulations, such as T+1 settlement in the UK and EU, take effect."

Andrea Remyn Stone, CEO of Zema Global, also believes data will be at the heart of major changes in the industry — labelling it as a "critical driver of decision-making".

Remyn Stone says that "the shift toward predictive analytics will accelerate, with firms leveraging low-latency, real-time data from operational systems and market sources to anticipate risks and seize opportunities."

She continues to state that AI and machine learning will help transform the way data is integrated with trading, risk management, and compliance workflows.

"At the same time, the rise of data-as-a-service platforms is democratising access to high-quality, curated data, enabling organisations of all sizes to innovate without the need for extensive infrastructure investments," she says before adding: "In 2025, the true differentiator will be the ability to turn data into actionable insights that drive resilience and growth."

Similarly, Nick Wood, AI product manager at FINBOURNE, believes AI will be vital to enhancing data services, although its slow adoption across the industry may prove a slight challenge.

"This hold up is largely due to a lack of confidence in the incumbent data management processes, which need to be designed to support AI technologies," Wood says. "While AI can certainly act as a feature and capability in an overall workflow, firms must be able to explain the models and trust the quality of the underlying data to get there. With AI showing so much promise, prioritising modern data infrastructures to address data quality concerns will be a priority for many asset managers next year."

Steve Walsh, director of product and solutions at Duco, focuses on two major regulatory frameworks that made 2024 "one of the most consequential years for financial market regulation in a decade".

"EMIR Refit's primary motivation was to improve data quality and transparency in the European derivative markets with mandatory data reconciliation requirements and obligations to report material issues to national competent authorities," he says. "While the transition was largely successful, regulators next year will need to address lingering issues around data accuracy and integrity on data reported to trade repositories."

Walsh also considers the impact of the shift to T+1 in North America which he says has "created operational difficulties, highlighting data quality and transformation issues as well as poor processes and a lack of automation throughout."

Going forward, he believes that the UK and Europe must look to resolve these issues ahead of their respective shift by the end of 2027. "European firms need to start preparing while learning from their American peers," Walsh adds.

It is clear that data will become one of the major focuses across the industry in 2025. This is of little surprise to Marion Leslie, head of financial information at SIX, who explains that "our 'Future of Finance' report found that 37 per cent of investment banks cite enhancing their data and analytics capabilities as the biggest enabler for growth over the next three years, while 41 per cent view historical data as the top priority for increased spending."

Investment banks will continue to place emphasis on data quality. Leslie says that "risk management as a function has grown in

importance for all types of financial institutions in the years following the 2008 financial crisis. Investment banks take so much value from historical datasets”.

Leslie is clear and direct as she adds finally that, ”it will enable them investment banks, roughly stress test and ensure their strategies are robust.”

Leslie is clear and direct as she adds finally that, “it makes sense that they anticipate consuming more of this data type in response to recent shock events across financial markets.”

Fund services

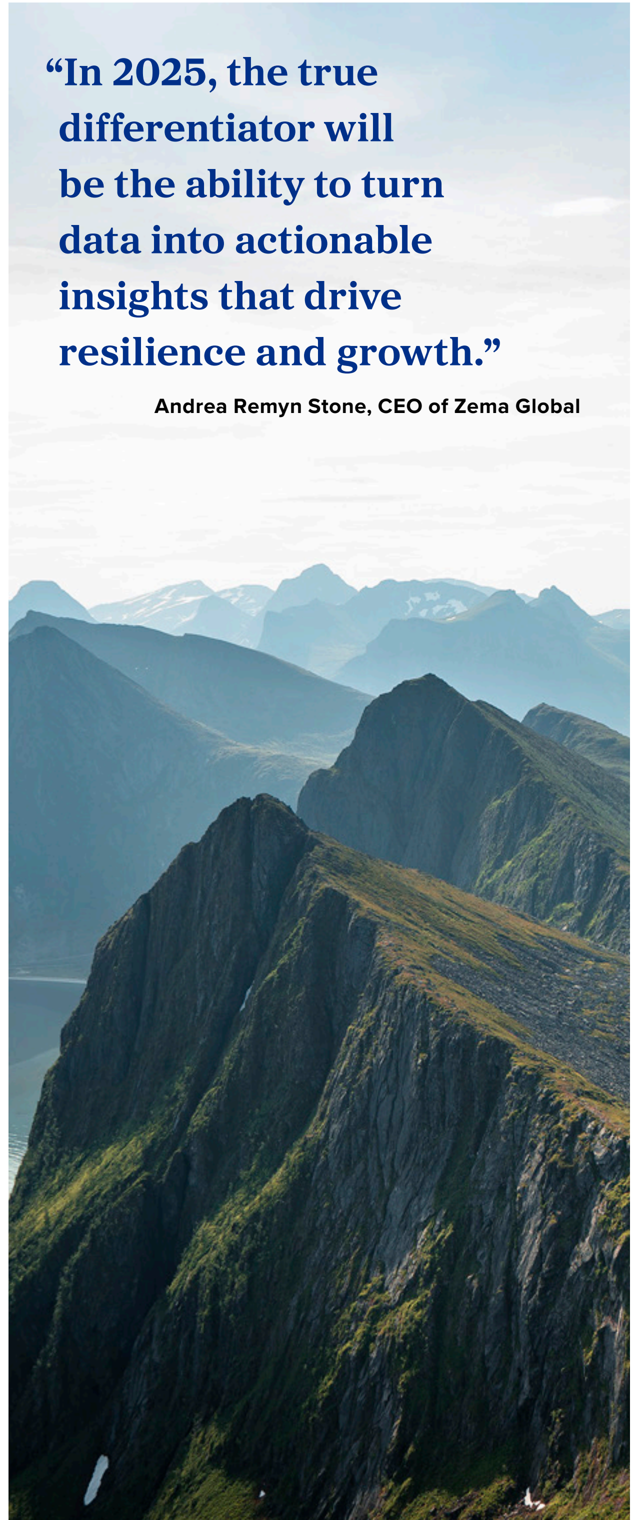
Frank Koudelka, senior vice president for ETF Product Solutions at State Street, describes when the US Securities and Exchange Commission (SEC) approves the ability for mutual fund managers to launch an ETF share class as the “elephant in the room” for US regulation.

“There are approximately three dozen filings for permission to establish this structure and the firms in scope have trillions of dollars in mutual fund assets in play,” he says. “Multi-share class provides investors expanded choice and an easier path — via a tax free exchange — to move from the mutual fund class to the ETF class. With a new administration coming into the SEC in 2025, we are bullish on the prospects that these filings will get more attention.”

Koudelka continues to highlight that the attention share class has received in the US ETF market could make an impact in Europe — notably in the listed and unlisted share class. He says: “We’ve supported two of our UCITS clients to launch this structure in 2024 and are having numerous conversations with other clients and prospects. The recent move by the Central Bank of Ireland (CBI) to change its position on nomenclature to align with other domiciles should create additional momentum.”

Koudelka concludes by adding that “we’ve also seen a pickup in Australia and Canada amongst our clients to leverage the share class model as an entry point to the ETF burgeoning market.” ■

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



Clarke switches roles at Broadridge

Stephanie Clarke has been appointed as head of international strategy and corporate development at Broadridge.

This marks a move from her previous role in the company as senior vice president of data and analytics, a position in which she served for eight years.

Clarke joined the company from BlackRock in 2016, acting as global head of market intelligence, and holds a deep expertise in leading projects across geographies and asset classes.

Clarke will be responsible for overseeing the execution of the company's strategic initiative while collaborating with the mergers and acquisitions team. She will further be expected to establish an international market advocacy platform to strengthen the firm's global reach.

On her new role, Clarke states: "I am excited to take on this role during a crucial phase of Broadridge's development. Broadridge sees incredible opportunity in deepening how we bring our trusted expertise and transformative technology to assist our clients." ■

ISSA CEO Parry to retire

Colin Parry, International Securities Services Association's (ISSA) CEO, has decided he will retire next year. Announcing the decision in the association's newsletter, Parry explained that he will depart at the end of the next ISSA symposium in May 2025.

He says: "Between now and then we can take a considered view of potential successors and ensure that we hire the right person to take ISSA forward for the next part of its journey."

After over two decades at UBS and then a stint at Atomic Wire, he became CEO of ISSA in 2019.

He adds: "It has taken us five years of change to establish an association which is on a firm financial footing and can invest appropriately.

"ISSA does not stand still, and a large part of my role is making sure ISSA serves our members. I have enjoyed talking with existing members, and potential members, and take the feedback I receive very seriously."

SimCorp welcomes Conway

Jeff Conway has joined SimCorp's board of directors, effective immediately.

Conway's career spans more than 30 years at State Street, where he served as a long-term member of the firm's management committee, and headed a number of senior leadership roles including CEO for Europe, the Middle East and Africa. He currently acts as a senior advisor within Boston Consulting Group's Financial Institutions Practice.

His expertise in digital transformation and client experience is said to strengthen the board, as SimCorp continues to develop its software and investment management services.

Spiro joins DTCC

The Depository Trust and Clearing Corporation (DTCC) has welcomed Joseph Spiro as a digital assets product director.

Spiro, in his new role, will be expected to help coalesce the industry around the tokenisation of assets as collateral, and help strengthen the digital assets division in the firm.

He joins the company from Hazeltree, where he spent five years serving as director of product management, and most recently, as senior product director. He holds a wealth of expertise in collateral management and derivatives, with over 20 years experience in the financial services sector.

Van Katwijk retires

After 35 years in the industry, Sikko van Katwijk has announced his retirement.

He spent his last five years working as part of the executive committee at CACEIS and enjoyed a send-off party last week.

Posting on LinkedIn, he said: “How nice it is to say goodbye to working life after 35 years with all colleagues, customers, friends. I am grateful to CACEIS for this incredibly beautiful evening full of memories together with all my loved ones!

“I feel privileged that now, at the age of 61, I have decided to stop working and that so many from the securities world have celebrated with me.”

Van Katwijk started his career at KAS Bank where he spent seven years before moving to Citi as a managing director.

After eight years at Citi, he returned to KAS as a managing director. He served there for a further decade before switching to CACEIS.

Sabatini to act as Independent Industry Chair for EU shift to T+1

Industry representatives from the post-trade sector have selected Giovanni Sabatini as independent industry chair, leading their work to facilitate the migration to T+1 in the EU.

The European Securities and Markets Authority (ESMA) said that Sabatini will play a key role as the link between the industry and the public sector working to shorten the settlement cycle.

Sabatini has years of experience working in securities markets — both in the private and public sectors.

He has served as a member of the European Economic and Social Committee and held roles within the International Organization of Securities Commissions (IOSCO), the European Banking Federation, and the European Central Securities Depositories Association (ECSDA).

As indicated in the ‘ESMA assessment of the shortening of the settlement cycle in the European Union’ report, the European Commission and European Central Bank agreed to put in place specific governance to help the industry coordinate the shift to T+1 in the EU. ■

Broadridge appoints Cowley

Broadridge has appointed Mike Cowley as head of international investor communications service delivery.

In this role, he will be responsible for Broadridge's services for global proxy operations and corporate governance, working on the end-to-end service delivery.

Cowley says: "I admire and share the company's unwavering commitment to delivering a differentiated client service experience that drives the democratisation of investing for both institutional and retail sectors."

SWIB welcomes Arnholz

The State of Wisconsin Investment Board (SWIB) has hired Chris Arnholz as funds and liquidity operations manager. Arnholz brings more than a decade of experience in financial services to his new role.

He joins from Deutsche Bank where he served as vice president. Prior to that, he spent more than five years at TruStage, most recently as manager of investment operations.

Between 2013 and 2018, he worked his way up the ladder from a consultant to assistant vice president at Deutsche Bank.

Ghei selected as Broadridge CFO

The Broadridge board of directors has welcomed Ashima Ghei as the company's chief financial officer.

The decision comes after Ghei's tenure as interim CFO for the global finance team at Broadridge, where she was instrumental in leading the company's financial strategy and execution.

Prior to joining Broadridge in 2022, she served as the head of merchant pricing for the Americas at American Express. This made Ghei the ideal candidate for the role, the firm says. ■

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