Asset Servicing Times

Leading the Way in Global Asset Servicing News and Commentary

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OPENING EYES

Matthew Cheung on inspiring the next generation of industry talent

Lead news story

Fundguard announces APAC expansion

Fundguard has announced plans to expand the company's presence across the Asia Pacific region.

This news comes as part of Fundguard's global expansion strategy, where the firm will use local market dynamics to expand their client base in the territory alongside supporting existing global clients with an established presence in APAC.

The company also aims to optimise their platform to meet local regulatory standards.

"Asia Pacific represents a dynamic and rapidly growing market that is integral to our global expansion strategy. We are actively exploring opportunities to expand our customer support operations and penetrate further into this region," says Lior Yogev, CEO of FundGuard. ■

AST

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SMARTSTREAM

Northern Trust appointed asset servicing provider for Generation Life

Northern Trust has been selected to provide global custody and valuation reporting services for Australian life insurance company Generation Life.

Northern Trust will provide support to the AU$1.5 billion of Generation Life's portfolio assets. These include domestic and international equities, bonds, FX, and SICAVs.

Leon Stavrou, country head of Australia at Northern Trust, says: "Our selection by Generation Life, a leader in their field, will help them achieve operational excellence, and we look forward to building a highly successful partnership."

Felipe Araujo, CEO of Generation Life, adds: "This is an important partnership for Generation Life. Northern Trust's focus on investment in digital technology strongly aligns with our objective to deliver a scalable operating model to support our growth ambitions and enhance the experience for our clients." ■

State Street and SS&C Technologies restructure data services joint venture

State Street and SS&C Technologies have restructured their international financial data services (IFDS) joint venture in Luxembourg and Ireland. Under this restructuring, State Street will in-source the transfer agency services capabilities for its clients.

Donna Milrod, chief product officer of State Street, says: "Our priority throughout this transition is to continue to provide our respective clients with the excellent service they have come to expect from our organisations, as well as retention of the transfer agency employees and expertise."

Meanwhile, SS&C will rebrand the existing transfer agency entities in Ireland and Luxembourg. These entities will now operate as a wholly-owned SS&C business within its Global Investor and Distributions Solutions division.

Nick Wright, global head of SS&C Global Investor and Distribution Solutions, adds: "We remain committed to providing our clients with excellent full-service global transfer agency technology and solutions." ■


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The Bank of Canada chooses CCMS

The Bank of Canada has elected to use the Canadian Collateral Management Service (CCMS), as developed by TMX Group and Clearstream. TMX Group says that the CCMS aids the optimisation and collateralisation of securities finance activities throughout the Canadian market, by simplifying the end-to-end domestic collateral management process.

The Bank of Canada joining the CCMS is said to be a significant milestone in strengthening Canada's financial market ecosystem and aligning to global standards.

Toni Gravelle, deputy governor for Bank of Canada, says: "The Bank of Canada is pleased to join the CCMS. The CCMS will enable us to execute our market operations with greater speed and flexibility."

Steve Everett, head of post trade innovation at TMX Group, adds: "We are delighted that the Bank of Canada is joining the CCMS. This milestone modernises, strengthens and standardises the entire secured funding ecosystem improving market resilience, risk management and collateral mobility at scale." ■

XDC Network collaborate with Archax to launch money market fund tokens

In collaboration with Archax, XDC Network has launched the first tokenised funds on its platform. The first fund tokens represent four money market funds (MMFs) from providers including Aberdeen, Fidelity International, BlackRock and State Street.

By bringing these investment vehicles onto the blockchain, XDC Network and Archax hope to improve liquidity, create faster settlement, and reduce operational costs.

Keith O'Callaghan, head of asset management and structuring at Archax, says: "Providing digital representations of major MMFs opens up a potential new audience for these types of yield-bearing products that historically have been challenging for some to access."

Angus O'Callaghan, head of trading and markets at XDC Network, adds: "With our platform's robust performance and functionality, we have the ideal protocol for real-world asset tokenisation for institutions who want to work with regulated entities like Archax." ■

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Euroclear and Digital Asset launch tokenised collateral mobility initiative

Digital Asset has launched the first phase of the tokenised collateral mobility initiative for the Global Collateral Network (GCN). This first phase, conducted with a consultancy firm, aims to define how Euroclear's decades of collateral management expertise could be applied to the growing digital and crypto markets using the Canton Network.

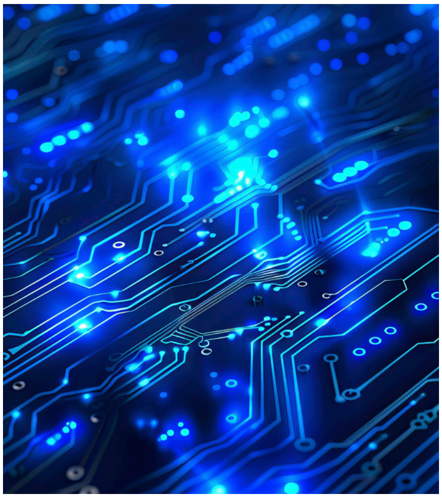
Kelly Mathieson, chief business development officer at Digital Asset, comments: "The GCN has the potential to revolutionise collateral management by enabling real-time, compliant, and interoperable asset mobility across both traditional finance and digital markets. This is a significant step toward unlocking the full potential of tokenisation across new crypto capital markets."

The Canton Network is a blockchain designed with the configurable privacy, scalability, and interoperability required for systemically important financial markets.

The project's goal is to facilitate a regulated exchange of digital assets and cash as collateral.

Euroclear and Digital Asset are observing a growing market interest in robust on-chain collateral and margin management solutions, with financial institutions seeking efficient ways to trade and mobilise their assets to meet capital obligations across global markets.

In phase one, industry participants will explore how tokenised collateral mobility could enhance efficiency across global markets, as well as how crypto derivatives collateral and margin management services could meet the interest of 24/7 trading and settlement. ■



Capital Generation Partners picks Backstop Solutions RMS

Capital Generation Partners has selected ION-owned Backstop Solutions' research management system (RMS).

Backstop's RMS solution was selected to improve Capital Generation Partners' fund evaluation, manager selection, and due diligence process. The company says that the system will also help consolidate qualitative and quantitative data and documents into a unified platform across all asset classes.

Richard Adams, chief operating officer at Capital Generation Partners, says: "We are excited to collaborate with ION Analytics and Backstop and believe that the partnership will enable us to continue delivering superior investment outcomes."

Head of investor sales at ION Analytics, Greg Fujii, adds: "We are delighted that Capital Generation Partners selected Backstop's RMS to enhance its fund evaluation and due diligence process. Our platform is multi-asset class capable and tailored to meet the needs of private and public investment strategies." ■

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SEC extends clearing rule compliance deadlines

The US Securities and Exchange Commission (SEC) has extended the compliance dates and provided temporary exemption for a rule related to clearing of US Treasury securities. The extension for Rule 17ad-22(e)(18)(iv)(A) and (B) under the Securities Exchange Act is to 31 December 2026 for eligible cash market transactions, and 30 June 2027 for eligible repo market transactions.

Under the rule, a covered clearing agency that provides CCP services for US Treasury securities must establish, implement, maintain, and enforce written policies and procedures designed to require every direct participant to submit all eligible secondary market transactions to which it is a counterparty for clearance and settlement.

The rule also requires a covered clearing agency to identify and monitor its direct participants' submissions of transactions for clearing, including how the covered clearing agency would address a failure to submit transactions.

Additionally, the SEC temporarily exempted covered clearing agencies from Exchange Act Rule 17ad-22(e)(6)(i), which requires them to separate margin for a direct participant's proprietary US Treasury positions from margin for indirect participants using the direct participant's services.

Under this temporary exemption, a US Treasury securities-covered clearing agency is not required to enforce its written policies and procedures regarding the rule until 30 September 2025, instead of the original 31 March 2025 compliance date.

Mark Uyeda, acting chairman of the SEC, says: "This one-year extension provides additional time to implement and validate operational changes.

"Direct participants will also have more time to implement important risk management changes to comply with US Treasury-covered clearing agency rules.

"The commission stands ready to engage with market participants on issues associated with implementation."

If a direct participant of a US Treasury-covered clearing agency offers certain access models or segregated margin accounts, the covered clearing agency would be obligated to enforce those rules regarding such models or accounts against the relevant participant, and the direct participant must comply with those rules.

Following the announcement, trade association ISLA Americas comments: "The ISLA Americas community continues to engage with market participants, regulators, and industry stakeholders on these developments. We encourage discussions on how these changes will impact securities lending and broader market structure." ■

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Bloomberg launch Digital Asset Exposure Analytics

Bloomberg has launched Digital Asset Exposure Analytics, a solution that aims to make it easy for asset managers and banks to assess their direct and indirect exposure to cryptocurrencies.

The solution has been launched amid an increase of crypto assets being embedded in products like ETFs. The tool aims to provide transparency into how much or how little crypto exposure they have embedded within their portfolios.

The tool can assess a range of assets including spot currencies, futures, options, and equity tickers for companies with crypto activities, as well as funds holding these assets.

Zane Van Dusen, global head of risk and investment analytics products at Bloomberg, says: "We developed intuitive analytics building off our interoperable datasets so clients can quickly and confidently understand their degree of cryptocurrency exposure and adjust it to match their investment strategy." ■

image by tada_images/stock.adobe.com

SimCorp partners with LSEG

SimCorp has partnered with LSEG to incorporate Yield Book, LSEG's analytics platform, into the firm's risk management system.

Yield Book's securitised debt analytics will be integrated within SimCorp's Axioma risk management solution.

This will aid Axioma's risk models and portfolio construction capabilities, SimCorp says.

The partnership also brings access to securitised debt analytics for SimCorp's client base and builds on an already well-established collaboration between LSEG and the company.

Allen Zimmerman, managing director and head of Americas at SimCorp, comments: "This partnership extends the depth of our fixed income capabilities by leveraging Yield Book's prepayment models and analytics directly within our products to support the most sophisticated fixed income and multi-asset managers."

Emily Prince, group head of analytics at LSEG, adds: "We are delighted to broaden LSEG's partnership with SimCorp. The integration of Yield Book's fixed income analytics with Axioma Risk enables more clients with market-leading data, analytics, and risk management tools at their fingertips." ■

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Nambawan Super goes live with SmartStream's Air

Nambawan Super has gone live with SmartStream Technologies' Air application for AI data processing.

They hope that the Air application will "significantly improve data accuracy and operational efficiency."

Previously, Nambawan Super had been handling reconciliations manually.

Paul Sayer, CEO of Nambawan Super, states: "This automated solution addresses Nambawan Super's member contributions and reconciliations, enabling us to ensure timely and accurate payroll contributions for our members, whilst enhancing overall efficiency."

Radha Pillay, Regional Director APAC, SmartStream, added: "Our solution will bring a powerful combination of AI-driven data validation and SaaS scalability for Nambawan Super – who can now operate with greater efficiency and control." ■

ADX launches new market infrastructure

The Abu Dhabi Securities Exchange (ADX) has launched the new ADX Group market infrastructure, as well as two new subsidiaries Abu Dhabi Clear (AD Clear) and Abu Dhabi Central Securities Depository (AD CSD).

The launch is said to mark a milestone within Abu Dhabi's long-term economic vision, where the region intends to deepen its capital market through modern trading infrastructure and better liquidity.

ADX also hopes that the new market infrastructure will attract more investments into the UAE along with increased trading activities.

The exchange has also partened with Nasdaq to deliver a core platform upgrade in order to increase ADX's operational readiness.

H.E Ghannam Al Mazrouei, chairman of the ADX Group, comments: "With the launch of ADX Group, we are not just building a financial marketplace; we are shaping the future of investment in Abu Dhabi and contributing to long-term economic development of the UAE and in the region." ■

Rayls joins forces with LayerZero

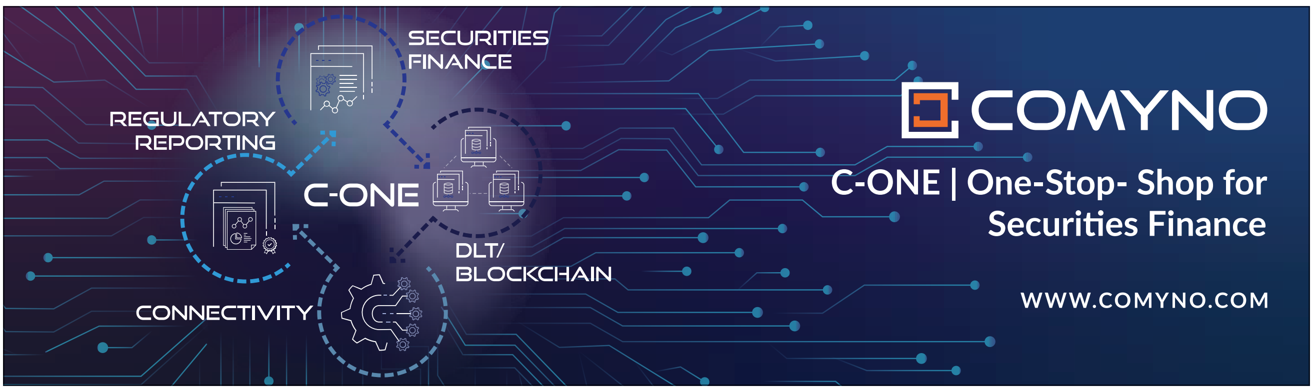
Rayls, an institutional blockchain ecosystem, has partnered with LayerZero, an interoperability protocol in crypto, to bring enhanced liquidity, security, and compliance to financial institutions engaged in cryptocurrency and tokenised deposits.

The collaboration intends to bridge the gap between traditional finance and decentralised finance by integrating LayerZero on Rayls.

This will connect Rayls to over 120 blockchain networks, which the company says will enable more secure asset transfers and real-time financial integration.

The partnership is further said to encourage institutional adoption of blockchain technology, while maintaining security and compliance standards.

"With this integration, we're making it possible for financial institutions to securely move assets across global networks, unlock new liquidity channels, and participate fully in the evolving world of DeFi," says Marcos Viriato, CEO and co-founder of Parfin, a developer of Rayls. ■



Opening eyes

Jack McRae sits down with Matthew Cheung, CEO of ipushpull and founder of Work in Fintech, to talk about how he is inspiring the next generation of talent

“Everything is about technology,” Matthew Cheung says. “Everything. If you don’t think it’s about technology, then you’re just looking everything the wrong way around.”

Cheung, the CEO of ipushpull and founder of Work in Fintech, is in a typically upbeat mood as we meet at his company’s office in the City of London.

Two weeks prior, I had attended one of his Work in Fintech summits, as Cheung embarks on an almost one-man-mission to help young people find work in one of the fastest growing spaces in the financial services industry.

“I’ve been working since I was 20, and in fintech for two decades, and over those years I’ve built a good network and I’ve always made an effort to keep in touch with people as well,” he explains. “I then thought I wanted to help my old school because it was not very good when I was there.”

Cheung was brought up in Littlehampton, on the English South Coast, by his Irish mother and Hong Konger father. “Both my parents were immigrants and are working class,” Cheung says. “They didn’t have any network of people to lean on, or really know anyone that could help me.”

From a young age, his imagination was captured by films such as Trading Places (1983) and Wall Street (1987), Cheung knew he wanted to become a trader. He would take his first steps on that path aged 15, when he spent time doing work experience at a local provincial stockbrokers, Laing & Crookshank.

“It was basically all these guys in their 60s and 70s who used to work in the City before moving to the coast,” Cheung remembers. “I kept in contact with those people, who helped mentor me. I ended up doing my A-Levels and got an E in economics.”

Despite finding his A-Level results amusing in hindsight, Cheung managed to get into City, University of London and studied for a bachelor’s degree in investment and financial risk management. After starting with no connections in finance, things were looking up for Cheung — until he was hit by personal tragedy.

“My mum died when I was at the end of the first year,” he says.

“I missed all the exams at the end of the first year and did them at the end of the summer. I managed to scrape by and then scrape through the rest of university. I was probably not in a great place, but knuckled down and got on with it.”

Not only was Cheung suffering in his personal life, but the momentum behind his career progression had slowed.

He explains how, “at university, there wasn’t really anyone guiding how to get into working or on a grad programme in a bank.

“I ended up getting my first job by going back to those old guys back in Worthing at Laing & Cruickshank.”

Returning to the South Coast from London may have felt like a step backwards, but Cheung’s luck eventually came in when his boss gave him a list of names to contact.

“I sent letters to all six of them, four of them didn’t give any response. One of them I called up and he goes, ‘Oh, you’re the kid who put the wrong name on the letter.’ And he put the phone down,” Cheung laughs. “But then the last guy I met around the corner from here for a coffee and we got on well. He said he didn’t have anything for me at that point, but we kept in touch.

“I then decided to go backpacking around Africa but the day before I left, he called me and asked, ‘how do you fancy working in investment management?' I said, 'That would be brilliant but there's only one problem; I'm leaving for Africa tomorrow.' He just replied that he would sort the job for me while I was away and it would be ready for when I am back. That was my first foot in the door."

Door to door

Cheung started working in the private wealth investment management company but was not enamoured by the work. His next role had him splitting his time between London and the Channel Islands — a place, Cheung says, that was quite boring for a young man in his 20s.

"Then 9/11 happened, and there were no jobs," he says of his decision to do a Master's degree which led to him becoming a futures trader and then an analyst at Refco.

"I'd sit in the middle of about 400 people on the trading floor. We had loads and loads of screens up and we'd be watching out for market moving news. Then when a piece of news broke, we would then grab a microphone and shout out the news and do some analysis on it," he says.

Working at Refco, Cheung was beginning to feel settled again — then the company was hit by scandal and the share price collapsed. "We were all just like, 'We're gonna be out of a job'.

"So me and this guy I was working on the desk with started going around to all these other trading shops and seeing if we could get a job with them." Cheung says. "I was probably on like a 30 grand salary at the time and so when we went into the first place we said we wanted a 50 grand salary and they said 'can you start on Monday?'.

"That was quite easy. So we went to the next place and asked for 100 grand and this and this and they said, 'can you start on Monday?' By the sixth company we asked for 250 grand each and a half million quid expense account before the guy was like, 'hang on, lads, I think you're taking the piss here.'"

Realising the acute demand for their skills and services, Cheung decided to start his own company, RANsquawk. "We were nearly profitable, like straight away," he says.

"There was a lot of demand for the service, and the costs were quite low to get set up."

Cheung's never-ending entrepreneurial spirit would not stop there either and, following a number of trips to the pub with a long-time friend, he had yet another idea.

"I used to meet up with this guy every now and then," Cheung says. "Each time we met he would show me the app he was building, and each time it got better and grew. He had kind of all these remote traders, and he wanted to be able to monitor their risk and what they were doing. Every six months, I'd see him and say keep going, keep improving. Eventually, I thought 'I think we could sell this.' And that's where ipushpull really started"

The growth area

Cheung has been CEO of the data analytics fintech firm ipushpull for close to a decade. After such extensive experience in the industry, particularly in technology, Cheung now wants to give back.

He explains: "I started by going to my [old school,] I helped with CVs and mock interviews but it felt like it was more just going through the motions.

"When Covid-19 hit and there were these year groups who didn't have the chance to have work experience like I had had, I set up a work experience programme for kids in that year group who were interested."

These sessions started online, with two virtual talks every week, and Cheung got 12 people from across the fintech space to offer insight and answer questions asked by a group of 14 and 15 year olds.

What has he learnt about the new generation of talent?

"I know a lot of people who think you need to go and get a job at Goldman Sachs or J.P. Morgan or BlackRock and all these big names and if you don't, you're a failure," he says.

"But the chance of you getting a job at Goldman Sachs is pretty slim.

"A lot of students will be just focused on passing their course or thinking about getting a job at Goldman Sachs. It's like, no, forget about that. There are all these things happening that are going to completely change the world.

"There are 27,000 fintech companies in the world, and all of them are growing, and all of them are hiring. But when you talk to students, how many fintechs could they name? Maybe like ten?"

Cheung's main message to these students is clear: "If you're interested in finance, look at fintech. That's where all the action is happening. That is where the growth area is."

He points to how, because the banking industry has been in existence for close to half a century, it will not grow at a rapid rate.

Instead, Cheung says, young people should look to "working in a growing fintech company in a growing fintech sector". He emphasises that "we're at a very interesting point, with what's going on with technology at the moment, because it's going to change very, very rapidly."

He explains that his aim is "trying to make it less opaque for them. The name fintech itself can mean many different subsets of fintech, and so I set up this work experience programme to help show them the number of opportunities out there."

Has he had success? "In that group of about 15, only a few of them had thought about going to university. Now, all but one of them are in university and the one who isn't did an apprenticeship and is on his way to earning his accounting qualification.

"We do this because we love doing it and we're passionate about it, but it is only a few of us doing it. I want to get Work in Fintech to a point where we can get enough funding to hire a few people to work on it full time," Cheung replies.

How far can Work in Fintech grow? "It would be nice to do it nationally and do more things at schools as well. You want to open people's eyes to opportunities as young as possible," he smiles.

Thinking bigger

"I see all these young people that are applying for jobs, and they're just getting 'no, no, no, no, no', because they're applying for the wrong jobs, most of the time," Cheung says. "Obviously, you want an ideal job. Everyone does, right? But you need to start somewhere. And if you're sure of yourself, then you will prove yourself very quickly wherever you go and work."

The perfect first job is achieved by a fraction of new graduates and Cheung is determined to prove that this is not a bad thing.

"Having a mentor is so important, even if it is just a friend or an auntie or uncle, or someone in the industry who is older and wiser, to guide you through that longer term view"

Rather, he wants to encourage young people to use their first job as a chance to take risks and try something new.

"People are living longer and longer and if you're 20, you could have 60 years of work ahead of you. Is this job you're gonna get when you come straight out of uni really gonna make any difference whatsoever in a period of 60 years? No, not really. You have just got to start working somewhere," he insists.

Cheung has spent decades in the financial industry and wishes he had had more guidance and mentorship to lead him. That is why he is so determined to offer that support to an emerging, diverse group of talent leaving school eager to enter the financial world.

"You have got to think for the longer term. I wish I had someone to guide me a little bit better. Having a mentor is so important, even if it is just a friend or an auntie or uncle, or someone in the industry who is older and wiser to guide you through that longer term view," he says.

As he began, Cheung is determined to make it clear to his students that everything is about technology and says that it is so important for young people to attach themselves to the 'rocket-ship' that is fintech.

Above all, though, Cheung adds finally: "When you're young, you can take as much risk as you want because everything that doesn't work out is all building into your knowledge. You can't afford to take as many risks if you have a kid or a mortgage. Take all the risks when you're young. Think bigger." ■

Firing the starting pistol on T+1

On 20 February, the UK Accelerated Settlement Taskforce held an industry event to kickstart the move to a shorter settlement cycle

Jack McRae reports

"This is day one of our journey to T+1," Andrew Douglas announced to the attendees gathered at KPMG's offices in Canary Wharf as the chair of the UK Accelerated Settlement Taskforce (AST) welcomed a new era in financial services at their industry event.

"It has been a long time coming, we have been talking about this for two years now," Douglas continues. "I hope today we will make some progress towards everyone having a common understanding of what this transition means."

The industry event, held on 20 February, comes off the back of 11 October 2027 being confirmed as the day the UK will settle securities on a T+1 settlement cycle by the AST and the UK Government.

The UK's Chancellor of the Exchequer, Rachel Reeves, had confirmed the date in a meeting with members of J.P. Morgan, Blackrock, Abrdn, Morgan Stanley, Goldman Sachs, Citi, Fidelity, and Schroders the previous day. She said: "I am determined to go further and faster to drive growth and put more money into people's pockets through our Plan for Change. Speeding up the settlement of trades makes our financial markets more efficient and internationally competitive."

Similarly, Emma Reynolds, Economic Secretary to the Treasury, said she would "strongly encourage everyone to read the report thoroughly and use it as a basis to begin your planning and budgeting processes in 2025.

"Moving to T+1 is the right thing to do, and, dare I say it, an exciting time for the financial markets."

Douglas welcomed the government's backing but pointed to how the industry now needs to support each other to help achieve this switch. "It sounds like it is miles away, but trust me, it isn't. I remember calling Charlie Geffen two years ago about the Taskforce and that feels like yesterday," Douglas recalled. "I want nothing to happen on 11 October 2025, because we would have already done the work. It will just be like flicking a switch."

With work already underway to prepare for the monumental shift, Douglas explained that a survey produced by Value Exchange has revealed that 51 per cent of the 150 respondents had already started work on getting ready for T+1.

A statistic that offers a stark warning. "If you haven't started, you are now in the minority and you have got some catching up to do," Douglas said. "If you're in the 49 per cent you need to be asking why haven't we started on this? The window closes very rapidly. You've got kids, you know those three years will go very quickly."

The report

The AST has established an implementation plan for the industry to help get firms ready for the moment that lightswitch is flicked to a shorter settlement cycle.

The taskforce has produced 12 'critical' actions that must be implemented as soon as possible to help ensure readiness. If the UK is to have as smooth a transition as possible, firms must make steps towards meeting these critical measures.

These critical actions are divided into different areas; scope, settlement, financial market infrastructures (FMI), static data, and securities financing transactions.

Under 'scope', critical action 'Zero A' states that the treasury should amend UK CSDR to set the scope of T+1. 'Zero B' requires UK trading venues to amend their rulebooks to reflect the scope of T+1 and 'Zero C' demands that all trading parties must comply with the T+1 obligation.

Under 'settlement', 'SETT 01' states that All allocation and confirmation processing, where carried out, will be completed as soon as reasonably practicable and electronically using a recognised industry standard and corresponding data dictionary by 31 December 2026.

'SETT 02' says that all settlement instruction submissions to the central securities depository (CSD) will be completed as soon as is reasonably practicable before the T+1 switch. Meanwhile, 'SETT 03' says policies and procedures for allocations, confirmations and settlement instructions will be put in place by market participants to ensure they meet the deadlines.

For FMIs, 'FMI 01a' calls for system and process reviews before 31 December 2025.

The report states: "All FMIs, including their third-party providers where appropriate, and Swift, will review all existing procedures, policies, operating frameworks, and technology to ensure that there are no unexpected barriers to T+1, for example in their platform coding."

‘FMI 01b’ says that all parties will communicate any proposed updates to their users and implement identified updates as required by 31 December 2026.

‘FMI 02’ focuses on the EUI’s CREST modernisation project and the AST recommends changes that benefit operational efficiency and resilience should be prioritised and implemented before T+1, where feasible.

For ‘static settlement’, ‘STAT 01’ says that “all market participants will implement the core principles and templates contained in the Financial Markets Standard Board’s (FMSB) Standard for Sharing of SSIs” by 31 December 2026.

Finally, under ‘securities financing transactions’, ‘SFT 01’ calls for the automation of stock lending recalls and ‘SFT 02’ says that there will be a market cut off for stock lending recalls.

These must be completed by 31 December 2026 and 11 October 2027 (and then ongoing), respectively.

These 12 critical actions have been established by the AST in order to try and ensure the industry can settle securities on a shorter cycle by 11 October 2027. The importance of meeting these actions is underscored by the Financial Conduct Authority (FCA).

Speaking at the AST industry event, Mark Francis, interim director of wholesale markets sell side at the FCA, stressed: “If there is only one message I would like you all to take away today is that you should start thinking now and put a plan in place as soon as possible to move to T+1 by the deadline.

“Firms must plan and prepare early for the move to T+1. Firms should not wait until 2027 to put in place relevant changes. Firms must start planning and putting plans into action from now.”

Onto a good thing

“A shift to T+1 marks an important shift in its financial market infrastructure,” James Maxfield begins.

The chief product officer of the data automation company Duco welcomes the benefits a move could bring in terms of reduced counterparty risk and enhanced market efficiency, he believes that “it also introduces significant operational and liquidity challenges that must be addressed well in advance by UK firms.

“The UK should look to learn from the challenges that North America has faced in their own shift to a shorter settlement cycle at the end of May 2024. In the UK and Europe, market structures are more fragmented and complex and a priority must be to ensure collateral mobility and cash efficiency.”

Maxfield continues to stress the importance of automation in the preparation for T+1. He points to North America’s own shift as an example to learn from. “In the US, many firms relied on additional headcount rather than technology upgrades to meet the new T+1 deadlines.

“This is an unsustainable approach for firms in the long-term as it increases their costs, and the UK and EU must take note of this and prioritise trade process automation to avoid this,” he says.

Chris Biddick, managing director of transfer agency at Bravura, explains that “we all know T+1 isn’t a near-term reality for the funds industry. But, the decision to settle the underlying securities on a T+1 basis does create a strong case for change.

“I believe the legislators are doing the right thing by helping to maintain the UK’s competitive position and protecting the investor. So, we need to find a way for fund managers to transition whole fund ranges to T+2 quickly and efficiently to avoid issues like funding gaps, which could be costly to the industry, and investors.”

Biddick believes that the industry must embrace a DLT-based future and make steps towards digital evolution to ensure the shift to T+1 is smooth.

“Change is always hard, but firms should use this opportunity to enable their digital strategies and create the bridge they need to accommodate a DLT-based future,” he explains. “This means having a digital-first transfer agent to enable any change that comes through at low cost. It also means having one holistic view of all their client and investor transactions — one connection to all the different fund transaction networks.”

The underlying message across the industry is ‘start now’. Speakers at the AST industry event compared the event to the firing of a starter’s gun — the race has begun.

Biddick is no different in his sentiment. He adds: “These are all solutions that are available today and implementations aren’t as challenging as people think. Fundamentally, if you can reduce risk and cost, whilst getting more control over your liquidity then you are onto a good thing.” ■

Turning a new leaf

Clelia Frondaroli speaks to Kirsteen Harrison, sustainability director at Zumo, about the state of ESG within the crypto industry and the steps taken to decarbonise the sector

It is not easy being green, something Kirsteen Harrison as Zumo's sustainability director knows all too well.

"Just a few years ago, sustainability within the crypto space was quite an evolving field. Since then, I think it's moved on massively, and there's a lot more going on in the ecosystem now," she says, reflecting on the changes that have taken place over the course of her career.

One of these changes — the Markets in Crypto-Assets Regulation (MiCA) — intended to harmonise legislation for crypto-assets across the EU, which at the time of MiCA's implementation did not have a place within existing financial services regulation. A key aspect of MiCA has been its introduction of sustainability disclosure requirements, where crypto-asset service providers (CASPs) must disclose information surrounding adverse environmental impacts, including energy consumption, carbon emissions, and the use of renewable energy for crypto assets.

"By requiring sustainability disclosures, MiCA provides that level playing field where everybody's got to talk about what they're doing," affirms Harrison. "It certainly makes everybody sit up and take notice."

It is not just firms that have taken notice. Stefano Chierici, senior product manager, financial information at SIX, believes that the MiCA mandates have been a long time coming. With the industry clamouring for change and better regulation, he is confident MiCA's adoption "is sure to bring enhanced transparency to markets and a new level of investor protection."

However, whether Harrison believes the mandates have been the push the industry needs to place sustainability at the forefront of their operations, she still holds her reservations. "Although it's great to see sector-specific sustainability disclosures coming in," she muses, "there has been no precedent for doing that, and it remains to be seen if this will have positive outcomes. Hopefully it incentivises change within the sector."

Moving in the right direction

And yet, change has come. Innovations and new mechanisms have signalled the start of a positive, and perhaps a still little tentative, shift in the ways in which crypto sources its energy.

As Harrison outlines: "We've seen a lot of evolution in the sector and a maturation of the market. For example, there's been a lot of innovation in terms of how Bitcoin mining is powered, and how it can be used to balance grids."

The rise of these ventures, such as methane clearing and grid balancing (where, in times of high and low energy demand, mining operations can use the extra energy generated by power providers that might otherwise have been 'grounded' and gone to waste), are only some of the efforts the industry has implemented to decarbonise crypto mining.

Renewables, such as solar and hydroelectric power, have also played a major role in mitigating energy consumption, an area that Harrison believes crypto has an advantage over other sectors.

"Technologically, we know how to move to renewable electricity relatively easily. Compare this to other sectors, such as aviation, which are much more difficult to decarbonise."

Yet, being at the forefront of change has not come without added scrutiny and pressure.

Although crypto has the ability to evolve faster than many other sectors, Harrison is aware of how this might reflect on the sector, where "perhaps that also places a greater responsibility on us."

The nature of crypto consumption is also not all it seems. Although Bitcoin tends to dominate the debate surrounding the energy-intensive nature of crypto mining and rightly so, seeing as it accounts for around 80 per cent of cryptocurrency electricity consumption, "lots of blockchains or cryptocurrencies are not necessarily energy intensive," Harrison explains.

She continues, "Perhaps the best known example is Ethereum, which moved a couple of years ago from proof of work to proof of stake, and in the process, reduced its electricity consumption by over 99 per cent overnight." Although this process may be more difficult to replicate with a cryptocurrency such as Bitcoin, due to its decentralised and fungible structure, case studies such as Ethereum's provides what Harrison believes as "inspiration" for the sector.

Taking accountability

With all signs pointing towards a progressive and greener sector, is it right then for crypto to still be considered the enemy of sustainability, or is it time the public shed their misconceptions?

"I think we need to be positive and yet realistic. We're not there yet. We've got a long way still to go, but let's lead the way and show other sectors how it can be done"

"Certainly over the last few years, there has been a shift in perception, and perhaps a better understanding as to where electricity consumption comes in," says Harrison, where the rise of AI and the energy consumption that involves it have perhaps opened up new conversations about wider ecological impacts.

Yet, in an environment where crypto has, as Chierici puts it, "garnered a great deal of media attention over recent months, spotlighting the sector's lack of transparency," and with Columbia University naming energy consumption as crypto's "dirty little secret," it might be easy to believe that crypto's environmental impacts are still being actively concealed by the industry.

Harrison instead airs it out in the open: "There is no question that cryptocurrencies, and in particular Bitcoin, are a big consumer of electricity, and that is projected by the International Energy Agency to grow fairly significantly."

Rather, she understands that it is up to the intermediaries, CASPS, and trading platforms to make their own decisions and take responsibility, as to how they might tackle their carbon footprint.

"What we've been concentrating on at Zumo is: how do we take responsibility as a CASP? How do we calculate our own responsibility for that electricity consumption, and how do we fairly take account of that through the procurement of renewable electricity?"

Setting the precedent

So will the future of the sector ever be 100 per cent green?

Smiling as she answers, Harrison paints a hopeful, albeit still cautious, picture of what lies ahead: "The technical answer to that, for grid balancing reasons, is that it's very difficult to operate anything on 100 per cent renewables all the time.

"But I think within cryptocurrency, we've got a better chance than most other sectors of getting really, really close to it."

With sustainability now seen as "central" to how businesses work and operate, and where pledges to bettering the environment matter just as much to clients and investors as the executives that implement them, if the will of the crypto industry is on her side, for Harrison anything is possible.

"I think we need to be positive and yet realistic. We're not there yet. We've got a long way still to go, but let's lead the way and show other sectors how it can be done." ■

Kirsteen Harrison
Sustainability director
Zumo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Müller steps down as CEO of Eurex Clearing

Erik Müller, CEO of Eurex Clearing, has informed the supervisory board that he will not serve another three-year term after March 2025. After nearly three decades with the firm, Müller will leave Deutsche Börse Group by the end of 2025 to pursue new entrepreneurial opportunities.

He says: "It's been a great honour to help shape the successful development of Deutsche Börse Group and Eurex in different leadership roles. Thank you to all colleagues, clients, partners and regulators for your continued support."

Müller joined Deutsche Börse in 1997, taking over Group Treasury and Investor Relations after the IPO in 2001.

He then became a managing director for corporate strategy, and mergers & acquisitions.

Since 2013, he has been a member of the executive board of Eurex Clearing and a member of the Eurex Deutschland Management Board.

Additionally, Müller also serves on the board of the International Swaps and Derivatives Association (ISDA) and is a member of the Commodity Futures Trading Commission's (CFTC's) Global Markets Advisory Committee.

Thomas Book, executive board member for trading and clearing at Deutsche Börse Group, comments: "Over the last ten years, Erik Müller was a driving force in positioning Eurex as a true partner to the industry and natural home of the Euro with clients, regulators, central banks, and governments globally. We are grateful to him for his essential contribution and dedication to Eurex."

Stephan Leithner, CEO of Deutsche Börse Group, adds: "We thank Erik Müller for almost three decades of commitment to Deutsche Börse Group. His entrepreneurship and stakeholder focus helped position Eurex for future growth." ■

Shterk named Clearwater Analytics' Global Head of Alternatives

Yuriy Shterk has been appointed by Clearwater Analytics as global head of alternatives.

In this role, Shterk will lead Clearwater's global alternatives team, focusing on providing a front-to-back platform for clients expanding their alternative assets portfolios.

On his new team, Shterk says: "Our platform is a powerhouse for our clients, giving them the ability to simplify alternative asset complexity and gain a complete, accurate view of their comprehensive portfolios. With Clearwater, institutional investors have a partner committed to their success, and through our best-in-class platform, they can harness it to achieve their short and long-term growth objectives with confidence."

The appointment comes in response to growth in the alternative asset space and aims to facilitate company growth in private markets and derivatives.

With over 25 years of experience in the industry, Shterk joins from Allvue Systems where he had been serving as chief product officer.

Ogier make three partner promotions to Cayman funds team

Ogier has promoted three investment fund specialists to partners as the investment funds service provider looks to build upon its presence in the Cayman Islands.

Gemma Cowan, Jessica Crawford, and Graeme Loarridge have all received promotions in recognition of individual performance and their contribution to the firm's success, James Bergstrom, managing partner of the Cayman office, says.

He adds: “This is an exciting time for Ogier’s Investment Funds practice, which now includes more than 30 partners globally. These promotions reflect the tremendous growth of our team, which is a direct result of client demand for Ogier’s Cayman funds expertise.”

Cowan has focused on developing institutional client relationships for Ogier while Crawford is a member of the team’s private equity and emerging manager practices. Loarridge has become an adviser to Latin American managers.

InTick adds senior leadership hires to its advisory board

InTick, a derivatives blocking network, has welcomed Jamie Philip, Emanuel Kuce Radis, and Scott Harrison to its strategic advisory board.

Philip brings a wealth of cross-asset trading and leadership experience to the role, including in his 18-year tenure at J.P. Morgan, where he most recently served as EMEA head of future and options sales trading.

Radis joins InTick from Crosslake Technologies, where he currently acts as a consultant. His 20-year career saw him in numerous chief technology officer and chief product officer positions, especially within the FinTech and financial services sector.

Harrison’s current role as director of AI and analytics at Cognizant will serve the InTick advisory team well, as he holds a well-established expertise in using data to drive business value.

The appointments come as InTick prepares to launch to market, where Philip, Radis and Harrison will work alongside the InTick leadership team to support the firm’s development and growth.

Waystone selects Genesan

Waystone has selected Nithi Genesan as its new country head for Singapore.

Having joined the company in 2019 through the acquisition of Argus Global, Genesan has served as director of compliance for Waystone Compliance Solutions in Singapore since 2022.

Her selection marks the company’s bid to reinforce and expand Waystone’s presence in the APAC market. Genesan, in her new role, will be expected to grow compliance services in Hong Kong.

She comments: “For me, growth comes from continuous learning, tackling complex challenges, and making a meaningful impact within the team. I am excited to collaborate even more closely with our clients and industry partners to stay ahead of regulatory developments.”

Pervaiz Panjwani, chief product officer at Waystone, adds: “We are at an exciting stage in our APAC journey, and Nithi’s proven track record, strategic vision and deep expertise in regulatory compliance makes her the ideal person to lead our Singapore operations.” ■

Tait joins MarketAxess

MarketAxess has named Steve Tait as their newest senior leadership hire, joining the company as head of US dealer execution business. Tait joins the company from JPMorgan Chase, where he most recently served as head trader, risk manager and supervisor of their Credit Alog business. Having spent more than 26 years at the company, he brings a wealth of expertise in credit, electronic and retail trading to his newly created role.

Based in New York, Tait will be responsible for leading the business, primarily focusing on US credit products.

Ocorian appoints Watkis

Ocorian has named Simona Watkis as its new head of private client in the Cayman Islands.

She joins the firm PROVEN Wealth, where she had been serving as president and CEO. Previously, she was CEO at NCB Capital Markets.

Watkis says: "I'm looking forward to collaborating with colleagues across the Ocorian group, and expanding Ocorian's presence as a private client provider of choice in the Cayman Islands."

Arevshatian named at Zodia

Anoosh Arevshatian has entered a new position within Zodia Custody, transitioning from chief risk officer to chief product officer.

In her new role, Arevshatian will be responsible for supporting the team in scaling and expanding Zodia Custody's digital assets custody and wallet offerings.

This move will further enable the firm's clients to access a broader range of services within the digital asset space, where Arevshatian will support the delivery of solutions that help clients maximise their capital efficiency. ■