



Renminbi clearing is UK-bound

Standard Chartered and the Agricultural Bank of China (ABC) have signed a memorandum of understanding that cements a partnership to provide renminbi clearing services in the UK.

Through this agreement, financial institutions and corporates will be able to work with Standard Chartered UK and ABC UK to execute RMB transactions, and benefit from the advantages brought about from the internationalisation of the RMB.

"Building on its position as the world's largest FX centre, the availability of RMB clearing services in the UK will strengthen London's position as a leading offshore RMB centre," said a release from Standard Chartered.

It is hoped that the launch of clearing services in the UK will also pave the way for greater awareness and the development of more RMB related products and services in areas such as trade finance, global cash management, asset management, and bond settlement through improved efficiency in the London time zone.

Peter Sands, group CEO of Standard Chartered, said: "The strategic partnership with ABC is not only a win-win for both parties, but also an opportunity for us to collaborate and offer our respective clients with opportunities to leverage relevant expertise for growth. Today's MOU renewal offers both banks with unique opportunities to strengthen our value proposition and grow from strength to strength."

[readmore p2](#)

Euroclear and friends snip settlement cycle

Euroclear UK & Ireland, in cooperation with the London Stock Exchange, BATS Chi-X Europe, the Irish Stock Exchange and Turquoise, will shorten the standard securities settlement cycle for the Irish and UK capital markets to T+2 in October next year.

This is in advance of the anticipated deadline of 1 January 2015 in the proposed EU Central Securities Depositories Regulation (CSDR), which aims to harmonise EU securities settlement cycles. This industry-led initiative has the support of the Financial Conduct Authority and the Bank of England.

From 6 October 2014, securities transactions conducted by retail and institutional investors on all trading venues (stock exchanges and multi-lateral trading facilities) that currently settle on a T+3 basis in Euroclear UK & Ireland will settle on a T+2 basis.

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U.S. Bancorp Fund Services acquires Quintillion

U.S. Bancorp Fund Services, a subsidiary of US Bancorp has agreed to acquire Quintillion Limited, a full-service hedge fund administrator domiciled in Ireland.

Terrance Dolan, vice chairman of U.S. Bancorp wealth management and securities services, said: "This acquisition continues to showcase the long-term commitment of U.S. Bancorp to grow our securities services business. This enables us to enhance our European presence through additional talented resources, and complements our focus on the expansion and diversification of our alternative investment business."

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Renminbi clearing is UK-bound**Continued from page 1**

"London's position as a leading international financial centre is enhanced by the ability to offer onshore clearing services that allow 'on-demand' access to settle RMB denominated services within the London time zone; the opportunity to boost RMB liquidity in London could be used to fund large investment projects and support the development of other financial activities."

"We are proud to contribute to the strengthening of economic ties between the two nations, as the RMB continues to internationalise."

"ABC has the most extensive distribution network and abundant RMB funds and will inject sufficient RMB liquidity into the London market", said Zhang Yun, president of ABC bank.

"By integrating their respective strengths in network and funding, together, ABC and Standard Chartered will act as local RMB clearers, provide comprehensive trade, investment and financing services to market players in London, and support Chinese companies operating in UK with a package of cross-border financial solutions."

"The signing of this extended strategic cooperation agreement is another major move to foster a stronger partnership in which we will jointly build the London offshore RMB center and promote the cross-border use of RMB. Our aim is to further explore cooperation possibilities and achieve a win-win situation for ABC, Standard Chartered and our clients."

Euroclear and friends snip settlement cycle**Continued from page 1**

This means that the cash and securities components of a trade will be exchanged two days, rather than three days, after the trade. Over-the-counter (OTC) transactions are exempt from the mandatory T+2 settlement cycle.

John Trundle, CEO of Euroclear UK & Ireland,

said: "I am delighted that our stakeholders and regulators have accepted our offer to coordinate the implementation of this industry-wide development in the UK and Ireland."

"Euroclear UK & Ireland is working collaboratively with industry practitioners to address and mitigate risks associated with the move to a shorter settlement cycle in order to ensure a very smooth and coordinated transition."

Euroclear UK & Ireland already settles trades on a T+0 basis, provided both counterparties to the trade agree to the same settlement period.

Regulated trading venue transactions that settle in Euroclear Belgium, Euroclear France and Euroclear Nederland will also be settled on a T+2 basis from 6 October 2014.

U.S. Bancorp Fund Services acquires Quintillion**Continued from page 1**

The combined businesses will support \$832 billion in assets under administration for more than 2900 funds, including \$84 billion of alternative investment assets for investment managers.

Joe Redwine, president of U.S. Bancorp fund services, said: "This transaction allows us to expand our operations in Europe by adding a significant presence in Dublin, an important financial hub. We are pleased to have Quintillion join our team, and believe new and existing clients will benefit from a growing servicing partnership founded on providing strong technology solutions coupled with industry-leading expertise."

Credit Suisse is LuxCSD's first transfer agent

Credit Suisse Fund Services in Luxembourg has joined Luxembourg's CSD, as its first transfer agent.

More than 1500 investment fund share classes handled by Credit Suisse Fund Services in

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Luxembourg are now available for settlement in EUR central bank money.

"The migration to LuxCSD results in a series of benefits for investors in Credit Suisse investment funds, such as reduced settlement risk through direct access to central bank money. Thanks to LuxCSD's link to Clearstream's investment funds order routing platform, these funds are available to both domestic and international counterparties," said a statement.

In view of the implementation of TARGET2-Securities, LuxCSD will support Credit Suisse Fund Services to be best positioned for the growing demand from distributors/ investors to facilitate settlement through a T2S-based account.

Distributors of Credit Suisse funds will be able to consolidate settlement against domestic and cross-border counterparties on one single platform and benefit thanks to LuxCSD's link to Clearstream from both market models: the current (I)CSD/TA and the future T2S model.

Claude Metz, head of transfer agency at Credit Suisse Fund Services in Luxembourg, said: "With T2S approaching we expect an increasing demand from fund distributors to facilitate CSD settlement in order to benefit from T2S. The migration to LuxCSD ensures we are well positioned for a smooth transition to T2S - the future, harmonised settlement platform in Europe."

"We are pleased to welcome the first transfer agent using LuxCSD's fund issuance and settlement services. The migration of fund shares handled by Credit Suisse is a further milestone for LuxCSD in fulfilling its mandate to prepare the Luxembourg investment funds industry for the implementation of T2S and to ensure an easy transition for market participants," said Patrick Georg, LuxCSD's general manager.

Average daily volume of 7.4 million contracts at Eurex

Eurex recorded a year-on-year decline for contract volume on its international derivatives markets.

In November 2013, the international derivatives markets of Eurex Group recorded an average daily volume of 7.4 million contracts (November 2012: 7.5 million).

Of those, 4.9 million were Eurex Exchange contracts, and 2.5 million contracts were traded at the US-based International Securities Exchange (ISE). In total, 103.4 million contracts were traded at Eurex Exchange and 51.2 million at ISE.

At Eurex Exchange, the equity index derivatives segment totalled 43 million contracts (Novem-

ber 2012: 49.3 million). The future on the EURO STOXX 50 Index recorded 16.3 million contracts. The options on this blue chip index totalled 15.9 million contracts. Futures on the DAX index recorded 1.9 million contracts while the DAX options reached another 3.2 million contracts.

Eurex Exchange's interest rate derivatives segment totalled 34.4 million contracts (November 2012: 34.4 million). The Euro-Bund-Future reached 12.8 million, the Euro-Bobl-Future 9.9 million and the Euro-Schatz-Future 6 million.

Eurex Repo, which operates Swiss Franc Repo, Euro Repo and GC Pooling markets, reported in November 2013 for all Eurex Repo markets an average outstanding volume of €230.3 billion (November 2012: €226.4 billion).

The secured money market GC Pooling recorded an average outstanding volume of €160.5 billion (November 2012: €154.2 billion). The Euro Repo Market reached an average outstanding volume of €41.5 billion, an increase of 14 percent y-o-y. The Swiss Franc Repo market reached €28.3 billion.

Will financial services firms self-regulate? New report is gloomy

The financial services industry is failing to adopt voluntary standards that are crucial



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to rebuilding trust in banking, despite overwhelming support from those working in the sector, said a recent report.

Backing Market Forces, a report jointly commissioned by BSI, the UK National Standards Body, and the Chartered Institute for Securities & Investment (CISI), the professional body for securities and investment practitioners, argued that adopting voluntary standards, alongside regulation, could provide a "third way" between self-regulation and over regulation from government.

The study analysed how voluntary standards could play a greater role in rebuilding a safer and more trusted financial services sector. Findings show that decision makers overwhelmingly support the adoption of voluntary standards and believe such standards could help them navigate this highly regulated sector.

More than two thirds of those surveyed called for more standards in finance around people (78 percent), products (71 percent) and processes (69 percent), with the majority (54 percent) favouring their creation by the industry as opposed to the regulator (23 percent).

Around the world there are calls for more intensive regulation of financial services, yet regulation requires resources and changes the nature of, or even reduces, competition. The report

argued that voluntary standards markets, used widely in industries such as food and shipping, could be used more widely in financial services if regulators and legislators considered a 'third way' for financial services regulation. While standards are already used in financial services they appear to be a relatively low user when compared to other sectors.

Scott Steedman, director of standards at BSI, said: "Given the mounting pressure on the financial services sector, Alderman Michael Mainelli's excellent and timely report confirms that voluntary consensus standards could provide a valuable tool for the financial services community to share best practice in many areas of business, including products, processes and organisational development."

The report recommended better coordination of existing voluntary standards development, more evidence of voluntary standards markets' benefits and costs, and integration of voluntary standards with wider government policies.

The report also identified many areas where voluntary standards are currently lacking, such as in anti-money laundering, qualified investor rules, or fiduciary ratings.

Mellon and Northern Trust, are to use Calastone for automated re-registration.

As well as BNY Mellon and Northern Trust, which are both now live with the service, IFDS went live with its fully automated re-registration service later, while Capita went live this month.

Legal & General Investments has been operating this service since the summer, as a provider that administers its own funds.

The service, which complements the TeX initiative brought to the industry by the Tax Incentivised Savings Association, is now fully interoperable, with 82 percent of the fund manager market and 91 percent of platforms covered.

Among the platforms that are connected to the Calastone Transaction Network (CTN) are Novia, Transact and Axa Elevate. The global fund transaction network first launched its re-registration process in 2011.

The system has been continually updated for asset re-registration regardless of the message system of either the ceding or acquiring party, "which negates the argument that either platform or fund manager is responsible for holding up industry-wide re-registration," said Calastone's release.

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LGI previously ran a manual system. But it said through using Calastone, its clients can now either send or receive messages through any of the existing operating systems, be they FIX, Swift-enabled or manual.

Fund manager fees and T&Cs squabble continues

Research by Preqin suggests that nearly half of investors in infrastructure disagree or strongly disagree that fund managers' and investors' interests are properly aligned when it comes to fund terms and conditions. The figures are part of the November edition of Preqin's Infrastructure Spotlight.

The 49 percent who expressed fee dissatisfaction is significantly higher than for any other alternative asset class. By comparison, 36 percent of institutional investors in hedge funds, 33 percent of institutional investors in private equity, and 28 percent of institutional investors in private real estate funds disagree that fund manager and investor interests are properly aligned.

Despite investor demands that fund managers move away from the traditional 2 and 20 private equity fee structure, 61 percent of 2012/2013 vintage infrastructure funds charge an investment period management fee of two percent or more.

October positive for hedge fund inflows

Multi-strategy hedge fund flows outpaced all others in October while macro strategies continued to attract allocation, according to eVestment.

In October, investors allocated heavily to hedge funds for the fourth consecutive month. An estimated \$9.3 billion was added during the month totalling \$56.4 billion during the four-month streak. October's performance gains increased assets under management by an additional \$47.6 billion.

The estimated asset weighted performance of 1.74 percent is the industry's largest since December 2010. With \$2.802 trillion in assets under management, the industry is nearing its all-time pre-financial crisis peak.

Investor interest in equity hedge funds appears to have turned positive with another month of elevated inflows in October. After 24 months of negative investor sentiment, which appears to have ended in June, \$18.4 billion has been allocated in the ensuing four months, pushing 2013 flows into positive territory.

SGX to find home for orphan shares and dividends

Singapore Exchange (SGX) wants to locate 89,000 investors who own \$68.3 million in unclaimed shares and dividends.

These unclaimed assets comprise \$14.6 million of SingTel shares and dividends belonging to investors without central depository accounts.

The 15,000 individuals who own these shares bought them at \$2 each in the company's 1993 IPO. The shares have returned more than twice that amount since.

There are also \$53.7 million of dividends belonging to 74,000 investors who cannot be contacted. "Each year, thousands of shareholders do not cash their dividend cheques," said SGX in a statement, adding that unclaimed dividends are returned to the relevant listed companies after six years.

"Many listed companies pay sizeable dividends.

In the past 12 months, the 30 companies making up the Straits Times Index paid \$15.5 billion in dividends, equivalent to a 3 percent yield. We encourage investors to take advantage of SGX's direct crediting service which automatically deposits their dividends into their bank accounts," said Lynn Gaspar, head of retail investors at SGX.

To encourage investors to come forward during this initiative, SGX is waiving the administrative fee for the re-issuance of dividend cheques and dividend crediting until 26 January 2014.

To check if you own any unclaimed assets, go to www.sgx.com/mygateway



Relationship rules, okay?

Relationships, as my Darling Wife often reminds me, are funny old things, covering a huge range of formats, from fully monogamous to fully open, and every combination in-between. Depending upon requirements and necessities, they can be one-to-one, one-to-many or even a mix of both at different times.

From an asset servicing perspective (which I can assure you is much more interesting than my own), relationships occur at every level—from a bank to its ultimate shareholders, between a firm and the regulators, an entity and its suppliers, and the employees with their customers. At every stage of the corporate relationship spectrum, there are parallels with personal relationships that all parties ignore at their peril.

So what are those parallels, and what can we learn from them? Well, in the initial stages of any relationship (dating, if personal, or RFI or RFP if it's corporate), it's all too easy for the head to rule the heart and it's usually a good idea to take a step back and accept wise(r) counsel, be it from those agreed outside the relationship who can see it more clearly or those who have more experience in those matters (parents or friends, if personal, or a good consultant such as Knadel or Thomas Murray, if corporate).

Parameters for, ultimate aims and formal confirmation of the relationship should then be clearly defined and agreed between both parties (the signing of the wedding vows/SLAs).

Then—and this is a crucial part so do listen at the back—in order for a relationship to endure and thrive, both parties should accept that it is a dynamic, always-changing entity, so communication should be open, honest, regular and constructive. This way, any niggles can be dealt with before they come potentially relationship-breakers with the cost, reputational and emotional heartbreak that invariably brings.

For reasons of economic necessity in these cost-conscious times, many firms have done away with relationship managers, their eyes and ears on the market and conduit to the clients, and replaced them with target-driven salespeople who are much of the time set to 'transmit' and forget to 'receive'. Be it on a personal or corporate level, once the other party feels neglected and that they are simply 'part of the furniture' as opposed to 'part of the relationship', then that is the beginning of the end.

As ever, space constraints prevent me from expanding on this but I'd be delighted to hear any comments you may have on this or any other asset servicing-related subject. Drop me a line at paul@hornbychapman.com

Paul Chapman, managing director, HornbyChapman Ltd

Mandate Mangle



The investment management company of SachsenFonds Group has mandated **CACEIS** to provide depositary services for its Alternative Investment Funds. SF Institutional Invest GmbH manages real estate assets and development projects linked to renewable energies.

Jürgen Gobel, managing director of SachsenFonds, said: "CACEIS is an experienced partner in the closed-end fund industry and has available comprehensive know-how in those asset classes, which are important to us. CACEIS's experience with handling AIFMD compliance and the group's broad service offering for AIFs such as special funds has convinced us they have the qualities we seek."

Holger Sepp, co-head and member of the management board of CACEIS in Germany, said: "At CACEIS, we are committed, both in Germany and abroad, to delivering AIFMD compliant services to closed-ended funds and as such, we look forward to providing the level of servicing required to support SF Institutional Invest's innovative investment concepts. I believe our services provide a very close fit for the sophisticated requirements of SF Institutional Invest's business."

BNP Paribas Securities Services has confirmed a mandate from the European Bank for Reconstruction and Development (EBRD) to provide local custody, settlement, cash and foreign exchange services in Morocco.

BNP Paribas secured the mandate following a tender process. It was chosen based on its local tax regulatory expertise and client approach.

EBRD invests in emerging markets to support the development of competitive private sectors to foster open and democratic market economies. In Morocco, it is focused on raising liquidity via treasury products including cross currencies and others, in order to invest this liquidity back into local financial instruments.

Alessandro Gioffreda, head of Italy and the Mediterranean basin at BNP Paribas, said: "It is a good example of successful coordination within our organisation, whereby EBRD will benefit from multiple services, including ALM treasury. The deal also underpins our strategy to expand our direct custodial clearing model into key emerging markets, and puts us in great stead to secure further mandates in the region."

BNP Paribas Securities Services has also been mandated by Hwang Investment Management to provide services to four UCITS funds.

Hwang IM is the largest independent asset manager in Malaysia. It has appointed BNP Paribas for global custody around their flagship Asian Series portfolio, expected to launch in January 2014, as well as fund administration, transfer agency, investment risk and performance reporting and trustee services.

Hwang IM selected UCITS because of the ease of access to multiple markets created by the harmonised UCITS framework. Following a competitive tender, BNP Paribas secured the mandate based on its client-service framework through which it delivers its complete suite of investor services locally.

Distributors have access to trade services and local support during Asian working hours via BNP Paribas' Singapore window, while the bank's local team leads the client service relationship and can instruct other de-localised client-service teams on best practices for Asian clients.

Esther Thye, chief sales officer at Hwang IM, said: "We selected BNP Paribas based on their expertise in cross-border fund distribution. We believe their solutions would give us a competitive edge that would help to underpin our expansion plans in Asia and Europe."

Mostapha Tahiri, head of BNP Paribas Securities Services Singapore, who is also the bank's Asia head of asset and fund services, said that currently, around 24 percent of UCITS funds are distributed outside Europe, mainly in Asia.

"Hwang joins a growing number of South East Asian asset managers using our Singapore client window for a full suite of services including UCITS distribution support. Our local team of specialists work closely with their European counterparts to build a strong East-West industry knowledge base, and we look forward to helping Hwang IM to advance their distribution abroad."

FNZ, the custody services provider with £45 billion in assets under administration, has signed a strategic partnership agreement with securities depository Euroclear UK & Ireland (EUI).

Under the agreement, FNZ will integrate its fund settlement process with EUI to improve clearing counterparty protection for its customers and lower operating risk through improved end-to-end automation of the settlement process for managed funds. In the UK, FNZ powers the wealth platforms for a significant portion of the market including Standard Life, AXA, Zurich, Friends Life, Close Brothers, JPMorgan Asset Management and HSBC.

Christopher James, managing director of wealth services at FNZ, said: "This agreement transitions the UK fund market, in which FNZ is the leading provider of fund transaction and custody services in the platform sector, to the delivery-versus-payment model that has existed for many years in the North American fund market and for equities in the UK market. Our decision to house unit settlement and cash reconciliation with Euroclear significantly enhances the security and automation of the end-to-end process for our customers which are the leading UK platform providers."

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A genuine Asian model

AST discovers what it takes to service a fund in Vietnam

In October of this year, Ho Chi Minh City was home to the launch of the first UCITS-compliant, actively managed Vietnam equity fund. The fund is managed by Dragon Capital—one of the largest fund managers in the IndoChina market with around \$1 billion in assets under management.

Launched in September, it is the first actively managed UCITS-compliant equity fund that opens Vietnam's blue-chip companies to global investment.

Dominic Scriven, Dragon Capital's CEO, said at the time that it was an exciting period for the fast growing IndoChina region, and attributed its custodian BNP Paribas Securities Services as vital to the fund's aggressive regional and international expansion.

Following a competitive tender, BNP Paribas Securities Services designed and rolled-out a tailor-made fund solution including global custody, fund accounting, transfer agency and trustee services, for Dragon Capital's Vietnam fund.

The investment objective of the Dublin-domiciled fund is to seek medium- to long-term capital appreciation of its assets.

Mostapha Tahiri, head of BNP Paribas Securities Services Singapore, who is also the bank's Asia head of asset and fund services, says that the bank's solution for the fund is a "genuine" Asian model.

"We are supporting this Asian based asset manager with teams located in the region, and have designed a model for which client and distributors' support are all performed in Asia. Asset managers work with the BNP Paribas team in a local time zone and their investors are supported by a team who speaks their language."

Tahiri adds that the bank understands the diversity of Asia in terms of cultural, language, regulatory requirements as well as types of investors. As such, he claims, BNP Paribas is not replicating a foreign, 'one size fits all' model to Asia but building a genuine Asian model. This, he says, "is the only model which can help asset managers successfully navigate the complex Asian environment".

But there are other international players on the market that would disagree. In June of this year, Deutsche Bank became custodian, supervisory bank and fund administrator for Vietfund Management's Vietnam Bond Fund (VFMVFB), one of Vietnam's first open-ended funds.

The bank is also providing transfer agency services to the bond fund, which includes data processing of all applications subscriptions, redemptions and switches, as well as reporting services for VFMVFB.

Initially established as a joint-venture company between a British investment firm and Sacombank—a large commercial bank in Vietnam—Vietfund Management is now a leading fund management company in Vietnam with approximately \$200 million AUM.

Mrugank Paranjape, Asia Pacific head of trust and securities services and cash management for financial institutions in the global transaction banking business at Deutsche Bank, said at the time of the mandate win that it represented an important part of the bank's long-term growth strategy in the ASEAN region.

The bank's Ho Chi Minh City branch also celebrated an award a merit of excellence for its cooperation with Vietnam's State Securities Commission, in part for its contributions towards the establishment of accounting guidelines for Vietnam's open-ended funds.

The small point

The differences behind providing a mandate for Dragon Capital's fund, says Tahiri, come with the fact that the asset manager is based in Asia, with unique investment strategies. "This includes the ability to properly value the financial instruments used, provide the NAV early enough for investors and intermediaries in Asia to meet the fund cut-off, having an appropriate perspective in registering investors from different legal jurisdictions, and comprehensive and timely reporting to the asset

manager. It is also critical to be able to communicate and address any issues with the asset manager and their investors in a local time zone."

Samba Sivan, South Asia head of direct securities services at Deutsche Bank, says that there is one unique characteristic to consider when servicing a Vietnamese fund. "In Vietnam, the custodian also acts as a supervisory bank, which has a fiduciary responsibility towards the investors. Hence, strong knowledge of accounting and expertise in local regulations, as well as international practices, are necessary."

The two banks have different plans for their footprint in the region—though both are centred around growth. Tahiri says that BNP Paribas's strength in UCITS and other schemes will be helpful in supporting Asian asset managers growing internationally.

"Asian asset managers are able to expand their footprint out of their home country by leveraging on our advisory approach to global funds including UCITS, SIF and QIF expertise in Europe, locally Singapore and Hong Kong and to our RQFII fund model," he says. "We are able to support an asset manager's decision making process from business definition to fund distribution through analysis on market trends and dynamics, distribution practices, regulatory framework and through our proven operational model deployed in the target markets."

Sivan, meanwhile, says that Deutsche Bank's expansion plans centre around investment in staff. "Deutsche Bank has been very active and successful in the Vietnamese fund services market since 2007, especially with the open-ended funds since 2011, and the bank also played a key role in the development of the local fund accounting guidelines. We are committed to growing our direct securities services business in South Asia. Our strategy is to continue investing in our people and technology, while focusing on providing customised solutions tailored to our clients' needs in their home markets and beyond." **AST**

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The time is ripe

Representative action in Malaysia has served as the equivalent of class actions, but steps need to be made to ramp up vigilance

Malaysia's civil litigation system is largely based on the former English Rules of the Supreme Court. However, as the law of England and Wales has developed, Malaysia's is developing but at a lesser rate.

Representative action in Malaysia has served as the equivalent of class actions. Such actions are conducted according to Order 15 rule 12 of the Rules of the High Court 1980 and other rules which affect whether a case is thrown out are often invoked alongside it.

In 2008, Malaysia's Corporate Law Reform Committee acknowledged in its consultative document titled, "Members' Rights and Remedies" that Order 15 rule 12 possesses several flaws in the protection of minority shareholders and that class actions would also provide stronger accountability.

It stated that the opportunity to pool resources was likely to provide a better outcome for minority shareholders as the cost of bringing separate proceedings would be reduced and, in turn, increase the amount of compensation/damages obtainable.

Despite this evaluation, the Corporate Law Reform Committee decided against introducing a provision for class actions under the Malaysian companies Act 1965. The committee believed that 2008's new amendments concerning derivative actions would provide enough of a remedy to such issues for the time being.

It is fair to acknowledge Malaysia's gesture towards class actions and the court's awareness of the potential benefits of providing specific legislation in this area. Despite its current deferment, specific securities class action legislation may well be developed in the near future due to the globalisation of class actions which has stimulated activity in the Asia-Pacific region.

International legislatures are now developing

frameworks to allow non-US investors in shares listed on a non-US exchange, to pursue securities class actions in their courts. This is arguably as a result of the US Supreme Court's ruling in the Morrison v National Australia Bank case.

It ruled that US securities laws only apply to companies listed on US exchanges, wiping out the eligibility of what have become known as f-cubed actions. An f-cubed action involves a non-US shareholder suing a non-US company whose stock was purchased on a non-US exchange, and who is bringing a case in a US court.

Countries such as Australia, the Netherlands and Canada now have class action legislation firmly entrenched. Being able to participate in a class action within one's own jurisdiction is beneficial, however, it is just as important that investors and fiduciaries successfully monitor securities class action opportunities throughout the world.

Such vigilance would be advantageous for Malaysian investors as Malaysian investment portfolios often have an ample proportion of shares held abroad. In addition, Goal Group has recently reported that between 2000 and 2012, a failure by Malaysian investors to identify and participate in US securities class actions has resulted in over \$13.6 million being left unclaimed.

The globalisation of class actions has highlighted the fiduciary duty of fund managers and custodians to identify relevant securities class actions and ensure client participation, therefore enabling them to recoup some of their investment losses. In recent years, fiduciaries have been presented with a growing risk of being sued if they do not ensure their investors participate in relevant securities class actions across the globe.

Keeping track of the opportunities to make a claim, and the processes required to do so suc-

cessfully can appear a complicated and daunting task, however. Institutional investors have, in some cases, believed that the cost and time involved is likely to outweigh the benefits. Although this is often not true, it perhaps explains why nearly a quarter of claims that could be filed by entitled parties, are left unprocessed.

Specialist service providers can now automate the complex process of class action participation across international legislatures at a relatively low cost. On this basis, any argument that complexity, cost and time should be a reason for not making a claim would appear to be very weak indeed.

Goal Group has calculated that securities class action settlements for the Asia-Pacific market will reach \$3.435 billion by 2020 and Malaysian fiduciaries and investors must secure all possibilities to participate in relevant securities class actions despite the fact that its own domestic securities class actions legislation is not yet confirmed. **AST**



Jonatahan Hu
Director of sales and relationship management for APAC
Goal Group

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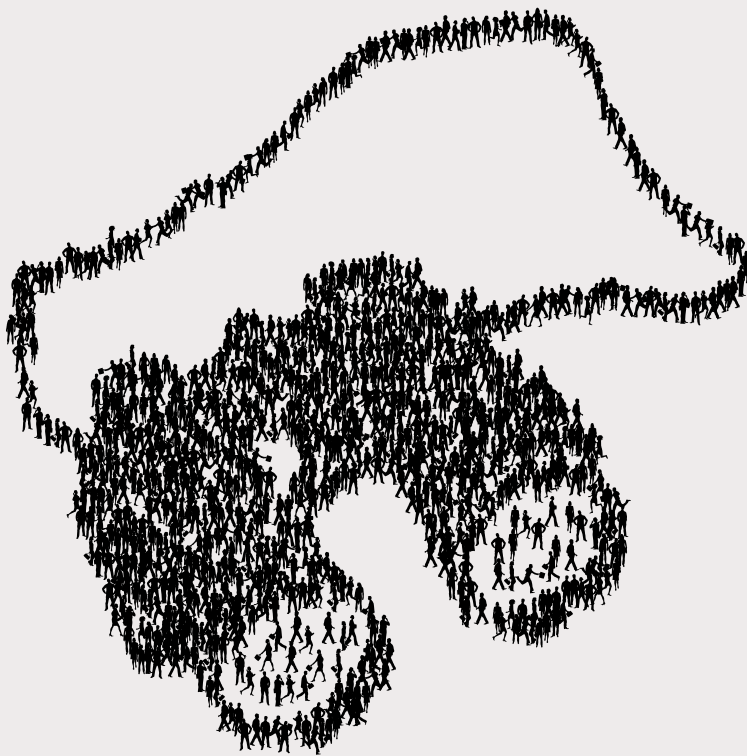
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Industry appointments

BNY Mellon has hired **Lars Hella** as head of depotbank services in Germany.

Based in Frankfurt, he will report to Laura Ahto, COO of investment services in Germany.

Hella joined BNY Mellon's German branch in July of this year and moves into his new role from the global securities operations area.

Hella has extensive industry experience of depotbanking in both Germany and Luxembourg, global custody, capital management companies (KAGs), fund accounting and fund administration.

He has previously held positions with the German consulting firm itechx, CACEIS and State Street.

BNY Mellon in Germany has depotbank volumes of €133.5 billion and asset under custody and/or administration of €607.3 billion.

Standard Chartered has created a new client-focused unit within its financial markets business to provide optimisation of pricing and execution, access to liquidity hubs, client clearing, and an array of portfolio services within the derivatives market.

Creation of the unit, said the bank, is an attempt to help clients meet the challenges brought about by global derivatives regulation and the resulting increased costs of operating in the OTC derivatives market.

The bank also appointed **Andrew Sterry** and **Luke Brereton** as co-heads of the unit, both of whom will report to Neh Thaker, global head of options trading and platforms.

Sterry and Brereton are based in London and Singapore.

Sterry was most recently European head of OTC clearing at Citigroup based in London,

where he led the interpretation of the impact of European regulation on clients.

Brereton also joined Standard Chartered from Citigroup in London, where he was European head of origination for Citi futures and OTC clearing.

First Names Group, the trust, fund and corporate services provider, has appointed **Tom Hardman** as its Associate Director in the firms Jersey office.

Hardman is both STEP qualified and on the STEP Jersey Committee. He will be responsible for managing a portfolio of clients and intermediaries in addition to supporting the group's organic growth objectives.

Previously, he worked for a leading investment consulting practice and in the trust department of a global bank before moving to First Names Group.

Mark Pesco, managing director of First Names in Jersey, said: "I am really pleased Hardman has come on board as an associate director. His background makes him the ideal person to add to our Jersey team and I am sure he will be a great asset to us as we continue to grow and expand our service offering."

Confluence, a provider of data solutions for the investment management industry, has hired **Jimmy Harrington** as a global sales account executive.

Harrington will be responsible for expanding Confluence's global market presence, particularly in the UK and Ireland.

Harrington previously held business development positions with Thomson Reuters and Ulster Bank in Dublin and Fiserv in the New York City area.

He most recently served as vice president of business development for Taxback.com,

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an entrepreneurial company specialising in online payment solutions for the K-12 and higher education market.

"The accelerated fund industry growth in Europe, increased regulatory scrutiny, and the need to operate more efficiently are creating new demand for data management and automation solutions," said Harrington. **AST**



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