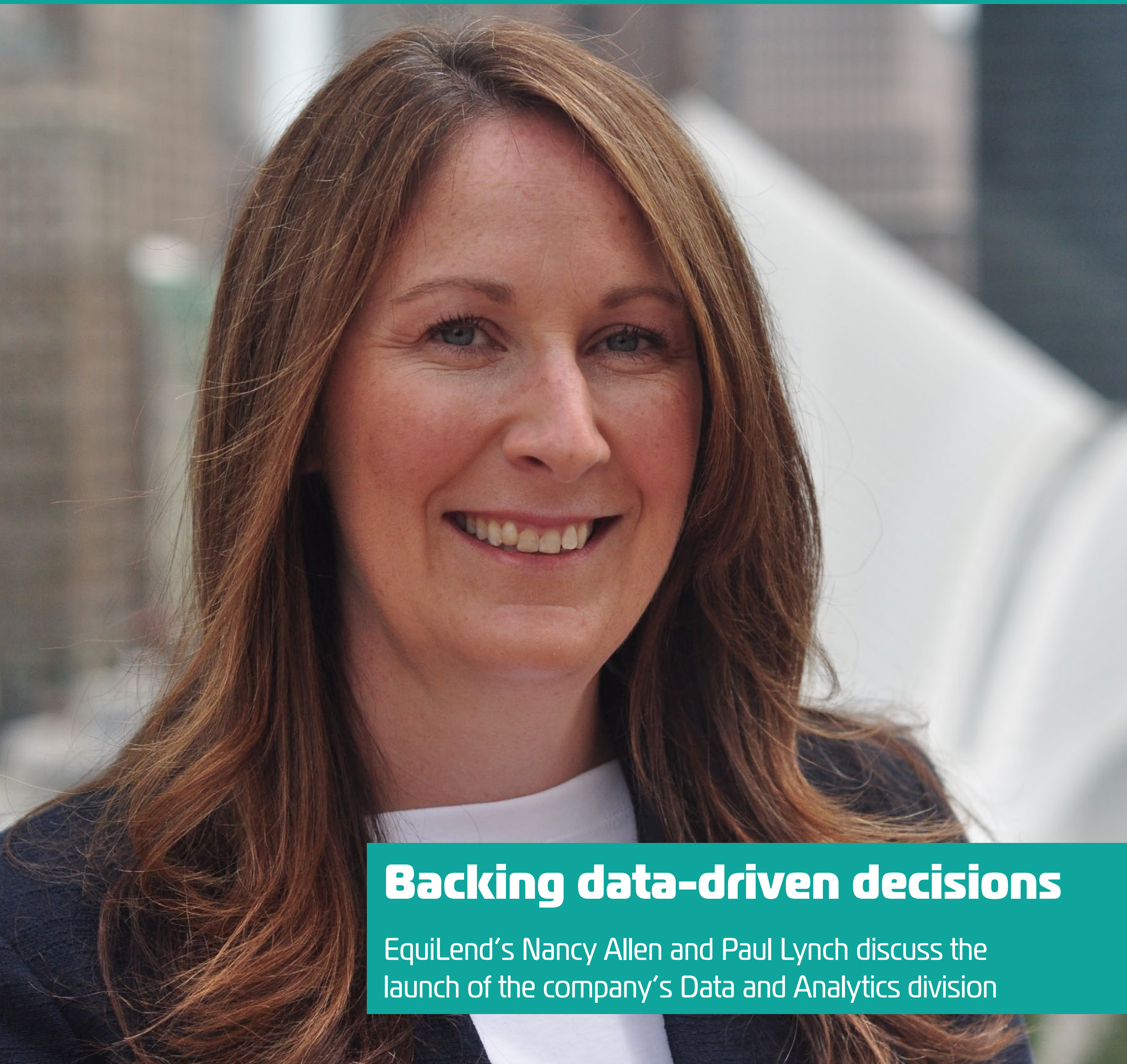
ISLA Daily

Day 1

29th Annual Securities Finance and Collateral Management Conference

Tuesday, 7th June



Backing data-driven decisions

EquiLend's Nancy Allen and Paul Lynch discuss the launch of the company's Data and Analytics division

ISLA publishes digital assets technology series | Global on-loan securities hit record €2.7tn in December | Eurex's cleared repo markets expand | ISLA Conference day 1 agenda

Trade associations invite bids to run CDM repository

The International Capital Markets Association (ICMA), International Securities Lending Association (ISLA) and the International Swaps and Derivatives Association (ISDA) have invited third-party organisations to submit proposals to provide an open-source repository for the Common Domain Model (CDM).

The CDM provides a common data representation of transaction events, offering a common template or set of fields that the industry will use to share trade information and other key data. This is a standardised, machine-readable blueprint for how financial products can be managed across the trade lifecycle.

A firm intending to submit a proposal to deliver the open-source repository must meet four specified requirements.

It must provide a repository for the open-source CDM which enables maintenance of the CDM code and open access for the CDM community.

It must support the growth and maintenance of the CDM community, enabling members to contribute to further development of the CDM project.

It must enable ICMA, ISLA and ISDA to validate governance of contributions to the CDM.

It must also promote and maintain awareness of the CDM within the financial services industry.

The deadline for firms to submit their proposals is 22:00 BST on 17 June 2022.

Last August, the three associations signed a memorandum of understanding (MoU) to guide their collaborative work in developing the CDM.

This MoU laid down a framework for collaboration between the industry associations, defining a model for joint governance, the use and development of open-source elements of the CDM, and related intellectual property considerations.

Legal opinion updates released for GMSLA and GMRA

The International Securities Lending Association (ISLA) has released the 2022 netting opinions that support the Global Master Securities Lending Agreement (GMSLA) for transfer of title-based securities lending transactions.

ISLA indicates that its 2022 legal opinions have been finalised through a joint venture with the International Capital Market Association (ICMA) and are available to ISLA members that subscribe to the ISLA netting opinions service.

Its Master Confirmation Annex (MCA), which was released in November 2021 to support the GMSLA suite of documentation, has been covered in five jurisdictions, namely England, France, Germany, Switzerland and the Netherlands. This MCA offers a standard framework and set of terms that can be employed for “non-standard” trades such as evergreens and extendables.

ICMA has also announced the publication of legal opinions which provide the foundation for use of the Global Master Repurchase Agreement (GMRA), the most widely employed legal agreement for international repo trades.

ICMA observes that financial regulators require securities finance transactions to be documented under robust written legal agreements like the GMRA, supported by legal opinions which are regularly updated, as a condition for recognising credit risk mitigation through exchange of collateral and use of close-out netting in calculating regulatory capital requirements.

It notes that these opinions provide ICMA members with exclusive access to a comprehensive body of legal guidance relating to the enforceability of the GMRA, and particularly GMRA netting provisions, in more than 60 jurisdictions.

European Commission launches consultation to improve WHT refund procedures for cross-border investors

The European Commission has launched a public consultation and impact assessment on a new EU framework for managing withholding tax (WHT) relief on dividend and income payments for cross-border investors.

The Commission indicates that existing mechanisms for managing WHT relief are slow, resource intensive and costly for both investors and tax authorities. This is the result of complex and divergent WHT procedures that prevail across EU Member States, which are impaired by a lack of standardisation and lack of digitalisation in processing WHT reclaims.

The result, according to the Commission, is that the high costs and complexity of WHT reclamation may drive non-resident taxpayers to forgo their right to apply for their entitlement under tax treaty benefits, thereby reducing their investment returns.

"[This prevalence of] inefficient, burdensome and costly procedures for the recovery of excess tax paid in a cross-border context discourages cross-border investment in the [European] Union," the Commission finds.

In attempting to address these shortcomings, the Commission is acting on the basis of Article 115 of the Treaty on the Functioning of the European Union (TEFU), which specifies that EU action in the field of direct taxation is "well-grounded in cases where the functioning of the internal market would be hampered by the persistence of uncoordinated national legislation".

Subject to the public consultation, the Commission will consider a range of policy options with the objective of making WHT relief procedures for cross-border investors more efficient and increasing the ability of tax administrations to target investors that abuse the rights granted under double taxation treaties (DTTs).

This will involve measures to make WHT refund procedures more efficient and transparent — including legislation to establish standardised EU forms and procedures for filing WHT refund claims across EU member states. Potentially, this will also require tax authorities to digitalise what are currently often paper-based relief procedures.

Second, this may involve the formation of a common EU relief-at-source system. This will apply the correct WHT rate, as specified in the DTT, at the time of payment by the securities issuer, thereby removing the need to process tax reclaims after the event.

Third, it will examine avenues for reporting beneficial owner information on an automated basis, strengthening the basis for cooperation and information sharing between tax authorities.

The publication consultation period will continue until 24 June 2022.

This work will dovetail with ongoing efforts by the European Securities and Markets Authority and other industry bodies to tackle fraud incurred in WHT relief claims, including losses to national tax authorities resulting from fraudulent cum-ex and cum-cum schemes.

Securities Finance Times published a comprehensive review of recent efforts by tax authorities to recover cum-ex losses in Issue 299, released on 29 March.

On 13 April, law firm Rahman Ravelli also published a summary of recent investigations and legal cases relating to cum-ex trading.

ISLA publishes digital assets technology series

The International Securities Lending Association (ISLA) has published explanatory papers exploring the digital assets technology space and its connection to the securities lending and financing markets.

In the series, a range of featured topics include smart contracts, the use of distributed ledgers and challenges in the blockchain, with upcoming editions covering cryptocurrencies, tokenisation and crypto-custody.

Digital assets is a broad term used to describe the multiple new forms of digital securities enabled by technological advances, says ISLA.

The Association aims to foster the right balance between innovation and ensuring financial stability and safety for market participants as technology innovation reshapes the way financial markets operate.

ISLA has also announced the launch of its Digital Assets Working Group, which will produce guidance for members considering

the digital assets space in relation to lending and collateral.

European Commission publishes proposal for CSDR review

The European Commission (EC) has published a proposal for the review of the Central Securities Depositories Regulation (CSDR).

As part of the Capital Markets Union Action Plan — a project launched to establish a true single market for capital across EU member states — the review aims to make securities settlements in the EU safer and more efficient.

Additionally, the proposal aims to facilitate CSDs' ability to offer cross-border services and improve their cross-border supervision.

In the review, amendments are required under the settlement discipline regime of CSDR, which states that settlement fails are not subject to the penalty mechanism in situations where "a settlement fail is caused by factors not attributable to the participants to the transaction or where a transaction does not involve two trading parties".

Furthermore, it specifies that cash penalties should be calculated either until the end of the buy-in process, if the Commission has adopted the relevant implementing act, or until the actual settlement date, whichever is earlier.

The proposal continues to amend matters relating to third-party CSDs, the passporting regime and banking-type ancillary services.

The International Securities Lending Association (ISLA) has announced that it will be reviewing the proposal within the Market Practice Steering Group and Regulatory Steering Group.

ISLA and ICMA release best practice guidelines after CSDR implementation

The International Securities Lending Association (ISLA) has published its CSDR Penalties Best Practice Guidelines for the cash penalty regime.

Its release comes as the much-anticipated Central Securities Depositories Regulation (CSDR) settlement discipline regime went live on 1 February.

The guidelines aim to assist market participants with the implementation of CSDR ensuring that penalties are fairly distributed and applied to the party at fault.

The ISLA Market Practice Steering Group have developed and validated the best practice guidelines which include: recommendations on timeframe and minimum threshold for claims, netting of claims, partialling, liability cap, sale notifications and collateral movements.

The International Capital Market Association (ICMA) has also released its guiding practices in relation to the CSDR implementation, to aid the bond and repo markets.

Many of the opportunities discussed in the paper are covered in existing best practices, in particular the European Repo and Collateral Council (ERCC) Guide to Best Practice in the European Repo Market.

Alongside the paper, the ERCC has published a compilation of best practice recommendations in support of settlement efficiency, extracted from the guide and endorsed by the ERCC Committee.

To accompany the package, the EC has also issued a chapeau communication and Q&As, as well as an impact assessment and a summary of the impact assessment.

Global on-loan securities hit record €2.7tn in December, says ISLA market report

The International Securities Lending Association (ISLA) has published its 16th Securities Lending Market Report.

This edition provides HSBC's perspective of the equity and fixed income markets over the past six months, alongside ISLA's commentary on the Securities Financing Transactions Regulation data reported to trade repositories.

Among the market highlights, the report finds that the securities available for loan in global securities lending markets hit a new high of €32 trillion in December 2021, an increase from €28 trillion seen six months prior in June 2021.

Aggregate securities on loan also rose to a record €2.7 trillion in December, up from €2.6 trillion in June.

For equities lending, securities on-loan topped €1.1 trillion, remaining consistent from its June 2021 figure. However, lendable assets reached €24 trillion in December 2021, an increase from €20 trillion in June 2021.

Trends from last year saw equity markets become 'bullish' on central bank policy and emerging markets face turbulence from COVID-19, which created event and directional opportunities for many in the lending market, according to the report.

Adnan Hussain, global head of securities lending at HSBC Markets & Securities Services, says: "As equity markets have risen to all-time highs, it has become easier for banks to fund trades within existing collateral sets, meaning many securities financing participants are now looking to pledge collateral further down the credit curve to facilitate a higher internal benefit."

Hussain notes that collateral providers have turned to American Depositary Receipts, exchange-traded funds, investment-grade and sub-investment grade credit, which have seen high volume and depth of issuance since the pandemic began.

In discussing SFTR data, ISLA states that SFTR is by no means a completed project with new schema and validation rules introduced this year.

As borrowers adjust to the changing prudential capital environment, a further expediential growth in pledge collateral arrangements is expected. In the latest period, both EU and UK trade repositories data suggests that the level of security interest transactions was between 13 per cent and 16 per cent in both markets.

ISLA's triparty member firms have also seen this pattern of growth in pledge collateral arrangements in the last year. Data tracked through the triparty members' own collateral management platforms suggest that security arrangements over collateral account for around 18 per cent, or approaching one in five, of all collateral transactions held in their systems.

Chris Rayner joins ISLA

The International Securities Lending Association (ISLA) has announced the appointment of Chris Rayner, who joins the organisation as a senior associate for market infrastructure and technology within the Regulation, Digital and Market Practice group.

Rayner joins ISLA to further bolster a number of digital and standardisation efforts across Europe with its members, fellow trade associations and industry stakeholders.

He will report to David Shone, director of market infrastructure and technology.

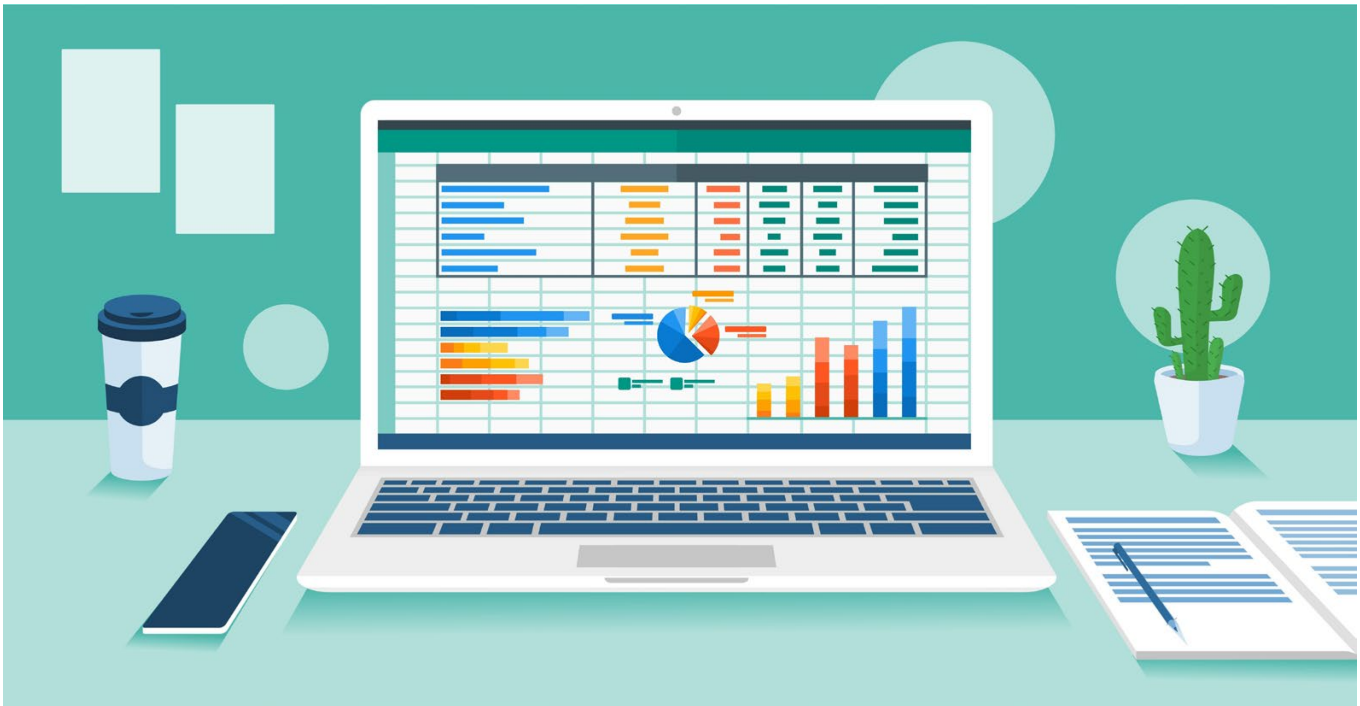
Based in the UK, Rayner will be responsible for supporting the Association's development of securities lending products within the Common Domain Model (CDM).

The CDM is a standard codified representation of transactions, events, agreements and processes, and is a key initiative to digitally transform the industry, says ISLA.

Rayner will also chair the CDM Working Group, which was formed from a subset of the ISLA Digital Steering Group.

Prior to joining ISLA, Rayner was a software engineer specialist at FIS and accomplished more than 25 years of experience in the financial services industry.

Commenting on the announcement, Shone says: "Hiring Chris represents the next stage in our commitment to the development of the CDM at ISLA. This hire will allow us to industrialise the process we followed for the MVP released last year, and maximise value for our members. As well as developing the model further in areas such as evergreens, Chris will be looking at practical ways to help our members begin to use the model, hopefully leading to the incubation of future contributions from our members."



Backing data-driven decisions

EquiLend's Nancy Allen and Paul Lynch speak to Bob Currie about the launch of the company's Data and Analytics division and opportunities this will create to apply data-driven intelligence to access liquidity and optimise return from securities financing transactions

EquiLend has established a new market data division, EquiLend Data & Analytics, formed in early 2022. The ambition for the New York-based company is to bring together previously disparate data capabilities for different components of the securities finance market into one single solution, delivering what it says is a unique and comprehensive data and analysis service for securities finance and beyond.

Data services and analytics are nothing new for EquiLend. In 2013, it formed its securities finance market data business, DataLend, and this has delivered trading analytics, real-time data access through Premium Pulse and its buy-side market data platform Orbisa, along with a range of performance reporting tools, customised analytics and consulting solutions crafted to clients' bespoke needs.

The formation of EquiLend Data & Analytics aims to bring together this broad set of data services under a single product umbrella, supported by a unified team structure and providing a centre for innovation as the company develops new data insights and analytics from these underlying data sets.

New direction

The service will be fronted by Nancy Allen, who has been global head of DataLend since 2016 and becomes global head of the new EquiLend Data and Analytics division. Allen explains that, through the Data & Analytics group, EquiLend is looking beyond traditional securities finance data to create a full package of market information, analytics, performance reporting and consulting services. "The aim is to not only help beneficial owners, broker-dealers, agency lenders and hedge funds to manage their securities lending and financing activities more effectively, but also to bring new insights to the broader marketplace," she says.

This new division draws on a wider range of data points across the full range of EquiLend's products and services. "The result is a stronger offering and more actionable insights for users across the EquiLend ecosystem," she says.

Allen anticipates that 2022 will be a transformational year for the Data and Analytics division. Building on volatility and momentum scores introduced in 2021, EquiLend will extend its portfolio of analytics services, including a new dynamic trading analytics solution that will enable clients to interface more efficiently with trading counterparties over NGT. It will also offer access to a deeper data pool, including the extension of post-trade, swaptimization and collateral services into the EquiLend analytics suite.

Responding to user demand for robust ESG data to support their sustainable lending and financing objectives, EquiLend introduced a new ESG product suite during 2022 which includes data validation and opportunity cost analysis. "We recognise that the needs of our clients are ever changing and we strive to provide them with the tools to make data-driven decisions," says Allen.

Data velocity

For Paul Lynch, EquiLend's global head of products, a priority during 2022 will be to increase the speed that EquiLend can deliver data to clients, particularly in cases where data provides time-sensitive insights to guide their forthcoming business decisions. The focus, notes Lynch, is on activity data in addition to executed data. "Clients want to move beyond rate comparison," he says. "They want to create models that forecast a rate needed to execute a trade. We want to provide our clients with the data points to create liquidity."

The company set this strategy in motion during 2021, when it extended its focus beyond performance analytics and anonymous league table performance comparisons to reinforcing clients' access to analytics linked to trading scenarios — "in other words, evaluating 'what you did versus what you could have done'," says Lynch.

During 2022, EquiLend will begin to roll out NGT Competitive Bid, with its Trading Analytics product to follow, offering analysis of

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Paul Lynch, *Global Head of Products, EquiLend*

clients' trading performance relative to the market. "EquiLend Data & Analytics is delivering insights to clients so they can optimise their opportunities," says Lynch.

Regulatory drivers

The new division will also play a key role in helping EquiLend clients to manage their regulatory adoption and reporting obligations. If enacted, the Securities and Exchange Commission's (SEC's) 10c-1 rule will require lenders of securities to report the material terms of securities lending transactions to a registered national securities association (RNSA). Allen notes that, although still relatively early in the design and consultation phase of SEC 10c-1, this regulation is likely to have a significant impact on EquiLend's client base and will potentially deliver a higher level of transparency to securities lending markets. EquiLend has two entities that are SEC-regulated and are members of the Financial Industry Regulatory Authority (FINRA), the one organisation that has so far been approved by the SEC as an RNSA. Consequently, EquiLend believes it will be well placed to act as a reporting agent should the proposed rule come into effect.

"Through our suite of trading, data, post-trade and books and records services, EquiLend has the technology to support intraday, end of day or T+1 reporting, leveraging our technology, which is already utilised by many participants in the securities lending market," says Allen.

"As a leading provider of data and analytics in the market, we also welcome the opportunity to incorporate the data to be made public through the proposed rule into our product suite," she adds.

In closing, Nancy Allen reports that the level of interaction and dialogue that EquiLend has had with its global clients has been increasing year after year. As more data becomes available, the company aims to create analytics which will help the market to manage their securities finance business more effectively based on data-driven decisions.

"We are working with the broader community to provide valuable insights used by portfolio managers and quantitative analysts to create strategies and identify trading signals," concludes Allen. "Our clients continue to use our data to identify and unlock opportunities to optimise returns."

"EquiLend is looking beyond traditional securities finance data to create a full package of market information, analytics, performance reporting and consulting services"

Nancy Allen, *Head of Data and Analytics, EquiLend*


Don't mind the gap
Our repo markets bridge liquidity gaps. More than 160 European financial institutions are currently active on our Repo, GC Pooling, HQLA^x and eTriParty markets. They benefit from trading opportunities with fully integrated clearing and settlement.
Architects of trusted markets
EUREX

The entry of pension funds into Eurex’s cleared repo markets creates a win-win situation

As the temporary central clearing exemption granted by the European Commission expires, Frank Odendall, Eurex’s head of securities financing, product and business development, finds that pension funds are voluntarily looking to CCP clearing for both mandatory and non-mandatory products, including repo

The next few years will mark a new era in the relationships between pension scheme arrangements (PSAs) and clearing houses, driven in most part by the forthcoming expiry of the temporary exemption from the obligation to centrally clear over-the-counter (OTC) derivatives transactions. In granting an exemption to PSAs, the European Commission recognised a range of structural issues that needed to be resolved before they could be brought into scope. As those issues come closer to resolution, numerous PSAs are pre-empting the expiry and voluntarily adopting clearing for both mandatory and non-mandatory products and asset classes, including repo.

Repo plays an integral role in the financial markets by linking participants who lend and borrow short-term against securities pledged as collateral, providing a key source of funding and a substitute for unsecured deposits. The special and general collateral segments enhance the utility of the repo market by providing a means of financing securities portfolios and a mechanism for sourcing valuable collateral, which is of critical importance given the level of quantitative easing.

In the bilateral market, PSAs have to maintain multiple bilateral relationships with a range of sell-side institutions, each with their own customised contractual commitments, and this is costly on several levels (see figure 1). It is time consuming and labour intensive to both establish and maintain these relationships, and repo transactions are often still negotiated by phone or fax. These types of relationships also make price discovery and regulatory reporting burdensome and costly, adding to this inefficiency.

Centrally cleared repo markets are a natural evolution of the bilateral markets, bringing new efficiencies for market participants with additional benefits for market stability. Eurex's ISA Direct clearing model for repo is the industry-leading solution for PSAs to enter the cleared repo market, whereby the PSA faces the clearing house directly but is supported by a clearing agent that covers the default fund contributions and default management obligations (see figure 2).

Cleared repos that are electronically executed via a multilateral trading, facility such as Eurex Repo, offer a range of advantages for PSA participants. Most importantly, PSAs can re-invest or raise cash for Variation Margin (VM) for Eurex-cleared OTC interest rate swaps (IRS) more efficiently and securely by accessing the Eurex Repo GC Pooling cash-driven repo market. In this paper, we explore some of the many use cases in more detail.

PSA perspective

PSAs are now live with Eurex's cleared repo offering, and actively place excess cash in the overnight and term cleared repo markets. Each PSA has established a panel of dealer banks and utilises the Eurex Repo F7 request for quote (RFQ) functionality (see Figure 3). The PSAs trade on the most competitive quote available from the panel banks. Based on feedback received, the rates are understood to be better than those achievable through money market funds and also usually better than the bilateral markets.

Figure 1. Pension Fund has bilateral repo trading relationships with multiple bank counterparties

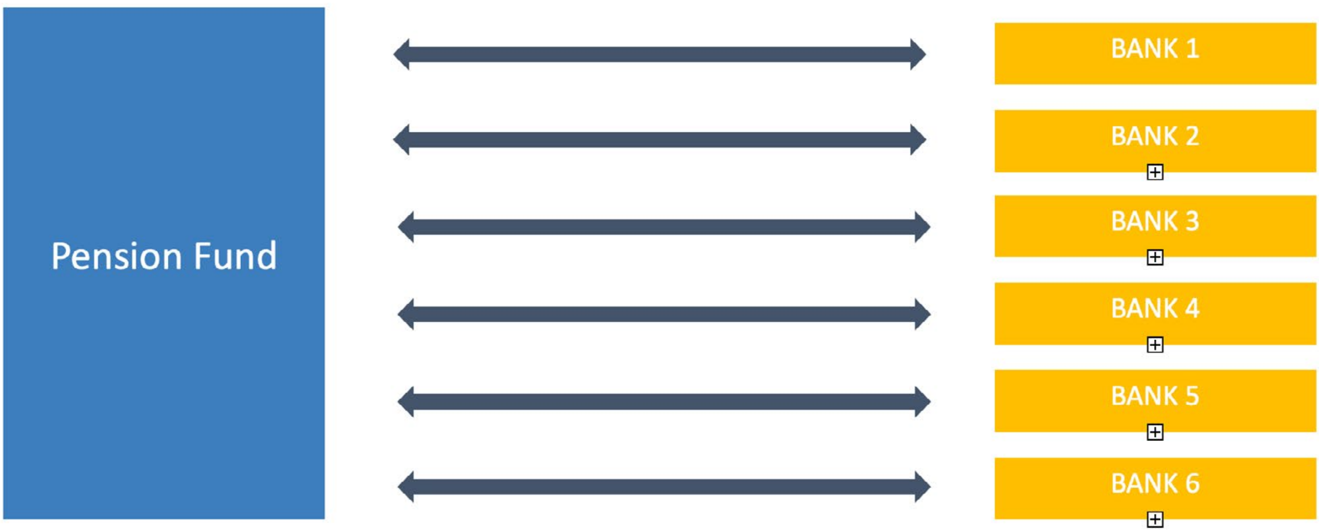


Figure 2. Eurex's ISA Direct Model

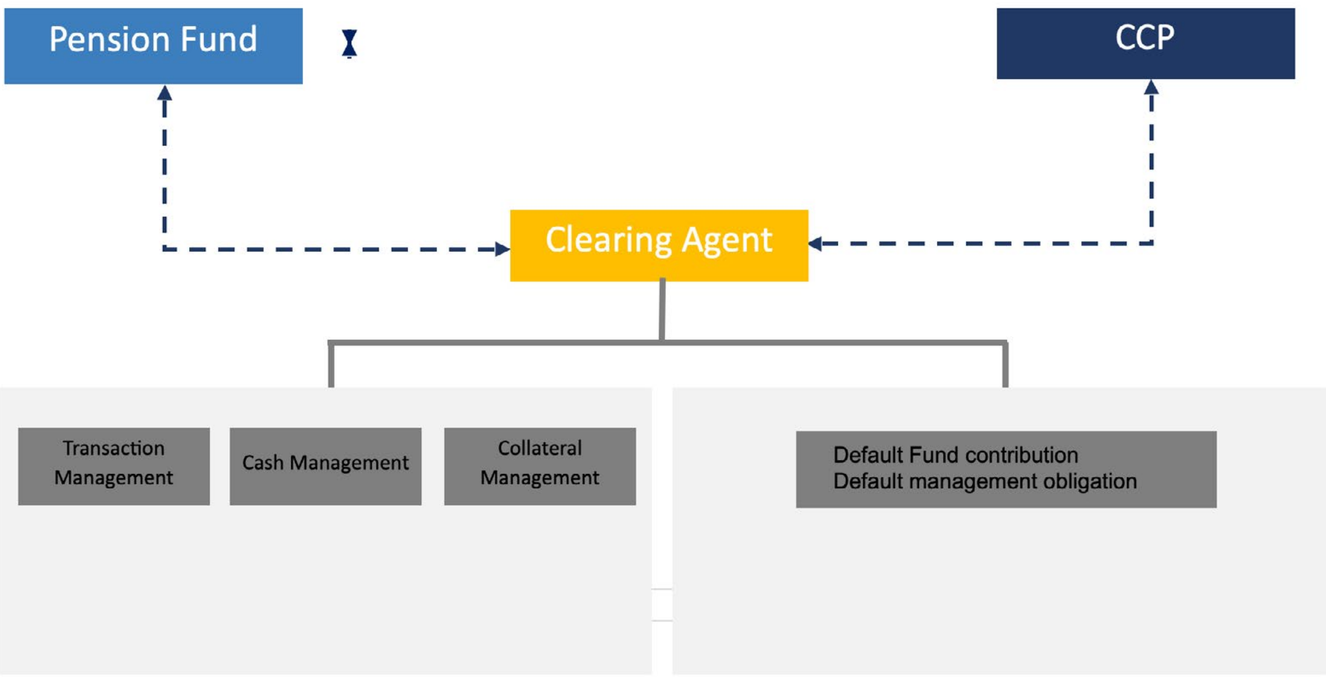
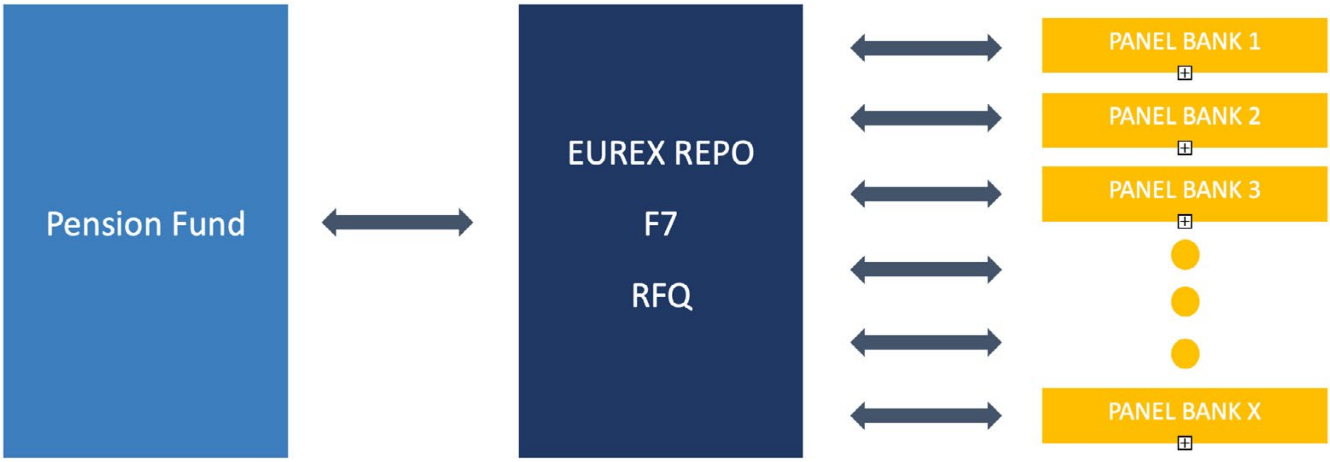


Figure 3. Pension Fund establishes a panel of banks



The key benefits for PSAs are summarised below:

- deep, pan-European liquidity pool means improved price discovery
- over 150 participants are registered with Eurex Repo, including commercial and central banks, and government financing agencies
- secure raising and placing of cash against more than 13,000 domestic and international securities
- centrally-cleared markets with proven liquidity in times of stress
- reduced indirect constraints from punitive bank capital requirements
- streamlined and efficient electronic processes
- standardisation of legal documentation
- greater control and flexibility to counterparty risk management across cleared and bilateral markets
- optimal management of margin funding requirements for cleared and uncleared derivatives

Figure 4: Dealer bank can raise cash from the pension fund and lend the cash in the interbank market and earn a spread.

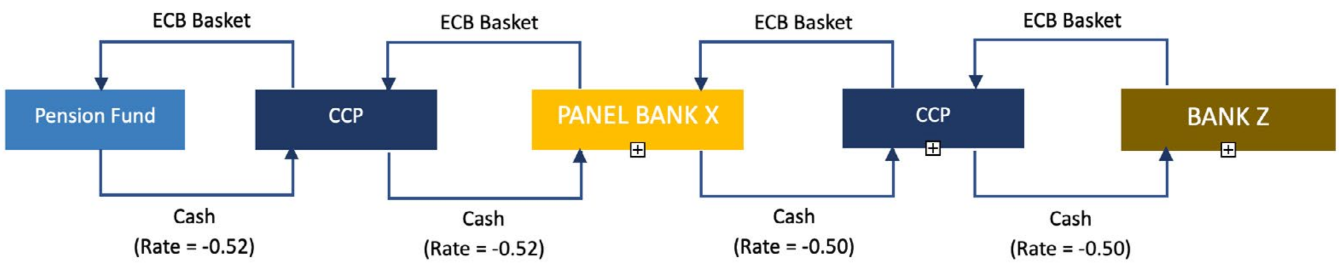
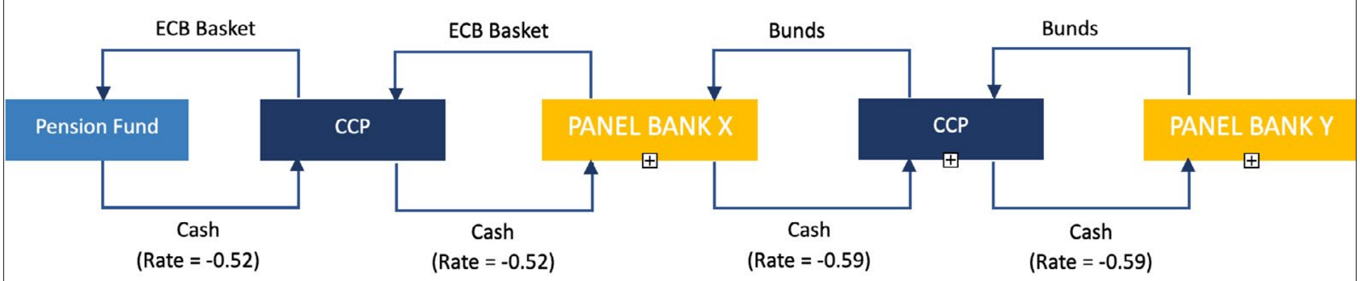


Figure 5: Dealer bank can raise cash from the Pension Fund and use the cash to fund its 'specials' trading.



Dealer perspective

Cleared repo markets in Europe have historically been the domain of banks that trade repo anonymously via the order book and the trade is subsequently novated to the clearing house. Feedback indicates that where a panel bank's response to the RFQ is successful, the bank borrows cash at a better rate (1-2bps cheaper) than achieved in the interbank market through the order book.

If the panel bank raises funding more cheaply than it can raise in the interbank market, it can immediately lend the cash in the interbank market and earn a spread as illustrated in Figure 4. Alternatively, the panel bank can use the cheap funding it raises from the Pension Fund to finance its 'specials' trading as illustrated in Figure 5.

The core advantage for the dealer bank in either the spread trading or the specials trading use cases is the ability to trade in a capital and balance sheet efficient manner. First, low risk weights (2 per cent) are applied to trades facing CCPs. Second, in both use cases the two cash legs for Panel Bank X are offsetting (i.e. nettable). However, there are several criteria that must be achieved before balance sheet netting can be applied under the accounting standards and prudential regulation. Eurex and Clearstream's integrated trading, clearing and settlement infrastructure is well-placed to help banks meet the stringent criteria under the standards, enabling them to achieve the maximum capital and balance sheet efficiencies available.

Summary

There are numerous benefits available to pension funds as they enter the clearing landscape, including enhanced liquidity, operational efficiencies, streamlined legal documentation and effective counterparty risk management.

The dealer bank community has also benefited substantially from the entry of pension funds into the clearing landscape. Aside from new trading opportunities, the entry of buy-side firms into the cleared environment enhances the ability to realise the valuable potential of multilateral netting and balance sheet netting not otherwise available in the bilateral environment.

The new era promises to deliver a win-win situation for all market participants.

09:15 - 09:30

Welcome Remarks

Andrew Dyson, Chief Executive Officer ISLA

09:30 - 10:15

Economic, Political & Regulatory Update

With inflation at its highest for several decades this session will look at the current macro-economic, political, and regulatory landscapes as the global economy continues to weather the waves of the COVID pandemic, post-Brexit consequences, and the impacts of the recent Ukraine-Russia conflict.

Speakers

Laura Douglas, Senior Associate Clifford Chance

Bertie Huet, SVP & Senior Partner, Deputy Managing Director FleishmanHillard

James Smith, Developed Market Economist ING

10:15 - 10:45

Opening Keynote Address

Franz Partsch, Director of the Treasury Department Oesterreichische Nationalbank (OeNB)

10:45 - 11:15

Networking Refreshment Break

11:15 - 12:15

Industry Leaders' Perspectives & Predictions

As opposed to closing this year's conference, and following on from the macro perspectives outlined earlier, senior figures from across the securities finance industry will continue to set the scene, sharing their experiences of 2022, and thoughts on the remainder of the year and beyond. How are their businesses adapting to the post-Brexit world where equivalence seems increasingly unlikely, and the economic and social recovery from the pandemic is demanding fresh thinking in many areas? What key business and client demands are driving their trading decisions and product roadmaps? Any predictions for the future?

Moderator

Andrew Dyson, Chief Executive Officer, ISLA

Speakers

Jon Atkins, Head of Alternative Financing, Agency Securities Finance, J.P. Morgan

Ernst Dolce, Head of Liquidity Solutions, AXA IM

Florian Huber, Head of Equity Financing Trading EMEA, Barclays

Gesa Johannsen, Global Head of Product Strategy for Clearance and Collateral Management Business, BNY Mellon

12:15 - 13:05

Industry Associations' Update: Working in Unison

Continuing the theme of updates, this panel will look at the aforementioned challenges and opportunities through the lens of fellow industry associations. Set against a backdrop of different regulatory and business priorities of their members, the various representatives will provide delegates with the opportunity to hear about key developments within adjacent markets, and how greater cross-market collaboration for standardisation, can drive efficiencies and help meet common objectives.

Moderator

Anna De Winton, Senior Manager, BNP Paribas

Speakers

Anna Kulik, Secretary General, European Central Securities Depositories Association (ECSDA)

Marcello Topa, Director, Market Policy and Strategy, EBF

Pablo Portugal, Managing Director, Advocacy, Association for Financial Markets in Europe (AFME)

13:05 - 14:30

Networking Lunch

14:30 - 15:00

Presentation - Turkish Capital Markets & Securities Lending

A general overview of the Turkish capital markets and an update on the work that ISLA has been leading on behalf of our members to better understand the specific regulatory and operational requirements for securities borrowing and lending. This is an ideal opportunity to hear directly from the policy makers in Türkiye on their plans to encourage greater participation in their markets from the international investment community.

Speakers

Ahmet Gökhan Arslan, Specialist Capital Markets Board of Türkiye

Güzhan Gülay, Executive Vice President Borsa İstanbul

15:00 - 16:00

Developing Securities Lending Markets: Looking to the East

The support for new markets and the search to unlock new liquidity is at the heart of our industry. Now a regular feature of the agenda, this session will explore some of the new and existing opportunities across developing and evolving securities lending markets, including the Middle East, Africa and China. The session will also explore how varied tools and techniques, such as pledge, are unlocking new liquidity in existing markets and how capital regimes such as Basel IV may reshape the way borrowers think about lending supply.

Moderator

Mark Jones, Head of Securities Finance, EMEA, Northern Trust

Speakers

Patrick Archenhold, Head of Securities Lending Trading, Morgan Stanley

Sarah Nicholson, Director, Consolo Ltd

Neil Mcleod, Head Group Treasury Markets Erste Group Bank AG

Ed Oliver, Managing Director, Product Development, eSecLending

16:00 - 16:30

Networking Refreshment Break

16:30 - 16:50 Sustainability & Investor Behaviour Through the Eyes of the UN PRI

The keynote address will focus on the role financial services industry, and in particular asset managers in the context of sustainability. It will explain the mission of the UN PRI and how it works to deliver on its objectives and overcome the challenges responsible investment presents. It will also explore the trends in the behaviour of the PRI signatories that include thousands of asset managers and asset owners of whom large numbers look to employ ever more sophisticated ways of incorporating ESG considerations into investment decisions.

Michal Bartek CFA, Senior Lead, Investment Practices, UN PRI

16:50 - 17:15 The Effect of ESG on the Global Equities Lending Market

It is well known that ESG has become an important factor in investment decision-making, but to what degree has it directly influenced the holdings of institutional investors and their engagement over proxy votes? What about the investment strategies of short-sellers? The presentation will aim to answer these questions with a unique empirical study of ESG's effect on the global equities lending market, combining equities lending, ESG, and proxy vote data to quantify the impact ESG has had on lending supply, short selling demand, and institutional engagement over proxy record dates.

Travis Whitmore, Vice President, State Street

17:15 - 17:55 Sustainability: The Catalyst for Positive Change

Our final panel of the opening day will once again look at our industry through the sustainability lens. Set against the pledges made at COP26 and as economies continue to emerge from COVID-induced hibernation, the role of sustainability will increasingly shape investment behaviours and desired outcomes. During the past twelve months, we have actively moved the ESG debate from a conceptually-based abstract discussion, to one of delivering real value to our members and wider industry stakeholders in the form of best practice. How we take this forward, and the challenges to align our industry with the wider sustainability agenda, will define much of the next decade.

Moderator

Nicholas Pfaff, Deputy CEO, Head of Sustainable Finance ICMA

Speakers

Tamara Cizeika, Counsel, Financial Services Regulatory Team (London), Allen & Overy LLP
Alexa Fater, CFA, Vice President, Securities Lending Product Strategy, BlackRock
Ilan Jacobs, Director, Head of ESG Policy, Regulation and Government, Affairs Citi

17:55 - 18:00 Closing Remarks

Jacqueline Waller, Senior Vice President – Head of Client Relationship Management – EMEA eSecLending





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