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Building for the future

CBA and Northern Trust trade Australia's first green repo

The Commonwealth Bank of Australia has completed its first green repo transaction, a A$50 million (US$36 million) trade conducted with Northern Trust.

This green repo trade represents an agreement to exchange general collateral for cash, with the cash raised in the transaction being allocated towards CBA's portfolio of green loans. This green repo trade has a tenure of one to 12 months.

Andrew Hincliffe, CBA's group executive for institutional banking and markets, says: "Building efficient, smart, green infrastructure is critical to creating the economy of tomorrow and advancing Australia's transition journey. Innovative financial products have a key role to play in this journey, allowing more capital to be directed to the assets that will drive the transition."

Leon Stavrou, Northern Trust country chief executive in Australia and New Zealand, says: "As the first of its kind in Australia, participation in the Green Repo product launch reinforces Northern Trust's commitment to sustainable investing and innovation."

Sean Kidney, CEO of the Climate Bond Initiative, says: "This latest transaction is embedding international best practice on standards in a new green product, a combination increasingly sought after by institutional investors.

"It opens another positive pathway for increasing capital flows into low carbon activities and transition solutions in the real economy."

Inside this issue

Wematch raises a further US$8.5 million

Wematch has confirmed the second close of a Series B funding round which has raised US$28 million in total.

Several new companies have become investors in Wematch through this second close, including Barclays and CE Innovation Capital.

Existing investor Societe Generale also participated in this second tranche, which closed on 3 December, raising a further US$8.5 million.

This Series B funding was led in October by DB1, the corporate venture capital arm of Deutsche Börse. JP Morgan, Augmentum Fintech and Illuminate Financial were among the other companies that have invested in Wematch in the first close of this Series B funding round.

Wematch indicates that these investors support the company's vision to help the capital market to adopt further digital solutions across markets globally and to apply this technology to internal and client-facing solutions.

It says that this Series B funding combines support from banking partners, a leading market structure and expert venture capital funds and will allow Wematch to deliver its promise to accelerate the digitalisation of the industry across all regions.

Barclays head of Delta1 trading for EMEA Spyros Varoutsis says: "By combining our [Barclays' and Wematch's] strengths, we can drive innovation and automation in trading technologies, bringing efficiencies for market participants and best-in-class trading solutions for our clients."

Societe Generale's deputy head of sales for global markets Albert Loo says: "Since the early days of our relationship, [the] Wematch team continually demonstrated its ability to deliver cutting-edge platforms and technology. Societe Generale naturally renews its trust through participating in the Series B and is delighted to welcome new investors to accelerate Wematch technology adoption across markets and participants."

Zheng Cui, partner at CE Innovation Capital, adds: "We believe Wematch's mission-critical technology solution, covering trade discovery to workflow and compliance, is the key to drive the digitalisation of the derivatives market. As a global fintech investor, we are excited to be part of Wematch's story."

Wematch CEO Joseph Seroussi says: "We are very excited in welcoming Barclays and CE Innovation Capital as new investors and very thankful for the continued support from Societe Generale."

UK regulators initiate review of banks' equity finance activities

UK financial regulators have written to banking organisations highlighting weaknesses in their equity finance businesses and pointing to significant cross-firm deficiencies that have become apparent in the wake of the default of Archegos Capital Management.

In a "Dear CEO" letter sent to selected banking institutions, UK financial supervisors indicate that it is "highly concerning" that lessons from the Global Financial Crisis have not been learned and that required changes to business and risk management procedures have not been

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Reflecting on losses of over US$10 billion sustained by bank equity finance and prime services divisions following the Archegos default — which has been analysed in detail in SFT Issue 284 and 289 — UK financial watchdogs point to a failure across banking organisations to manage risk across business units in a joined-up way.

This regulatory review is critical of ineffective and inconsistent margining approaches, particularly the use of static margining, applied to some client accounts.

Despite having well-established know-your-customer and financial crime policies in place, banks also failed to apply necessary rigour when evaluating reputational risk in new client relationships — and they failed to apply effective procedures to monitor and reassess these risks on an ongoing basis.

The letter, written by executive directors at the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), working in cooperation with the Bank of England and international financial regulators, says that these shortcomings are typically symptoms of a broader root cause.

These problems, according to the letter, often arise from a risk culture where frontline business executives fail to take accountability for risks within their organisations and where the independent risk management function within the organisation is given insufficient importance and status.

The Archegos default, it says, illustrates the need for firms to invest in their risk management systems and controls infrastructure. This also highlights the need for senior management to create and maintain an effective internal risk culture.

On the back of these findings, the joint letter requires senior management in banking organisations to conduct a systematic review of their equity finance arms and their associated risk management frameworks.

They must report the findings of this analysis, along with a detailed remediation plan where relevant, to the PRA and FCA by the end of Q1 2022.

The letter proposes that future remuneration of senior executives should be linked to the firm's performance in addressing these risk concerns and setting in place timely improvements.

This detailed internal review should focus on four primary areas: business strategy and organisation, onboarding and reputational risk; financial risk controls and governance; and liquidation and close out.

The risk controls and governance category has been subdivided to include documentation standards and contractual rights, margining strategy, ongoing due diligence and disclosures, and limit frameworks.

The joint letter is signed by PRA executive directors Nathanaël Benjamin and David Bailey, along with FCA executive director for financial markets Sarah Pritchard.

VERMEG launches software solution to connect European banks into ECMS

VERMEG, a software house covering banking, wealth and asset management and Insurance, releases software solution EASY Collateral by VERMEG.

The solution enables European Banks to be ready for connection and operation with the Eurosystem Collateral Management System (ECMS), which launches in November 2023.

Designed to replace the current structure operated by 19 central banks, ECMS is a unified system for managing assets used as collateral in Eurosystem credit operations.

As many banks rely on legacy systems, many of them will need to undertake software upgrades to ensure they can connect into the new ECMS. VERMEG's new modular software solution enables banks to do exactly that.

Comprising multiple components, such

as corporate actions, credit claims and new ISO 20022 messaging, banks can use the whole solution or pick up only the components that they need, depending on their requirements.

Khaled Ben Abdeljelil, senior vice president of product, VERMEG comments: “Our new software ‘EASY Collateral by VERMEG’ gives European banks the flexibility of a customised solution to upgrade their internal systems, with decision making support available once ECMS is live, to help them optimise their collateral management.

“As VERMEG was responsible for developing the software that underpins the new ECMS platform, combined with our expertise in collateral management and over 15 years’ experience working with key European central banks, we’re positioned to help European banks prepare their systems, and then support them on collateral allocation ongoing.”

Hg invests in Pirum

Hg, the software and services investor, has become joint owner of Pirum Systems.

With this investment, Hg will share control with Bowmark Capital, Pirum’s current major shareholder, which has invested in the company since 2019.

Pirum’s management team will also retain a significant shareholding in the business.

The terms of the transaction have not been publicly disclosed and are subject to regulatory approval.

Pirum chief executive Philip Morgan says: “This is a significant milestone in our journey, and is welcome news for everyone at Pirum. Together with Bowmark, Hg will actively support Pirum’s global expansion and investment in additional innovations, helping us to deliver further efficiency and productivity gains for our customers and broader industry ecosystem.”

Sebastien Briens, partner at Hg, says: "Hg invests in businesses that are champions in their field, with compelling long-term growth prospects underpinned by strong technological foundations and talented leadership teams.

"Pirum has all of these qualities and is a business we have tracked for many years through our capital markets technology focus."

Bowmark managing partner Julian Masters says: "We have known Pirum and its team for over a decade, and the business has achieved uninterrupted revenue and profit growth during this period.

"Pirum has a strong track record of product innovation and best-in-class services, which continuously enhance its propositions for collateralised markets. We are delighted to welcome a new partner in Hg, while continuing to work closely with the management team."

First euro repo cleared via sponsored clearing model on RepoClear SA

LCH has recorded its first euro-denominated repo transaction via its sponsored clearing model through RepoClear SA, its government bond cash and repo clearing service based in Paris.

The transaction was executed on Tradeweb by PGGM, a Netherlands-based pension fund service provider, on behalf of Dutch pension fund PFZW, with Societe Generale standing as clearing agent.

In August, LCH RepoClear extended its sponsored clearing model to include euro-denominated debt clearing at RepoClear SA. With this development, buy-side firms can now access repo clearing across 14 fixed income markets and two general collateral (GC) products, notably Term £GC and €GCPlus, providing clearing for UK gilt securities and ECB-eligible collateral debt securities.

Corentine Poilvet-Clediere, LCH SA head of RepoClear, collateral and liquidity, says: "The RepoClear Sponsored Clearing service for euro debt at LCH SA has opened up access for the buy-side to the largest pool of cleared repo liquidity in Europe. Providing direct access to deep and stable liquidity alleviates pressure on balance sheets whilst allowing further netting opportunities."

Poilvet-Clediere explains that during the first nine months of 2021, the clearing house's members cleared a record €175.4 trillion in nominal euro debt and €198.8 trillion in cash value, processed across RepoClear Ltd and SA.

PGGM senior investment manager Paul van de Moosdijk says: "We are pleased to be the first Sponsored Member to clear a euro repo trade at RepoClear SA. This initiative by LCH is important for the market as it provides buy-side members access to LCH RepoClear's liquidity pool, enabling better risk management, stability and operational efficiencies."

Societe Generale's managing director and global head of sales for prime services and clearing comments: "Further diversifying our repo clearing offering by sponsoring our clients into RepoClear SA's deep liquidity pool allows them to benefit from capacity, choice and safe risk management, whilst increasing our capacity to appropriately intermediate the cleared euro repo market.

"Through our support for sponsored members, we look forward to working with RepoClear SA to bring the benefits of clearing to the buy-side."

The extension of sponsored clearing at RepoClear SA builds on the sterling clearing offer available at RepoClear Ltd since 2017, with 27 funds now clearing sterling debt.

Clearstream's securities financing volumes grow in November

Clearstream announces year-on-year increase of global securities finance business in monthly business review.

The post-trade services provider has released its monthly figures, revealing a volume outstanding of €578.1 billion for November 2021, a 10 per cent increase from November 2020.

Year-to-date, volume outstanding for Clearstream's GSF business has grown two per cent to €544.1 billion when compared to the equivalent period for 2020.

Total securities deposits held with Clearstream's ICSD business have grown six per cent YoY to €7,546 billion for the month of November.

Total assets under custody held with Clearstream have increased 13 per cent YoY for November to €15,003 billion.

Andrew Geggus
Global head of agency lending
BNP Paribas Securities Services

Building for the future

Andrew Geggus, global head of agency lending at BNP Paribas Securities Services, speaks to Bob Currie about the advance of the bank's agency lending service, its global outlook and the role that will be played by technology in defining the sector's future

BNP Paribas is a Europe-based bank with strong global ambitions as it invests in the development of its agency securities lending product. Andrew Geggus returned from Hong Kong almost two years ago to take up a London-based opportunity as global head of agency lending at the Paris-headquartered global systemically important bank.

Since this time, the team has undergone restructuring and made a series of senior appointments designed to drive the expansion of the bank's agency lending activities. Graeme Perry, previously head of EMEA agency lending trading, has moved into a newly-created position focusing on global trading strategy and relationships for the agency lending business.

In mid-December, Vincent Andraud became head of securities lending product development and commercial solutions, a role that bridges both agency and principal lending solutions. This brings Andraud back to London, having spent the past eight years in Hong Kong as BNP Paribas' APAC head of principal lending.

The team also recruited Anthony McDonald 12 months ago from SEB to head the agency lending team for APAC, following the launch of its Hong Kong agency trading desk in November 2020.

Lastly, Adam Kings was promoted to head of trading for EMEA in the agency lending business, having previously been a senior trader since his recruitment from Citibank.

BNP Paribas now operates four agency lending trading desks worldwide, notably in Sydney, Hong Kong, London and New York, with client support managers based in multiple global locations.

"With the launch of our Hong Kong desk, we recognise how important it is to offer 24/5 follow-the-sun coverage and to provide on-the-ground support for our large community of Asia-based borrower counterparties and asset owners," he says. Backed by the balance sheet strength of BNP Paribas group, Geggus is confident that the foundations are now in place to support market-leading delivery in agency lending trading, client service and collateral management across EMEA, North America and APAC locations.

"With the launch of our Hong Kong desk, we recognise how important it is to offer 24/5 follow-the-sun coverage and to provide on-the-ground support for our large community of Asia-based borrower counterparties and asset owners"

Global mandates

The goal, Geggus explains, is to confirm BNP Paribas as a lending services provider that offers a dynamic European alternative to the large US global custodians. "We aim to consolidate our position as a top tier agent lender," he says.

Long marches often begin with small steps — and, for BNP Paribas, the approach is to break this growth project down into short-term priorities. According to Geggus, this position at the top can be attained, and retained, only by continuously advancing the agency lending product — and technology, along with excellence in client service, are key to delivering this requirement.

A primary advantage for BNP Paribas in being the custodian arm of a large Europe-based corporate and investment bank is that this yields a regular stream of technology enhancements — whether developed as a bespoke development for securities finance, or as a spin off from other business areas within the group.

To illustrate his point, Geggus points to the bank's proprietary agency securities lending trading platform, known as the Worldwide Engine for Agency Lending. This trading layer sits on top of BNP Paribas' operational lending platform, providing its trading teams with a consolidated front screen for trading.

"We have been developing this to act as a full one-stop in-house portal for all activities relating to agency lending, including trading, post-trade and client service activity. This is a priority for our development team and we believe it will provide a major advantage for our agency service over our competitors," he says.

Routes to market

In the securities finance world, the ability to offer both agency and principal lending is not unique, but it is far from universal. The key, Geggus explains, is to provide choice to customers, rather than just a single route to market.

The principal lending solution offers a guaranteed revenue over the lending period, alongside the relative simplicity — in terms of credit risk evaluation — and operational efficiency offered by facing a single counterparty, notably BNP Paribas.

While there is significant demand for a principal lending solution, BNP Paribas also offers an agency lending programme to lenders that value the additional flexibility, credit risk diversification and wider opportunities for revenue generation — and some may be restricted by their internal risk policies from concentrating their loan transactions with a single counterparty.

In parallel with this service, BNP Paribas launched its triparty collateral management solution in 2017 and has been progressively enhancing this since its release, most recently to accommodate collateralised note structures and synthetic securitisation.

BNP Paribas' entry has delivered additional choice to a previously concentrated triparty sector and extended the benefits of faster and more secure collateral movement and optimisation to its securities finance clients and other users.

Global reach

While, as a Europe-based financial services group, BNP Paribas' primary agency lending hub is located in EMEA, Geggus explains that its ambition is to build its revenue stream in the North America and APAC regions and to capitalise on revenue opportunities wherever these may be available worldwide.

On balance, Geggus explains that the securities lending markets are currently strong and in a healthy position, particularly given the challenges that have confronted the market over the past 24 months. In part, he notes, this resilience has been a consequence of changes to regulation and market practice, introduced since the global financial crisis of 2008, which have brought additional stability and efficiency to securities finance markets.

In the fixed income lending space, he describes the market as being "slow and steady" over the past 12 months. Spreads have remained narrow — given the abundant liquidity delivered by central bank emergency support measures during the pandemic — and traditional revenue opportunities through cross-currency transactions, or through collateral upgrades over key reporting dates, have been less prevalent than in pre-pandemic times.

One corresponding observation is that the high quality liquid asset (HQLA) market has become more nuanced over this period than was the case pre-pandemic. Given the huge issuance of US treasuries to support the government's COVID-19 emergency measures, borrowers have gravitated towards US treasuries in sourcing HQLA to meet bank capital and liquidity ratio requirements or for other high-grade collateral needs. "This highly-liquid US treasury market has provided borrowers with the opportunity to be more selective in the type of HQLA they will target through collateral upgrade transactions," says Geggus.

In this environment, lenders that have the flexibility, and the required risk appetite, to accept lower-grade collateral are giving themselves the opportunity to secure preferential lending rates and to access a wider range of borrower counterparties. This is nothing new — these are the fundamental principles against which collateral eligibility schedules are established. "But the opportunities available to lenders with wider collateral eligibility criteria become particularly apparent when there is so much liquidity available in fixed income lending markets," says Geggus.

For equities lending, some attractive revenue opportunities have become available associated with headline event-driven names — particularly in the US linked to IPOs and special-purpose acquisition companies — and this trend is expected to continue into 2022. There have been cautious signs of a return to "risk on" from certain hedge funds, particularly with single stock short demand increasing in certain securities. But beyond this, equity lending revenues have not yet fully recovered to pre-pandemic levels.

From an agency lending perspective, an ever-increasing percentage of these flows is routed via automated trading platforms. "The demand for operational efficiency is increasingly becoming a differentiating factor in terms of where borrowers source their loan supply," says Geggus, "with the expectation that their chosen service offers electronic trading, timely settlement and high STP flows with no breaks."

For lenders, the opportunity to optimise revenue remains important, but conversations are particularly geared around risk-adjusted return. The agent lender's task is to optimise the revenue that the lender can generate from its specified risk budget and the collateral schedule that it has in place. Clients do not wish to be taking additional risk without generating an increase in lending revenue to compensate them for that risk.

Programme development

In reflecting on the development of the agency lending programme, Geggus notes that BNP Paribas has seen inventory balances grow to record levels during 2021 and it has extended its service coverage into new markets, particularly in Asia.

"From a client perspective, we have had a healthy pipeline of new lenders for the past two years — and we expect this momentum to continue into Q1 2022 and beyond," he says. "In line with our global growth strategy, it is positive that this pipeline of new lenders is building across each of our EMEA, US and APAC business areas."

On the borrower side, Geggus indicates that BNP Paribas' trading desks are skilled at understanding the demand dynamics from the Street and in adding new borrowers. Graeme Perry has moved into a strategy role to develop this expertise. The aim is to maintain a wide list of borrowers, by region and function, recognising that this leaves the agency lending team best placed to position lenders' inventory and to capture any surges in niche demand.

Looking geographically, BNP Paribas offers a strong lending presence in APAC. "There is untapped potential in securities lending markets in Asia", Geggus says, with PASLA and the newly-formed Global Association of Securities Lending Associations doing important work in supporting the development of the market in the region. "We expect to see further liberalisation of market practice and regulation in China and other APAC securities lending markets into 2022 and beyond," he adds.

> *"From a client perspective, we have had a healthy pipeline of new lenders for the past two years — and we expect this momentum to continue into Q1 2022 and beyond"*

In opening new markets, his team has been keeping a watchful eye on emerging opportunities in the Middle East region. Saudi Arabia has been supporting securities lending transactions since the end of Q1 2021 and Taduwal and the Securities Depository Centre (Edaa) have approved a package of changes which extend access to the Saudi securities lending market, for both qualified and non-qualified investors, via an agent lender (for lenders) or via the broker or custodian (for borrowers).

From a product development standpoint, BNP Paribas has completed testing of its securities lending service via pledge and this is now available to clients, responding to continuing growth in demand to borrow via pledge arrangements rather than traditional transfer of title.

While there was a time when a lender could generate incremental revenue from lending via pledge, this opportunity for revenue pick up is narrowing over time. Notwithstanding, there is strong appetite from borrowers wishing to use pledge, as part of a wider suite of lending options, to manage their risk-weighted assets more efficiently and to bring greater flexibility to how they source their borrowing requirements.

For BNP Paribas, the launch of its Directed Agency Repo Lending Service (DARLS) in the US has been an important product release during 2021. This enables clients that are long cash to invest this into repo markets on a directed agency basis, with indemnification provided by the bank as repo agent. This provides an attractive option for clients that accept cash collateral and are seeking yield enhancement through cash reinvestment, as well as, more generally, for clients that wish to improve on the low interest rates paid on overnight bank deposits.

This service has been live in the US market for several months and is likely to be extended into other regions during 2022.

> *“This is not a simple topic and we are working with clients on a case-by-case basis to find effective solutions. In managing voting preferences and recalls, we can offer a large level of customisation through our proxy voting services”*

Future outlook

The future of agency lending is likely to be heavily driven by technology. “We expect the role of the securities lending agent to evolve substantially over time, driven by consistent technology advances,” says Geggus. “We are still at an early stage in our technology evolution and there is likely to be a lot more than can be delivered through innovation.”

Distributed-ledger technology, he says, is a case in point. To confirm this, Geggus reminds us that BNP Paribas was a strategic investor in HQLA^x’s latest Series B funding round in January 2021 which raised €14.4 million in new funding. BNP Paribas connected to the blockchain-based HQLA^x platform as triparty agent during 2021 to accelerate collateral mobility for its clients.

The past 24 months have also illustrated the centrality of sustainable finance and effective stewardship in shaping the investment decisions, and the post-trade requirements, of asset owners and asset managers.

“In helping asset owners and asset managers to manage their sustainable finance commitments, maintaining our partner approach is crucial,” says Geggus. The focus is particularly on screening collateral according to ESG-criteria and managing stock recalls for voting purposes.

“By nature the demands of clients are very personal in these areas and it is hard to establish a common standard across the industry for ESG,” he says. “This is not a simple topic and we are working with clients on a case-by-case basis to find effective solutions. In managing voting preferences and recalls, we can offer a large level of customisation through our proxy voting services.”

Regulatory adaptation is a constant focus in the investor services environment and Geggus points out that all this development work has been achieved while the agency lending team has been working to embed Securities Financing Transactions Regulation (SFTR) reporting into its programme activities in line with the 2020 SFTR live dates.

It is also important, he says, not to undervalue the achievement made by the agency lending team, and the industry more generally, in keeping securities finance markets fully operational during the pandemic. This involved adapting from a fully office-based trading environment — with the global agency lending trading business concentrated in four regional trading centres — to a fully remote trading environment within the space of a few days. This illustrates the adaptability and technical preparedness of the securities lending community.

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Navigating the twists and turns

Paul Solway, director and communications officer at PASLA, speaks to SFT about standout events during 2021, the focus of the Association's development activities and securities lending markets to watch during 2022

What were the standout events that most shaped the securities lending industry during 2021 from a PASLA perspective?

This has been a year in which bodies representing the global securities lending industry have become more coordinated and more focused on ESG.

As ESG continues to dominate the news and shape priorities for financial institutions, PASLA is proud to be at the forefront of the integration of securities lending with ESG principles. Alongside the Risk Management Association (RMA), we launched the Global Framework for ESG and Securities Lending (GFESL) in May this year. The aim of GFESL is to identify the touchpoints between ESG and securities lending and provide market participants with a framework for making decisions in those areas that align with their organisational ESG objectives.

On the back of GFESL, the five major securities lending associations globally came together to form the Global Alliance of Securities Lending Associations (GASLA). This Alliance aims to seek closer collaboration on global priorities for the industry — for example, to provide insight into ESG integration and advocate for the benefits of transparent and regulated short-selling to liquid and sustainable capital markets.

Another initiative we have been focusing on heavily this year is the standardisation of documentation. This led to PASLA entering into a new legal services arrangement with ISLA in relation to the development of the Global Master Securities Lending Agreement (GMSLA) suite of documents, which becomes effective in January 2022.

The new arrangement has been agreed by the Boards of the two Associations and will facilitate the support and development of future annexes and addendums identified as requisites for securities lending activity in Asia Pacific markets, with input from specialists from the region.

PASLA's purpose remains unchanged — to promote open, transparent and efficient securities lending across the Asia Pacific and a key priority is supporting the continued liberalisation of financial markets in mainland China, especially as it relates to hedging tools and securities lending. As foreign investment in Chinese markets reaches record highs, in spite of this year's volatility, our members and prospective members are very focused on this market.

What were the primary risks and points of inefficiency confronting your members coming into 2022? How well has the industry managed these challenges?

Many PASLA members are global banks and financial institutions across Asia Pacific. They continue to manage a balancing act with limited resources and time as they navigate multiple markets in different time zones, higher revenue targets, funding and balance sheet constraints, cost pressures and heightened local and global competition.

We have seen some of our members remaining in product offerings that are more plain vanilla with an appeal to the mass market. In contrast, some participants have concentrated in niche markets that help generate higher returns — such as China, for example, where we expect the greatest expansion.

There is no right or wrong answer to this as long as sound risk management is applied in the decision-making process. As an industry, though, it is important not to set too many thin margin or loss-making precedents as it is hard to reverse decisions that may have wider market ramifications than anticipated.

What has been top of PASLA's priority list in terms of regulatory engagement during 2021? And work through your member workstreams and working groups?

Top of the priority list for PASLA would be the launch of the ESG framework and the formation [of GASLA] with our global peers as a unified voice that represents the securities lending industry. Our work with the International Securities Lending Association (ISLA) to bring conformity to the legal documentation repository is also high on our agenda to ensure there is a coordinated industry approach to meet market needs.

> *"PASLA's purpose remains unchanged — to promote open, transparent and efficient securities lending across the Asia Pacific and a key priority is supporting the continued liberalisation of financial markets in mainland China"*

Despite the inability to travel and visit local regulators around the region, PASLA has continued to engage with regional exchanges. In Taiwan, we have seen the relaxation of some market rules to improve liquidity and activity. In Indonesia and the Philippines, PASLA has advocated and advised on local SBL exchange-driven platforms and short-selling regulations. In India, we have worked closely with market intermediaries to align with global standards by reducing previous tenure constraints for lending and borrowing contracts of 30 days to up to 12 months.

In China, PASLA has worked very closely with the Asia Securities Industry & Financial Markets Association (ASIFMA) to speak with Chinese regulators and exchanges on the utilisation of the recently available stock borrow facility via the Qualified Foreign Investor (QFI) channel. A number of initiatives are in the pipeline, including reporting of positions as well as creating a uniform interpretation of some rules that would disadvantage certain market participants. PASLA has also continued to work on the previous Connect reforms, but QFI reform outpaces that at this point.

A newly established PASLA Collateral Working Group has created a list of action points across each market to pursue advocacy and promote changes designed to encourage the use of local and global collateral in our region by interacting with exchanges and regulators. A good example of this is the gradual but important take up of Stock and Bond Connect listed securities as collateral, under a pledge structure. PASLA's other working groups have also delivered high quality webinars throughout the year on topics around ESG, collateral, China, technology and other market updates.

PASLA is committed to a more inclusive securities lending market and we were pleased to deliver a number of events on this topic during 2021. These included a virtual workshop on unconscious bias and an in-person get-together with PASLA members and market participants to officially kick off the PASLA Inclusion Network.

Which markets in the Asia-Pacific region offer strong opportunities as emerging and frontier securities lending markets? What steps are needed to develop these markets?

As mentioned previously, China has a number of initiatives in the pipeline and it will continue to generate strong opportunities in the years to come.

The Philippines working group at PASLA has continued to support the Philippines Stock Exchange (PSE) in addressing market concerns. One of the immediate priorities is the upcoming changes for short selling regulations to allow use of GMSLA and offshore collateral.

For Indonesia, the working group has assisted Bank Indonesia on its plans for introducing securities lending for Indonesian bonds.

PASLA is one of five regional trade associations to join GASLA in September. What are your objectives as a founder member?

GASLA provides a common voice for the global securities lending market, advocating for transparent and standardised practices that include the integration of ESG factors and the important digital evolution that supports efficient, liquid, and sustainable capital markets.

As a collective global voice for the securities lending industry, GASLA seeks to enable positive and impactful engagement with stakeholders, including regulators, policymakers, and standard-setting bodies in all regions. GASLA was formed with inclusivity as a core principle and welcomes securities lending and financial markets associations globally.

> *"China will be a top priority because of its size, progressive reforms and importance to our members. We will also be focusing on more emerging markets like the Philippines and Indonesia"*

Many regional issues are morphing into global issues as regulators collaborate more closely across jurisdictions and regions while industry participants are thinking, acting and executing more globally. With the formation of GASLA, the aim is to avoid replication across different regions. This serves as a platform for knowledge sharing around the pertinent issues affecting us globally, such as ESG.

What is top of PASLA's working agenda moving into 2022?

China will be a top priority because of its size, progressive reforms and importance to our members. We will also be focusing on more emerging markets like the Philippines and Indonesia by engaging local regulators and exchanges as they develop their securities lending frameworks and regulations.

ESG will remain at the centre of what we do. Working alongside our GASLA partners will enable us to support the ESG agenda more effectively for our member firms as the road ahead twists and turns, but ultimately becomes clearer.

Through a digital lens

Andrew Dyson, ISLA's chief executive, speaks to SFT about industry highlights during 2021, the focus of the Association's development activities and key lessons learnt over the past two years

What were the standout events that most shaped the securities lending industry during 2021?

As I look back on 2021, I think it will be remembered in several ways.

After what had seemed a benign end to 2020, and the expectation that 2021 would see a return to some sort of normality after the market excesses in the early part of 2020, the financial community was jolted out of any complacency with the events surrounding GameStop. Quite simply, retail investors trading as a swarm were able to influence the direction of travel of what had previously been an almost unheard-of retail-based underperforming stock. The questions that GameStop posed caused concern across the regulatory community, both here and in North America, and led directly to the Securities and Exchange Commission's (SEC's) consultation on transparency in securities financing transaction (SFT) markets that was published in November. The ability of retail investors to potentially shape market outcomes in this way will force the regulatory community to think in new and novel ways about how markets behave.

The second standout event for me was the decision taken in the latter part of the year by the European Commission (EC) to defer the mandatory buy-in elements of the much-discussed Central Securities Depositories Regulation (CSDR) legalisation. After cross-association efforts to persuade the EC that this part of the regulation would run counter to what the legislation is designed to do, I feel this is something of a victory for pragmatism and the markets themselves.

The third key initiative I wish to mention is sustainability. Whilst ESG investing is now part of every element of the investment process, 2021 was the year that we moved from talking about the theory behind the intersection of ESG investing and securities lending to implementation of real solutions that provide tangible benefits to our members. Much of that work is now flowing through the Association, as ISLA's technical working groups begin to deliver these outputs in the form of market best practice.

What were the primary risks and points of inefficiency confronting your members coming into 2021?

Reflecting on market efficiencies, I am immediately drawn to the work we have been doing with ISLA members around the implementation of CSDR. Although I mentioned previously that we welcomed the deferral of the mandatory buy-in element of CSDR, we must not forget that the fines regime will still come into force in early 2022. Failure rates in our markets remain stubbornly high and we have been working with our members to better understand what factors are driving the current environment.

One of the lessons that we learnt from the Securities Financing Transactions Regulation (SFTR) was that it is important for both sides of a trade to articulate key elements of a trade or life cycle event in a consistent and standardised way. This work has led directly to the creation of digital standards in the form of the ISLA Common Domain Model (CDM), which provides a consistent digitalised framework on which our market can build for the future.

> *"The ability of retail investors to potentially shape market outcomes in this way will force the regulatory community to think in new and novel ways about how markets behave"*

What has been top of ISLA's priority list in terms of regulatory engagement during 2021?

The end of the UK Brexit transition period on 31 December 2020 meant that we saw for the first time in 2021 what our post-Brexit world would look like. There has, of course, been much discussion on topics such as access to the single market for financial services and the odd scrap about fishing rights. From our perspective, we recognise that ISLA looks after member firms on either side of the Brexit divide. This means that we now must challenge two increasingly divergent regulatory and policy communities. One of our priorities is to ensure that we build those links with the UK authorities, but not at the expense of our relationships across Europe or our members.

If we look for a moment at the key themes coming out of ISLA's core steering groups, I have been struck this year by how key strands link the various disciplines. Digitalisation is linking much of our legal work in the form of the ISLA Clause Library. Market best practice is, in turn, starting to define how we think about our markets through a digital lens. Similarly, ESG and sustainability are themselves shaping how we think about collateral as we solve multiple problems and challenges.

The sec finance industry has experienced two years of high market volatility and liquidity fluctuations, following the Q3 19 US repo spike, the impact of the Covid-19 pandemic and steps to drive post-Covid recovery. What are the key lessons learnt from this period?

As we look back over the past two years, there is no doubt that we have seen periods of intense market volatility. As a result, institutions and participants in our markets were, at times, tested to the extreme. Without any significant exception, the operational capacity and balance sheet strength of our industry withstood those tests well. It could be argued that the work that the regulatory community has done, since the financial crises of 2007-8, has led to a more robust financial system that is able to withstand these shocks.

As banks and other prudentially regulated entities effectively retreated from some elements of the markets, however, it fell on the regulatory community to step-in to provide that stability. One quote from early 2020 suggested that the US Fed had gone from being the lender of last resort to the market maker of last resort. From our perspective, it is vitally important that the regulatory community keep our markets open during periods of stress. Empirical evidence repeatedly underlines the importance of securities lending and short selling to effective price discovery and deep, transparent markets.

ISLA is one of five regional trade associations to join GASLA in September. What are your objectives as a founder member?

Globalisation is at times an overused word, but one of the key themes that has emerged during 2021 is that ISLA members are increasingly grappling with challenges that resonate globally. In that regard, it was important, as one of several regional securities lending associations, that we respond together to those changing demands and needs of our members. The Global Alliance of Securities Lending Associations (GASLA) provides a platform where we can speak with one voice on common or shared issues, where a single voice would benefit our members. I would also stress that each of the founding members of GASLA remain independent and focused on the needs of their members.

What is top of ISLA's working agenda moving into 2022?

As we look towards 2022, I do hope of course that we see the return to some sort of normality across our personal and business lives. I hope to see the return of our ISLA events across Europe, including our flagship event in Vienna.

> *"One quote from early 2020 suggested that the US Fed had gone from being the lender of last resort to the market maker of last resort"*

One of the tangible benefits of the pandemic has been the proliferation of flexible working. I believe this drives greater inclusion, as well as empowering individuals to achieve a better and more productive work-life balance. ISLA supports all forms of diversity and inclusion and, in part, we see our role as an agent for change across our member firms.

As we look at 2022, we have developed our priorities around four key pillars of education, adoption, implementation and maintenance as part of an overall theme of promoting best practice. Industry associations will increasingly play a role as custodian of standards, including best practice.

At a more detailed level, 2022 will see further work on digitalisation as well as the developing ESG agenda. I expect to see further collaboration with our fellow associations in these key areas as we solve for the broader community. Towards the end of 2021, we announced a much closer legal relationship with our friends at PASLA and I anticipate that that the collaboration will start to bear fruit in 2022 as we standardise country and regional annexes for ISLA's Global Master Securities Lending Agreement (GMSLA) suite of documents.

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Eurex: the changing face of liquidity after COVID

Panellists in a Eurex webcast explore the new liquidity provision architecture after the pandemic, the changing dynamic between the buy-side and independent market making firms and examine which participants will make up the new market eco-structure. Carmella Haswell reports

Panellists

Piebe Teeboom
Secretary general, FIA European Principal Trading Association

Jonas Ullmann
Executive board member, Eurex

Mike Kuehnel
Chief financial officer, Flow Traders

Robert Miller
Execution consultant, Vanguard Asset Management

What was your experience during the pandemic and what lessons did you learn regarding liquidity formation?

Robert Miller: From an equity perspective, we're well enabled to adapt our execution strategy due to the quality of data and the speed of turnaround to get that information back to the desk. Despite fill sizes reducing on the equities side, they reduced significantly less with the electronic liquidity providers (ELPs) compared to other venues we interacted with. From a fixed income perspective, we saw our traditional providers take risk off and reduce balance sheet capacity, which created an opportunity for other alternative liquidity providers to step in.

The greater use of automated workflows and technologies aided a quicker and clearer picture of the current trading landscape. There are now more calls and planning protocols at our disposal to help force liquidity. As a believer in innovation, I initially thought the pandemic would slow this down. However, the opposite seems to be true. The new participants we're seeing come to the market have increased the ability for us on the buy-side to help automate some of our workflows.

Mike Kuehnel: We have seen technological advancements in global financial markets for several decades and what COVID has brought into the game is resetting the core. From a market maker perspective, innovation can lead to greater data availability and improved allocation mechanisms, creating more resilience, speed and reliability. The observations, specifically in 2020, are just the beginning of a bigger change to the market structure, leading to better connectivity and greater transparency.

Technology and innovation is enabling us to reduce transaction costs down the road. As these benefits become more apparent, I am sensing a high degree of appetite among market participants. However, by looking into optionality, availability, and by systematically understanding these options, they can create access to wider pools of liquidity and different venues, optimising liquidity access from a buy-side perspective.

Jonas Ullmann: At Eurex we saw that in the crisis there was a flight to quality and if you look at a situation with such high volatility, the offered sizes and spreads reduced compared to a time where volatility was at 10 or 15 points. If you look at the volumes that had been executed, though, these were very significant. Liquidity was there, even if you haven't been able to see it immediately on the BBO level. Looking at the different markets and how they reacted, for example, with fixed income options we saw that markets partially switched away from the order books and instead entered traditional offbook markets, which were supported by electronification and digital platforms.

On the other hand, if you look into our Euro Stocks Futures book, right in the middle of March, where things got massively crazy with minus 10 per cent, this calendar roll was nearly completely done in the order book. In such crisis times, quality was clearly key and the electronic liquidity providers remained in an active role in the order books, but also supported our clients in the offbook markets.

Piebe Teeboom: I think agility played a key role here: the flexible setup of electronic market makers as firms trade with their own capital, able to make the necessary changes with the changing market conditions and working from home without impacting internal workflows or processes. All this meant that they could continue to provide liquidity to end investors. More broadly, it reflects the adaptation that has taken place, which intensified over the last two or three years, to changing demands from the market, in particular, the buy-side.

What were the lessons learnt from the crisis that the industry is taking forward?

Miller: The ability to constantly evolve and adapt was a learning curve for us, especially in such uncertain times. In order to move your execution strategy forward, you need to have a good data infrastructure and base level to where you are able to analyse what's going on, measure it, work out what impact that's having on your flow, and then adjust your execution strategy to that.

We aim to be – and can be – more fluid compared to how we were previously. From the lessons that we learnt in COVID, we reflect back to the financial crisis, and seemingly, market behaviours haven't changed with spreads increasing and volumes decreasing. We can learn from the past crisis and apply it to what we see now.

Kuehnel: We have a clear indication of the changes we're now seeing: electronification; availability of more data and converting this into insights; automated trading to a higher resilience in global financial markets; improving the asset allocation for the buy-side. Ultimately this is also affecting entire trading processes and improving trading strategies.

We work to understand how technology needs to move further into the middle, while also having a constant exchange and ecosystem dialogue to discover where the benefits lie for market participants and how this ecosystem can evolve. In addition to acceleration, there is an increased level of transparency — understanding who is able to deliver what and where the key pain points have been in the past. We are now at a point where new functionalities, such as portfolio trading are coming in, where market makers are able to quote a bigger portfolio of funds in seconds.

Firm pricing is one of the key elements in fixed income. We want to build on this further and have embraced this technologically. I think that is probably one of the biggest innovations we have seen. I will argue that even higher ticket sizes will be affected by firm prices. There's a natural evolution in creating higher confidence among the buy-side to embrace it.

Ullmann: There's different sizes and different demands from market participants and straight-through processing (STP) is clearly important. People would like to evolve from a market where you're limited from a transparency perspective to only a few parties, to a model which is more sustainable and allows you to automate your processes and deal efficiently with selection of execution.

Cooperation with both market participants and other execution platforms and technology providers has significantly increased. We are in close engagement with many of those parties to make sure that we at Eurex facilitate price discovery, but also other providers get the opportunity to offer services that we can cooperate and partner with. For the benefit of the end client, being able to execute how they would like to execute with respect to transparency, and seek liquidity where necessary, is key.

Teeboom: I think an important role was played by the increased direct engagement between my members, as market makers, with the buy-side community, taking them more in-depth into the ways they provide liquidity and how they can hedge. I think that is underpinned by better understanding and steps to embrace technology more fully. Our members have already done that and this has been on the increase for many years. That created a positive cycle which enabled further improvement in an iterative way, in an open, interactive dialogue between market makers and the buy-side.

With market infrastructures like Eurex playing an important role, this has driven diversity in the market, providing more choice for the buy-side. Ultimately, that adds to the resilience that we want to have in the market. I think it is also important from a public policy point of view that we do see a positive impact from several MiFID II reforms. In particular, pre-trade transparent RFQ systems, which have been incentivised by MiFID II and the research and execution unbundling rules, have unleashed the ability for the buy-side to trade where they want to.

What will future liquidity formation look like?

Miller: Revisiting what we saw in the equity markets after the financial crisis of 2008, the industry has evolved during this period. Specifically, it has become increasingly electronic and the buy-side has improved its data analytics, creating an environment where innovation and change could be measured. So was COVID the trigger point for the fixed income markets? Whilst data quality is still an issue, things are moving positively forward and that will hopefully provide a foundation that will enable increased innovation in the fixed income markets.

The use of exchange-traded funds (ETFs) has increased the ability for alternative liquidity providers to quote more effectively when it comes to portfolio trading. This has many benefits for us — for example, strong risk management, improved efficiency and more competitive pricing, especially from a part of the basket that may be considered illiquid when traded separately. It also helps minimise information leakage and that wouldn't be possible without the introduction of ETFs.

Kuehnel: To increase the access to inventory and make markets more efficient, there is a need to systematically improve asset allocation. Non-bank liquidity providers, such as Flow Traders, have also diversified across various asset classes. The increase of electronification — not only when it comes to fixed income, but also crypto and at some point digital assets — will also impact the asset landscape. In addition, I think the availability of higher-quality data and technological advancements enable us to better translate this in terms of pre-trade and to optimise decision-making.

I would argue that people fell in love with optionality. The old picture was centring on a multi-services perspective, so now it's very much more transparent and the willingness to have strategically more optionality, not just in light of turmoil, but also in light of finding the best channel, the best liquidity pool and having just the ability to execute wherever you want to. I think that flexibility for asset managers is a big plus and the entire market on that front has become more viable. If market participants understand how to effectively use technology systems then, as a result, this can deliver reliable prices and create resilience in the system.

The end game brings us to fully transparent markets, low transaction costs, the ability to move capital around based on your preferences without any hurdles and boundaries. Ultimately, you need to have an end-to-end infrastructure in place to make it happen and bring the regulator in to make sure that they understand the benefits down the road. I'm mindful that an isolated discussion on crypto is not clear because we're talking about the structure and evolution into digital assets and tokenised liquidity pools, which will have a massive impact on global financial markets. However, I do believe that if the regulator and market participants are taking the right care in developing that over time, there will be benefits for the retail and institutional side. Without institutional flows, it will be tricky to further embrace innovation, so it needs to go hand in hand.

I like the thought of the regulator being an architect in this process because the regulator deserves that role, with a forward looking mindset, understanding how innovation can impact not just fixed income but all market structures around us. Another dimension would be to understand how a regulator could accelerate the change. This is about constant communication and understanding that we need to work together — and the availability of data is one of the biggest challenges. But I believe we will reach a point where there will be alliances around the world emerging in order to tackle this data issue more systematically, because the benefits will be there for all market participants and investment decisions.

Ullmann: If you look at the products that we're trying to futurise, Total Return Swaps for example, that has been a typical product in the past that was dealer driven. We see now that these products don't just futurise to the exchange and behave, from a price discovery perspective, similarly to how the TRS has done in the past. Instead we have new players emerging and closely cooperating with the buy-side and the banks. Still, the banks have played an important role in 2020 — choice, diversity and transparency is something that we have clearly seen at Eurex. For asset classes that typically haven't been traded electronically in the past, we wish to get these at the same level. That is something that we want to facilitate and support.

More broadly, we want to move with our participants and our regulators to shape the financial future together. At Eurex, we aim to remain competitive worldwide when it comes to innovation and financial markets. If we look at the retail business, we have seen neo-brokers play a significant role throughout the pandemic, even more so in the US than in Europe. There's more transparency and technology required, but we've certainly laid the foundation in that regard.

Teeboom: The need for data is clear. The electronification of fixed income markets means that you will need data to navigate. An important requirement is to understand, where does liquidity sit? How does that shift? I think in that sense for the fixed income markets, the consolidated tape will provide a real benefit to end users. It is important that policymakers take note of these recent developments and we've seen many proof points. In both the EU and the UK, we are reviewing the relevant rule books. It is important that regulators and policymakers take good note of this and seek to play their role. This is also key in enabling the markets to be as efficient as they can be for the end investor.

What is your ambition for the capital markets over the next decade?

Miller: My ambition for the capital markets is to enhance data quality, there are five stages towards a more data-driven market eco-structure. The first one is data denial, where there's an active distrust of data; the second is data indifference, where there's no interest in data; the third stage is data aware, where you are collecting data for monitoring but you don't base decisions on that data; fourthly there is data informed, using selective data to aid some decisions; and finally there is data driven, where data is playing a central role in execution strategy. Different asset classes are at different stages in this data driven eco-structure – what would it take to get fixed income data quality to a level where everyday execution decisions can be made using data.

Kuehnel: We are dreaming about transparent markets, low transaction costs, full transparency, so coming back to the point on data-driven environments and having a key understanding of how data can improve asset allocation on a global basis. We will potentially see the digital asset space becoming quite dominant over the next decade. We will also see a larger universe of assets becoming available for trading and investment, with asset managers tapping into tradable illiquid assets, for example private debt.

Ullmann: We have proven that financial markets and Eurex can facilitate price discovery and enable price formation, finding buyers and sellers. We believe we've achieved this in the financial markets with different asset classes at different stages. Securities are very different, but in five or 10 years we're in a position where this is expanding into other asset classes, geographies, and of course, across a 24/7 trading day. When it comes to trading, when it comes to clearing, there needs to be a place where all of this is done.

Teeboom: What we really want to achieve is a European capital market that achieves better outcomes for the economy, society and therefore the end investor. What is needed is a fully integrated single market in the EU for financial instruments. At the moment, it is still very much fragmented. We are underutilsing opportunities that are there to create that integration — going back to the consolidated tape for example. That is one of the key reasons why we are so supportive of that. And I think we're also underusing the ability of market makers to drive those outcomes for investors.

Latest industry appointments at State Street, Clear Street and Broadridge

State Street has announced that Gino Timperio will expand his responsibilities and assume leadership of the company's securities finance division after Martin Tell, global head of securities finance, plans to retire.

Timperio has served 32 years at State Street, with 19 years spent in the securities finance industry.

He has held a variety of roles including Global COO and head of agency lending, before starting the Funding and Collateral Transformation initiative at State Street in late 2016.

Tell, who is set to retire early next year, will work together with Timperio for a "measured approach to the transition".

In a 35-year-long career, Tell joined State Street in 2013, where he "played an instrumental role shaping and growing our securities finance business". Additionally, he aided the growth of the enhanced custody product with a notable achievement in regards to State Street's Direct Access programme.

Prior to this, he spent 20 years at Morgan Stanley, taking on the roles of global head of equity funding, equity repo and securities lending, as well as CFO of global equities.

Speaking on the announcement, Timperio comments: "I'm thrilled to be rejoining the securities finance division. State Street's ability to offer clients a variety of customised financing solutions via the combination of

ESMA appoints Erik Thedéen as vice chair

The European Securities and Markets Authority (ESMA) has appointed Erik Thedéen as its vice chair, for a two and a half year term, effective immediately.

Thedéen is the director general of the Swedish Finansinspektionen (FI), the authority supervising the banking, insurance and securities sectors in Sweden.

Thedéen will replace Anneli Tuominen, who has completed her two and a half year term in the role. Tuominen is director-general of the Finnish Finanssivalvonta, the financial regulatory authority of the Finnish government.

Thedéen has served in this role at the FI since 2015. He is also a voting member in the European Systemic Risk Board, and the chair of the task force on sustainable finance for the International Organisation of Securities Commissions.

Thedéen's appointment follows the news of Verena Ross' employment as chair of ESMA in October.

Commenting on Thedéen's appointment, Ross says: "I am happy to announce the appointment of Erik Thedéen as vice chair of ESMA. As a board member since January 2018, he has demonstrated his commitment to ESMA through his active participation in our supervisory work. He brings a wealth of national and international experience to the role, and I look forward to working with him.

She adds: "I want to take the opportunity to thank Anneli Tuominen for her work over the years, and particularly for the key role she played as interim chair this year."

agency lending and enhanced custody has been a real market differentiator.

"With this announcement and the integration of those activities with our position in FICC's Sponsored Repo Service and our recent product launches in P2P Repo and Collateral+, respectively, we are bringing together a suite of financing and collateral solutions to support our buy-side clients' increasing interest in optimising their portfolio holdings via a holistic, front to back, lens."

Clear Street hires Joseph DiMartino as managing director, where he will oversee repo trading at the company's New York headquarters.

DiMartino will supervise all repo functions at the prime brokerage firm with support from Victor Masotti, director of repo trading.

The appointment comes as Clear Street seeks to expand its capabilities under its stock loan team, run by Vincent Avena.

Prior to joining Clear Street, DiMartino was head of repo at MUFG Securities Americas for the past 10 years.

He also held senior positions at Oppenheimer & Co. and Dresdner Kleinwort Securities.

Commenting on the appointment, Chris Pento, CEO, Clear Street says, "Entering the repo markets is an important step in meeting our mission of serving every client, across every asset class, in every market.

"Joseph brings a wealth of knowledge from his experience leading repo teams at some of the top firms on the Street. We are excited to have Joe on board and look forward to leveraging his expertise in this area as we continue to grow the business."

Broadridge has appointed Steve Baker to head of repo, securities finance and collateral management.

Based in New York, Baker brings 20 years of experience to the role, where he will report to general manager of SFCM, Darren Crowther.

Prior to his new position, Baker was product manager at BNY Mellon for two years, where he led software product development initiatives to improve the competitive standing and growth rate of the firm's sponsored repo and principal securities lending service offerings.

From 2013 to 2018, he served as director, manager of repo and collateral product and securities finance consulting practice, having previously spent five years at Thomson Reuters as director of business development and account management.

FIS has appointed Ralph Achkar as head of product strategy for digital assets, currency, and blockchain technology.

Prior to FIS, Achkar was managing director - digital product development and innovation lead for Europe, Middle East and Africa and Asia at State Street from October 2017 to September 2021.

At State Street, Achkar was responsible for researching the impact of tokenisation on market models (decentralised finance DeFi), financial instruments, digital cash (commercial, central bank digital currencies, stable coins), and market participants.

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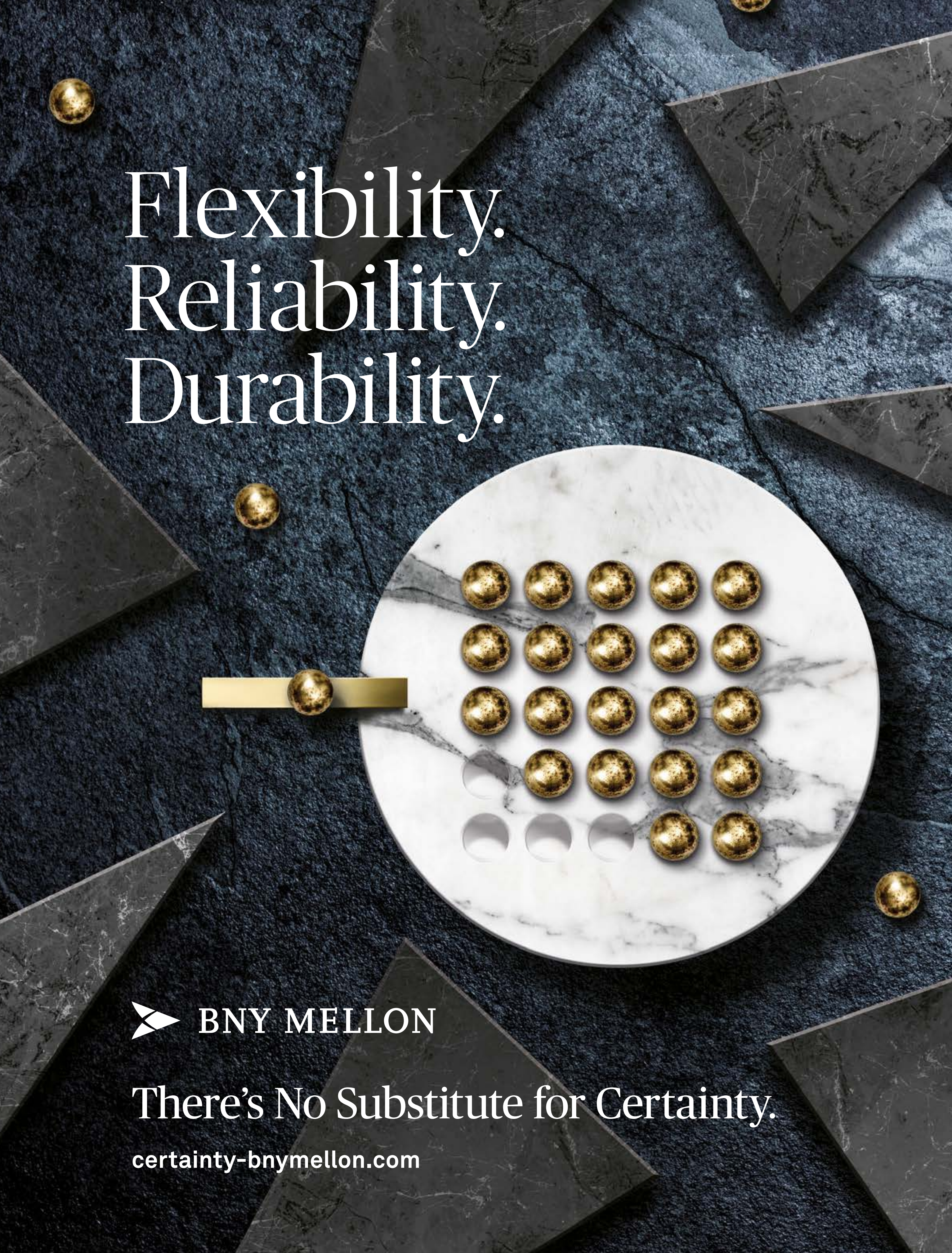
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