SECURITIES FINANCE TIMES

The primary source of global securities finance news and analysis

Issue 361 17 September 2024

Servicing clients

Fidelity Agency Lending's Todd Bosworth and Jon Whiting on upcoming macro events set to impact capital markets

Barr outlines new Basel III Endgame proposals

Michael Barr, vice president for the Supervision Board of Governors of the Federal Reserve System, outlined the proposals for Basel III Endgame.

Opening the discussion at the Brookings Institute in Washington, DC, Barr referred to this project as both "technical" and "consequential". He adds: "This process has led us to conclude that broad and material changes to the proposal are warranted."

He stated that there are benefits and costs to increasing capital requirements, and the changes that are to be made will "bring these two important objectives into better balance, in light of the feedback we have received".

The re-proposals would increase aggregate common equity Tier 1 capital requirements for the global systemically important banks (G-SIBs) by nine per cent.

For other large banks that are not G-SIBs, the impact from the re-proposal would mainly result from the inclusion of unrealised gain and losses on their securities in regulatory capital, Barr said, estimated to be equivalent to a three to four per cent increase in capital requirements over the long run.

The remainder of the re-proposal would increase capital requirements for non-GSIB firms still subject to the rule by 0.5 percent.

Barr's discussion on the new Basel III Endgame proposals recommends eliminating the minimum haircut for securities financing transactions (SFTs).

He began with an overview of the changes he will recommend to the capital requirements for credit risk, which protect against the risk that a bank's loans will not be fully repaid.

These changes include reducing the risk weights for residential, real estate, and retail exposures; and extending the scope of the reduced risk weight for certain low risk corporate debt.

Continued on page 8

WCAS completes majority acquisition of EquiLend

Welsh, Carson, Anderson & Stowe (WCAS), a private equity firm, has completed its majority acquisition of EquiLend.

The deal's closure follows regulatory approval from EquiLend's regulators in the US, UK and Ireland. The acquisition agreement was first announced in January.

At the time of the announcement, WCAS said it committed a further US$200 million investment to support growth initiatives and acquisitions by EquiLend.

Other owners of EquiLend include founding shareholders and customers such as Bank of America, BlackRock, Goldman Sachs, Morgan Stanley, National Bank of Canada, State Street, and UBS.

Commenting on the acquisition, Ryan Harper, general partner at WCAS, says: "With the necessary regulatory approvals now in place, EquiLend is poised to accelerate its growth and further the automation of the securities finance market.

"We believe this partnership will support EquiLend's mission to innovate and enhance industry efficiency. We look forward to working closely with EquiLend's customers, shareholders and leadership team during this exciting period of growth."

EquiLend's suite of financial technology solutions supports all facets of a securities finance market participant's business, including electronic trading, software-as-a-service (SaaS) platform, post-trade automation, data and analytics and regulatory technology solutions.

Founded in 2001, the company's client base has grown to nearly 200 asset owners, agency lending banks, broker-dealers and hedge funds.

Barr outlines new Basel III Endgame proposals

Continued from page 3

In addition, Barr recommended that the board not adopt the capital treatment associated with minimum haircut floors for SFTs.

The proposal included heightened capital requirements for repo style transactions and eligible margin loans that did not meet minimum margin requirements.

“While consistent with the Basel standard, several other major jurisdictions have not adopted this approach — not adopting the minimum haircut floors will allow time to seek greater international consensus on this important topic, before deciding on whether and how to implement such an approach in the United States,” Barr comments.

Continuing with his line of proposals, Barr recommended that the board adjust the capital treatment for client cleared derivative activities by reducing the capital required for the client facing leg of a client cleared derivative.

He believes this change would “better reflect the risks of these transactions”, which are highly collateralised and subject to netting and daily margin requirements.

Furthermore, the decision would also avoid disincentives to central clearing, he added.

The proposal would have increased the extent to which client-cleared derivatives contribute to a bank's G-SIB surcharge, to promote consistency of the measure.

According to Barr, commenters on the proposal argued that the measure might result in higher costs and more volatility for derivative end users and might reduce incentives to provide clients' access to central clearing.

Barr continued: “Central clearing of derivatives is a critical tool that can help improve transparency and reduce systemic risk. To avoid disincentives for client clearing, I intend to recommend to the board that we not adopt the proposed changes to capital requirements associated with client clearing.”

In his conclusion, Barr said that the journey to improve capital requirements since the global financial crisis has been a long one, and the Basel III Endgame regulation is an important element of this effort.

He added: “The broad and material changes to both proposals that I've outlined today would better balance the benefits and costs of capital in light of comments received, and result in a capital framework that appropriately reflects the risks of bank activities and is tiered to the banking sector.

“They also bring the proposals broadly in line with what other major jurisdictions are doing. And what does this all mean? A safer and fairer banking system.”

Nebraska Investment Council selects MUFG

MUFG Investor Services’ Global Securities Lending Solutions (GSLS) group has been selected by the Nebraska Investment Council (NIC) for securities lending services.

The NIC is an independent state agency based in Lincoln, Nebraska. It determines and manages approximately US$40 billion of investments across 32 different entities.

Its core mission is to manage the funds entrusted by the people in the state of Nebraska.

In 2023, the NIC was involved in a request for proposal (RFP) project with AON, to create a successful custodian and securities lending agent RFP.

Aon collected data from State Street surrounding the services, fees and securities lending details provided to the NIC.

From this, Northern Trust was elected as custodian for the NIC, where it would then provide asset management and asset servicing solutions, including custody and portfolio analytics for its pension fund, and MUFG was selected for third party securities lending.

Anthony Toscano, head of GSLS in the Americas at MUFG Investor Services, says: “We are extremely pleased to have been selected by the Nebraska Investment Council, which has been a long-time participant in the securities lending market.

“In Nebraska, we are excited to have a new client who seeks a more personalised and customised approach to their securities lending programme.”

Populist parties in Europe may hinder EU-level development, says Dyson

The International Securities Lending Association (ISLA) has released its newest ‘Securities Lending Market Report’ which explores the key factors impacting the market.

In the political landscape, ISLA CEO Andrew Dyson believes the rise of “far-right” parties in Europe may hinder EU-level development, due mainly to the traditional emphasis on national sovereignty from this end of the political spectrum.

He highlights that financial stability across the globe is a key area of economic policy to watch out for, and raising additional funds through taxation to incentivise investment flows has become a priority to fund future expansion.

Deep and open capital markets are one of the strongest indicators of a healthy economy.

With governments hoping to bounce back after “recent disruptions”, Dyson says politicians are keen to highlight their “economic prowess” by discussing financial regulation and central banking, while working to build more robust and competitive capital markets.

In terms of accelerating the settlement cycle to T+1, Dyson highlights this as a key example of the blurring lines between regulation and politics.

He explains that many governments are viewing the shortening of settlement times as a driver of growth and global alignment.

ISLA says it will be active in Brussels and across Europe to position securities lending as a tool to support the aims of the EU's Capital Markets Union (CMU).

The association will look to unlock untapped supply to aid liquidity and tweak existing rules to further capital efficiency.

Looking ahead to H2 2024 and 2025, the ISLA report indicates that volatility has returned and will continue to feature in global markets.

Clearstream's James Cherry, head of collateral, lending and liquidity solutions, business development, and Alex Roques, head of securities lending trading and distribution, delve further into the details of the coming year.

The continued volatility will create opportunities in securities lending, they say. Structurally, Cherry and Roques expect the market to continue to move towards a state of normality with declining rates and a tapering of central bank interventions.

Enhancing operational efficiencies and adapting to the evolving regulatory landscape will be crucial to ensuring sustainable returns in a complex market environment.

Meanwhile, they indicate that pledge solutions continue to feature in discussions and are becoming a "significant feature of the market", across which there is an intense and growing focus on "the cost of doing business".

Cherry and Roques conclude: "Overall securities finance markets continue to navigate a period of transition. Maintaining a strategic and adaptable approach will be key for participants aiming to optimise returns and manage risks in the evolving landscape."

Velocity Clearing opens Chicago office

Velocity Clearing has opened a new office in Chicago to expand its execution, clearing, and custody corporations, including the options market.

Representatives from Velocity Clearing will ring the closing bell at the Cboe Global Markets trading floor in Chicago on 23 September at 15:15 (CT) to commemorate the decision.

Brian Schaeffer, president of Velocity Clearing, comments: "Options trading is a core area of growth for Velocity and our trajectory in this business is increasing rapidly.

"Our new Chicago office and on-the-ground presence in the city is needed to effectively service growing customer demand in options trading along with other asset classes."

Options trading is one of multiple asset classes traded by Velocity Clearing, which offers execution, clearing, settlement, custody and technology services, alongside securities lending services.

Velocity Clearing currently maintains a network of offices in New York, New Jersey, Florida, and Texas.

The company is a member of numerous equity and options exchanges including Cboe and is also a full member of the Depository Trust Corporation and the Options Clearing Corporation (OCC).

Wematch launches TRS Cash Flow Management solution

Wematch has launched its TRS Cash Flow Management product in North America, which is now fully operational across all regions, markets, and currencies.

The module has been developed with input from client partnerships, the firm says, to enable regional product variations for the specific needs of different markets.

Ben Cullen, senior product manager at Wematch, says: "We're proud to offer a solution that automates cash flow reconciliation and trade capture, helping institutions mitigate risk and improve operational efficiency.

"It's been exciting to see the product gain traction with notional balances reaching record highs of US$173 billion and a 75 per cent increase in onboarded clients."

Edward Hochstadter Jr., CEO of Wematch, adds: "We understand the complexities of TRS and securities lending, and our product is designed to empower clients to manage these processes across borders, with the confidence that their trades are reconciled in real-time."

FICC's Government Securities Division clears record daily activity

The Fixed Income Clearing Corporation's (FICC's) Government Securities Division (GSD) has cleared a "record-setting" US$9.2 trillion in daily activity on 3 September.

According to the Depository Trust & Clearing Corporation (DTCC), the new milestone follows the previous peak volume of US$8.8 trillion in daily activity on 31 July — a 4.5 per cent increase.

In the past 12 months, GSD's total activity increased 42 per cent year-over-year (YoY).

FICC's GSD is a provider of trade comparison, netting and settlement for the government securities marketplace, providing automated comparison and settlement services, risk-management benefits and operational efficiencies to the government securities industry.

In addition to this growth, DTCC reports that on 3 September, GSD's Sponsored Service reached a peak volume of US$1.414 trillion in cleared US Treasury activity.

The service has experienced 98 per cent growth YoY, now with 2,500 sponsored members.

The Sponsored Service permits full-service netting members of GSD to participate as sponsoring members, providing access to FICC's central

clearing services to intermediated sponsored members.

Commenting on the record, Laura Klimpel, managing director and head of DTCC's fixed income and financing solutions, says: "The continued and persistent volume growth that we are seeing across GSD, as well as across access models, is a testament to the value of central clearing with FICC, including reduced risk and capital and balance sheet relief.

"FICC's GSD has become a crucial component to the smooth functioning of the US Treasury market, a responsibility we take very seriously.

"Our recent achievements in daily transaction volumes underline FICC's strong capacity to accommodate increasing volumes and market volatility, and well positions us to support clients for the US Securities and Exchange Commission's new rules for expanded US Treasury Clearing."

VERMEG and IDClear to bring digital solutions to Indonesia

VERMEG has signed a Memorandum of Understanding (MoU) to formalise its collaboration with IDClear, the clearing and guarantee central counterparty (CCP) for the Indonesian financial market.

IDClear has been a client partner of VERMEG since 2021, using the firm's cross-product collateral management solution MEGARA.

The firm will now extend its collaboration with VERMEG to include its Digital CCP platform, which offers collateral optimisation, collateral assessment, customer onboarding, and default management.

The platform, built on a cloud-native application programming interface (API) architecture, is designed to assist market infrastructure and capital markets clients to optimise their assets, increase productivity and enhance risk management capabilities.

Badreddine Ouali, VERMEG CEO, says: "By combining IDClear's collateral management expertise with our flexible Digital CCP solutions, we are empowering IDClear and its members to optimise their inventory and productivity, increasing profitability, as well as to help to reduce their credit, market, and systemic risk."

Iding Pardi, president director of IDClear, adds: "We are delighted to partner with VERMEG to extend their CCP solutions to the Indonesian financial market. This allows our clearing members with the opportunity to benefit from the latest in cloud-ready digital technologies."

Nasdaq CSD appoints Clearstream for T2S markets

Nasdaq CSD has chosen Clearstream as its gateway to access all securities eligible within TARGET2-Securities (T2S).

Nasdaq CSD will now access the T2S markets via Clearstream's German central securities depository (CSD). This is said to ensure better harmonisation of asset servicing across T2S CDCs and enhanced liquidity management.

The firms further say this collaboration aims to remove post-trade service barriers in Europe and will deliver cross-border efficiencies to reduce costs for corporations and investors.

Repo ADV climbs 30.8% YoY

Repo average daily volume (ADV) traded on the Tradeweb platform increased 30.8 per cent year-over-year (YoY) to US$643.5 billion for August 2024.

The record global repo activity was driven by increased client activity on the firm's electronic repo trading platform.

The combination of quantitative tightening, increased collateral supply, and current rates market activity shifted more assets from the Fed's reverse repo facility to money markets.

The global operator of electronic marketplaces for rates, credit, equities and money markets reports that the ADV across all asset classes for the month of August reached a record US$2.21 trillion, up 53.9 per cent YoY.

US government bond ADV was up 59.9 per cent YoY to US$228.2 billion. European government bond ADV grew 11.8 per cent to US$36.8 billion.

For swaps and swaptions, ADV climbed 5.4 per cent YoY for the month to US$402.3 billion. Total rates derivatives ADV also increased, rising 35.7 per cent YoY to US$727.4 billion.

In credit markets, fully electronic US credit ADV was up 33.2 per cent YoY to US$6.4 billion, while European credit ADV was down 8.4 per cent YoY to US$1.4 billion.

Servicing clients through ebbs and flows

Fidelity Agency Lending's Jon Whiting, head of international trading, and Todd Bosworth, head of US trading, share their thoughts on upcoming macro events that may impact the US and international capital markets going forward

In 2024, there have been several challenges in the US equity securities lending market. One of the most anticipated changes, that took place in May, was the transition from a T+2 to T+1 trade settlement cycle. The T+1 shift presented a multitude of operational hurdles for securities lending, such as shortened processing time frames, real-time sell notifications, the need for more timely ingestion and automation of receipt and delivery of data, as well as the related recall cycle amendments associated with it.

Fidelity Agency Lending, and all other impacted businesses across Fidelity, began preparation well before the transition date. Because our securities lending programme was built with flexible, advanced technology, we were able to perform the changeover in a seamless fashion for clients and business partners. The first real test of operational readiness occurred one month later.

The Russell rebalance, an annual event in June, creates waves of settlement volatility. Fidelity Agency Lending was able to navigate the settlement storm in an untested T+1 environment with no negative impacts to clients or the borrower community. In addition to our technological connectivity with interested parties, our efforts also included attention to detail, extensive conversations, and leveraging enduring partnerships. There was no disruption to daily business-related flow or client returns.

Post T+1, Fidelity Agency Lending's outperformance versus our peers in the T+1 markets increased by almost 10 per cent to 28.65 per cent (average for 1 June - 31 July 2024). The performance data is based on our competitive analysis that uses industry data provided by third parties. We believe this is attributable to our steadiness in the T+1 environment, and the fact that other firms' technology may have required more restrictive measures post T+1.

An interesting carry-over topic from the US T+1 experience is the ongoing debate as to whether the APAC and EMEA regions could or should follow suit. In the wake of the Securities Financing Transactions Regulation (SFTR) implementation — which we believe had a less-than-optimal impact on settlement effectiveness — the consensus opinion from market participants is that a move to T+1, even in the more mature non-US markets, is still a much bigger leap than we saw in the US earlier this year.

The efficiency and rigour of the US market is not replicated in settlement regimes around the world, so many believe there are intermediate steps to be taken before a T+1 plunge across the globe. If, and when, the change occurs, Fidelity Agency Lending is focused on further strengthening the communication and structural operational efficiencies needed to service clients in an environment with stricter settlement guidelines.

Maintaining performance levels

Aside from the operational challenges that T+1 presented, the market climate itself offered its own obstacles. The first six months of 2024 proved to be relatively infertile when considering the primary drivers of securities financing revenue — hard-to-borrow or specialty securities and special situation related deal issues.

A myriad of drivers such as inflation, interest rates, market performance, regulatory and legislative changes, as well as geopolitical uncertainty, led the list of contributors to a marketplace devoid of real revenue opportunities. With that in mind, Fidelity Agency Lending was well positioned to take advantage of opportunities that did present themselves through leveraging proprietary automation, trading expertise, and extensive market penetration.

In fact, when compared to other third-party and custodial lenders, we are currently one of the top US equity warm and specials agent lenders. By incorporating technology and structural superiority, we were able to react to the ebbs and flows in the marketplace, and swiftly capitalised on trade opportunities as they revealed themselves.

In global trading going forward, client-driven connectivity will be a key factor with a recent inflow of election driven corporate events across EMEA and APAC. In addition, Fidelity Agency Lending will maintain levels of performance in areas requiring higher levels of systematic sophistication, such as qualified dividend income (QDI) and proxy management. To help manage these aspects of securities lending, our clients have access to PB Optimize, a fintech solution that helps with proxy screening, corporate governance, and global securities lending.

Clients can perform a what-if-analysis that allows for the modification of programme parameters and then calculates the impact to the funds, loan balances and revenue. As beneficial owners continue to focus their lending programmes to more granular criteria, we are committed to maintaining a service level our clients have come to depend on.

International headwinds for individual client performance include global tax complexities and suppressed directional demands, alongside a growing global base of supply. Performance is no longer about simply identifying areas of demand. Going forward, technological advances including real-time pricing and automated trading capabilities will ensure matching available supply with up-to-the minute demand side needs. Fidelity Agency Lending is well placed given our resource dedication to auto-trading tools and pricing algorithms supporting our street-facing applications.

Dealing with constraints

While overall US Treasury trading volumes are at extremely healthy levels, the number and depth of issues trading with any specialty has been muted year-to-date. We expect that any upcoming interest rate volatility could bring more spread opportunity to a broader number of issues in Q4 2024. With current US treasury on-loan figures topping US$1 trillion, financing liquidity is robust. The timing and depth of upcoming interest rate cuts will impact the scope of the short basis, as well as longer-term financing adjustments for the remainder of 2024 and beyond.

Also on the forefront for most firms is the required clearing of certain cash US Treasury security transactions by the end of 2025. The

> Fidelity Capital Markets (FCM) has been a significant participant in the securities lending market as a borrower, principal lender, prime broker, and lending agent for over 20 years. FCM began lending on behalf of its institutional and retail clients in 2001. Fidelity Agency Lending, a tech-driven securities lending programme, provides support to a variety of institutions including asset managers, Employee Retirement Income Security Act (ERISA) plans, and insurance companies as they seek incremental revenue to boost performance. To date, this programme has successfully onboarded over US$3 trillion in global assets as of 30 June 2024.

"Advanced technology and a team with deep capital markets and trading expertise are important considerations when working with an agent lending provider."

Jon Whiting
Head of international trading
Fidelity Agency Lending

preparation for this regulation is well underway given that multi-trillions of dollars of Treasury activity occurs daily worldwide.

Around the world, regulations designed to update global capital standards have increased capital and operational requirements for some participants. Some regulations continue to negatively impact certain agents and borrowers and can potentially have a knock-on negative effect on lending clients.

Some agents are capital constrained and do not want to indemnify general collateral (GC) lending activity to the extent they once did because of additional capital required, and/or they are at capacity limits with borrowers. Some borrowers are also looking to optimise their capital and are seeking to borrow from clients who have a lower risk weighting to improve their returns.

Clients, who fall into one or both categories, can potentially see a negative impact to their revenue from securities lending. There are signs that may alert a beneficial owner to evaluate a new agent, such as if the current agent suggests parameters that could reduce revenue, lowering the fee split, or altering the indemnification guidelines.

Other signs to watch out for include a drop in revenue, or the current agent suggests models or counterparties that your firm may not be comfortable with from a risk perspective. Not all agents are the same, and with nominal effort, a beneficial owner may find a better solution for their stakeholders.

Future forecast

Looking ahead to the remainder of 2024, there are some significant upcoming events that should prove to be exciting and exert influence on the markets.

The upcoming US Presidential election scheduled for 5 November 2024, could provide some clarity to a marketplace in need of feedback and direction. With a potential shift due to regulatory and legislative changes, taxation, and social policy, we could see varying degrees of influence across multiple market sectors. Energy, technology, AI, banking and real estate are just a few potential sectors in a sway that will unfold on 5 November.

Also, interest rate guidance will undoubtedly play a role in the markets as we enter the later stages of 2024. With the Federal Reserve poised to potentially make several cuts, all eyes will remain focused on the upcoming meetings scheduled in 2024 (18 September, 7 November, and 18 December).

As such, it may be a good time for institutions to discuss cash reinvestment strategy with their agent lending provider. With Fed funds futures pointing to at least a 25 basis point cut in September, this will be the earliest indicator we will see as to what the Federal Open Market Committee (FOMC) has in mind.

Lastly, we will be keeping our eye on the IPO market and how it unfolds. The autumn IPO window is set to open after Labor Day in the US, 2 September 2024. It will be interesting to see what, if any, appetite companies exploring going public have in the face of the election and interest rate uncertainty. IPOs can be a strong contributor to the securities finance revenue equation and a stronger fall market would boost year-end results.

On the international front, the ripple effect of a potential real estate debt crisis in China, Australia's recession risk, Europe's ever-changing political landscape, and the cross-regional tensions from the Russia/Ukraine and Middle East conflicts, all have the potential to be a driver of supply and demand shocks. Institutional investor flows out of China and into several emerging economies has created new opportunities and a re-emergence of activity in Japanese equities — a space which had seen diminished activity for a significant time period.

With a continually expanding distribution structure, more advanced analytical applications and an experienced team, Fidelity Agency Lending is prepared to capitalise on opportunities to enhance revenue through the end of 2024 and beyond.

Securities lending market dynamics and regulatory events are ever-changing and complex. Advanced technology and a team with deep capital markets and trading expertise are important considerations when working with an agent lending provider.

Fidelity Agency Lending has a highly automated trading platform, real-time connectivity, and reconciliations with borrowers and six major global custodians, strategic relationships with borrowers who seek out Fidelity's lendable assets, and we are focused on a narrow subset of the lender community to ensure no programme dilution. Our goal is to outperform the markets and optimise performance and revenue for clients and their stakeholders.

"Our goal is to outperform the markets and optimise performance and revenue for clients and their stakeholders."

Todd Bosworth
Head of US trading
Fidelity Agency Lending

In the balance

With the next wave of quantitative tightening on the horizon, Karl Loomes looks at the BoE's balance sheet and its shift towards the short-term repo facility

Since the 2008 financial crisis, the majority of the past 16 years have seen Bank of England (BoE) monetary policy focused on economic stimulation. Its twin remit of keeping inflation under control, and supporting a healthy, stable economy, has until fairly recently kept interest rates at record lows, and has had the Bank ‘printing money’ in the form of quantitative easing (QE).

Though high levels of inflation — driven predominantly by energy and oil prices — have brought about an immediate need to raise interest rates to help cool rising prices, the end of quantitative easing and a move to quantitative tightening (QT), was always going to be on the cards. The winding down of what the Bank calls its “extraordinary monetary policy operations”.

QT is, in effect, the process of the BoE ‘normalising’ its balance sheet; drawing down on its reserves (which were increased massively by QE) to “steady state” levels. The Bank sees this as enough to support the normal functioning of the banking system in a ‘demand driven’ framework. If quantitative easing is the process of printing money, then quantitative tightening is the process of taking that money back out of the system.

These central reserves, however, are a crucial element of a stable economy and a well-functioning banking system. Though the steady state levels should be enough for the normal functioning of the system in 'normal' times, flexibility in the Bank's lending operations is still seen as key. This is where repo comes in.

Economics 101

The functioning of the myriad systems that the Bank of England and wider banking system utilise, is complex, and worth looking at in its own right.

The main tool the BoE can use to curb inflation is interest rates. A higher interest rate reduces spending in the economy (more incentive to save, higher mortgage and loan repayments, less incentive to borrow etc), curbing inflation, while a lower rate helps stimulate the economy.

This bank rate is only useful however, if commercial banks actually change their own rates in accordance with the BoE's moves. The Bank ensures this through a number of facilities that 'transmit' the rate to the commercial market, the main one of which is the remuneration of its reserves held by commercial banks at bank rate.

With interest rates as low as they could go after the financial crisis, the other arm of monetary policy — money supply — was needed. More money in an economy, all other things being equal, should help stimulate growth.

The Bank does this not by printing physical money, but through its Asset Purchase Facility (APF) — an aptly named mechanism which buys bonds (the vast majority being gilts, though some corporate bonds as well) in the secondary market, through newly created funds ('printing' digital money) in its reserves.

This is quantitative easing, and the sustained level of asset purchasing in the years following the financial crisis has meant the BoE's reserves were far above the levels needed for 'normal' market conditions.

Quantitative tightening — underway now for more than a year — is the reverse of this. The Bank has been allowing bonds to mature as well as actively selling them, and then 'extinguishing' the proceeds, effectively taking the cash it created during QE back out of the system.

With ample supply in reserves, commercial banks are able to borrow from the BoE at bank rate without any issues. As these reserves eventually get drawn down to minimal levels, itself an uncertain and likely changing metric, commercial banks may need to start borrowing cash in the money market, driving up rates.

In order to avoid this, and ensure that commercial rates hold near the bank rate independent of activities the APF undertakes with the Bank's reserves, the BoE introduced the short-term repo facility (STR) in August 2022. Working as all repos do — borrowing cash secured against collateral — the STR will lend reserves at Bank rate.

So much...so soon?

What is perhaps more interesting about this facility, is the large amount of usage it has seen over the past 12 months. Though QT is underway, the Bank's reserves are still far above the minimum threshold it has laid out — the point at which the BoE saw the necessity for the STR in the first place.

Admittedly the true number is unknown. The Bank refers instead to a Prefered Minimum Range of Reserves (PMRR) between £325 billion and £480 billion, but even so, by any estimate the current level (HSBC estimates APF holdings was around £690 billion in August) is still far in advance of even the upper end of the range.

This, however, is what the Bank expected, according to a recent speech by Victoria Saporta, BoE executive director for markets. Speaking at the Association for Financial Markets in Europe (AFME) in July, Saporta said: "We welcome the increased use of the STR as a key mechanism in ensuring interest rate control as we normalise our balance sheet."

It is possible, of course, that the Bank's PMRR is wrong, and the current reserve levels are the point at which the STR is actually needed. As Andrew Bailey, Governor of the Bank of England, said in May at the London School of Economics: "Quantifying the PMRR is easier said than done. It cannot be objectively observed, it is likely to evolve over time, and it will be affected by our decisions."

If this is the case, the threshold levels may be very wrong, but the STR is working as planned.

Daniela Russell, head of UK rates strategy at HSBC, suggests the current uptake in the STR is not yet a sign of trouble. She notes: "The BoE has welcomed the rise in STR usage and it is showing that it is doing the job it is designed to do. While the increase in take up has risen considerably since the start of the year, the pace of increase has been steady over time.

"Quantifying the PMRR is easier said than done. It cannot be objectively observed, it is likely to evolve over time, and it will be affected by our decisions."

"Furthermore, it largely reflects the same participants rolling their drawings from one week to the next."

Pooja Kumra, senior European and UK rates strategist at TD Securities, highlights another potential reason behind the high usage: "A possible reason may also be due to the months where there are gilt redemptions — the weeks which are linked with month-end, quarter-end etc. I think that could create much greater intensity in how much the take-up has been."

Russell does add a word of caution however: "There is no doubt that strong progress is being made in balance sheet reduction and the BoE is monitoring a number of metrics for signs of stress. If STR usage started to rise more rapidly, then this could signal increased signs of stress."

Kumra also notes that the make-up of the institutions who are borrowing is key: "It is basically the non-banks, like the liquidity-driven investments (LDIs) and pension funds, that are actually reaching out to banks to borrow."

"That is why I feel the BoE is a bit more calm about it — as there are still ample reserves for banks compared to pre-Covid times," she adds.

This, itself, could be an issue the Bank needs to address. She continues: "I think the BoE needs to actually pin down who these counterparties are. If there is some way the banks are making 'unnecessary' money out of this entire policy, then the BoE should consider making the STR a better way of circulating money.

"What is not clear is, who are the counterparties, and if there is an arbitrage in this movement of STR money?"

Long-term repo

Saporta also spoke about the importance of longer-term lending facilities as key to the new demand driven framework. The BoE's indexed long-term repo facility (ILRF) serves this purpose, helping keep the long-end of the yield curve lower in much the same way the STR does the short-end.

As the bank continues to draw down its reserves, it looks set to lean on the ILRF even more. According to Saporta: "We are in the process of reviewing the calibration of the ILTR to ensure that it is effective and attractive enough to support potentially large provision of reserves. We will be engaging further with the market later in the year, including through a discussion paper."

She notes: "As we are moving towards the PMRR and before we reach it, we expect frictions in the distribution of reserves to lead to pockets of reserve demand appearing which could lead to periods of market rates moving upward."

Adding: "That makes it possible that reserves could settle for periods above the PMRR, and correspondingly we will expect firms to come to our repo facilities — either the STR or ILTR — to source reserves."

Russell highlights the importance of the long-term facility as another indicator of potential problems. She says: "Other metrics to watch are ILTR usage, general repo conditions and cover ratios at the APF operations."

By the Bank's own estimates, the STR alone will likely not be enough to supply reserves at the level it expects in the PMRR, and will instead need to be supplemented through longer-term operations — the ILTR. This six month repo facility also has the added advantage that it accepts a broader range of collateral — including non-high-quality liquid assets (HQLA) — opening up the sterling monetary framework to a wider range of firms. As Saporta puts it: “This will aid the distribution of reserves where they are needed.”

Kumra suggests, however, the STR is currently still the dominant facility for banks: “It is because the STR is still cheaper — it comes at Sterling Overnight Index Average (SONIA). The ILTR comes with haircuts, and it depends on the level of collateral.”

Liquidity and the next 12 months

On 19 September the BoE is set to outline the next 12 months of quantitative tightening. While the Bank has always made its intentions clear — that a slow and steady level of active selling is necessary so as not to cause any shocks to the market — there is some speculation that their success at this may allow them to step up sales. The Bank, it should be said, has not indicated this.

Kumra believes the levels set to be announced will not change. “I doubt the Bank will increase it, because it is not just the £100 billion that will be removed from their balance sheet, they also have Term Funding Scheme with additional incentives for SMEs (TFSME) loans redeeming, and they were around £125 billion. This means that the preferred reserves will actually be hit by the end of next year, so they do not have to be aggressive.”

The make-up of the gilt sales are also important. Currently, the Bank is selling bonds with a maturity over three years. There are some indicators that gilt liquidity in terms lower than this may be lagging. A report in the *Financial Times* highlights a number of big banks calling for sales of near-term bonds by the APF.

These near-term gilts are much-used as collateral in the repo market, so the potential for a knock-on effect on rates and the money market is something to watch for. Arguably, this highlights what the Bank sees as a crucial role for the STR facility: helping maintain rates, flexibility, security and a supply of reserves while it undertakes QT as it sees fit.

The impact of this move, and the Bank's liquidity requirements (12 September saw the BoE ease up on expected Basel rules in line with the US Fed), could have a dramatic impact on the industry.
As Darren Crowther, general manager, Securities Finance and Collateral Management at Broadridge, puts it: “The push from the Bank of England to focus on the short-term repo facility to support monetary policy and offer increased liquidity comes at time of transition and introduction of new liquidity venues and liquidity tools.”

According to Alex Knight, head of EMEA at Baton Systems: “This major move means financial institutions must gear up for a new wave of liquidity management. The transition isn't just about adapting, it's about banks leading the charge in a fast moving market, streamlining operations, reducing costs, and ultimately maximising the use of their assets.

> “The STR is still cheaper – it comes at SONIA. The ILTR comes with haircuts, and it depends on the level of collateral.”

“Only by making these operational changes can banks harbour any hope of meeting these BoE liquidity demands without maintaining excessive buffers.”

Keep an eye out

All signs, currently at least, suggest the STR is working as planned, bringing flexibility and security to the system while the BoE continues its QT programme. With Bank reserves still having some way to go before steady state levels are reached, central banks in the US and Europe undertaking similar actions, and with a backdrop of Basel 3.0 being reassessed, there is a lot to keep an eye on.

In the words of Victoria Saporta — “Let’s get ready to repo!”

Forming a dynamic and influential entity

Fran Garritt, executive director and head of business for ISLA Americas, speaks to Carmella Haswell about his role at the new entity, exploring emerging markets within Latin America, and what is to be expected from this year's October conference

After 22 years with the RMA, you recently joined ISLA Americas as Head of Business. Can you tell me about your new role?

I am thrilled to be part of the International Securities Lending Association (ISLA) Americas. My role builds on 22 years of experience at the Risk Management Association (RMA), where I worked in securities lending and various risk functions. During my time at the RMA, I also gained experience with a wide range of financial products and played a significant role in driving membership and enhancing our value proposition.

In my new role as executive director, I will continue to focus on serving the industry while taking on new responsibilities. I'll now have direct oversight of support functions, allowing for a more hands-on approach.

My goal is to harness my background and experience to expand ISLA Americas' reach and impact. I will work closely with the ISLA Americas board, our partners with ISLA in EMEA, and various committees to identify key areas for development, such as organising the October conference, our spring events, writing regulatory comment letters, providing professional development, and producing thought leadership materials, best practices, and whitepapers.

How do you look to shape this new entity, ISLA Americas, with your industry experience?

The board and I plan to use our experience from the RMA and the infrastructure of the global association to shape ISLA Americas into a dynamic and influential entity. My international experience at RMA, where I was responsible for international relationships and events, will be invaluable as we strengthen our presence in the Latin America region.

These securities lending markets are evolving, and we aim to provide them with the necessary infrastructure to support their development. This includes creating structured working groups to support market development and increase offshore participation in key Latin American markets such as Brazil, Mexico, Chile, Argentina, Peru, and Colombia. We will also strengthen our partnerships in Canada, fostering a comprehensive approach to securities lending across the Americas.

By building on the RMA's legacy, we aim to replicate the success that ISLA in EMEA has seen in developing new opportunities in markets like the Middle East. This approach will ensure that we can navigate the complexities of different regulatory environments and provide consistent, harmonised support for our members.

What will be ISLA Americas' approach to regulatory advocacy and comment letter writing? How do you plan to collaborate with industry associations, members and regulatory bodies?

Our regulatory advocacy and comment letter writing strategy is comprehensive and collaborative. We will strengthen partnerships with industry associations for a unified and influential voice in regulatory matters through regular meetings, information sharing, and joint initiatives.

Our legal, tax, and regulatory committee will continue to play a crucial role in our advocacy efforts, particularly with the upcoming Basel III reproposal, building on our recent 10c-1 comment letter. Notably, the US Securities Exchange Commission (SEC) recently initiated proceedings to assess the Financial Industry Regulatory Authority's (FINRA's) proposed Rule 6500 Series (10C-1a), extending the decision deadline, with ISLA's contributions already recognised in over 90 footnotes by US policymakers.

Following the successful T+1 settlement cycle transition, our operations and technology committee is now focused on implementing 10c-1 data standards, with ongoing support and collaboration to ensure smooth implementation. We will proactively engage with regulatory bodies, monitor developments, participate in consultations, and prepare timely responses to stay ahead of upcoming proposals and changes. Active member participation is encouraged through working groups, webinars, workshops, and information sessions to keep them informed and involved in the regulatory process. By coordinating these efforts, we aim to ensure robust, collaborative, and responsive advocacy in the evolving regulatory landscape.

With ISLA aiming to broaden its lens with ISLA Americas, how will this be reflected in the first official conference for the new entity?

We have a comprehensive agenda planned, with three panels reflecting our expanded focus. First, the association update will cover the transition to ISLA Americas and outline our strategic goals including membership. Second, we will host two sessions providing updates on the Canadian, US, and Latin American markets, ensuring participants are informed about developments in the Americas region.

Finally, we will have an international market update session, providing insights into global market trends and highlighting ISLA work in regions such as the Middle East. These panels will showcase ISLA's overall commitment to providing comprehensive, global perspectives and fostering collaboration across different markets.

The conference will build on the RMA's legacy by broadening its reach both geographically and institutionally. It will serve as a platform where participants across the full securities finance value chain can share ideas, engage in thought leadership, and promote the industry.

Professional development has always been a priority for me, and it is something we have actively promoted at the conference for many years. A key initiative we implemented early on is requiring that each panel include at least one speaker who has never presented before.

This practice not only encourages fresh perspectives but also helps develop new voices in the industry. Moving forward, we will continue this tradition while also introducing the ISLA Connects initiative, which aims to attract new participants who might not have the opportunity to attend. It is all about fostering growth and inclusivity in the securities lending community.

What key regional focuses and challenges will form the core discussions at the conference?

The conference will have a robust agenda addressing both regional focuses and key challenges. Key topics will include balance sheet management, market liquidity, and risk and reward for beneficial owners. We will also explore macroeconomic and geopolitical risks, cash reinvestment, digital assets, and AI's role in decision-making.

"By building on the RMA's legacy, we aim to replicate the success that ISLA in EMEA has seen in developing new opportunities in markets like the Middle East."

Fran Garritt
Executive director and head of business
ISLA Americas

These discussions will ensure participants are well-informed about regional developments and global market trends while also addressing pressing challenges in the industry. By covering the Americas and some international markets, we aim to provide a holistic view of the securities lending landscape and the key issues affecting our members.

How will the membership of ISLA Americas compare to that of the RMA, and what steps will you take to best serve ISLA Americas members?

When you think of the RMA and its overall mission, the membership was broad across all types of institutions and functions, with a primary focus on agent lenders for securities lending. With ISLA Americas, we are broadening our membership to include the borrowing community, beneficial owners, vendors, technology providers, and consultants across various regions. This diverse membership will bring increased value by incorporating a wider range of perspectives and expertise, enhancing our ability to address the evolving needs of the industry.

We will establish working groups tailored to specific regional and industry needs. For example, we will set up dedicated working groups for key Latin American markets, including Brazil, Mexico, Chile, Argentina, Peru, and Colombia, to address their unique challenges and opportunities.

In addition, we will work closely with our partners in Canada to build a more cohesive approach to securities lending across the Americas. By increasing participation within our established working groups, such as the operations and technology team, regulatory committee, tax committee, and financial technology and automation committee, this approach ensures we address our members' most pressing issues.

Furthermore, our approach will include the creation of cross-board working groups focused on membership and organisational structure, ensuring consistency and strategic alignment across regions. This collaborative effort will be instrumental in delivering true benefits to our members and supporting the industry's transformation.

Overall, with the board guiding our efforts, and my background and experience, we will develop ISLA Americas into a robust, inclusive, and forward-thinking organisation, committed to supporting the evolving needs of our members and driving growth in new and existing markets.


EX
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, HQLAˣ and eTriParty markets. They benefit from trading opportunities with fully integrated clearing and settlement.
Architects of trusted markets
EUREX

MENA repo markets evolve rapidly

Industry leaders discuss the rapid rise of repo and securities finance in the Middle East, driven by regulatory support, global integration, and technology advancements

In anticipation of the upcoming Absolute Collateral event in Bahrain, Securities Finance Times spoke with leading industry figures to discuss the rapid development of the repo and securities finance markets in the Middle East and North Africa (MENA). Speakers set to feature at the event highlighted the growing role of government and central bank support in driving market infrastructure improvements, the integration of international market practices such as international central securities depository (ICSD) links, and the transformative power of technology across the region's capital markets. We look at pressing challenges, including the structuring of Islamic repos and the increasing sophistication of MENA capital markets, with particular attention to the expanding role of central clearing. Collectively, these developments underscore the region's momentum in building a robust and globally interconnected financial ecosystem.

The Absolute Collateral event, held in partnership with the International Islamic Financial Market (IIFM), will foster deeper connections among stakeholders in the region's repo and securities finance sectors. The agenda will explore critical themes such as the growth of MENA capital markets, global bank engagement, and cross-border financial integration. Attendees can expect in-depth discussions aimed at enhancing financial infrastructure and bolstering liquidity across the region.

Could you share a few words about Absolute Collateral?

Steven Griffiths: Our focus remains dedicated to the development of the MENA capital markets, a commitment driven by our unique perspective centred on the MENA repo trading platform. By collaborating with key stakeholders locally and internationally, and engaging across the entire trade cycle, we contribute not just as participants but as architects of the financial markets. Each stakeholder plays a vital role, collectively shaping and evolving these markets.

In this journey, working with publications like Securities Finance Times has been crucial. Through editorials and articles, we communicate our

Steven Griffiths
CEO, founder
Absolute Collateral

initiatives and themes, reaching both familiar and new stakeholders. The momentum generated by such media exposure is invaluable, helping us unlock new opportunities and achieve significant milestones. This partnership allows us to continually expand our reach and impact within the MENA financial ecosystem.

Tell us about the conference and what areas will be getting discussed.

Griffiths: The event is structured to foster new and deeper connections between all stakeholders, with a focus on both ongoing regional projects and new initiatives. A key element of the MENA-based repo platform is its engagement with buy and sell side market participants, many of whom are eager to join for various reasons. Global banks are increasingly acting as market makers, offering access to regional opportunities, while MENA counterparties seek greater access and diversification. There is also significant interest in supporting the development of a dedicated MENA platform to further enhance the region's financial markets.

Tariq Mattar
Director, Business Development
Bahrain Fintech Bay

Aysha Al Qaud
Head of liquidity management, Treasury
Ahli United Bank

What are the implications of AI in improving the investment process within capital markets?

Tariq Mattar: Historically, the application of artificial intelligence (AI) in finance has experienced fluctuating levels of enthusiasm. However, recent advancements have driven a substantial increase in its adoption, with nearly half of quantitative investors now leveraging AI in their strategies. These tools are transforming investment processes by uncovering complex market patterns and optimising portfolio management.

Despite its vast potential, AI faces notable challenges within finance, including the low signal-to-noise ratio inherent in financial data, the scarcity of reliable data points, and the constantly shifting nature of the markets.

These factors have somewhat limited broader adoption. Nonetheless, AI is making significant strides in enhancing risk management and generating deeper data insights. The most promising path forward lies in a symbiotic combination of AI and human intelligence, which is anticipated to be the most effective approach for refining investment processes.

What hurdles need to be overcome to set up repo trading (both conventional and Islamic)?

Aysha Al Qaud: One of the primary challenges in setting up repo trading, both conventional and Islamic, lies in the underdeveloped nature of certain markets, particularly for local currency (LCY) bonds and sukuks. In regions such as the GCC, markets tend to be less liquid and less deep, which complicates fair and transparent pricing when compared to more mature financial markets.

For Islamic banks, an additional hurdle is the need to structure repos in a Sharia-compliant manner. This is particularly challenging for non-plain-vanilla repos, where not only must the appropriate Sharia-compliant structure be identified, but the time and effort required for the Sharia boards of both counterparties to approve the transaction adds further complexity.

Operationally, Islamic repos also present higher complexity, often requiring more extensive documentation, particularly for Murabaha-backed repos. The absence of central clearing in Islamic finance and the relative inexperience of some market participants further complicate the process. In addition, Islamic banks operating in jurisdictions where Accounting and Auditing

Organization for Islamic Financial Institutions (AAOIFI) standards apply may face restrictions in trading Islamic repos backed by Murabahas, adding another layer of difficulty to the setup of such transactions.

How do you see the repo and collateral market growing in the GCC?

Al Qaud: The growth of the repo and collateral market in the GCC will likely be driven by several key factors. Collaborations with fintech companies will play an important role in addressing existing gaps and navigating regulation-related challenges, offering innovative solutions that can streamline processes and enhance efficiency.

Support from central banks will be crucial, as their involvement can significantly bolster market confidence, fostering a more secure and robust trading environment. Cross-border integration will also be essential, enabling GCC banks to transact with international institutions. This will require alignment with global standards, the development of central counterparties (CCPs), and a concerted effort to build market expertise, all of which are vital for creating a more mature and interconnected financial ecosystem.

Carsten Hiller
Head of repo sales, Europe
Eurex

How important are Repos for a treasury department?

Carsten Hiller: Repos are a lifeline for treasury departments, offering a reliable way to secure short-term funding by using high-quality collateral like government bonds. For treasuries, this means they can manage their liquidity needs efficiently without having to sell off their long-term investments. That is where Eurex Repo comes in. As a leading marketplace for secured funding in Europe, Eurex plays a key role by providing an integrated electronic trading and clearing system. This allows treasury departments to easily access liquidity while safely managing their collateral in a standardised and transparent environment.

One of Eurex's standout offerings is its GC Pooling service. This joint product from Eurex and Clearstream has become the go-to solution for treasuries across Europe because it lets them trade with a wide range of counterparties, improving liquidity and optimising the use of collateral, even across borders. It is especially valuable in times of market stress and volatility. GC Pooling is not just about handling day-to-day operations either — it also helps treasury departments meet their regulatory obligations, for example LCR and NSFR management, making it an all-around essential tool.

What makes GC Pooling so effective is its integration of electronic trading, central clearing, and collateral management into one streamlined service. Over 160 institutions, from both the sell side and buy side, are already using it, and since its launch in 2005, it has set the benchmark for efficient cash and collateral management in Europe. Plus, it helps overcome the challenges of fragmented capital markets by offering a consistent and reliable source of repo liquidity, even during financial crises. Because the collateral received can be reused in other money market transactions, Eurex Clearing margining processes, and even in European Central Bank operations, treasury departments have the flexibility they need to manage their liquidity and collateral. Some bank treasury departments have integrated GC Pooling as a source of funding within their treasury policies.

How can central clearing play an important role in the repo/collateral market?

Hiller: Eurex Clearing, functioning as a CCP, enhances transparency in the repo and collateral markets and mitigates risk.

This role is particularly crucial during periods of market stress when credit risk and liquidity challenges can escalate. Eurex also makes operations more efficient by allowing for netting across multiple transactions and positions, which reduces overall exposure, lowers margin requirements, and improves capital use. With its GC Pooling service, Eurex enables anonymous trading with a wide range of counterparties, boosting liquidity and optimising collateral use, especially beneficial during turbulent market conditions.

A key part of the Eurex approach is expanding its clearing services to more customer groups, for example buy side clients, which is beneficial for banks because the more trades cleared, the more opportunities for netting exist, allowing them to reduce their balance sheets.

Repo trading makes balance sheet capacity for banks a scarce resource that needs to be managed prudently. Hence banks are heavily incentivised to reduce gross balances by offsetting financial assets (reverse repos) with financial liabilities (repos), also known as 'balance sheet netting'.

In response, Eurex and Clearstream have improved infrastructure for trading, clearing, and settlement to facilitate balance sheet netting in both, central bank money as well as commercial bank money, offering clients significant capital advantages through multilateral netting.

This solution of balance sheet netting between GC Pooling trades and Special Repo transactions, enhances collateral mobility, improves credit efficiency, and encourages direct participation in cleared repo markets, ultimately helping institutions unlock capital benefits, manage liquidity more effectively, and contribute to a more stable and efficient financial system.

What are new insights for the future in repos and central clearing?

Hiller: Eurex Repo has expanded its existing, successful interbank markets to address buy side clients. In contrast to the anonymous interbank markets, the customised buy side trading licences offer bilateral trading via request for quotes. This allows banks and their buy side clients to continue their existing business relationships.

In Select Finance, which uses the ISA Direct clearing access model, buy side clients can not only make cash investments but also act as cash takers in GC Pooling or sell individual ISINs in the Special Repo segment.

Right now, our Prisma model supports cross-margining for listed and OTC derivatives, but we have not included repo yet. We are planning to roll that out gradually in the nearer future. Once repo is part of the same risk methodology as derivatives, cross-product margining is going to be a big win for our clients.

We are also expanding our services to better support hedge funds. These firms often manage large positions, such as in futures contracts. Combining margin synergies across listed, OTC, and repo markets — rather than treating repo separately — will add significant value for them.

We also made an exciting step forward with the launch of our GC Pooling Green Bond Basket, designed to boost liquidity and efficiency in the European repo market for green collateral. This allows clients to use EUR, USD, GBP, or CHF cash against 80 green bonds from sovereign and supranational issuers across seven EEA countries. It is part of Eurex's broader ESG initiative, supporting a robust eco-system for green bonds.

On the technology side, Eurex is exploring blockchain and distributed ledger technology to improve repo trading. These innovations could make settlement processes smoother, lower operational risk, and offer real-time transparency in transactions.

In short, Eurex is in a strong position to stay ahead in the evolving repo and collateral markets. With its innovative trading and clearing solutions and commitment to transparency, risk reduction, and tech advancement, Eurex is set to keep playing a key role in maintaining a stable and efficient repo market.

What initiatives are you seeing in the Middle East financial markets?

Ricky Maloney: The Middle East financial markets are experiencing a period of accelerated growth, driven by key initiatives focused on the development of market infrastructure and capital markets. Central clearing remains a priority across the region, with several countries in the process of introducing enhanced securities and derivatives clearing

Ricky Maloney
Global relationship manager, Consulting Davies

services. This focus on clearing is underpinned by broader technological upgrades, aimed at modernising capital markets. These upgrades are enabling the digitisation of services, fostering innovation, and unlocking value-added services that strengthen market operations.

Another significant trend is the region's increasing integration with international markets, particularly through the establishment of links with international central securities depositories (ICSDs). These connections are enhancing cross-border market access and liquidity. Additionally, there has been a notable emphasis on the growth of securities lending and repo markets, with multiple initiatives underway to support their development. Together, these efforts are contributing to a more sophisticated and interconnected financial ecosystem in the Middle East.

What important themes are you seeing around repos in the Middle East?

Maloney: In the Middle East, several important themes are shaping the repo markets. A key focus has been the active support from central banks, governments, and regulators to ensure that robust legal and regulatory frameworks are in place, providing a solid foundation for the market's growth. This institutional backing is being complemented by efforts to integrate with ICSDs, facilitating stronger connections with global markets and improving access to cross-border liquidity.

The adoption of global standard documentation is also gaining traction, fostering a more level playing field and enhancing operational consistency. Additionally, educational initiatives aimed at investors are playing a crucial role, helping market participants better understand and utilise the growing range of repo services. Finally, technological development remains a vital theme, with advancements aimed at enhancing the efficiency and accessibility of repo markets across the region. Together, these initiatives are driving the evolution of a more sophisticated and internationally aligned repo market in the Middle East.

Ijlal Ahmed Alvi
Chief Executive Officer
International Islamic Financial Market (IIFM)

Can you give us an overview of some of the key Shari'ah-compliant Repo documentation?

Ijlal Ahmed Alvi: Repo has played an important role in the development of the conventional financial market and such a product is also required for further development of the Islamic financial market. Certain regulators such as Malaysia, Bahrain, Indonesia and Saudi Arabia have introduced Shari'ah-compliant repo alternatives in their domestic markets.

In 2010, IIFM carried out an industry consultation exercise and published a Reference Paper on 'Islamic Alternative to Repo'. As per the market recommendations, IIFM published the Master Collateralized Murabahah Agreement (MCMA) as a Shari'ah-compliant alternative to repo documentation based on 'Rahn' or 'Pledge' principle in 2014. The MCMA is widely used by the market and meets the liquidity management requirement of Islamic financial institutions by utilising their Sukuk portfolio to create liquidity.

The Islamic finance industry continues to explore additional Shari'ah-compliant liquidity management tools which could be economically better with enhanced capital preservation features to assist the Islamic financial market's development and progression.

IIFM is aiming to develop a globally standardised Shari'ah-compliant repo style Master Agreement based on a sell/buy product structure in consultation with the industry in order to enhance liquidity management products for Islamic financial institutions.

Peter Cullen
Counsel
Linklaters

What are the difficulties faced with Islamic repos compared to conventional ones?

Peter Cullen: There are two main documentary frameworks for Islamic repos. The first is the 'Double Wa'ad' structure. This is a simple title transfer structure prevalent in Saudi Arabia that is very closely based on, and commercially equivalent to, an ordinary Global Master Repurchase Agreement (GMRA). The second is a collateralised Murabaha financing, where commodities are traded in order to generate clean debt obligations, or in the case of floating rate payments or termination payments, spot payment obligations. Historically, the collateral for Murabaha repos was generally provided by way of security (see the International Islamic Financial Market standard form documents), but increasingly Murabaha repos are now collateralised on a title transfer basis.

Both of these title transfer structures, if drafted carefully, can closely mirror the commercial and legal effect of an ordinary GMRA. In jurisdictions such as Bahrain which have implemented a modern netting law, it is possible to obtain clean netting and collateral opinions for Islamic repos. This means that once a repo provider has gone through the process of setting up and understanding the documentary structure and associated commodity trading arrangements, they have access to a tool that allows them to provide repos to Islamic clients without material documentary risk (for the repo provider) relative to an ordinary GMRA.

> "We have enjoyed working with both Islamic repo providers and their customers who are confident enough to push the frontiers of traditional market norms to achieve ambitious objectives."

Even the (documentarily heavier) Murabaha-based format is flexible enough to be used in the context of complex structured arrangements (for example, where there is interaction with repackaging structures). This is because spot commodity transactions allow the generation of essentially any commercially-desired payment obligations, that are collateralised by title transfer collateral under a document similar in commercial effect to an International Swaps and Derivatives Association (ISDA) credit support annex (CSA). We have enjoyed working with both Islamic repo providers and their customers who are confident enough to push the frontiers of traditional market norms to achieve ambitious objectives.

Key insights from PostTrade 360° Nordic 2024: Innovation, regulation, and competition

From distributed ledger technology to shorter settlement cycles, Daniel Tison provides an overview of the core findings from this year's conference

Overlooking the Riddarfjärden bay and clean neoclassicist architecture, Stockholm Waterfront Congress Centre welcomed industry experts from global financial firms to discuss current trends and future predictions within the financial market infrastructure at PostTrade 360° Nordic 2024.

The desire for innovation, amid regulatory frameworks, was prevalent across all sectors, from securities services to collateral management, with speakers aiming to increase Europe's competitiveness as a global market.

The future of securities services

In a panel discussion called 'The future of securities services', representatives from the International Securities Services Association (ISSA) reviewed the evolving landscape of the sector.

Discussion began with the ISSA report from 2020, which outlined key themes expected to impact the securities services industry over the coming 5 to 10 years.

The white paper mentioned the shift in investor behaviour towards passive and ESG-driven investments, as well as new technology-driven competition.

Philip Brown, CEO of Clearstream Banking and executive board member at ISSA, highlighted that the world has changed dramatically since 2020, including the impact of the coronavirus pandemic and the war in Ukraine.

William Hodash, working group coordinator at ISSA, noted that the association is currently updating its paper to reflect these changes and a new document should be published in the coming weeks.

Reflecting on the past years, Colin Parry, ISSA CEO, said: “The biggest move we missed was the move to accelerated settlement. I feel slightly embarrassed about that.”

He mentioned the US and Argentina among countries that successfully adopted T+1 in May 2024.

On that note, Brown argued: “We have only recently, in many markets, moved to T+2, and that had taken a long time, so the idea that we would then move again so soon afterwards was probably not on the cards.”

The majority of Europe moved to T+2 in late 2014, following the EU adoption of the shorter settlement on 6 October that year.

Brown added: “T+1 came about in part because of the pressure on the US Congress and Senate due to the meme stock issues, where the settlement period was partly blamed for the market disruption. I don’t think anyone could have foreseen that financial market infrastructure would be seen as the principal solution to this issue.”

Another change that the panellists observed over the past four years was the increasing interest in ESG.

The panellists also addressed geopolitical factors, such as sanctions and trade tensions.

“Our industry can be used as a tool for geopolitical leverage,” said Brown. “We all need to recognise that geopolitical movements will have a profound impact on our industry.”

Regarding that topic, a member of the audience asked if geopolitics can result in clients losing trust in securities services.

The panellists agreed that this is not the case if there is clear communication from the industry.

“I think that we as an industry have got to step outside of that problem and just be very candid, explaining to our clients that we are obliged to act within the sanction if they apply to our business,” said Brown. “Our obligation is to execute on things that governments decide.”

The second half of the debate was about future predictions, especially talking about new technologies.

According to Parry, distributed ledger technology (DLT) is not yet a solution for cash equities, but there are “some very good use cases”. He said: “Taking a use case where there is no automation and making that into a DLT platform which is open to anybody who wants to use it, I think is a good use case, as is the collateral management and the reducing the amount of physical transfers you’re making because you can exchange tokens for collateralisation.”

“One thing we start to see now is the marriage of digital and retail investing with tokenisation and ETFs,” said Brown. “Digital, married with retail platforms, will change the nature of our industry because it will enable an issuer to connect directly to an investor through an app-based structure.”

The panellists agreed that although Asian countries are seen as “the winners” now, the firms that are going to win are those who offer the best customer experience because that is “absolutely critical”.

The discussion closed emphasising the importance of attracting young people into securities services.

Brown commented: “The big challenge that you will face is: how can we attract talent to a business which looks a little bit sleepy from the outside, moving ones and zeros, left and right, as opposed to the seemingly more exciting world of trading.

“The industry needs to ask itself if we are doing enough to pass the knowledge down to the next generation.”

New possibilities in collateral management

Collateral management is not a solution to all problems, but it is a great mitigation strategy for risk management, according to Olivier Grimonpont, head of product management, market liquidity, at Euroclear.

He was one of the speakers at the ‘New possibilities in collateral management’ panel discussion at the conference.

The discussion started by examining the value of different elements of collateral management.

Ingrid Garin, head of markets at BNY, said: “If you don’t link your collateral management to all your funding tools, and you work in isolation of the rest of the ecosystem, the outcome might be the liability-driven investment (LDI) crisis.”

Gael Delaunay, head of collateral management at Clearstream, highlighted the importance of data analytics.

He said: “Organisations have relatively complex problems to solve. This stems from the fact that inventories span across locations to meet global assets and liabilities.

“Traditionally, data sets are very fragmented due to legacy systems and firms’ siloed structures. Reliable and real-time data are required to make informed decisions. Players like ourselves can offer solutions to consolidate and provide data analytics to support the decision process.”

Garin added that alongside effective data analytics, there is also a value in the flexibility of having access to different solutions.

She said: “Exploring optionality, to actually face the unknown, is important, and having this in as part of your analysis is a clear requirement to really hedge your risk.

The audience had the opportunity to participate by voting through their phones, which then shaped further discussion.

Collateral optimisation was the most important topic for the audience, followed by prediction ability.

Grimonpont commented: “Clearly, there is a major focus, these days, in optimisation, and it's probably linked to that there is more and more demand for collateral, and there are finite numbers of collateral you can use.”

He continued: “We all know that there are pieces of collateral that today are blocking the market, and you can use them, so operational efficiency is when you can mobilise those assets that are unused.”

In that regard, Garin added: “Collateral optimization always puts a smile on my face, because it doesn't mean the same thing for all the clients, as each client comes with the foundation of their house.”

“So yes, we are trying to standardise, we are operating efficiencies, and we know that triparty is close to our heart, but not every client has the same legacy and has the same view of the collateral optimisation. It's more about doing an audit of what you got, what you want, where you want to go, and then building a collateral optimisation.”

Moving forward from optimisation, the panel also addressed the topic of innovation and adopting new technologies.

According to Delaunay, having computing capability is “the driver for the future” which should not be omitted.

He said: “AI will not solve everything as it comes with its own limitations, but it can be handy if combined with traditional optimisation models. The possibilities are almost infinite but need to support real-world use cases.”

Regarding that, two panellists agreed that AI can simplify complex problems and find solutions by linking different use cases to each other.

Grimonpont said: ”The technology today enables us to link all those pieces of work together. Beauty comes from the fact that all those use cases link to each other and that really makes a very powerful tool.”

However, Garin argued that the market needs to find the right cases for new technologies, and take into account funding and regulatory aspects.

“The market needs to, first of all, find the right user cases to use the technology to pay for the solution. You also have a big regulatory framework around it. You work in an ecosystem. You need the regulatory aspect behind it, and really have the use cases.

“You don't work in a vacuum, in the collateral, I would say you work more transversely in a micro level with different user cases, which could touch many pivots. But I see the regulatory environment as a big influencer, and it needs to stand on its own to feed this topic. You need to be able to make money on the back of it, to finance the barrier to entry.”

In terms of DLT, the audience agreed that it would take 5 to 10 years to fully adopt it by the industry.

For Grimonpont, DLT has the most efficient use cases outside of collateral management.

He said: “Even though collateral management is often used as the best case for DLT, I'm not 100 per cent sure that's the reality. I think there are a lot of different areas where DLT might actually be far more efficient than collateral management, and documentation is definitely an area where the DLT can be of great value.”

Closing up with final thoughts, Garin said that it is all about evolution, not revolution.

"If you go for revolution, it’s really hard," she said. "You scrap what you are doing today, and you are really starting on a blank page. You might overanalyse it so much that you will end up having a monster to implement.

Delaunay added: “We focus on the dialogue. We start with understanding your foundational needs and priorities. This allows us to advise on best practices, but it also helps us design our roadmap for future developments to meet your needs and support your growth.”

Equity clearing market is open and competitive

Competition and interoperability were the main themes shaping the panel discussion called ‘Hear it from the players: the equities clearing market panel’, with representatives from three central counterparties (CCPs).

Tim Beckwith, head of commercial and business development at Cboe Clear Europe, said: “We've seen competitive behaviour between CCPs really intensify, which is great for the industry, this competition. The equity clearing market is open and competitive, and we need to make sure it stays that way.”

Another panellist agreed that competition is a good thing, which has led to the reevaluation of interoperability.

According to Beckwith, about 75 per cent of European cash equity trading is interoperable, which is a “fantastic achievement”, while about 20 per cent is under “preferred clearing”.

“We think there needs to be growth,” he said. “We prefer to see those preferred markets become interoperable, but you also need to plug the gap as well.”

Regarding interoperability, the panel referenced Spain, which, according to one panellist, is currently not an interoperable trading venue, but that may change with the implementation of the Alternative Investment Fund Managers Directive (AIFMD) Level 2 regulation.

On the other hand, Ivan Gilmore, head of cash equities at the London Stock Exchange Group (LSEG) Post Trade, said that the market competition might have gone “too far”, especially in terms of customer expectations.

He said: “As volumes went up, customers have expected us to lower fees. However, as volumes have come down over the last couple of years, we’ve not been able to increase those fees.”

Speaking of volumes, Beckwith added: “You either get more volume via winning business off each other, which is the competition part, or through new venues, whether it is preferred clearing or someone that’s not done anything yet.”

The panel emphasised the need for continued innovation and collaboration among CCPs to maintain stability and efficiency. As the clearing market is opening up, each panellist spotted different benefits.

Gilmore said: “More and more of the interoperable venues are starting to trade crypto exchange traded products (ETPs). It’s very small at the moment, but it could grow a lot over the next few years, starting with Bitcoin and Ethereum.”

Beckwith added: “We also see new venues that are not in clearing. That seems to be the latest trend at the moment, and maybe that’s where the CCPs will get a bit more revenue from.”

CCPs seek balance between regulation and efficiency

“Markets are global, problems are local. Central clearing will, in general, continue to increase in its relevance, with a particular link between underlying currency and the respective jurisdiction,” said Matthias Graulich, executive board member at Eurex Clearing.

The ‘CCP market game at strategic level’ panel discussion focused on the regulatory challenges facing central clearing in Europe, especially the European Market Infrastructure Regulation (EMIR).

Graulich stated that EMIR aims to make the European market infrastructures globally more competitive and provide more autonomy to European regulators in case of a crisis.

"You wouldn't want a Euro-denominated systematically relevant product to rely on the support from a third country central bank and hope for their goodwill to take swift action in your best interest," he said. "And this is where EMIR kicks in and tries to set incentives or push people to move some of the exposure from third country infrastructures into the EU, to have tighter control and have the ability to take action in these crisis situations."

In response, Patrik Lohr, CEO at Nasdaq Clearing, commented: "In the end, it's all going to be about the implementation because that's where we see what the effects really are. But there are good intentions, and I think [EMIR] can improve EU competition."

José Manuel Ortiz-Repiso, head of clearing and repo operations at SIX, agreed that effective implementation of the new regulation will be "crucial".

"We have to find the right balance between pragmatism and risk," he added. "We have to be pragmatic because we have to consider the profitability of our clients, but also our profitability, because we will need to become a reliable source of trust for them, managing the risks and offering them all the possible efficiencies in terms of products, collateral, and treasury management."

Vikesh Patel, president of Cboe Clear Europe, hopes that the implementation of EMIR will facilitate the approval process.

"Striking the right balance between regulatory oversight and fostering product innovation is challenging, and I believe we haven't quite achieved it yet," he said.

"If I bring a new product to market, it should take the appropriate amount of time to do due diligence of the product for regulators to be comfortable, but if I already clear the product, and I'm adding another currency or something else, that still takes an awful lot of time to get approval. And there was a lot of ambition at the start of the year that we would be able to address that and support innovation, and we still haven't."

Isabelle Girolami, CEO of LCH, highlighted the work of the European Securities and Markets Authority (ESMA) as a European supervisor.

"The more powers ESMA has, the better," she said. "And the more experience they have in regulating European CCPs, the better they are in regulating non-European CCPs."

On that note, Patel came up with a driving analogy where CCPs hold the steering wheel and ESMA has access to the brakes and accelerator: "When I was learning to drive, I was holding the wheel, but the other person who was teaching me to drive probably had more power than I did at that point when they needed to."

During the discussion, Ortiz-Repiso also stressed the importance of collaboration across the sector to prepare for the adoption of T+1 in Europe.

"We will make a tremendous mistake if we cannot act as an industry because the politicians and regulators need our proactiveness," he said. "We will have to be a little bit more innovative and provide the efficient tools to do so, and not only giving it to the hands of regulators and politicians, to ensure great success, increasing the competitiveness of Europe in general."

Moving on from regulatory challenges, the panellists discussed technological innovations.

Graulich mentioned the opportunity for existing cross-margin capabilities with a focus on Euro denominated product across futures and swaps, as well as the planned expansion to include repos into that mix. He referred to "futurisation" as a "key priority" for Eurex.

He said: "Credit futures see more and more adoption in the market, and people are seeing this product as an easy way to take an exposure on credit, to manage credit-related risks in a set of products, euro-denominated, dollar-denominated."

Girolami emphasised the need for optimisation, which is prevalent across the industry.

"We all want to provide solutions to help optimise," she said. "It also relates to the broader theme and importance of continuing to provide margin optimisation solutions."

In their conclusion, the panellists agreed that the clearing business has a "very strong future" in Europe.

The importance of building enduring relationships

Aidan Kempin, a relationship manager working with MarketAxess in London, speaks with Daniel Tison about his experience in the securities finance industry and the significance of maintaining the industry's human-centric aspect

Can you tell me about your journey into the securities finance industry?

My journey began with a degree in financial economics and banking from Coventry University in London. When I joined MarketAxess as an intern — under the leadership of Camille McKelvey — I quickly grasped the essence of relationship selling.

Today, in my role as associate sales relationship manager in post-trade, I work on successful sales campaigns that boost revenue, which has been extremely fulfilling. Through each step, I have immersed myself in the dynamic complexities of the securities finance industry, which is both challenging and rewarding in equal measure.

As a young professional, what aspects of your role or the industry do you find most exciting?

What excites me most is the dynamic nature of cultivating client relationships and navigating deals. Every day presents new opportunities — a call, a meeting, or even a lunch — where I thrive on using my skills to steer opportunities in the most advantageous direction for MarketAxess.

This keeps me engaged and motivated to the point where I often think that it genuinely does not feel like a job. The combination of challenges, excitement, and the chance to make a real impact makes each day uniquely fulfilling in this industry.

Many companies offer various training and development opportunities for their employees. How has your company supported your growth?

At MarketAxess, I have experienced exceptional support for professional growth. From the guidance of managers like Camille McKelvey and Haider Ali, to opportunities like enrolling in an IMC course, the company invests in my development comprehensively.

What is truly valuable is the open culture and flat organisational structure that encourages asking questions and receiving genuine answers regardless of level or seniority. This accessibility enhances learning and problem-solving, which can be crucial for navigating sales campaigns and tackling intricate challenges. It is this supportive ecosystem that has significantly shaped my journey, fostering both personal and professional growth.

What misconceptions about working in the financial industry have you encountered, and how do you address these challenges?

There is a prevailing misconception that the financial industry is solely cold and profit-driven. However, I have found it to be fundamentally about building enduring relationships.

As a young professional, I have worked on impactful sales campaigns that highlight how effective communication and mentorship can reshape these perceptions. By demonstrating the industry's dynamic and welcoming nature through actionable initiatives, we show that it is more than just numbers — it is about fostering trust and delivering value that resonates beyond transactions.

I aim to uphold the torch for the old-style ethos of the city — keeping a desk phone and never saying no to an opportunity to meet with a client in person, whether in the office, coffee shop or pub. This approach not only challenges stereotypes, but also enriches the industry's reputation, emphasising its human-centric aspect amid the complexities of finance and the new age of AI.

Looking ahead, where do you see yourself in the next five years in terms of your career goals and aspirations?

In the next five years, my aim is to advance into a senior leadership role where I can drive strategic sales initiatives and achieve substantial revenue targets. I aspire to lead high-performing sales teams, leveraging my skills in project management and financial analysis to streamline performance holistically.

I plan to expand my professional network, which will be necessary in forging strong client relationships and exploring new market opportunities. My goal is not only to meet, but to surpass expectations, contributing significantly to the growth and reputation of MarketAxess.

What advice do you have for other young professionals aspiring to pursue a career in your industry?

My advice to aspiring professionals in the financial industry is to prioritise cultivating strong relationships and embracing challenges head-on.

From my journey, I have learned that resilience and adaptability are indispensable traits in navigating this dynamic field.

Embrace mentorship opportunities to glean insights from seasoned professionals — it is invaluable for personal and professional growth.

Remember, success in this industry is not just about celebrating victories, but also about learning from setbacks. Each experience, whether positive or challenging, contributes to the development and readiness for future opportunities.

Stay proactive, stay curious, and continually strive to expand your knowledge and skills.

Aidan Kempin

Originally from the countryside of Durham in the Northeast of England, Aidan Kempin is now navigating the fast-paced world of London's financial sector. With a first-class degree in financial economics and banking from Coventry University London, he has progressed from intern to associate at MarketAxess, leading successful sales campaigns and achieving significant revenue milestones.

Rouigueb leaves CACEIS

Donia Rouigueb has left her position at CACEIS, an asset servicing provider, after nearly a decade with the firm.

Based in Italy, Rouigueb served most recently as group deputy head of sales for market solutions and head of sales for securities finance and repo.

She joined the company in October 2015 as sales trading director for securities finance.

Earlier in her career, Rouigueb worked as securities lending sales trader at Mediobanca and securities lending trader at Candriam.

Pirum onboards Kohli

Pirum has hired Amit Kohli as EMEA key account management director to expand the firm's presence in the region.

Kohli is a senior securities finance expert with more than 21 years of experience in capital markets, which spans across securities borrowing and lending, repo, collateral, and regulatory technology.

He joins from KPMG where he helped to build the firm's capital markets consulting business, serving buy side, sell side, and financial market infrastructure (FMI) clients.

Previously in his career, Kohli has directed operations, sales, trading and product teams in companies including Rule Financial, SunGard Capital Markets, Sumitomo Mitsui Trust International, and Nomura.

Commenting on the hire, Jacob Koopmans, chief revenue officer at Pirum, says: "[Kohli's] many professional achievements, including the progression and growth of the capital markets business at KPMG, underscore his exceptional drive and leadership skills, as well as his encyclopaedic expertise in securities finance technology, regulation and products."

D2LT selects Green

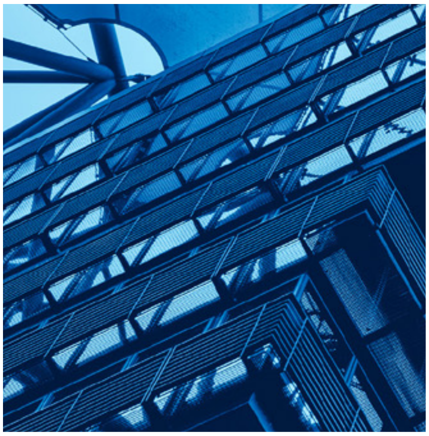
D2 Legal Technology (D2LT) has appointed Sarah Green, a private law professor, as head of its digital assets and electronic trade documentation practice.

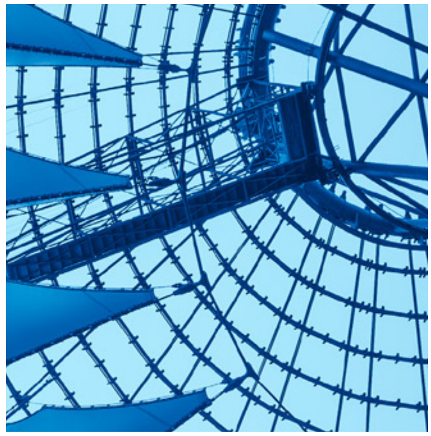
Green joins from the Law Commission of England and Wales where she served as law commissioner for common and commercial law since 2020.

She is currently a professor of private law at the University of Bristol and was previously a professor of the law of obligations at the University of Oxford.

In 2023, Green won the International Chamber of Commerce's award for "the individual who has made the greatest contribution to the digitalisation of trade" and the 'Outstanding Achievement Award' at the British Legal Technology Awards.

She is also a published author on issues including virtual currencies, blockchain, smart contracts, and sale of goods law as applicable to digitised assets.





Sharegain welcomes Davis

Global capital markets fintech firm Sharegain has appointed Nick Davis as senior customer success manager.

Based in London, Davis brings more than 30 years of securities lending and financial market experience, where he worked in trading and managing client relationships.

He has driven the expansion of clients' lending programmes with a focus on strategic implementation and revenue growth, and has experience in risk management, innovation and client experience.

Most recently, as executive director for agency securities lending at J.P. Morgan, he managed international desks and built relationships with banks, broker-dealers, and buy side clients.

Earlier in his career, Davis also held senior roles at Morgan Stanley in Hong Kong and Tokyo, as well as Harris Trust.

VERMEG hires Salim

VERMEG has appointed Khalid Salim as a sales executive for the UK and South Africa regions.

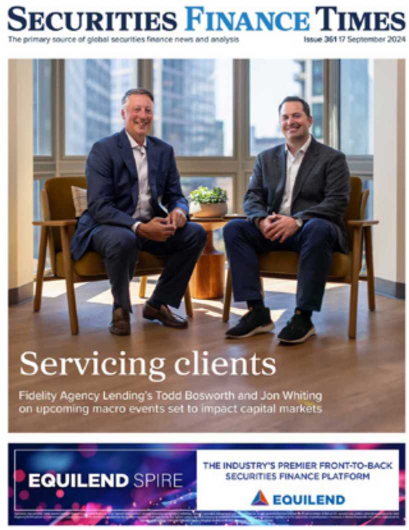
Based in London, Salim will report to Jay Mistry, UK, Ireland and South Africa general manager.

He joins the specialised software house from S&P Global, where he was director of client management for almost two years.

Salim previously worked for over eight years at HSBC, where he held a number of senior positions across London and Hong Kong, including as senior vice president for strategic client management.

During his career, he also spent a year at Deutsche Securities Saudi Arabia as vice president, head of product and client management for the region.

Prior to this, he was employed by Deutsche Bank for three years in London, as vice president of EMEA network management.



Publisher: Justin Lawson
justinlawson@securitiesfinancetimes.com
020 3667 3244

Group editor: Karl Loomes
karlloomes@blackknightmedialtd.com
020 3617 1722

Deputy editor: Carmella Haswell
carmellahaswell@securitiesfinancetimes.com
020 3617 1722

Reporter: Daniel Tisoň
danieltison@securitiesfinancetimes.com
020 3617 1722

Accounts: Chelsea Bowles
accounts@securitiesfinancetimes.com
020 3667 3979

Sales and Events Support: Vanessa Hayes
vanessahayes@blackknightmedialtd.com
020 3667 3979

Designer: James Hickman
jameshickman@blackknightmedialtd.com
020 3372 5997

Studio director: Steven Lafferty
design@securitiesfinancetimes.com

Published by Black Knight Media Ltd


How do we fix
a problem with
no boundaries
by pushing
our own?
HSBC
Opening up a world of opportunity
Issued by HSBC Bank plc, 8 Canada Square, London. E14 5HQ