securities lending times
The primary source of global securities finance news and analysis
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Eurex secures PGGM as first buy-side CCP member

Dutch cooperative pension fund PGGM is set to be the first buy-side client to become a direct participant of Eurex Clearing's Lending central counterparty (CCP).

Eurex CCP covers loans in equities and exchange-traded funds in Europe as well as fixed-income securities, and boasts some of the largest providers of financial services to institutional investors and securities lending agents among its strategic partners.

According to Eurex, the direct CCP access for beneficial owners, via its Specific Lender License, preserves a relationship-driven business structure and at the same time delivers the capital efficiency and safety associated with central clearing.

Roelof van der Struik, investment manager for treasury trading and commodities at PGGM, said: "At PGGM, we believe by connecting to Eurex Clearing, using the full capabilities of EquiLend, the CCP model enables new stock lending structures and business opportunities for beneficial owners, as well as helping to manage the rising burden of balance sheet regulation and costs for the securities lending market."

As part of Deutsche Börse, Eurex Clearing provides an integrated clearing offering across derivatives, equities, securities lending and repo transactions.

Marcel Naas, global head of funding and financing at Deutsche Börse Group, said: "We are very pleased to welcome PGGM in our effort to further broaden the reach of our offering for the securities lending market to buy-side clients."

"The usage by its members will further enhance the attractiveness of our Lending CCP and be mutually beneficial to our clients and other connected markets across asset classes."

Brian Lamb, CEO of EquiLend, said: "We are pleased that PGGM has selected EquiLend to provide full connectivity services to Eurex Clearing's Lending CCP and welcome them as a client."

"The focus on CCP solutions continues to increase, driven by the need for cost and operational efficiencies. We anticipate greater utilisation of our link to Eurex as the securities finance industry looks to realise the benefits of a CCP model."

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RBC and IHS Market collaborate on MiFID II research payment solution

Royal Bank of Canada (RBC) and IHS Markit are pairing up to provide research payment account (RPA) services ahead of the second Markets in Financial Instruments Directive (MiFID II) deadline.

Research payments will be administered from RBC-maintained accounts, using IHS Markit's RPA Manager, at the discretion of each individual firm.

Under MiFID II, set to come into effect on 3 January 2018, investment research is required to be bespoke to each institution.

Investment firms are obligated pay for research either with their own funds, or through a separate designated account, which is charged to the client.

Research fees also have to be separated from execution and trading fees.

Through the partnership, the RPA Manager will provide research budget calculation, tracking and allocation, and funding management of the RPA, through direct debit or commission sharing agreements.

It will also assist with reconciliation, reporting and document management.

RBC will provide expertise on CSA, while its bank status and AA- credit rating will allow it to hold and administer segregated accounts on behalf of buy-side firms.

Michael Aldridge, managing director at IHS Markit, commented: "The wider market supports the importance of greater transparency around commissions and payments for research."

"However, the operational and regulatory challenges of commission unbundling and fulfilment is a complicated endeavour that remains little understood."

He added: "We are delighted to work with RBC to provide a wholly integrated, scalable and, more importantly, transparent RPA solution."

Graeme Pearson, head of European equities at RBC Capital Markets, said: "As the countdown to the MiFID II deadline intensifies, the industry needs to be ready from an operational perspective to ensure asset managers can put in place effective RPA solutions."

"IHS Markit has the proven technical capabilities to support the buy side, while our specialist RPA team, which will be managed independently from our traditional brokerage offering, will ensure safe, efficient and timely processing of research payment obligations."

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FIA offers guidance on CCP supervision

The Futures Industry Association (FIA) has waded into the debate over the European Commission's proposal for a two-tier system for regulating EU and non-EU central counterparties (CCPs).

FIA set out 23 recommendations that promise to enhance the changes for CCP equivalence and recognition process under the European Market Infrastructure Regulation (EMIR) and allow for enhanced third-country CCP supervision without distorting markets.

The European Commission's proposal for more robust supervision of CCPs was issued in response to a lack of regulatory consistency, their increasing importance in financial services, and the expectation that the UK's withdrawal from the EU will have a significant impact on the regulation and supervision of clearing in Europe.

According to FIA, the European Securities and Markets Authority (ESMA) should run point on any regulation of third-country CCP rules, with the European Central Bank and non-eurozone EU central banks filtering their process for granting recognition and oversight through ESMA.

This would avoid duplicative or conflicting requirements being created by those central banks—or those same central banks becoming quasi-regulators in addition to ESMA.

Australian superannuations taking ownership of lending strategies, say AIST speakers

Southport | Reporter: Drew Nicol

The increasing number of Australian superannuations internally managing their investment strategies has coincided with increased levels of lender engagement within securities lending, according to speakers at the Australian Institute of Superannuation Trustees conference.

Speaking to conference delegates in Southport on 5 September, Stewart Cowan, Asia Pacific head of agent lending products and portfolio advisory for J.P. Morgan, and Phil Shepley, head of agency lending trading for the Asia Pacific region at BNP Paribas Securities Services, suggested that higher engagement has boosted returns with increased cash management of collateral and direct or structured loans.

Panellists also said they expect this will eventually give rise to indemnified lending similar to that seen in the European and North American markets.

DataLend provided Australian lending data, which revealed that health supplement vendor Blackmores, bank Westpac, and health care provider Mesoblast were Australia's hottest stocks. Revenue generated by these top three names was valued at US $3.95 million, $2.2 million and $1.9 million, respectively.

Overall, the top five revenue earners in the first half of the year accounted for $10.36 million, a significant drop from the $21.65 million generated by Australia's top five securities during the same period in 2016.

DataLend's figures showed that the Australian lending market fell foul of the same revenue issue affecting other global markets—a major drop off in equities revenue.

Australian equities revenue fell from $55.1 million in H1 2016 to $45.9 million in H1 this year. Common share revenue also dropped $8.9 million over the same period.

At the same time, ESMA should jointly supervise the most systemic of third-country CCPs in coordination and collaboration with the national competent authorities in those jurisdictions.

FIA also encouraged greater transparency of ESMA's equivalence and recognition process, suggesting that the authority engage in public consultations before passing judgement on a CCP or CCP service.

ESMA's annual report to the commission on third-country regulatory developments should also become publicly available.

With regards to forced relocation for access to derivatives clearing, FIA suggested that systemic third-country CCP services should be subject to the application of EMIR standards and to direct supervision by ESMA.

ESMA should have the ability to grant comparable compliance, rather than force the relocation of such activities deemed to be of substantial systemic importance for EU financial stability.

In terms of recognising risk within a CCP, FIA proposed that current rules be clarified to recognise that not all CCP services, or products within a single CCP legal entity, will be systemically relevant to the EU or have the same impact on financial stability.

Walt Lukken, president and CEO of FIA, said: "We support the European Commission's commitment to ensuring third-country CCPs are appropriately supervised as part of a well-regulated central clearing system."

He said: "However, forced relocation of clearing could distort markets, fragment liquidity, and raise costs for market participants globally. The European Commission can better achieve the goal of improving the oversight of third-country CCPs by updating its proven equivalence regime and enhancing the supervision for CCPs that are systemically important in the EU."

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Citi and Deutsche Bank execute first trades on LCH's SwapAgent facility

LCH's new SwapAgent service has completed its first trades, facilitating an interest-rate swap and an inflation swap between Citi and Deutsche Bank.

The trades, denominated in Swiss francs and euro, respectively, were processed through MarkitSERV.

Launched last month, SwapAgent is the latest release from LCH, introducing a new version of client account within its SwapClear service.

It was designed to introduce new efficiencies for the non-cleared derivatives market and to standardise and streamline over-the-counter market infrastructures.

There are already plans to expand the offering to include cross-currency swaps in Q4 2017.

Citi and Deutsche Bank were among 14 dealers that confirmed their support for LCH SwapAgent shortly after its release. Others include Bank of America Merrill Lynch, Barclays, BNP Paribas, Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Nomura, Morgan Stanley and RBS.

Nathan Ondyak, global head of LCH SwapAgent, said: "We have received significant support from the market for the new service and are delighted that Citi and Deutsche Bank have completed the first trades."

Stuart Bancroft, managing director of credit valuation adjustment trading at Citi, said: "As the non-cleared market for interest rate derivatives becomes increasingly complex, we welcome innovative solutions like LCH SwapAgent that help simplify the bilateral margining process, while enabling market participants to comply with the uncleared margin rules."

RMA to proceed despite Irma

The Risk Management Association's (RMA's) 34th Annual Conference on Securities Lending in Naples, Florida, will go ahead as scheduled next month, despite the regional damage caused by Hurricane Irma, conference organisers have confirmed.

The conference is set to take place at the The Ritz-Carlton, Naples between 9 and 12 October.

Irma was downgraded from a hurricane to tropical storm on 11 September after it made landfall in Southern Florida early the previous morning.

An RMA spokesperson stated: "[The association] is currently working with the hotel to determine the extent of the impact from the storm and once we have a clear picture of the hotel's condition, we will communicate any changes in the status of the conference moving forward."

Eurex to offer MiFID II simulations

Eurex is set to offer its clients access to a simulated trading environment later this month ahead of the second Markets in Financial Instruments Directive (MiFID II) January 2018 deadline.

According to Eurex, the simulations are aimed at ensuring clinets "have sufficient time to adapt to the new reality".

Randolf Roth, member of the Eurex executive board, said: "The industry currently undergoes the gargantuan task to oblige to the deadline."

"We support the market to be able to cross the finish line ribbon."

Eurex said it is has already started to introduce services to address the overarching objectives of MiFID II—including increasing transparency of the off-book market—and

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Indian regulator looks to securities lending for derivatives success

Mumbai | Reporter: Drew Nicol

A "vibrant" securities lending infrastructure is a prerequisite for the successful expansion of India's derivatives market, according to the Securities and Exchange Board of India (SEBI).

The acknowledgement came as part of SEBI's latest discussion paper on growth and development of the equity derivatives market in India, which focused on issues surrounding physical settlement in stock derivatives.

"A prerequisite for successful introduction of physical settlement of derivatives is efficient and transparent lending and borrowing mechanism in the cash segment," the paper said.

The board said a "vibrant mechanism" for securities lending and borrowing is essential to avoid a short squeeze in India's markets. SEBI also outlined its intentions to phase in physical settlement in stock derivative contracts with single stock contracts. Single stock futures are expected to follow.

The Indian regulator added: "Another perspective could be that the threat of physical delivery in stock derivatives leads to better alignment, coupling and convergence between cash and derivative market".

As part of the discussion paper, SEBI is requesting industry comment as to whether there is a need to have compulsory physical settlement in stock derivatives contracts.

It is also asking market participants whether they think physical settlement should be completed in a phased manner starting with stock options followed by stock futures.

SEBI is accepting comments from market participants on the derivatives discussion paper until 25 September.

supports market participants' best execution efforts with a new request for quote platform.

Monthly outstanding volume on Eurex Repo Market rose 42 percent in August, compared to same time last year, hitting €44.2 billion, up from €31.2 billion in 2016.

The average outstanding volume through Eurex's GC Pooling fell by 56 percent year-on-year last month.

August's volume reached €38 billion, down from €86.2 billion in 2016.

Brazilian exchange smoothes post-trade systems with Pirum

The Brazilian stock exchange B3, formally BM&F Bovespa, has streamlined its post-trade services to improve file standardisation.

The post-trade integration (IPN) project was completed on 28 August 2017 via B3's IMBARQ trade file.

A Pirum spokesperson said: "The IPN project overhaul of B3's trade reporting process via the IMBARQ file offered an opportunity for Pirum to work with its clients and the new files generated by the exchange to standardise the reconciliation process for Brazilian stock lending activity."

Pirum was already established in providing its clients with Brazilian trade reconciliations for a number of years prior to the IPN upgrade, with clients historically reliant on bespoke trade files sourced from their local custodians.

The new file standardisation enables Pirum to expand its offering of Brazilian trade reconciliations without the challenge of associated custodian file nuances.

The move to the IMBARQ trade file comes as part of a comprehensive overhaul of B3's post-trade system, which will see its four clearinghouses consolidated into a single entity.

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B3 is the product of the merger of Brazilian exchange BM&F Bovespa and Cetip, Latin America's largest depository for over-the-counter (OTC) securities and derivatives, completed in April.

B3 recently moved corporate bonds and equities lending to its new multi-asset clearing platform, as part of the second phase of the project.

Once complete, the platform will manage all equities, derivatives, government and corporate debt securities, and foreign exchange activities.

Pirum added that it is ready to assist any clients not currently reconciling their Brazilian securities lending activity through its platform.

Fed rules demands further securities lending contract safeguards for GSIBs

The Federal Reserve Board has adopted a rule requiring US global systemically important banking institutions (GSIBs) to amend qualified financial contracts (QFCs) to prevent their termination if the firm defaults.

The rule, which also affects US operations of foreign GSIBs, encompases securities lending, derivatives and repo transactions.

Under the rule, GSIBs must ensure that US resolution laws, providing for a temporary stay to prevent mass terminations, apply in all contracts.

A GSIB's QFCs will not be able to allow the exercise of default rights that could spread the bankruptcy of one GSIB entity to its solvent affiliates.

A transitional period, allowing GSIBs time to repaper their contracts, will begin on 1 January 2019.

QFCs between GSIBs must conform to the new rule with the following 12 months, while those between a GSIB and most other counterparties must comply within 18 months.

In a statement on the rule, published on 1 September, the Fed said that, given the large volume of these contracts to which GSIBs are a party, the mass termination of QFCs in the event of default "may lead to the disorderly failure of the firm, spark asset fire sales, and transmit financial distress across the US financial system".

Governor Jerome Powell said: "The final rule will reduce the threat that a disorderly unraveling of QFCs would pose to our financial system and the broader economy."

OCC's growth continues

OCC's securities lending CCP activity was up 25 percent in new loans year-over-year in August, with 200,844 transactions.

Year-to-date stock loan activity is also up 22 percent compared to 2016, with 1.5 million new loan transactions.

The average daily loan value cleared last month was $141.5 billion.

The clearinghouse's cleared futures volume set a record in August with 14.9 million contracts, a 71 percent increase on the same time last year.

OCC's year-to-date average daily cleared futures volume is up 47 percent on 2016's January-to-August total with 570,923 contracts.

ESMA releases responses from CCP's conflict of interest report

There are "situations where central counterparty (CCP) conflicts of interest cannot reasonably or proportionately be avoided", according to the London Stock Exchange.

This statement was a response to an industry consultation by the European Securities and Markets Authority (ESMA), which looked into the issue of conflicts of interests between a CCP

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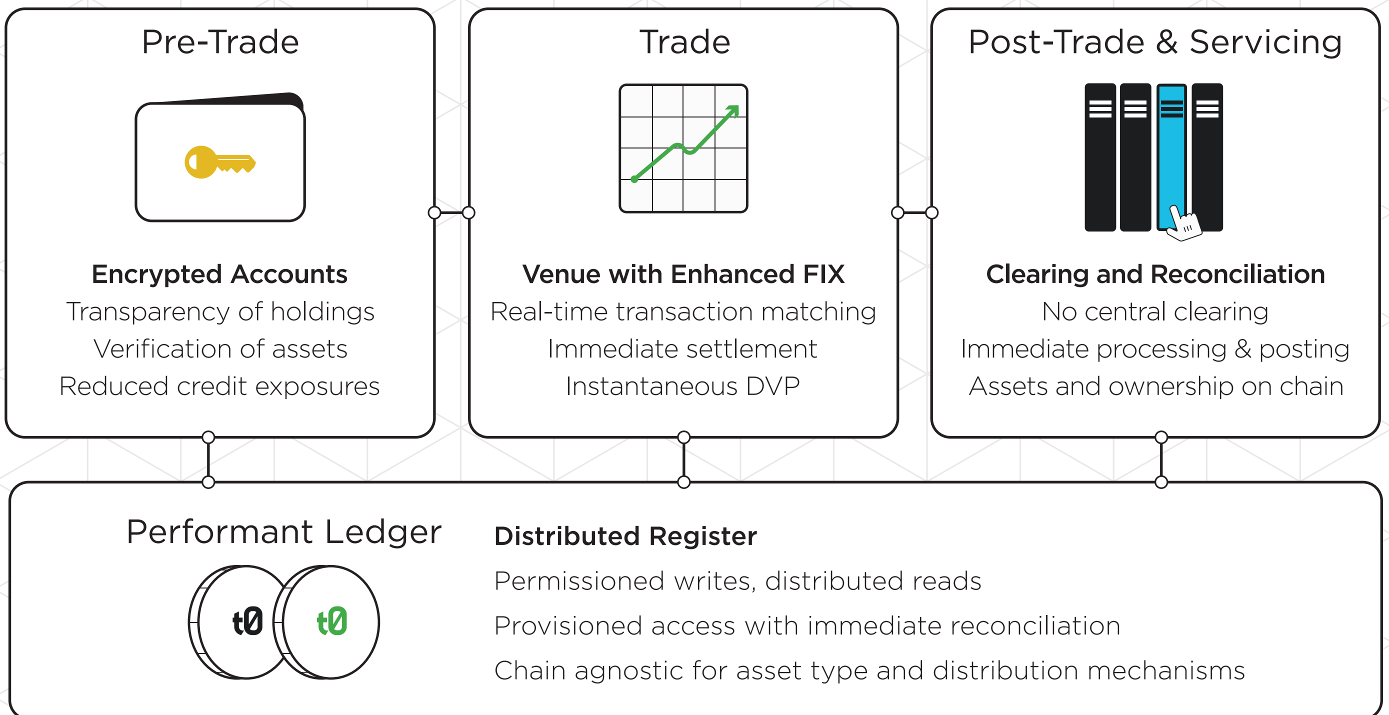

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World's pension funds return to form in 2016

New York | Reporter: Jenna Lomax

The world's largest pension funds increased their assets under management (AUM) by 6.1 percent in 2016, reaching total AUM of $15.7 trillion, according to Willis Towers Watson.

Willis Towers Watson's research into the world's 300 largest pension funds revealed a return to growth last year, following a 3.4 percent decline in assets in 2015.

Cumulative growth in assets since 2011 now stands at 23.4 percent.

The top 20 funds by asset size saw a higher cumulative increase than the top 300 in total, seeing a 7.1 percent boost to AUM since 2011.

The top 300 pension funds together now represent 43.2 percent of global pension assets, rising from 42.5 percent in 2015.

Sovereign pension funds also returned to growth in 2016, increasing assets by 6.5 percent and reversing a decrease of 0.8 percent in 2015.

By region, North American funds grew strongest with a 6.7 percent asset increase over the past five years, with the US market retaining the largest share of pension assets, worth 38.6 percent of the global pot spread across 134 funds.

Canada has overtaken the UK as the fifth largest country by share of pension fund assets, accounting for 5.4 percent of global assets, up from 5.3 percent in 2015.

The UK now holds 4.8 percent, down from 5.4 percent in 2015.

Funds in Europe and the Asia Pacific region boasted growth rates of 3.1 percent and 2.8 percent respectively.

In terms of asset diversity, 28 new funds entered the ranking over the past five years.

The US accounted for 13 on a net basis, while Germany and Mexico experienced the highest net losses over the period, losing a net four funds each.

The US has the largest number of funds within the top 300 ranking (134), followed by the UK (26), Canada (18), and Japan and Australia (both 16).

Roger Urwin, global head of investment content at Willis Towers Watson, said: "If asset owners are to successfully capture the long-term premium, it is imperative that they continue to expand their skill sets, particularly in a continued lower-return environment which looks set to remain a feature of the industry going forward."

He added: "A central characteristic of leader funds has been on their ability to innovate, rather than to rely on practices which may have worked in the past, whether that be through more streamlined asset allocation, uses of factor strategies and other smart betas and better methods of accessing private markets."

"Increased interest in sustainability ... is one further innovation that was notable in 2016," Urwin said.

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and its clearing members under the European Market Infrastructure Regulation (EMIR).

It also tried to verify potential areas where CCPs are not sufficiently bolstered to withstand risks of damage to the interests of a clearing member or client.

As part of the consultation, ESMA proposed giving further counsel to CCP's management to "ensure common, uniform and consistent application" of the EMIR guidelines, which were first introduced in December 2012 under EU legislation.

In response, the London Stock Exchange said: "The adoption of rules related to the limitation of the number of contracts or mandates board members and executive directors may have is not mandatory to appropriately mitigate the risk of conflict of interests."

"Independence is a quality that can be possessed by individuals, and is an essential component of professionalism and professional behaviour."

Deutsche Boerse subsidiary Eurex Clearing, concluded that the "proposed rules of conduct [are] appropriate."

However it added: "In order to prevent misinterpretations of the term 'external audits having a link with or receiving benefit from the CCP', we propose adding a reference to the existing rules or deleting this specific requirement."

BME Clearing went as far as to propose a complete deletion of this measure, saying: "The limitation of the number of contracts or mandates of board members and executive directors is not reasonable."

"External auditor appointment is already regulated in the directive on statutory audits of annual accounts and consolidated accounts."

Other clearinghouses and stakeholders that responded to the consultation included Amundi, European Commodity Clearing, the European Association of CCP Clearing Houses and the International Swaps and Derivative Association.

Subscribe for free to the next issue of Securities Lending Times, published on 19 September, to read analysis of all the responses in full.

Euroclear and Lombard Risk link collateral management programmes

Lombard Risk has partnered with DTCC-Euroclear to integrate its margin transit utility (MTU) programme, GlobalCollateral, with Lombard Risk's Colline solution.

DTCC-Euroclear GlobalCollateral is a joint venture between the Depository Trust & Clearing Corporation (DTCC) and Euroclear.

Through the agreement, Lombard Risk Colline users will be able to access MTU message statuses directly from their user interface and match collateral transactions in Colline and submit them for settlement in MTU.

According to Lombard Risk, the agreement will enable a seamless and transparent collateral management process across all asset classes, by removing the need to enter transactions across multiple systems, lowering manual processes and promoting data accuracy.

Mark Jennis, executive chairman at GlobalCollateral, said: "We look forward to delivering our first project under this alliance, the linking of MTU and Lombard Risk Colline, which will simplify current collateral management processes, creating a more efficient and streamlined process."

Alastair Brown, CEO of Lombard Risk, added: "The combination of solutions coupled with Lombard Risk's deep industry expertise and proven track record will enable us to provide new and comprehensive services that help improve operational efficiency, and deliver real value to industry participants and customers."

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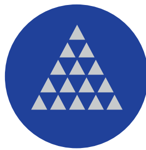

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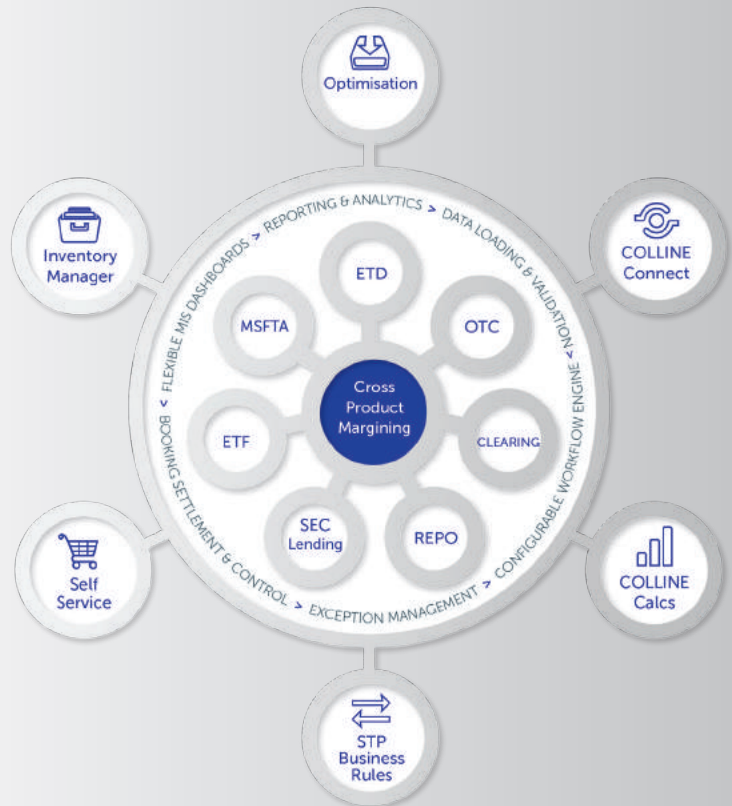

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North America slims down to T+2

North American securities markets have officially shortened their settlement cycle to T+2 from a T+3 cycle, effective 5 September.

The transition aims to reduce operational and systemic risks by forcing securities through the market infrastructure more quickly, thereby allowing counterparties to avoid trade failures.

The shorter settlement timeframe also aligns these markets with the EU, which moved to a T+2 settlement cycle in 2014.

Affected securities include equities and corporate and municipal bonds, and unit investment trust (UIT) trades in the US, Canada and Mexico.

More than $300 billion in in-scope securities was traded on average every day in 2016.

In a joint statement on the transition, the Depository Trust & Clearing Corporation (DTCC), the Securities Industry Financial Markets Association (SIFMA) and Investment Company Institute (ICI), which were founding members and co-chairs of the T+2 Industry Steering Committee (T+2 ISC), said the move will "provide significant benefits, including reduced market and counterparty risk, increased financial stability, and improved safety and efficiency for investors and market participants".

DTCC also estimated that the lower levels of risk associated with a shorter settlement cycle will reduce the average daily capital requirements for clearing trades through DTCC's National Securities Clearing Corporation (NSCC) by approximately 25 percent, or $1.36 billion.

Murray Pozmanter, head of clearing agency services and global operations and client services at DTCC, said: "The US move to a T+2 settlement cycle marks the most significant change to the market's settlement cycle in over 20 years."

The settlement cycle was last changed in 1995, from T+5 to T+3.

The US Securities and Exchange Commission (SEC) praised the industry's efforts in making the move successful, with chair Jay Clayton saying it "represents a significant accomplishment".

A statement from the SEC noted that the change to T+2 was the result of extensive preparation and coordination among industry players and regulators.

Clayton said: "Going forward, investors and other market participants will be able to receive the proceeds of their securities transactions one day sooner, thereby enhancing the overall efficiency of the US securities markets."

He added: "I would like to thank my colleagues, including [SEC] commissioners Michael Piwowar and Kara Stein and the staff of the commission, for their leadership in achieving this important result."

Piwowar commented: "I applaud the commission staff and market participants for achieving a smooth transition to a new environment that provides greater efficiency and less risk to the American people."

Marty Burns, chief industry operations officer at ICI, and co-chair of the T+2 ISC, added: "Market participants are pleased with the strong support of regulators in achieving this goal, but it is worth noting that the industry initiative toward a shorter settlement cycle took root and progressed without regulatory mandates."

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It’s not you it’s CCP

ESMA has set about tackling the thorny issue of conflict of interests within central counterparties under EMIR, with the help of industry participants. Jenna Lomax examines the industry’s responses to the consultation

Central counterparties (CCPs) have always been a controversial issue in the securities lending market.

However, thanks to the European Securities and Markets Authority’s (ESMA’s) regular consultations with industry participants, one prickly area may be on the path to becoming somewhat smoother—that of conflicts of interests under the European Market Infrastructure Regulation (EMIR).

Eight industry stakeholders, including Eurex Clearing and the London Stock Exchange, weighed in on the issue, which some argue has been neglected somewhat in existing regulatory frameworks.

An ESMA consultation paper, released in June, says EMIR “only prescribes generic provisions in relation to the management by CCPs of conflicts of interest”. The authority proposes giving further guidance to CCP’s management to “ensure common, uniform and

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consistent application" of the EMIR guidelines, which were first introduced in December 2012 under EU legislation.

As part of its CCP college activity, and given that ESMA is a member of all CCP colleges, ESMA claims to have a "horizontal view" on how all EU CCPs have implemented these requirements.

The consultation was intended to identify and manage any potential conflicts of interest between a CCP and its clearing members, as well as to identify areas in which CCPs may not be sufficient to withstand risks of damage to the interests of a clearing member or client.

ESMA guidelines firstly define what constitutes a conflict of interest, and what should be the scope of a CCP's policy regarding the issue. Secondly, the guidelines describe the organisational arrangements CCPs should take in order to avoid or mitigate conflicts of interests.

The paper was put to the industry with ESMA asking whether respondents consider the proposed rules of conduct "appropriate to limit the risks of conflicts of interest".

A particular point of contention appears in paragraph 26 of the consultation, which points to rules limiting the number of additional contracts or mandates a board member or executive director of a CCP can have.

It also outlines requirements that CCPs should not appoint external auditors that have links with that CCP, and that "an employee which intends to perform any outside activity potentially conflicting with the responsibilities undertaken at the CCP seeks the CCP pre-approval before accepting the new engagement for another entity".

Deutsche Boerse subsidiary Eurex Clearing, which serves more than 180 clearing members in 17 countries, says: "The proposed rules of conduct [are] appropriate."

The response continues: "For potential conflicts of interest with external auditors, there are already sufficient requirements in regulation and transpositions into national law in place."

However, Eurex Clearing did recommend some additional requirements for consideration.

It says: "In order to prevent misinterpretations of the term 'external audits having a link with or receiving benefit from the CCP', we propose adding a reference to the existing rules or deleting this specific requirement."

The European Association of CCP Clearing Houses (EACH) also says it considers the proposed rules to be "generally appropriate".

EACH says: "It is in the interest of a CCP to have board members that allow representation on a group board level or in other subsidiaries, taking rules of conduct into account. As CCPs are often part of a bigger corporate group, group mandates are common and have proven to work effectively, including with possible conflicts of interest being appropriately managed."

However, the association recommended clarifying the rules around the limitations of the number of contracts or mandates board members and executive directors may take on.

It says: "A very strict and quantitative limitation would impair the ability of a CCP to attract highly-qualified and experienced managers and board members from group level. This could be problematic, taking into account that some CCPs are active in niche markets where specific expertise and deep knowledge is highly necessary."

BME Clearing went as far as suggesting complete deletion of this measure, saying in its response: "The limitation of the number of contracts or mandates of board members and executive directors is not reasonable."

It continues "This limitation is established for listed companies with the aim of assuring time availability and commitment of their board members."

"External auditor appointment is already regulated in the directive on statutory audits of annual accounts and consolidated accounts."

The London Stock Exchange (LSE) wanted to slightly revise the rules, to add that CCP staff members should have an understanding of potential areas of conflicts of interest, and the provision that staff must "comply with any appropriate mitigating actions which may be required by the CCP in the circumstances".

It added that rules to limit contracts and mandates for board members "is not mandatory to appropriately mitigate the risk of conflict of interests".

"Independence is a quality that can be possessed by individuals, and is an essential component of professionalism and professional behaviour. The fact that a board member performs more than one role in one company does not necessarily affect, in itself, the objectivity of [their] decisions."

London-based asset manager Amundi requested more explanation within the proposals, focusing particularly on the issue of the scope of the proposed rules, asking for clarification as to what level of staff the regulation concerns.

The response says: "We would recommend to determine a category of 'concerned staff' and not apply blindly the same level of requirement for all employees."

"The proposed guidelines should be limited to this concerned staff."

It also asks: "Does it cover the case of a future employment and, consequently, does it imply to introduce costly limitations in the possibility for a staff member to join a competing or potentially conflicting entity?"

Amundi concludes: "If it only aims at preventing simultaneous dual employment we agree, if not we see an issue on the cost involved and the risk for future litigation."

Taking a stronger stance, European Commodity Clearing (ECC) said it "strongly opposes a limitation of the number of contracts or mandates board members and executive directors can have".

It says: "Such a limit would be even more problematic for CCPs active in niche markets where profound expertise and knowledge of the exchange side is highly necessary."

The ECC also proposed that, in the "unlikely event" of a possible conflict of interest arising, the board member or employee could potentially be excluded from any related negotiations, decision-making processes, and votes.

These sentiments were echoed by Austria CCP, which also requested clarification around the rules "by including specific limitations".

Austria CCP's response adds: "Moreover, in Austria, the Austrian Stock Exchange Act and the Austrian law on companies with limited liability for the limitation of board member mandates in capital companies already exist." **SLT**

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Once more with feeling

Drew Nicol reports

For those on the front lines of the securities lending industry it's easy to forget that, for beneficial owners, the trials and tribulations of regulatory compliance and the ever-raging debate around the use of central counterparties (CCPs) are only of passing concern.

The social calendar for full-time securities lending participants is becoming increasingly crowded, and many attendees can suffer from conference fatigue and apathy towards the same topics being recycled over and over in panel debates.

However, lenders must boast a passable knowledge on the main market drivers and challenges of the moment. And it was in this context that IMN's 22nd Annual European Beneficial Owners' Securities Finance & Collateral Management Conference returned to London last week.

For anyone questioning the validity of beneficial owner-focused conferences, a prominent lender representative confessed over coffee: "I don't know anything about this Securities Financing Transactions Regulation (SFTR), our agent lender (one of the largest US banks in the market) hasn't spoken to us about this at all." And this was after a panel discussion on the same topic.

The representative explained that, other than catching up on regulatory developments, part of his reason for attending was to build a business argument for introducing term lending into his programme, something that had been a point of internal contention within his business for some time.

Those within the educational sector of the industry may sometimes feel they are fighting the tide when a panel on 'advocating for securities lending', in which the morality of short selling is posed to panelists, is still deemed necessary. But, as long as beneficial owners are looking to build a case for lending, the securities lending industry has a duty to answer that call.

In at the deep end

This year's agenda began with a representative from the European Securities and Markets Authority (ESMA) offering an update on SFTR and other regulatory developments from the point of view of the regulator.

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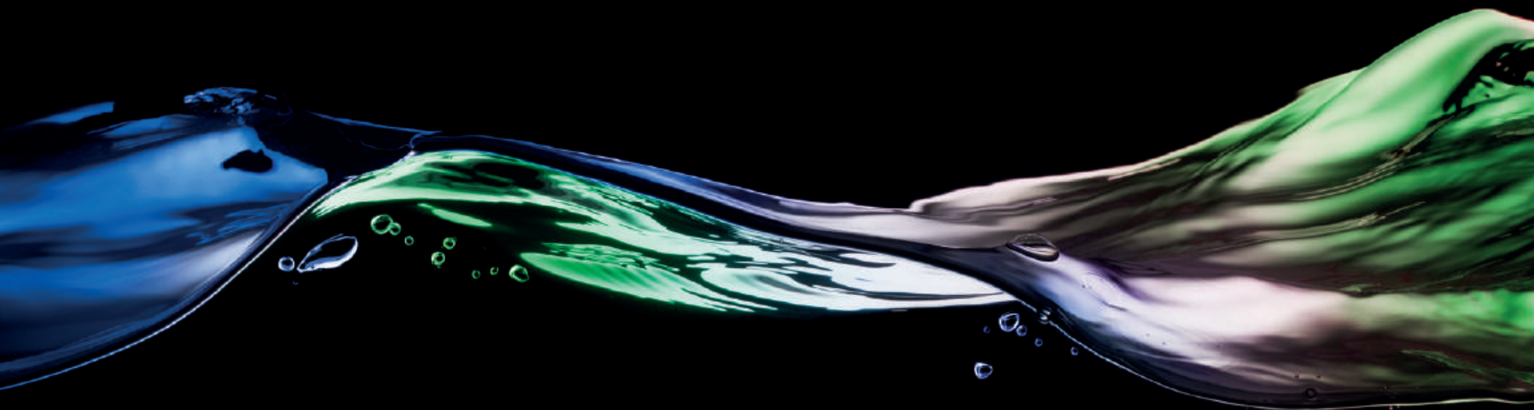

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"ESMA learned the lessons from the European Markets Infrastructure Regulation and the second Markets in Financial Instruments Directive (MiFID II) with SFTR. There will not be so much need for interpretations," explained ESMA's spokesperson.

ESMA is currently "uncomfortable with the lack of data in the securities financing world," the speaker said and SFTR is expected to go a long way to fixing that. It was here that the first point of contention was created. Panellists throughout the day seemed divided on the likelihood that ESMA, upon having the reality of the securities financing market laid bare, would look to impose greater restrictions on SFT activities.

One panellist argued that the tweaking of reporting frameworks after the fact was common, and even if this does happen, it will not substantially change what is currently being proposed. However, another speaker, representing a data provider, suggested that anyone thinking regulators would not do anything with all the new data they collected were "simply mistaken".

The message projected to attendees was that, ultimately, SFTR is a reporting structure that should not fundamentally change day-to-day market activities. That said, the cost of compliance will always play a factor. Panellists highlighted that, if these costs become too high, the attractiveness of out-of-scope counterparties over those in the eurozone may begin to sway market activity.

Enter Brexit. After March 2019, when the Article 50 negotiation period ends, the most likely outcome is that the UK will continue to follow SFTR rulings to avoid disrupting trade, including securities lending. However, domestic UK trade may eventually be allowed to follow an SFTR-lite version of reporting standards.

Beyond SFTR, the other regulatory framework that required airing was, of course, MiFID II. Andy Dyson, CEO of the International Securities Lending Association, told delegates how, at first, MiFID II was only expected to deliver a "glancing blow" to the industry, but that now it was going to be a direct hit.

For beneficial owners, the main concern with MiFID II is legal entity identifier and unique trade identifier generation, which is mandatory for those wishing to lend securities. The requirement for new technology implementation will require more resources and brings additional costs, but audience members were assured these will be minimal.

Safety in numbers

The biggest news of the day came before the first panel had even begun with the announcement that Dutch cooperative pension fund PGGM is set to be the first buy-side client to become a direct participant of Eurex Clearing's Securities Lending CCP.

The partnership was the culmination a year-and-a-half's worth of negotiations between the two parties and represents the first trickle of what could be a watershed moment in the CCP debate. The tone of the discussion on the benefits of CCP use for beneficial owners was buoyed by the news and allowed for many of the usual criticisms of a lack of buy-side incentives to be headed off quickly. The old adage of CCPs being a 'chicken and egg issue' is still a alive and well, but for panel regulars such as Eurex, having an ally in PGGM is undoubtedly going to change the tone of the debate from now on.

Shortage? What shortage?

The question of whether too many high-quality liquid assets (HQLA) are being taken out the collateral pool to meet new margin requirements is a difficult one to answer definitely—and at this stage would rely on a sizable dose of speculation. One speaker noted that, although utilisation of highly-valued EU bonds is almost 100 percent, the cost to borrow was still "reasonable", and so the situation couldn't be called a drought.

However, several panellists did acknowledge that if there was a problem it was to do with a lack of infrastructure to move collateral around the system. "Collateral needs to be more global," explained another speaker. Several panelists called upon all aspects of the industry to pull together to create a more efficient plumbing infrastructure to offer more securities to be freed into the system than what the current infrastructure allows.

If you can't beat them

Part of the solution may be the rise of all-to-all trading systems that allow counterparties that couldn't previously face each other to transact for the first time. In a panel discussion on this new market feature, a peer-to-peer (P2P) representative outlined the pros and cons of his offering.

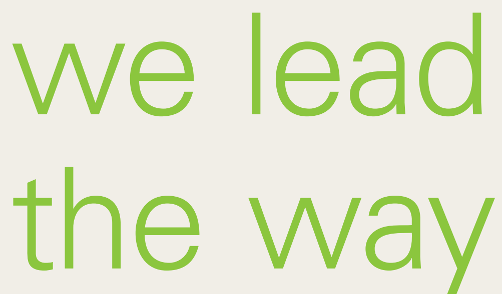
According to the speaker, his clients can enjoy greater liquidity, better price discovery, and counterparty diversification, among other advantages. On the flip side, users must accept non-traditional counterparties—often easier said than done. Users must also be willing to step off the well-trodden transaction path and take on new legal documents and a limited technology lift to access these platforms.

In response to concerns about facing counterparties that may not have the stellar accreditation that banks enjoy, the P2P representatives countered that credit data on most entities that a P2P user may encounter is easily accessible from third parties, saying users would not have to invest in their own in-house risk management facilities.

"There are no 'Mickey Mouse' counterparties on our platform, they are all good names," confirmed the panellist.

Much like the argument advocates for CCPs offer, direct lending is presented as 'another tool in the box' as opposed to a major market disruptor seeking to shake up the status quo.

Disintermediation is not the aim of the game, audience members were told. Much of the business that these platforms are targeting is a market segment that banks are no longer able to accommodate due to new, regulatory-imposed balance sheet constrictions. In fact, conference speakers revealed that some forward-thinking banks are looking to forge links with P2P platforms in order to offset business they can't conduct with their clients without severing link with them all together. **SLT**



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Eye on Asia

Zubair Nizami, head of Asian securities lending trading at Brown Brothers Harriman talks to Drew Nicol about the state of the industry in the region

How has Hong Kong's securities lending market fared in 2017 so far?

It's been a solid year overall, but demand has certainly strengthened since the start of Q2, and that has carried forward into year. The strong equity market rally we saw early in the year perhaps contributed to dampened directional lending activity and led to a softer environment for specials in Q1, but since then we've seen a strong recovery. The mainland Chinese property and auto sectors have been particularly interesting.

Hong Kong continues to be a focus market in the Asia Pacific region, given its deep liquidity and close connectivity to mainland China. We expect that to continue for the remainder of 2017.

Another significant market in the region is Japan, where increased corporate and specials activity has spurred demand. End users of securities lending prefer trading in this market because of its deep liquidity and ability to act as a proxy for short access to Chinese and Taiwanese companies.

Has Hong Kong's economic proximity to China helped or hindered its development?

Hong Kong and mainland China have benefitted in many ways from their close economic relationship since the handover of sovereignty in 1997. Hong Kong is the bridge between mainland China and the world—helping facilitate two-way capital flows, significant trade and investment, and also acts as a hub for equity financing.

The introduction of Stock Connect for both equities and bonds perfectly illustrates the ongoing importance of Hong Kong's role in the further liberalisation of China's capital markets. For mainland China, Hong Kong's stable investment environment—protected by fair and transparent courts that enforce the rule of law—has provided essential support for its financial markets to develop.

Some might argue that Hong Kong is gradually losing its importance to mainland China–the city's economy now contributes approximately 3 percent of its total GDP compared to 16 percent in 1997. But this glosses

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over the fact that mainland China's economic pie has become significantly larger in this time period and, for a city of just over 7 million people, Hong Kong's contribution can and should be seen in a very positive light.

Looking at the wider Asia region, what are the main trends you're seeing in the borrowing and lending markets?

The increased drive towards automation is a key trend BBH has seen globally this year. Although it touches all aspects of the business, the trading execution discipline has seen some of the greatest benefits. While the main benefit of technology is of course to increase efficiencies between counterparties, it's also now a necessity to meet the more sophisticated needs of end-users, who not only rely on breadth of lendable supply, but also speed of execution.

Speaking for our business specifically, clients are responding well to the focus on technology. As they see the benefits first hand, we're having more and more conversations with them about how we can use technology to deliver information differently and find new opportunities–both for borrowers and lenders. We've been able to build a new dialogue with all parties and we'll keep investing in new capabilities that keep us all moving forward.

The need for collateral flexibility also continues to be a key theme, as borrowers look to seek further capital efficiency gains. We have seen increased activity in the financing space in the Asia Pacific region in recent years as borrowers are increasingly focused on putting in place myriad funding structures to meet their high-quality liquid assets requirements.

Several other Asian markets are making significant changes to their securities lending, short selling, and repo, regulatory frameworks. Which market stands out to you as one to watch in the second half of 2017, and beyond?

Malaysia is definitely one of the emerging markets to watch this year. Supported by a business friendly exchange operator and regulator, we expect there to be further reforms to the offshore lending model in the near future which will help spur volumes and increase market participation.

BBH is a cross-border specialist with a strong focus in Greater China so we're certainly continuing to closely monitor developments here, especially in light of the addition of Chinese A shares to the MSCI Emerging Markets index beginning in June 2018.

Although the initial inclusion weighting will be small, this is a significant leap forward that illustrates China's commitment to further liberalise its capital markets. While a lending model for offshore holders of Shanghai listed A-Shares does exist via the Stock Connect scheme, its use remains limited due to various restrictions that curb both lending supply and end-user demand.

We are hopeful that an increase in the MSCI weighting for Chinese A shares will provide impetus for the CSRC and HKEx to introduce gradual reforms to the offshore securities finance market. That said, we expect it will take more than a few years to develop a more scalable offshore lending model in China. **SLT**

The views expressed are as of 25 August 2017 and are a general guide to the views of BBH. The opinions expressed are a reflection of BBH's best judgement at the time and any obligation to update our views as a result of new information, future events, or otherwise is disclaimed.

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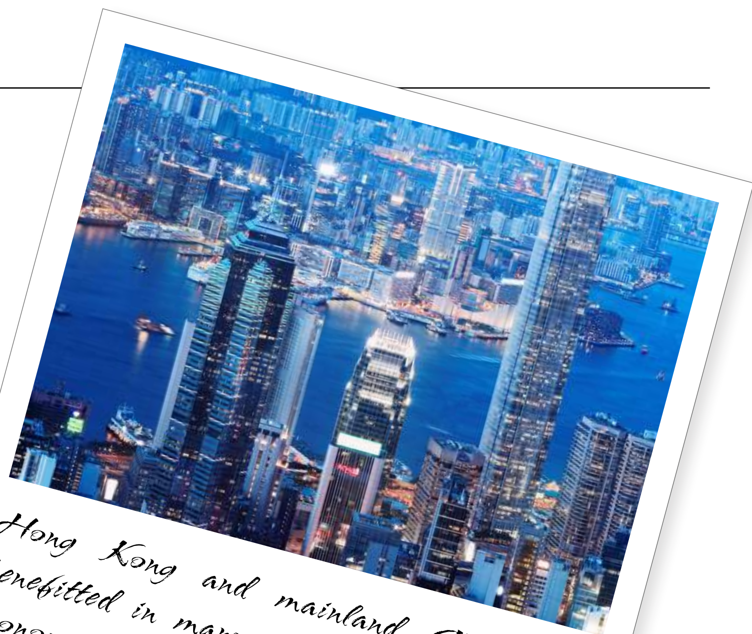

Hong Kong and mainland China have benefitted in many ways from their close economic relationship since the handover of sovereignty in 1997

Another significant market in the region is Japan, where increased corporate and specials activity has spurred demand

Zubair Nizami
Vice president and head of Asian securities lending trading
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Taking stock

IHS Markit analyst Simon Colvin explores how short sellers are positioning themselves ahead of companies announcing earnings this week

North America

The most shorted company announcing earnings is restaurant firm Cracker Barrel which has just under a fifth of its shares out on loan. Cracker Barrel shares disproportionately benefited from the post-election rally, but short sellers stayed the course, and demand to borrow the company's shares climbed in the subsequent months.

This willingness to double down is now starting to reward short sellers–Cracker Barrel shares started to give back much of their recent gains after some disappointing trading updates.

Short sellers will also be keeping a close eye on United Natural Foods, which also reports on Wednesday. Demand to short the company's shares surged in the past few months as short sellers ponder the fallout of Amazon buying Whole Foods.

This strategy was largely vindicated in the past few weeks as United Natural shares fell heavily on news that Amazon was aggressively cutting prices in its newly acquired division.

Europe

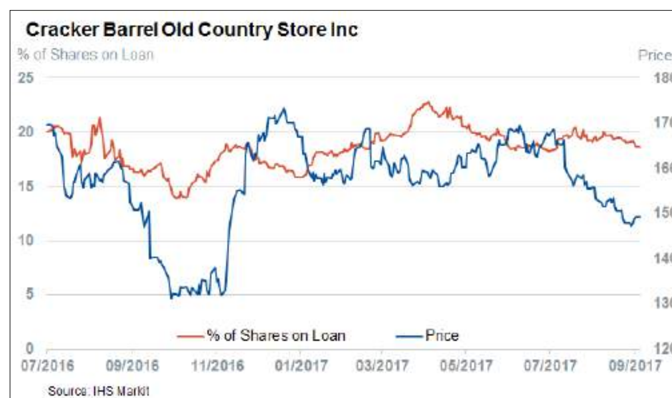
The high conviction short among firms in Europe is Morrison Supermarkets. Morrison's current shorting activity represents a large improvement in investor sentiment–demand to borrow its shares was nearly twice that level 12 months ago.

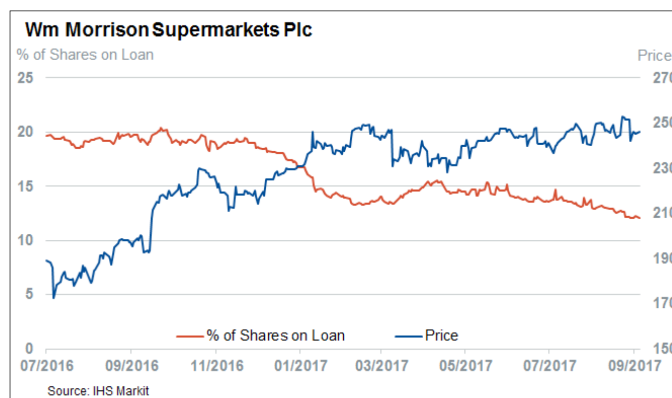
Falling short interest can be attributed to Morrison's string of better than expected earnings, which have propelled its shares to the highest level in more than three years.

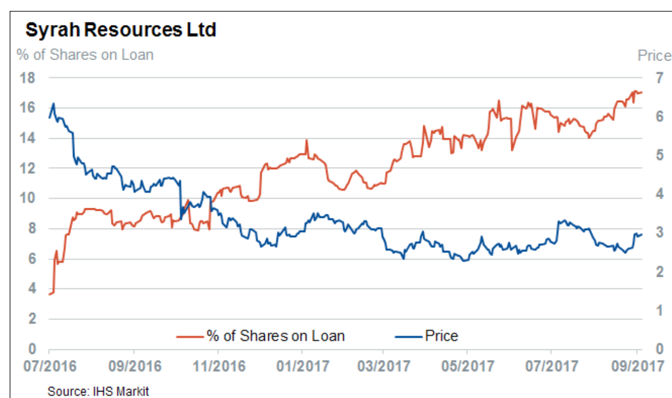
Fellow UK firms Next and J D Wetherspoon make up two of the three other European shares with more than 5 percent of their shares out on loan ahead of earnings this week.

Asia

Graphite miner Syrah sees the most demand to borrow. Short sellers first started to target the firm after a delay in its Balama project sent shares crashing down. Syrah shares rallied in the last few weeks after it announced some progress on the Mozambique-based project, however, short sellers still remain sceptical and demand to borrow its shares increased to a new all-time high. **SLT**







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Overcoming the legacy

Jonathan Adams and Joe Channer of Delta Capita reveal why market participants are actively replacing their legacy architectures with a more efficient and cost-effective operating model in managed services

Business and technology consultancy Delta Capita's acquisition of Appendium signalled its intent to launch a securities finance utility.

Appendium boasts an enterprise system for the booking and transaction processing of stock loan, repo, cash deposits and collateral, which Delta Capita plans to use to support the development of its securities finance managed service proposition that will allow participants to move away from their in-house technology and operations platforms towards a 'pay for use model'.

The acquisition came as Delta Capita experienced growth in its structured products business and continued to act as a managed services consultant to the Plato Partnership, a consortium of asset managers and broker-dealers, including Fidelity Worldwide Investment and Deutsche Bank, dedicated to improving equities markets.

Delta Capita's Jonathan Adams, principal consultant and practice lead for securities finance and collateral management, and CEO Joe Channer reveal why market participants are actively replacing their legacy architectures with a more efficient and cost-effective operating model.

What does Appendium bring to Delta Capita in terms of boosting your services offering?

Jonathan Adams: Delta Capita is an established player in the managed services utility space, currently providing a structured products utility platform for servicing top-tier bank manufacturers and managed service provider to the Plato Partnership, a high-profile industry consortium group of buy and sell-side firms that are collaborating to bring creative solutions and efficiencies to today's complex equity marketplace. The Appendium acquisition was part of a broader strategic investment to build on our established success through the further expansion of our cross-asset class managed services capability to include the securities finance product suite.

How did Appendium stand out to Delta Capita when it was searching for a stock loan platform?

Adams: As a financial markets specialist consulting and managed services firm, we have an in-depth understanding of the vendor landscape. Appendium stood out for its adoption of modern technology, its modular architecture and its functionally rich platform when compared to well-known legacy platforms. It was immediately clear to us that the system had been built by expert industry practitioners who had themselves previously managed securities finance businesses. It has two distinct fully integrated modules covering the front and back office, providing the distinct advantage of being able to develop a fully outsourced managed post-trade service while being able to optionally provide a hosted front-office solution but enable clients to retain their existing front-office solution if required.

The front-office module includes a sophisticated and flexible pricing engine with measured pricing efficiency, intelligent position monitoring (logical and physical), pre-trade limit checking, pre-trade balance sheet impact and optimisation tools–in our opinion industry leading. The back-office module has integrated billing, margin call processing with trade lifecycle intelligence, real time back-dated change handling (trade and position economics) and high levels of straight-through processing. Importantly, the platform was created organically and designed with a modern architecture, which makes it very secure, scalable and easy to integrate.

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Our 'pay for use' model offers clients an immediate shift to variable pricing, superior technology and a shared platform model

Jonathan Adams, Principal consultant and practice lead for securities finance and collateral management
Delta Capita

The purchase is the latest step in Delta Capita's plan to launch a securities finance utility. What is the timeline from here to launch?

Joe Channer: The market interest has been overwhelming and we are already in talks with several sell-side institutions who are actively considering replacing their legacy architectures and looking to move to a more efficient and cost-effective operating model. We are very encouraged that so many clients are open to giving up on a proprietary ownership model in favour of a move to a specialist service provider, having concluded that their own in-house legacy platform offers no real differentiation.

We expect to announce a transaction in Q3 2017, offering significant first-client advantage and likely to include a 'lift out' of the client's current operations team—who would join our existing managed services client facing team based in our Canary Wharf offices at 40 Bank Street. We have an established, fully operational offshore platform in Johannesburg, to support the more commoditised non-client facing elements of the service.

What is your target market?

Adams: Initially, the target market is sell-side institutions that are struggling to adapt their business operating models in response to falling margins, increased capital costs and industry complexity driven by a growing regulatory burden. In the medium term, Delta Capita will broaden its capability to extend its service offering to hedge funds, agent and direct lenders.

What are the main challenges that you hope to address?

Adams: The main challenges we see facing institutions engaged in the securities finance business, next to a fundamentally cost and capital sensitive business environment, is the growing total cost of ownership and complexity associated with managing a market ready and compliant end-to-end operations and technology platform. This challenge is further exacerbated when needing to maintain legacy platforms with many integration points and supporting applications. Replacement projects are lengthy and expensive.

There is a need for agile applications to support regulatory change as well as functional enhancement, without the resulting downstream that some upgrades require.

Our 'pay for use' model offers clients an immediate shift to variable pricing, superior technology and a shared platform model that mutualises the cost of operating a market-ready and compliant platform. We believe our decision to locate our client service team in Canary Wharf demonstrates recognition and understanding that this business is more complex, has more operational risks and is more client service sensitive than other business lines—something that other providers have failed to acknowledge when locating client services centres in India and Manilla were the local market has little industry experience. We achieve cost efficiency by operating a standard service model, on a single instance of technology and by sharing the cost of expert resources across a portfolio of clients.

Where do you see Delta Capita being in terms of market share in the next 24 months?

Channer: For the full range of services being offered, we are currently the only provider with proven managed service capability and a proprietary securities finance technology platform, operating an onshore UK client service centre made up of industry experts. We expect to have several satisfied clients on the platform in the next 24 months and to have emerged as the 'go to' specialist managed service provider of choice for the securities finance industry. **SLT**

We are very encouraged that so many clients are open to giving up on a proprietary ownership model in favour of a move to a specialist service provider

Joe Channer, CEO
Delta Capita

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J.P. Morgan conducts major reshuffle, while Citi snaps up new talent in Asia

Euroclear has appointed Guillaume Eliet to the newly created role of head of regulatory, compliance and public affairs.

The role will be part of a new division designed to provide a holistic policy strategy across the Euroclear group.

Eliet joins from the French Stock Market Authority, the Autorité des marchés financiers, where he was the deputy general secretary, heading the regulation policy and international affairs division.

Prior to this, he was head of the asset management directorate within the AMF in Paris.

Eliet will report to Lieve Mostrey, CEO of the Euroclear group and Inge Boets, chair of the audit committee.

Mostrey said: “We are extremely pleased to welcome Guillaume to Euroclear. He will be a source of trusted counsel in an ever changing regulatory landscape.”

“Guillaume brings a wealth of experience, which will be invaluable as we continue to provide the best service for our global client base.”

Eliet added: “I am delighted to be joining Euroclear at such a pivotal time in terms of the regulatory agenda for financial services.”

“Leading this division is a new and exciting challenge for me. Euroclear occupies a unique and well respected position in the market, and I am proud to be part of the team.”

Sharegain’s Paul Wilson has changed tack to take on a new role as senior account manager at Broadridge Financial Solutions.

Wilson moved to Broadridge in September after serving just over a year at Sharegain, a fintech start-up that allows high net worth individuals to lend out securities via an app.

Prior to Sharegain, Wilson served as product director at 4sight between 2012 and 2016, having first joined as a senior sales consultant in 2008 from ION Trading. Wilson will continue to be based in London.

Pirum Systems COO Ben Challice is heading to J.P. Morgan in a new role relating to the bank’s collateral management and agency lending businesses.

The appointment comes as part of a widespread restructuring at the bank and follows the departure of Paul Wilson, former global head of agent lending product and portfolio advisory, among several others.

The role is understood to include some features of Wilson’s former responsibilities along with those of Stefano Bellani, who was J.P. Morgan’s global head of trading services (agency securities lending and depositary receipts) until August.

Challice is also expected to bring his technology experience at Pirum to bear as part of the new role.

He will report to Patrick Moisy, J.P. Morgan’s head of custody and fund services, liquidity and trading services.

Based in London, Challice joined Pirum in June 2016, bringing a wealth of experience from his role as Nomura’s head of global prime services, which he held for more than seven years.

Challice also served as head of financing sales trading for Lehman Brothers for just under five years until 2008.

Wilson left J.P. Morgan in August, having been with the bank for the better part of 30 years.

He has held a variety of different positions within the investor services business at J.P. Morgan, including operations, sales, client management, client service, product development and product management.

J.P. Morgan declined to comment on the appointment.

Darren Measures has resurfaced at Citi as part of its prime, futures and securities services sales team, following his departure from J.P. Morgan.

Measures was part of J.P. Morgan’s agency lending project management and portfolio analysis team for just under four years.

He will continue to be based in Hong Kong.

Measures’s transition from J.P. Morgan is the latest in a number of coming and goings at the bank, which is undergoing an extensive reshuffle of staff and job roles.

Measures will work alongside Sebastien Mailleux, who recently joined Citi’s Hong Kong office as head of prime finance for the Asia Pacific.

Mailleux, who starts for Citi in November, will report to David Russell, head of markets for the Asia region, as well as Adam Herrmann, global head of prime finance.

In his new role, Mailleux will be responsible for prime services, equity finance, agency securities lending and delta one across the Asia Pacific region, as well as Japan.

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GROUPE BPCE

Citi also welcomed Jason Massey as head of sales for futures, clearing and collateral in Europe, the Middle East and Africa (EMEA).

Based in London, Massey will report to EMEA head of sales for prime, futures and securities services, Danny Caplan.

Massey will work closely with Chris Stone, EMEA head of sales for futures execution, and Sabrina Wilson, who is joining Citi as global head of electronic and algorithmic trading for listed derivatives and EMEA head of futures, clearing and collateral.

Massey joins Citi from Morgan Stanley where he was most recently an executive director focusing on listed derivatives sales for Europe.

Prior to that, he was at UBS for more than 22 years.

Caplan said in a statement: "As we continue to make significant market gains in the futures, clearing and collateral space globally, we are delighted to add individuals of this calibre to the team, a further demonstration of our commitment to providing clients with market-leading products and solutions."

Citi has hired Mina Kinsey for its equity finance trading desk.

Kinsey joined the bank from EquiLend where she was vice president of sales from February 2016 to July.

Before that, Kinsey was vice president of sales at IHS Markit for just under three years.

Kinsey, who will continue to be based in London, also offers more than 10 years of experience working within collateral management, tax, and sales.

Citi's latest hire comes shortly after it secured Sabrina Wilson as global head of electronic and algorithmic trading and regional head for EMEA futures, clearing and collateral in late July.

Wilson joined from Deutsche Bank, where she was global head of electronic and algorithmic trading, and regional head of listed derivatives and markets clearing business for the EMEA.

ION Repo CEO Phil Buck has left the company.

Buck was responsible for the firm's securities lending and collateral management businesses from October 2015 until his departure last month.

ION Trading is yet to appoint Buck's successor.

Buck joined ION Trading as CEO for North America in 2006, before moving to London to become global head of sales in 2009 and later became CEO of ION Repo in 2015.

Prior to ION Trading, Buck was CEO of North America for Anvil Software for 10 years.

Wedbush Securities has appointed William Barry and Steven Slovak as managing directors for fixed income financing, futures and rates.

Barry and Slovak will report to managing director Scott Skyrm and will both be based in New York.

In their new roles, they will focus on expanding Wedbush's presence in the futures, options and fixed income spaces.

Barry previously served as head of global business development at Sage Trader.

Prior to that, he was managing director at TFS Derivatives Corporation and also worked in global business development at Jefferies.

Steve Slovak also served at Sage Trader as part of the global futures business development team and as director at TFS Derivatives Corporation. He also spent five years working in business development at Penson.

Scott Skyrm said: "Having William Barry and Steven Slovak onboard positions Wedbush toward the future. Their extensive combined experience, in both the buy and sell side, is the perfect formula to accelerate our growth with institutional clients." **SLT**

Do you have an appointment we should cover?
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