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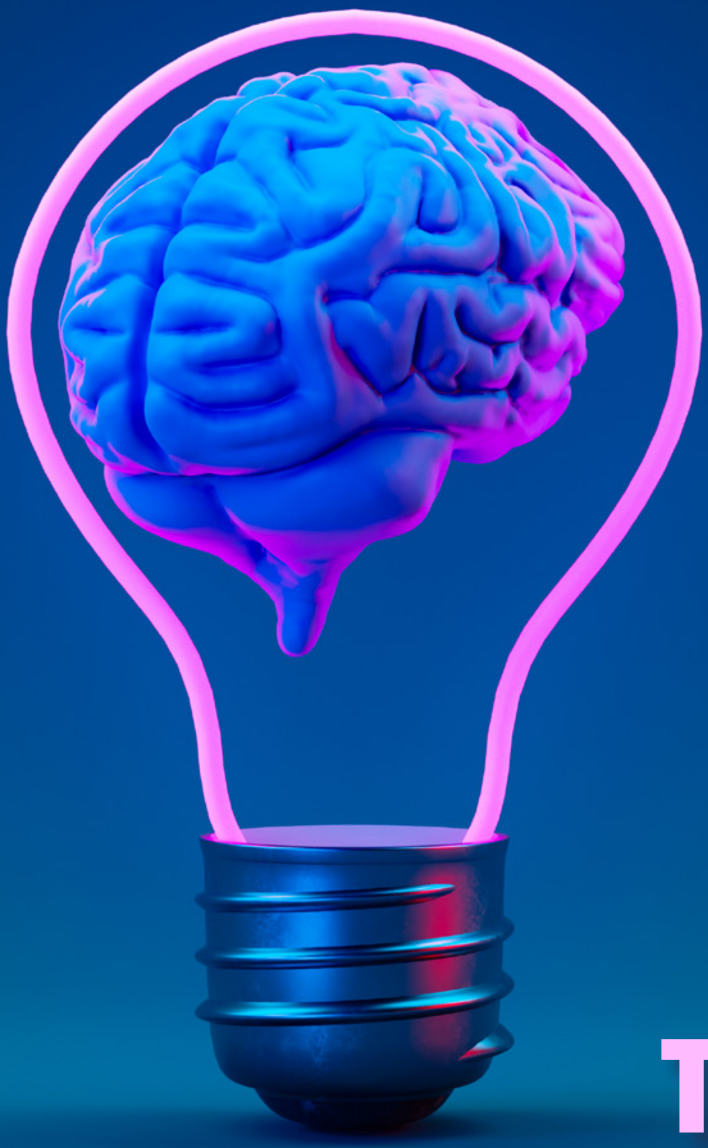

TECH 2024

SFT Technology Annual 2024

In our ever-evolving technological landscape, the role of data remains paramount, serving as the cornerstone of innovation and transformation. Matthew Chessum's insights underscore the pivotal significance of data in propelling technological change forward. Meanwhile, the team at Broadridge's SFCM, led by Martin Walker and Anupma Bakshi, consider the nuanced differences between centralisation and decentralisation, shedding light on their profound impact within the securities finance market.

Legacy systems, once the backbone of operations, now impede progress towards a unified view of securities finance activities, as noted by Stonewain CEO Armeet Sandhu. EquiLend Spire promises to facilitate the transition, keeping pace with the industry's dynamic needs.

With this backdrop, the imperative for modernisation, automation and optimisation resonates strongly. Market experts, as highlighted by Sophie Downes, emphasise the necessity for the industry to adapt or risk falling behind. The push towards aligning and future-proofing technology adoption is palpable, with innovative methods for exchanging message data gaining traction.

Stefan Bates and Matthew Phillips of Trading Apps explore the advantages of investing in a bilateral messaging SaaS platform, while GLMX president and chief revenue officer Sal Giglio underscores the value of competition in driving creative solutions and automation. Murex's Sabine Farhat emphasises the importance of consolidating securities finance processes to mitigate risk and break silos.

Regulatory transformation, as always, remains pertinent, with insights from Tim Smith of Hazeltree illuminating its impact on the securities lending landscape. Clear Street's Peter Eliades delves into the significance of best execution in the prime brokerage market amid evolving regulatory frameworks. Justin Lawson engages with Wematch's co-founders on their collaboration with Eurex, driving innovation in synthetic securities finance.

As Frank Becker, COO of Comyno, dissects the challenges facing the market, it becomes evident that the industry is under immense pressure to adapt to regulatory shifts. Yet, within these challenges lie opportunities for growth, collaboration and innovation, painting a promising picture of the future of securities finance. Join us as we explore the forefront of technological innovation, where resilience and adaptability pave the way forward.

Karl Loomes
Group editor
Black Knight Media

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: Sophie Downes
sophiedownes@securitiesfinancetimes.com
020 3617 1722

Reporter: Jack McRae
jackmcrae@assetservicingtimes.com
020 3617 1722

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

Studio director: Steven Lafferty
design@securitiesfinancetimes.com

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Inside this annual

Broadroidge

Securities Finance and Collateral Management Solutions for Every Firm

- Optimize lending, funding and collateral decisions
- Reduce counterparty and operational risks
- Enable efficient and high-growth operations
- Flexible to firms of all sizes in any location
- Meet regulatory and market requirements

Ready for Next

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Technology
Data and Analytics

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BBH rolls out Pirum’s Recalls Manager

Brown Brothers Harriman (BBH) has launched Pirum’s automated Recalls Manager solution.

The offering covers the full global post-trade lifecycle from issuance to closure and was adopted in an effort to reduce securities lending fails.

By employing automation and real-time coverage, BBH aims to promote a smooth transition to the shortened T+1 settlement cycle.

Sarah Holmes, global head of securities lending at BBH, says: “Straight-through processing (STP) across the full recall lifecycle is an important risk mitigant prior to North American markets moving to a T+1 settlement cycle in May.

“Expanding our capabilities in this area reduces operational friction with our borrowers and allows us to service our clients by reducing disruption to regular portfolio management activity.”

HSBC and BEA complete HKD repo trade using digital bond collateral

HSBC has conducted a HKD repo transaction using digital bonds as collateral.

The Hong Kong-based international bank executed the repo trade with The Bank of East Asia, with digital native green bonds issued by the Hong Kong government used as collateral to secure the transaction against transfer of HKD liquidity.

These digital bonds were issued on the HSBC Orion digital assets platform as part of a HKD 6 billion (US$760 million) equivalent digital native green bonds issuance by the Hong Kong Monetary Authority (HKMA) across HKD, CNH, USD and EUR currencies.

These bonds settled on 7 February and represented the largest digital bond issuance to be completed globally, according to the participants, as well as being the first multi-currency digital bond issue.

The HKMA’s Central Moneymarkets Unit (CMU) operates HSBC Orion in Hong Kong, supporting digital native bond issuance and settlement using CMU infrastructure.

BNY Mellon and GLMX collaborate

A collaboration between BNY Mellon and GLMX has created a new integration allowing buy-side clients to direct repo trades at point of execution to the bank’s triparty platform.

This integration connects the New York-based bank’s US$5.25 trillion triparty liquidity pool with the electronic securities financing trading platform’s US$2 trillion network.

It aims to address the increasing market demand for buy-side clients looking for a single ecosystem to manage both their collateral and liquidity requirements.

The firms say the integration was born from a growing demand from clients seeking to expand their BNY Mellon triparty usage from beyond

uncleared margin segregation and into repo financing.

Commenting on the collaboration, Ted Leveroni, head of margin services at BNY Mellon, says: "This integration with GLMX re-enforces our commitment to enhance the user experience for our growing buy-side client base on triparty.

"In our 240 years of business, we are proud to utilise our expertise to form relationships that provide innovative solutions and capabilities for our clients."

Banca March selects Adenza

Banca March has selected Adenza's Calypso Treasury solution to provide front-to-back-to-risk management.

The Spanish bank has selected Adenza's CapCloud SaaS for a more streamlined cross-asset solution.

Hector Rico, quantitative analysis and methodology director at Banca March, welcomes the selection: "The Calypso Treasury solution not only unlocks further efficiencies for Banca March but also ensures the required flexibility and scalability as we expand in our corporate advisory and wealth management businesses.

"Managed services free up our resources to focus on business differentiation instead of business-as-usual tasks such as upgrades and configuration."

Banca March will benefit from a cross-asset view of its positions — across securities finance, derivatives, fixed income, foreign exchange and money markets — for holistic liquidity, risk and profit and loss, as well as collateral and cash management in real-time on a single platform.

The implementation will be led by the Madrid-based Nasdaq customer delivery team.

Sigma extends partnership with ION

ION has extended its partnership with Sigma Broking through the adoption of ION's XTP Execution suite.

The international brokerage company currently deploys ION's post-trade solutions to automate its middle and back-office operations.

Sigma, a privately-owned brokerage company, will now use the XTP Execution suite to allow customers to trade listed derivatives on the London Metal Exchange.

Baader Bank selects Broadridge for regulatory reporting

Baader Bank has chosen Broadridge Financial Solutions for its regulatory trade and transaction reporting.

Broadridge's platform will support the bank to meet the evolving requirements across multiple regulations, including MiFID, FinfraG, EMIR Refit and the Securities Financing Transactions Regulation (SFTR).

The agreement extends Broadridge's relationship with the bank, which uses Broadridge's front and middle office suite of solutions for order management, trading and market connectivity.

Baader Bank offers its clients access to a full spectrum of asset

Broadridge releases SaaS-based trading platform

Broadridge has expanded its derivatives execution services with the release of a software-as-a-service platform for futures and options trading.

The company indicates that this fully hosted F&O platform provides an integrated solution tailored for FCMs and agency brokers, offering pre-trade risk management, order routing and execution management and providing links to a wide range of exchange-traded derivatives markets worldwide.

With trading volumes rising in recent years, Broadridge indicates that sell-side firms have typically provided customised solutions for each workflow. This has resulted in a fragmented and non-standardised user experience for trading parties.

The F&O platform aims to deliver high STP rates across the contract lifecycle and a consistent user experience for buy-side clients, while still enabling the sell-side firm to offer customisation for specific workflow channels.

Broadridge's president of Trading and Connectivity Solutions Ray Tierney says: "While existing systems often lack the flexibility required, Broadridge's Futures and Options platform stands out for its modular and flexible deployment capability, addressing industry demands head-on.

"We strongly believe this fully hosted solution is a significant step change in order and execution management for the derivatives markets, helping firms simplify and optimise trading."

classes including equities, bonds, derivatives and exchange traded funds (ETFs), as well as primary market transactions.

Hazeltree launches updated version of treasury platform

Software company Hazeltree has launched version 11, a series of enhancements to its treasury and liquidity management platform.

The upgrade will provide hedge fund and private markets clients with enhanced user experience, increased ease of remote access and more robust security, says the firm.

Key updates to the platform include secure remote access — the removal of the requirement for IP whitelisting allows clients to access Hazeltree solutions from a laptop or remote work location.

Version 11 also includes a mobile approver app, enabling users to approve or decline transactions, while fund admins can "switch companies" to support multiple clients.

Zodia Custody integrates Digital Prime Technologies' Tokenet

Zodia Custody, a digital asset custodian, has integrated Tokenet to launch Collateral Protect.

Tokenet is an institutional digital asset lending platform built by Digital Prime Technologies.

The new service allows institutions

to access facilities for borrowing and lending of digital assets on Tokenet, while their collateral remains secured in Zodia Custody cold-storage wallets.

Counterparties will be able to manage assets tied to a loan via a segregated, on-chain collateral account that is overlaid with Zodia's bankruptcy remote structure. Both borrower and secured party interests will be protected through collateral schedule setup and ongoing monitoring through Tokenet, the firm says.

Further security features include minimised counterparty risk through on-chain segregated collateral accounts, liquidation risk management and robust wallet delegation control.

Wematch and Eurex partner

Wematch.live has partnered with Eurex on basket total return futures (BTRF).

The partnership will allow interoperability between Wematch's TRS module, which automates trade matching and collateral optimisation, and Eurex's BTRF products.

The collaboration aims to streamline clearing and settlement, as well as increase efficiency and capital optimisation.

It will be rolled out in strategic phases over the coming months, with the full integration across pricing, execution and lifecycle management targeted for a Q3 2024 launch.

David Raccat, co-founder of Wematch.live, says: "Partnering with Eurex creates immense opportunities to optimise an increasingly critical area of the securities finance ecosystem.

"Synthetic products are vital for efficient capital deployment and portfolio utilisation, and BTRFs represent a paradigm-shifting innovation layering exchange benefits onto this model."

Randolf Roth, member of the executive board at Eurex, adds: "By harmonising our respective strengths in synthetic product innovation and TRS lifecycle management expertise, we can radically enhance and optimise the entire value chain for BTRF users worldwide."

Smartstream launches enhanced derivatives data service

SmartStream Reference Data Services (RDS) has launched an enhanced derivatives data service in an effort to provide in-depth insights into futures related transactions.

RDS aims to use its trade lifecycle expertise and resources to provide accurate data and customised regulatory operations tailored to each financial institution, ensuring compliance with the new European Market Infrastructure Regulation (EMIR) Refit standards.

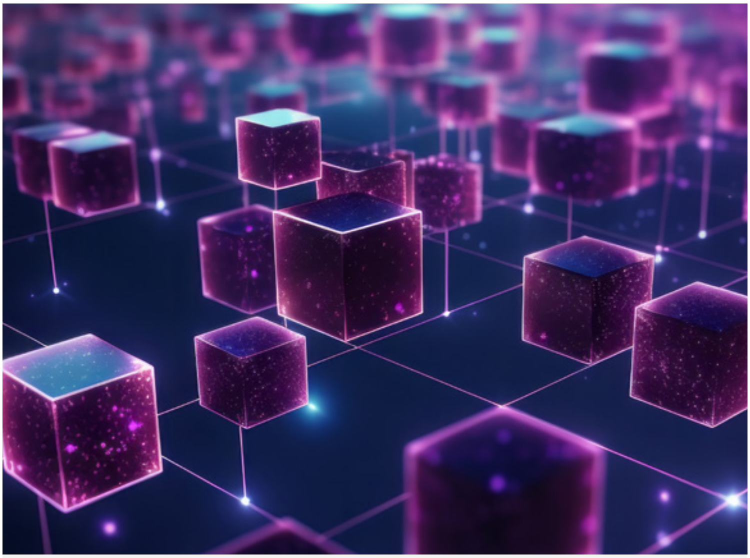
The EMIR Refit initiative is geared towards enhancing transparency and stability in the over-the-counter (OTC) derivatives trading market, set to take effect in April for Europe and September for the UK.

Financial institutions are actively seeking reliable and efficient methods to manage their securities reference data to meet these new requirements.

Additional attributes will be integrated into the RDS's Listed Derivatives service and a standalone OTC Derivatives service to support the full spectrum of reference data that is needed for commodity transactions under the new EMIR regulation, the firm says.

Linda Coffman, executive vice president of SmartStream RDS, states: "The main challenges posed by this regulation includes completing the numerous new reportable fields for commodity and energy derivatives.

"Also to protect firms from poor quality and inaccessible data, in addition to addressing regulators' demands for increased complexity within certain commodity and energy contracts. My advice to all market participants is to be prepared and deploy the necessary technology to ensure the highest data quality to mitigate the risk of fines and reputational damage."



SWIAT and NTT DATA partner

SWIAT has partnered with IT and business services provider NTT DATA to create an independent digital blockchain-based financial market platform for banks and financial institutions.

The Tokyo-headquartered firm will operate both validator and tenant nodes for SWIAT.

The validator node ensures that incoming blockchain function calls are validated and executed correctly according to predefined rules and protocols.

The tenant node enables financial institutions to access the infrastructure and manage private and trusted data, the firms say.

SWIAT is a fintech company specialising in the development of blockchain software for an open, decentralised financial market infrastructure. Its objective is to create a single global standard for the processing of blockchain-based securities.

By integrating validators into the blockchain, SWIAT says it is "continuously increasing the security and reliability" of its ecosystem, which specialises in regulated digital assets.

SWIAT now has a network of nine validators.

TRAction partners with Duco

London-based technology provider TRAction has partnered with Duco to assist clients with their reconciliation processes.

Duco is an AI platform for enterprise data automation which aims to provide complete control solutions for transaction reporting.

As part of TRAction's service, clients on EMIR and MiFIR Premium, as well as Assured plans will receive reconciliations as part of their service.

This will involve a three-way reconciliation which compares a client's reported trade data against the data held in the trade repository, and finally against what is held by the client.

By utilising a third party software for this process, TRAction aims to distinguish between itself as the delegated reporting provider and the reconciliation process.

A symbiotic relationship: the criticality of data and technology

Data remains critical to the enablement of technological change, says Matthew Chessum, director of securities finance at S&P Global Market Intelligence, who explores ways to remain at the forefront of innovation

Data and technology are intricately linked. This has been the case since the industrial revolution, where the collection of data was used to enhance manufacturing processes to develop higher quality and cost-effective products. Strong, reliable data was instrumental in driving technological advancements by providing the insights, inputs and feedback necessary to improve performance, enhance user experiences and drive innovation across various industries.

Data has always been important within financial markets as it enables informed decision making, better risk management, a more effective evaluation of performance through the recognition of trends, it facilitates price discovery and, most importantly, it fosters competition among market participants. By disseminating information efficiently, data helps to ensure that financial markets operate smoothly and effectively. The collection and analysis of data identifies areas requiring improvement and helps to prioritise future development. In short, market innovation would not be possible without data as it remains critical to the enablement of technological change.

Recently, we have seen how the importance of processing data — through new mediums such as artificial intelligence (AI) — has led to strong investor sentiment in the financial markets. The increased understanding of the power and technological change that can be harnessed using AI has been reflected in the stock prices of the much-celebrated group of stocks known as the “magnificent seven”. AI and large language models require data to perform and represent the next step in the data-led technological revolution that we are currently experiencing.

Within the securities finance markets, high quality and clean data is critical to providing the next generation of products and solutions that are required by market participants to continually improve multiple aspects of their day-to-day processes. With a focus upon collateral management, enhancement of the provision and timeliness of new and more complex reporting, as well as reducing transaction times and costs, S&P Global Market Intelligence continues to use its proprietary data available to build stronger, deeper and more competitive securities finance markets through a number of different initiatives.

Research papers

The securities finance data analytics team is constantly researching and testing new proprietary data sets to discover unique ways of generating market signals. Most recently, they discovered the benefits of using active utilisation and bond value divergence together for portfolio construction. Due to the uniqueness in their factor signal, they were found to be uncorrelated across the two universes. This report is just one of many that indicates the power that multiple datasets can have when combined.

The growing use of AI and machine learning

The realisation of the benefits that are directly linked to the increased adoption of AI continues to be felt across numerous industries. Across the securities finance landscape, AI continues to improve the quality and quantity of data that is being consumed within our data sets daily. It is also leading to enhancements in a number of data points, such as our daily short forecast predictions which are based on public data sets that are not published daily.

The development of enhanced narration on market share and performance criteria for individual client data sets is also adding a new and exciting dynamic to our product offering. Not only can we now supply insights through the data points themselves, but we can also provide a growing level of commentary regarding what the data is showing and, more importantly, what it may be reflecting.

As with all machine learning, those clients who truly embrace this technology in its early stages will see the true benefits of the machine learning process as the more data the system consumes, the more advanced the output will become.

The repo market

Our Repo Data Analytics tool provides transparency into the repo market that has, until now, never truly existed. Technology has led to the collection, dissemination and calculation of multiple data points across the repo landscape in a fully automated and timely manner.

Gone are the days of historical market reports and inefficient, backward looking market surveys being the only window into the repo market. By offering and packaging numerous data points, the tool allows for better risk and liquidity management, better decision making — especially when used in conjunction with the securities lending data set to evaluate route to market — and better regulatory planning. Innovation and technology continue to play a role in developing this product further, one example being the new ability to provide repo GC levels across maturity curves through the amalgamation of multiple data sets.

Collateral management

Finding new and innovative ways to finance long holdings and collateralise trading activity can be possible through the deployment of both data and technology. Using advanced exchange-traded fund (ETF) data analytics, it is now possible to match eligible collateral profiles to existing ETFs.

By matching collateral requirements to the exact specifications on a new asset type, collateral eligibility is increased, risk profiles remain unchanged, liquidity and efficiency grows and return on investment can be improved. Without the increasingly important symbiotic relationship that exists between data and technology, this process would be lengthy, inefficient and prone to human error.

Onboard accelerator

The efficient and timely onboarding of new funds into a securities lending programme is a critical task for both borrowers and lenders. Despite its importance, both revenues and competitive advantage continue to be lost through its numerous inefficiencies and the onboarding of new accounts remains both challenging and time-consuming.

The protracted timeframes needed to complete the process are reflective of its manual and clerical nature. Counterparts frequently spend time navigating various emails, spreadsheets and documents that are shared and requested multiple times. The onboarding process has suffered from a lack of innovation and consideration over the years, which has resulted in an ongoing administrative challenge for onboarding teams and a delay in the introduction and monetisation of new sources of liquidity.

Onboarding assets quickly into a securities lending programme is more than just an administrative task. Competitive advantage can be gained by simplifying the process, automating the processing of documentation and by reducing the administrative

"The securities finance market serves as a testament to the enduring impact of data-driven approaches in the shaping of modern financial markets."

Matthew Chessum
Director of securities finance
S&P Global Market Intelligence

costs involved. The future of client onboarding is ready for a disruptive change.

Through the deployment of new data points and technology, a new digital solution capable of triggering a change of this magnitude is the S&P Global Market Intelligence Onboarding Accelerator for Securities Finance. It is already transforming the client onboarding process and making it fit for the twenty first century, adding valuations into the workflow and vastly improving time to market and revenue opportunity.

Enrichment of intraday trading analytics

Improvements in technology have created the possibility to continuously process multiple transaction files “same day”, delivering enhanced timeliness and more regular data updates throughout the trading day within our existing data portal. The increase in the ability to clean, process and publish this data has led to a more efficient marketplace where the nature of the over-the-counter market previously led to a dislocation of available data.

Higher frequency data provides more granular trading insights into the securities lending market. Monitoring market moves by viewing aggregate trade information for previously settled, pending and intraday trades had led to an improved analysis that can be produced by cumulatively seeing the totals for all loans and loan returns throughout the trading day. This increases transparency into intraday borrow costs — which, as we saw during the US regional banking crisis in March 2023, can change at an ever increasingly rapid pace.

Our intraday data set now covers 85 per cent of all market transactions. This accomplishment alone has moved the securities finance market from one based on historical data points into a world of almost real-time pricing and risk management.

Intraday transactions are processed continuously to update new trade information directly on the securities finance web portal and API based products. The increased ability for firms to ingest this data directly into their systems has led to more accurate pricing, better positioning, and a more truthful view of market activity.

Technology optimisation to enhance data flows

Embracing new technology continues to increase the speed and reliability of data flows, which in turn increases the ability to innovate. The introduction of our cloud-based modernisation model across the S&P Global Market Intelligence Securities Finance environment has been living proof of this concept.

The latest web server optimisation tools have improved performance, scalability and speed while providing a better experience for customers. The adoption of Test Café for UI automation has also led to faster product development and releases. This new technology has permitted more data to be shared in less time, which feeds back into the virtuous circle of continuous technological improvement.

As this demonstrates, data advances technology in a number of different ways. It trains machine learning tools; it optimises performance; it helps in detecting anomalies, improving security as a result; and it helps to drive innovation further and quicker. By facilitating automation through the provision of the necessary inputs for automated decision making and controls that enable the execution of tasks without human intervention, data remains the critical component of nearly all technological enhancement seen in recent times.

Data can inspire multiple waves of data-driven innovation, as we learnt during the industrial revolution. The pioneering work demonstrated during the eighteenth century, and the transformative power of data in driving innovation and revolutionising traditional industries, continues to be experienced across multiple industries today.

The securities finance market serves as a testament to the enduring impact of data-driven approaches in the shaping of modern financial markets. At S&P Global Market Intelligence, we continue to embrace data-led technological change and look forward to working with our colleagues, partners and friends in the future to remain at the forefront of innovation and market led technological initiatives.

Centralised or decentralised: which model makes more sense for securities finance trading?

Broadridge's SFCM team Martin Walker, head of product management, and Anupma Bakshi, senior business analyst, breakdown the key distinctions between centralisation and decentralisation and their role in the securities finance market

People have always had mixed views about centralisation. The classic medieval castle sitting on a hill above the town served as a reminder of the King's ability to levy tax on residents, yet also provide safety from potential attacks. There are similar mixed feelings towards centralisation in capital markets.

Several years ago, there was a belief in a fully decentralised world, free from centralised infrastructure and financial intermediaries. First came the cryptocurrencies, but it turned out they needed centralised exchanges to allow trading between cryptocurrencies and conventional forms of money.

Then came decentralised finance (DeFi), much of which looked surprisingly similar to securities finance. To quote the OECD: "DeFi lending activities try to mirror market-based lending (securities lending, repos) rather than traditional consumer or retail bank lending, as most activity involves collateralised lending."

Much of the DeFi world has become surprisingly centralised. DeFi businesses do not appear spontaneously. People and companies create and largely control them. On the other hand, DeFi has lacked most of the features of a good centralisation, notably someone to fairly enforce rules, and who can be held accountable if things go wrong and, in the worst case, sued. After the occurrence of many problems in the DeFi world, such as fraud and technical issues, intermediaries can indeed add a lot of value.

In the conventional financial world there are, and always have been, varying degrees of centralisation, whether measured in terms of technology, market structure or governance. A book by Ruth Wandhöfer and Hazem Danny Naki, titled *Redecentralisation – Building the Digital Financial Ecosystem*, looks at the messy reality of centralisation and decentralisation in the financial system. But what is the relevance of all this to stock borrow loan?

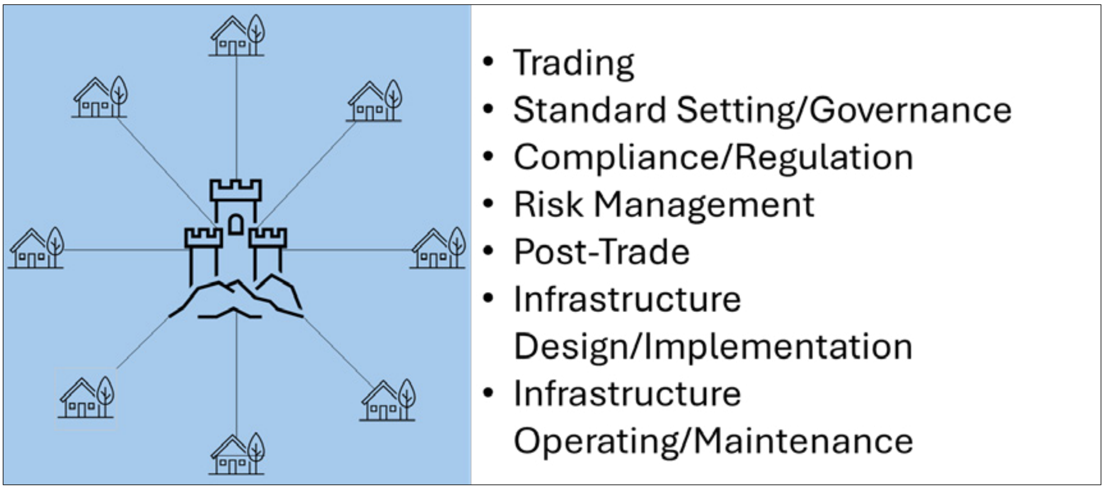
On one hand, the securities finance industry has seen over two decades of attempts to increase centralisation, both in terms of trading and clearing, but also attempts at removing intermediaries. On the other hand, there is increasing decentralisation by encouraging initiatives such as peer-to-peer trading. Even after all the investment in market infrastructure and technology, securities finance is still a combination of direct trading, via Bloomberg, phone calls, email, firm specific systems and centralised trading platforms. To think clearly about the value of further centralisation, or maybe more decentralisation, it is worthwhile to think about the dimensions of centralisation and decentralisation in capital markets.

Dimensions of centralisation

Centralisation in trading is not simply a matter of someone in the high castle telling everyone what to do, although that is one of the important aspects of centralisation. For each of these dimensions there can be varying degrees of centralisation. These dimensions may also be carried out by different parties. One organisation, for instance, may design market infrastructure, but another may operate that infrastructure. Areas such as trading and centralised management of risk (using central counterparties) are also typically managed by different parties.

Standard setting and governance — for markets to work effectively and efficiently, rules and standards need to be created. Stock exchanges, for instance, have been

Figure 1: Dimensions of centralisation in capital markets



setting rules of conduct and business for hundreds of years. In the digital age, what is equally important are the standards for communicating and modelling data. Systems need to be able to talk to each other in a common language. Governance can be imposed by a central body or agreed collectively by participants but, even in that case, someone needs to perform a coordinating role.

Trading — markets, starting with physical markets, were created as places where the maximum number of buyers and sellers could come together. Bringing the benefits of open competition, increased market liquidity and transparent price discovery.

Post-trade — the end result of any trading process is the transfer of ownership of securities or funds. The infrastructure for settlement can to varying degrees be centralised and to varying degrees integrated with, or controlled by, trading venues. There are also a group of other post-trade processes that happen after the execution of a trade, such as confirmations and the management of trade lifecycle events.

Regulation and compliance — if you have rules, someone needs to enforce them. Potentially this will be those operating a market or a third party such as a regulator or a central bank.

Risk management — the processes of trading and settlement creates market, credit and operational risk to varying degrees for both the marketplace and the participants. One of the key methods for managing risk is to use a central counterparty (CCP). As indicated by the name, CCPs are inherently centralised and the greater the proportion of the market clearing trades via a CCP (despite the concentration of risk), the greater their ability to stop a cascade of firm failures bringing down the whole market.

Infrastructure design, implementation and operation — the capital markets today are largely digital, so somebody needs to design and build the technology. Some providers of centralised markets are as much technology firms as they are financial firms. In other cases, the firm running a market may outsource most of the process of designing and building financial market infrastructure.

Trading centralisation — equities vs securities finance

Equities trading is a great illustration of how the different dimensions of centralisation can interact with each other. Equities trading generally involves a CCP that takes credit risk during the settlement cycle. In some countries, such as India, the CCPs are owned by the exchanges. The existence of a central counterparty does not just mitigate risk, it also facilitates anonymous trading. In India, the electronic limit order book that matches orders almost completely removes market makers from the picture — an interesting example of centralisation reducing the need for other market intermediaries.

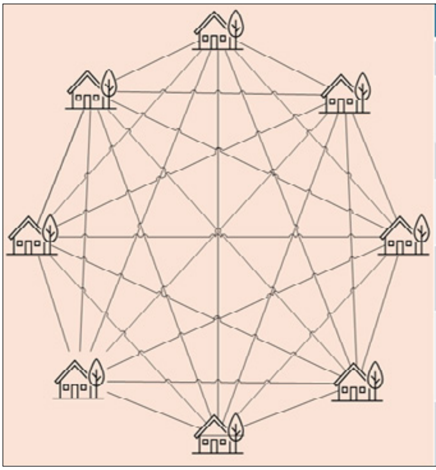
Vertical integration of centralised services, such as trading and settlement, can also reduce the various types of communications, booking and operational errors that are major factors in driving settlement fails and other post-trade costs. Centralisation of trading in a single venue also maximises market liquidity and price transparency.

While some equity markets are highly centralised and vertically integrated, regulators have pushed varying degrees of decentralisation in some markets. In Europe, the US and the UK, vertical integration of markets and settlement infrastructure is discouraged, if not banned. There has also been a proliferation of trading venues, driven by regulators' desire to increase competition. This has created concerns about the potential reduction in market liquidity from market fragmentation, ie decentralisation of trading.

The US Securities and Exchange Commission (SEC) has described this debate as "intense". At least for pricing, the problems of decentralisation in the equities markets are addressed through measures including the introduction of "consolidated tapes", real-time price feeds that consolidate prices for the same securities from multiple venues. While this has been a concept in place in the US since the 1970s, there is growing support for this approach in the UK and the EU.

In securities finance, centralised platforms add a great

Figure 2 - The forces of decentralisation in securities finance



Centralizing Features	Securities Lending
Anonymous Trading?	Not in major markets
Consolidated real time pricing?	No. Multiple price sources and not in real time
Use of CCP?	Generally little usage
Standard trade duration?	Not in major markets. Generally, trades on an "open" basis
Standard Collateral or collateral schedules?	Not at market level. Only for CCPs
Standard legal agreements?	Master agreements based on templates but can and often are tailored
Central Order Book?	Generally bilateral communication even via central platforms

deal of value. Centralised platforms for both trading and post-trade services bring:

- A high degree of standardisation in terms of communications
- Automation in the routing of orders to lenders or borrowers and availability to borrowers
- Improvements to market discovery
- More transparent pricing for trading on individual platforms — but this is not market level price transparency
- Support for trading across multiple jurisdictions
- Tools for making indications of interest across relevant counterparties

Despite this, the securities finance industry and its platforms retain characteristics which make it, by most dimensions, highly decentralised, particularly in the trading process. This is illustrated in Figure 2. This means relationships and personal networks continue to play an important role in the market, despite participants potentially missing out on a more liquid, demand and supply driven competitive market.

Conclusion

Over several decades, most asset classes in capital markets have followed a path towards greater standardisation, transparency, use of central clearing and general centralisation — a trend generally driven by regulators. Securities finance has already been pushed along this path by regulations in Europe such as the Securities Finance Transaction Regulation (SFTR) and Regulation 10c-1a in the US. There is still a long way to go before securities finance looks like other markets.

If collateral requirements become standardised, trade durations become standardised (and fixed) and clearing becomes compulsory, it will then complete an evolution to a model more closely resembling cash equities. In some markets, the operation of the securities lending market is already closely integrated with the local stock exchange.

This process may potentially take decades. In the meantime, it is possible that the market may even see some degree of decentralisation. Many of the benefits of centralisation that are achieved in cash equities are not present in centralised models of securities lending. If the costs do not fully justify the benefits, we could see a period of change.

To be prepared, regardless of which direction the market goes, firms will need to have an internal infrastructure that gives them the flexibility to deal with either greater centralisation or greater decentralisation. Internal systems — whether in-house or provided by a vendor — will still need to provide the foundations for effective trading. These include the flexibility to integrate with multiple internal or external systems, as well as providing a real-time view on inventory based on close integration with post-trade systems or with custodians..

EquiLend Spire: centralising securities finance in a connected world

Once the backbone of operations, legacy systems undermine the movement toward a unified view of securities finance activities. Stonewain CEO Armeet Sandhu explores how EquiLend Spire will help participants to keep pace with the industry's dynamic needs

The securities finance world is a complex business, compounded by ever-evolving regulations and changing market demands. Central to this is the constant drive for firms to optimise their inventory to meet margin funding requirements and an unrelenting pressure to unlock new revenue-generating opportunities, such as offering or engaging in fully paid lending, prime brokerage or repo.

By the nature of the business, processes have never been overly simple, but we now face additional complexities in an increasingly stringent regulatory landscape, in turn meaning greater costs and challenges for market participants. Legacy systems, once the backbone of operations, tend to lock-in business silos and obstruct interoperability, undermining the move toward a unified enterprise view of securities finance activities.

The rigidity in these systems and the blockers that they place on shared oversight across teams, restrict any possibility of keeping pace with the industry's dynamic needs; a real-time view of inventory, collateral and breaks, the transfer of accurate data at speed, and time-bound regulatory reporting requirements. These processes, when isolated, present a heightened risk profile that firms can ill afford in today's competitive landscape.

The industry requires a holistic solution that provides a comprehensive view across all internal business units and counterparties. A solution that simplifies transactions, addresses regulatory and cost pressures, all while keeping pace with rapidly evolving market dynamics. A solution that can navigate fluctuating collateral pressures, interest rates and gauge liquidity management to drive cost efficiency amid revenue generation efforts. EquiLend Spire offers clients this competitive advantage by streamlining the entire securities finance lifecycle.

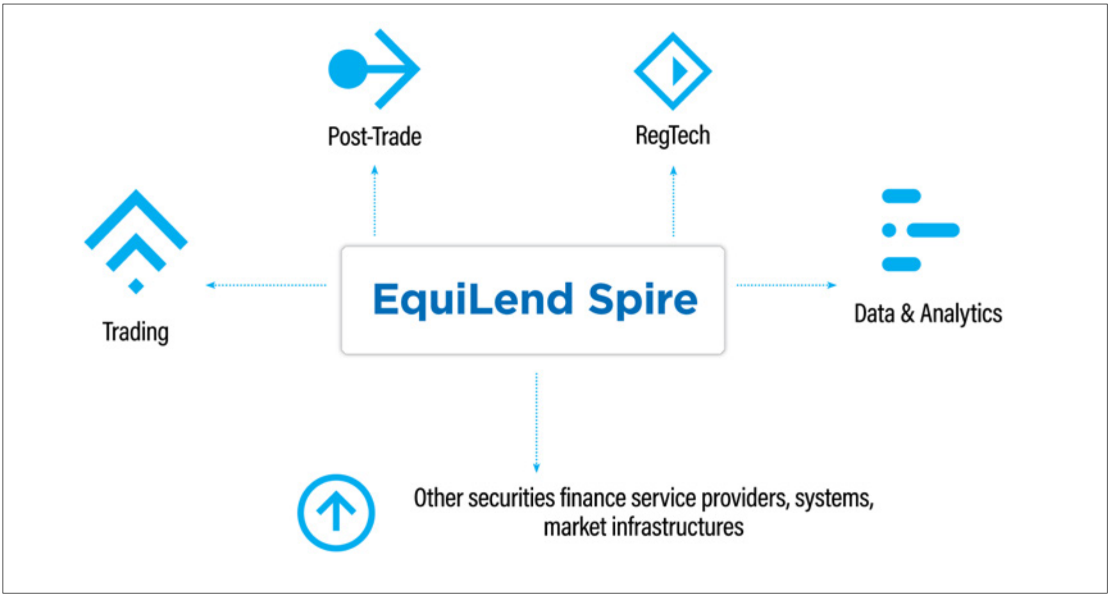
The trading view available from a comprehensive top down view, such as EquiLend Spire, supports the development of a sector which is adaptable to change, rather than fearing it. Throughout the trade lifecycle, Spire fuels data exchange, risk management and powers automation capabilities which set the stage for significant advancements which will serve to benefit the sector as a whole. In these times of rapid change, where other vendors are retiring legacy systems, EquiLend Spire presents an opportunity for an easy transition to future proof technology. With EquiLend, clients have access to a powerful, complex, linear lifecycle experience that empowers clients and delivers a strategic advantage.

EquiLend Spire underpins the EquiLend solutions, comprising an ecosystem which spans the lifecycle of the trade, data and regulatory solutions and supports clients in executing business functions from front to back office. As early as pre-trade, Spire offers a nuanced approach to collateral and inventory management, enabling borrowers to pre-emptively manage loans effectively preventing unnecessary autoborrows. DataLend's connection to EquiLend Spire via SFTP servers adds further benefit, consuming DataLend real-time data to propose suggested rates.

Post-trade is an area in which EquiLend Spire's technological integrations demonstrate the benefits of agile technology over siloed legacy systems. Post-trade is serviced in multiple areas from Spire's encyclopaedic records of all trading activity. EquiLend Risk Resolution Suite (R_2S), launched in 2023, unifies recalls, returns and settlement monitor for a comprehensive view of potential risks to settlement.

Trade information is directly communicated into Spire where the details of the trade record are unified in real-time to ensure accurate records. This capability delivers on T+1 settlement and additionally propels clients towards a future where real-time settlement is a global industry standard. Spire is designed to eradicate settlement risk. Connecting to EquiLend's Enhanced SSI repository, it ensures free flow accuracy of trade information at every stage of the trade lifecycle. It is a unified approach which provides not only operational efficiency but strategic foresight.

Regulation has a unique power to disrupt securities finance, with transparency agendas front of mind for regulators. Modern systems can adapt to these new requirements more easily than legacy systems can. By



integrating with EquiLend's Reg Tech Solutions, Spire ensures complete and accurate trade reporting by providing the available information for the Securities Financing Transactions Regulation's (SFTR) 156 required fields. Additional requirements from the Agency Lending Disclosure (ALD) rules to the Central Securities Depositories Regulation (CSDR) are equally as simple for Spire to execute on. This capability not only supports compliance with current SFTR requirements but also has distinct advantages for clients who come under the scope of upcoming 10c-1a regulations, leveraging commonalities in the fields required for both. EquiLend's approach provides a detailed audit for the entire lifecycle of a trade, ensuring operational integrity and adherence to regulatory standards.

Revisiting the challenges facing the sector — optimisation of collateral, access to inventory, challenges to operational efficiency, and regulatory pressures — when you analyse the processes which must happen, and the speed at which they must be executed to maintain the hundreds of thousands of trades and liquidity that securities finance generates for the sector, those legacy systems serve only to exacerbate risk for clients. The agility to be gained from technology de-risks and simplifies all aspects of a client's securities finance business.

The introduction of distributed ledger technology (DLT) to the securities finance sector brings further opportunities to simplify the challenges the industry faces. EquiLend 1Source will use DLT to create a single source of truth for the securities finance market, aiming to eradicate reconciliation.

With an estimated US$100 million lost annually to a multitude of breaks that demand reconciliation, it is unsurprising that reconciliations were identified as the most pressing issue in the industry by a working group of industry peers. When fully functional, 1Source will operate as an integration tool for single source data, enabling EquiLend Spire to read trade booking data to address and flag reconciliation issues, and automatically resolve trade threats within pre-determined rulesets and remove reconciliation issues at source.

EquiLend Spire is positioned to power the future of securities finance, today. The networked effect of the EquiLend ecosystem and EquiLend Spire delivers fluidity to securities finance. EquiLend's solutions are a commitment to our clients to provide solutions which bring together every aspect of securities finance and deliver the greatest benefit to our clients.

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Collateral Renaissance: from ugly duckling to market powerhouse

The industry has no choice. It must modernise, automate and optimise its processes or risk falling behind, market experts tell Sophie Downes

Collateral management was once viewed as the "ugly duckling" of the financial services suite, according to Gael Delaunay, global head of collateral management at Clearstream.

And much like Anderson's fairy-tale classic, collateral has morphed into a captivating market player. Penned by Delaunay as "a fully-fledged trading activity driving profit and loss", the service is now a vital aspect of the securities finance ecosystem.

Owing to its growing importance, it also warrants significant discussion. Amid rising interest rates, operational costs and regulatory pressures, a robust collateral framework is more important than ever.

Market evolution

The role of collateral management has undoubtedly evolved over the last two decades, as several leading industry experts highlight.

Adrian Dale, head of regulation and market practice at the International Securities Lending Association (ISLA), describes the humble origins of the service: "When I first started in securities lending, collateralisation of a loan was almost exclusively cash. Bonds were used occasionally, but not preferred, as it required more instructions and manual oversight." Now, the diversification of collateral markets includes corporate bonds, equities and discussions of more glimmering assets such as tokenised gold.

David White, chief commercial officer at CloudMargin, also alludes to a simpler collateral market: "Pre-2008 and the global financial crisis, large chunks of derivatives market trading were uncollateralised, clearing was only in place on a small proportion of interest rate swap trading, and initial margin for bilateral trading did not exist at all."

The impact of the 2008 crisis on collateral management is evident. Originally more of a back-office function, the economic crash prompted stakeholders to realise that they needed to better secure exposures, driving the initial commercial focus on collateral management. There have been a number of ways firms have adapted their services to accommodate this.

"Since the crisis, one key trend has been market restructuring to reduce systemic risk and improve resiliency," remarks Todd Crowther, head of corporate development and collateral services at Pirum. "The second has been prudential regulations to reduce firm specific default risk, increase their backstops and boost the ability to better deal with stress events."

Globally, the approach by regulators has been to introduce a number of initiatives including accelerated settlement, central clearing of more products and the implementation of margining for non-cleared OTC products. Growing the number of margin locations, products and participants, alongside reducing timeframes, has meant firms have needed to improve efficiency to comply with these heightened standards.

"For the post-trade process to improve, there must be both a widespread adoption of technology and prescriptive standards."

Adrian Dale, ISLA

"Undoubtedly, we have a much safer market, and a huge amount of work has been done to get us to this point," contemplates White. "These developments also underscore the incredibly important role that collateral management plays in the global financial landscape."

Common Domain Model

The Common Domain Model (CDM) is one example of the industry associations' attempts to increase standardisation among firms. The model, which provides a standardised way to represent transactions and collateral on DLT platforms, is vital to improving efficiency, Dale argues.

He alludes to multiple studies and developments in recent years regarding the post-trade process, driven by the Central Securities Depositories Regulation (CSDR) Settlement Penalty regime and responses to EU consultations. “We see the same conclusion again and again,” Dale divulges. “For the post-trade process to improve, there must be both a widespread adoption of technology and prescriptive standards.”

As the brainchild of the various industry associations, the CDM provides a consensus-driven standard that can be used between platforms and entities to standardise legal documentation. It can also apply that documentation to the inception and lifecycle management of both transactions and collateral.

"The industry has no choice. It must modernise, automate and optimise its processes — firms’ margins and effective risk management depend on it."

David White, CloudMargin

There are multiple positives to adopting standards and technology, such as reduced costs and reconciliation breaks. Dale suggests a common standard could even be used to generate regulatory reporting — the biggest cost to firms according to a 2023 survey by the Value Exchange.

Benefits aside, there are practical, and necessary, reasons for standardising settlement. As Dale explains: “The EU regulatory community has told us, in multiple conferences, that if the market does not improve settlement performance, we will see changes to regulations that impose fines, mandatory buy-ins or other mandated tools.”

As regulatory pressures mount, the CDM offers a logical solution.

Regulation and innovation

Regulation and innovation are often portrayed as opposing forces as the industry evolves. I wondered if financial firms often had difficulties positioning themselves between the two.

When questioned on the challenges of balancing regulation and innovation, Clearstream’s Delaunay is remarkably measured. Compliance should not be viewed as a hindrance to innovation, he reasons, but rather as an opportunity — “it creates ideas”.
He is eager to point out the unique position of Clearstream within this balance: “As a central securities depository (CSD), it is true we are highly regulated. There are strict rules that we need to comply with.”

Again, he emphasises: “We do not see this as an issue, but as a way to make our business more robust and the industry safer.”

He also highlights the ways in which Clearstream, as a CSD, differentiates itself by offering unique services for clients. “We are the only CSD to offer cleared and uncleared repo for central bank money. This reduces the risk borne by clients on the triparty agent by settling their transactions on T2S,” he explains.

It is evident that, rather than stopping the firm from entering new spaces, Clearstream has found ways of operating within regulatory standards.

Cloudmargin demonstrates a similar pragmatism. “Regulation has to come first as regulatory compliance is non-negotiable,” states White. “However, what is important is that you build out and meet that regulatory compliance in the context of your broader overall strategy and vision. Successful regulatory compliance and innovation in collateral management are by no means mutually exclusive.”

Technology

How can firms achieve innovation? Speak to the fintechs.

For Broadridge, technology and artificial intelligence offer the opportunity to address pain points in the settlement process. Darren Crowther details Broadridge's Securities Finance and Collateral Management (SFCM) platform that the firm has been focusing on for the last two years.

He describes the collateral utility they have created, which allows for a streamlined workflow, simplified UX and a single dashboard view of all margin call types across derivatives and securities finance collateral management. "Our flexible workflow approach has allowed for integration into the vendor ecosystems, providing a large degree of automation and reducing manual effort," he comments.

Yet, Crowther is decidedly balanced in his appraisal of automation. Providing positive news to anyone still concerned about AI taking their jobs, he adds: "It is important not to lose sight of the basics of data quality. Poor quality data leads to weak decision making, and poor connectivity leads to low STP rates."

Indeed, while technology is often used as a buzzword to connote modernisation, efficiency and success, multiple participants make a distinction between the promise of tech, and practical, working systems that actually deliver results. "You can have the best technology and the most sophisticated tools," begins CloudMargin's White, "but if they take years to implement, cost a fortune to run and cannot be modified without tremendous time delays and expense, it is pointless."

He contemplates the vast amount of time and investment that CloudMargin poured into its cloud-based platform to make it flexible and cost-effective. "I believe if all vendors had this mindset, we would see a more efficient market," he postulates. "Legacy technology that requires patching and upgrading has to be a nightmare we all consign to the past."

Pirum's Crowther offers a similar approach to the topic of technology within collateral management. One particular challenge the firm has found is encouraging market participants to adopt new solutions. "As with any driver for change, the decision is grounded in the return of investment where the payoff, cost, timeframe and risk must be compelling," he remarks.

Yet the results speak for themselves. "Given the material cost and benefits of collateral optimisation, the widening impacts between efficiency and inefficiency is driving firms to embrace transformational change in the collateral space," Todd Crowther explains.

Digitalisation

As regulatory standards develop, and technology improves, what can we expect in the future of collateral management?

"Trends wise: more regulation, more CCP flows and more consolidation or connectivity between the players," says Delaunay. "It is an interesting time, especially in digital."

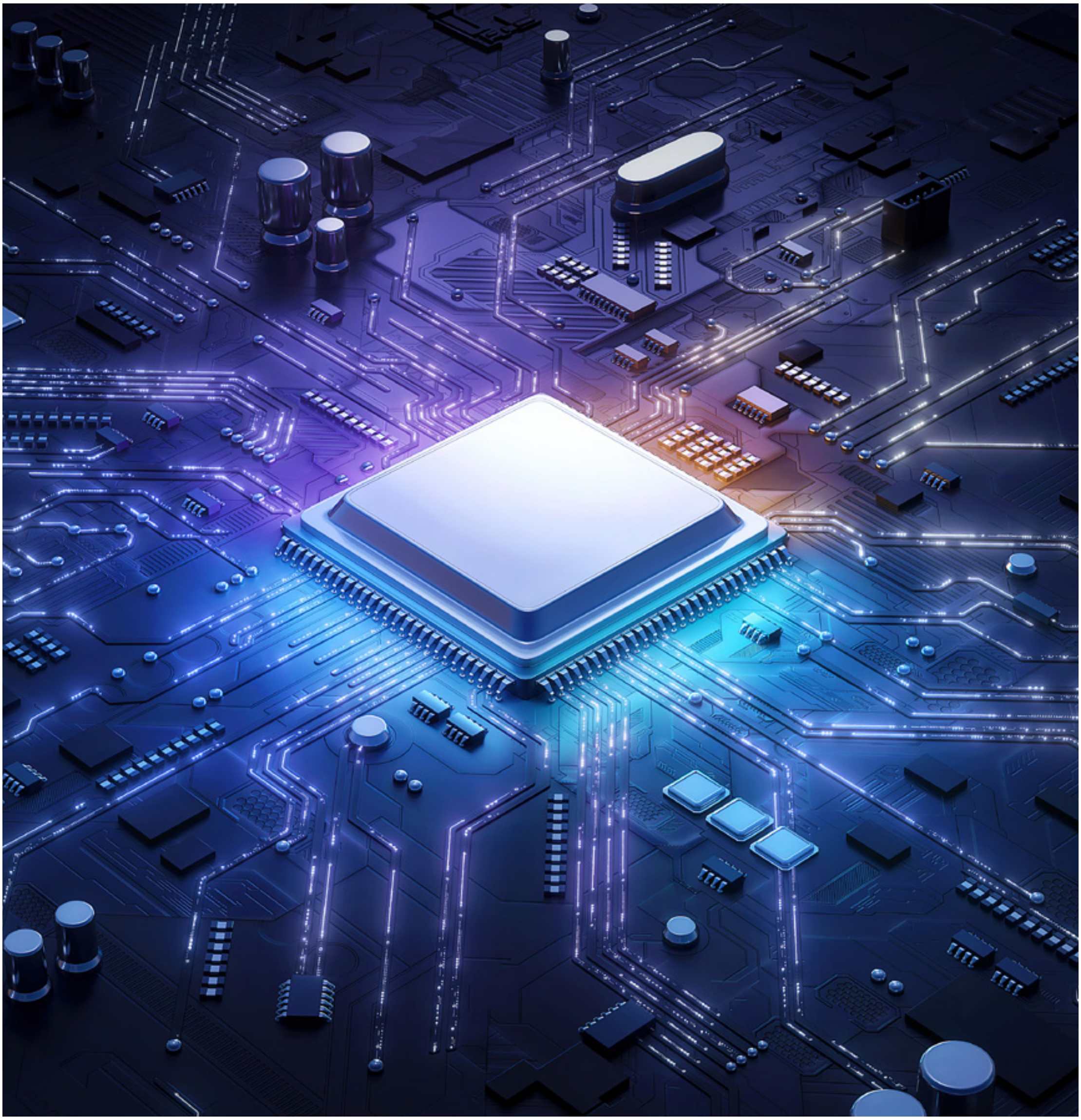
Indeed, when questioned about the future of the collateral sphere, all of my interview participants alluded to one topic: digitalisation.

Todd Crowther states Pirum will be "leading from the front" in terms of speeding the adoption of new technologies such as DLT, AI, blockchain and tokenisation. He highlights the firm's focus on marrying new solutions with the existing market infrastructure.

Broadridge's Darren Crowther discusses the important role of the CDM in allowing AI tools to manage more of the remaining exceptions, which in turn "will further reduce operational risk and allow teams to add value back to the business in other ways". For ISLA's Dale, collateral management is only going to grow as an offering, with the rise of digital assets and advancing technology paving the way for new asset classes.

The choice is clear: adapt or fall behind.

"The industry has no choice," warns White. "It must modernise, automate and optimise its processes — firms' margins and effective risk management depend on it."



Securities lending messaging: has the industry reached a tipping point?

Market participants are working to align and future-proof technology adoption, with methods to exchange message data also becoming ripe for change. Trading Apps' Stefan Bates and Matthew Phillips explore the benefits of investing in a bilateral messaging SaaS platform

Unlike the repo world, securities lending has staunchly remained a bilateral business, and for good reason. Smaller deal size, lower volume, the complexity of sourcing from beneficial owners via agent lenders or directly, collateral requirements, buffers, the management of exposure to undisclosed beneficial owners, clearing membership costs...the list goes on.

As a consequence, the business still transacts either directly or via a few select platforms, with the dominant platform provider being a less economically viable option for lower volume participants. Indeed, there are some markets that still rely purely on direct borrower and lender relationships.

Similarly, while the deal capture and the books and records technology has kept pace to meet the evolution and geographical diversity of the business, platform and in-house books and records have remained, for the most part, on premise, with software-as-a-solution (SaaS) installations being in the minority. Moreover, connections to platforms and post-trade service providers have required each user firm to build interfaces to the service provider.

The tipping point

A market served by limited infrastructure diversification was recently triggered into action, acknowledging the risks associated with the concentration of activity with a single provider. Indeed, lenders are revisiting in-house provision by increasing the sophistication of internal web-based distribution platforms and, more generally, there has been some exploration into possible collaborations and investment opportunities to assist new providers in accelerating their time to market.

Likewise, the community, through its trade associations, is gathering to align and future-proof technology adoption by the development of the Common Domain Model (CDM), championing features such as a shared vocabulary, a unified model, domain driven design and consistency, so that market participants and their technology have a unified approach to how they exchange data in the course of transacting business.

The method in which firms exchange message data is ripe for change too. In other use cases outside of the industry, SaaS message platforms are now commonplace, enabling organisations and individuals to connect to all other users via a trusted provider. These platforms outsource infrastructure to third party cloud computing providers, benefiting from resilience and top-tier security capabilities, so providers can focus on functionality. For software vendors and their customers, the need for servers and network infrastructure is eliminated, significantly reducing the hardware and maintenance overhead. In turn, software vendors pass those savings on to their business customers who then provide their end clients with reliable, cost-effective services.

"In other use cases outside of the industry, SaaS message platforms are now commonplace, enabling organisations and individuals to connect to all other users via a single provider."

Stefan Bates, Trading Apps

How could this approach apply to securities lending?

Securities lending requires the exchange of multiple message types (eg distribution of availability, borrow requests, trade negotiation, trade execution, re-rates, recalls and returns). These are exchanged via multiple transport types (eg email, chat applications, FTP). What if all of these could be exchanged via a single transport protocol irrespective of message type, with each participant only required to connect once to this transport mechanism. This is entirely possible with a bilateral messaging SaaS platform hosted by a cloud services provider.

"TA.Link can eliminate many of the costly challenges and operating risks that organisations take into account when connecting to external parties, instead providing a low-cost, subscription-based service."

Matthew Phillips, Trading Apps

What features make this possible?

Microservices — a software design that structures an application as a set of services designed to perform specific business functions.

Auto-scaling allows the organisation providing the service to automatically increase or decrease computing resources according to the demands of the user base. A global messaging service will have peaks and troughs of demand during a 24-hour cycle, as each individual market increases its activity during peak trading periods, or sees increased activity when there is an operating overlap between time zones.

Serverless cloud provider managed services for message queues and data storage — the outsourced provider's managed service enables applications to seamlessly process requests, manage workloads, handle complex workflows, and store the resulting data for access by users. Messages are stored in the cloud allowing users to access them on demand (borrow requests, availability, trades, re-rates, recalls, returns).

It is therefore possible for lenders to easily update availability throughout the business day so that borrowers can have near real-time data. Typically, borrowers are required to re-check availability with the lender before executing a borrow trade.

Using a container orchestrator — a container orchestrator is a platform used to automate the deployment, management, scaling and networking of containerised applications. Container orchestrators provide functions such as scheduling, load balancing, service recovery, and automated rollouts and rollbacks.

Immutable infrastructure is a deployment approach that allows for upgrades to be released as a server deployment, rather than installing and updating application software itself. This drives consistency across the platform services and facilitates rollback if necessary.

A Service Mesh is a software layer that handles all communication between services in applications. Common features provided by a service mesh include service discovery and load balancing. They can make service-to-service communication fast, reliable and secure.

Open API — an industry standard way to describe web service application programming interfaces (APIs), speeding up the development process by allowing developers to quickly get up to speed with the interface definition.

With the above foundation, a cloud-based messaging platform can provide a community of users a way of communicating that is not limited to securities finance messages. This type of message connectivity could be used for any online contract negotiation and other tradeable products with lifecycle management such as derivatives.

The main advantage to the user community is that while messaging remains between two parties, this technology stack allows that to happen for a limitless set of eligible users of all types, such as lenders, borrowers, trading platforms with matching and chaining functionality, and central counterparties.

Trading Apps and TA.Link

To automate deal capture, the original Trading Apps tools relied upon extracting borrow requests from emails and messages from chat services, as well as connecting to existing messaging services.

Trading Apps then developed TA.Link, initially to be a dedicated channel for its lender and borrower clients to directly exchange a suite of standardised messages, bringing efficiency and consolidating the way data flowed between the counterparties. From a post-trade perspective, it will be a real-time channel for rate optimisation, recalls management, and returns management, all of which could be generated automatically.

The next step was to explore how this could be fully democratised to provide the same capability to non-Trading Apps customers. This was achieved by exposing an OpenAPI-based interface into the messaging platform, enabling firms to build their own TA.Link integration services.

Trading Apps took the concept a step further by developing TA.Link web portals, for both borrowers and lenders. Being web-based, the portals provide users with instant access to counterparties connected via Trading Apps tools, the OpenAPI or other portal users. Portal users can upload borrow requests and availability and conduct trade negotiation and execution. Completed transactions can then be transferred to a trade uploader in their proprietary system.

Being a cloud-based SaaS platform using the technology and architectures described above, TA.Link can eliminate many of the costly challenges and operating risks that organisations take into account when connecting to external parties, instead providing a low-cost, subscription-based service to the securities finance industry.

Matthew Phillips
Chief operating officer
Trading Apps

Stefan Bates
Chief technology officer
Trading Apps

Embodying a competitive spirit

Competition provides the greatest marginal value to the securities finance ecosystem and is driving GLMX to deliver creative solutions to access liquidity and to automate lending and borrowing, says GLMX president and chief revenue officer Sal Giglio

Competition is an existential, enduring characteristic of the human condition, and it carries varying connotations depending on context. It can be seen as an extreme contest where the winner takes all and those that do not win fall away. Think iPhone and Blackberry. To the contrary, competition can be seen to be beneficial overall for those whose ease or quality of life is improved as a result. Streaming video versus DVDs, for instance. As it pertains to financial technology, competition is beneficial both for the industry it serves and for those served by the financial industry.

Peter Thiel, the legendary Silicon Valley entrepreneur and author of the book *Zero to One*, has provocatively stated that "competition is for losers". His thesis applies primarily to companies that must vie for customers in markets where products are commoditised. He would prefer to build a business that has monopoly-like control of its market because, in his view, this structure delivers the greatest overall utility to society.

However, others would argue that more options are better as competition maximises innovation. In this worldview, benefits for consumers are obvious: better products through the forces of competition; better service supporting these products and lower relative prices. So, is Thiel correct in his view that competition is not good for companies and that both the product provider and the industry are better when only a single service provider exists?

GLMX, the dealer-to-client (D2C) securities finance trading technology company, firmly supports the notion that competition provides the greatest marginal value to its ecosystem.

Expanding awareness

A primary objective for new entrants into a competitive ecosystem is to raise awareness of the value of its offering compared with incumbents. This marketing effort is multiplied when more firms launch a similar product or service. Access to quality choices drives growth in consumption, which further expands awareness. As a result, this draws new competitors into the space and fuels further innovation and heightened overall utility.

The existence of competitors in a marketplace generally signals opportunity for financial gain. As multiple businesses invest capital, signals are released that the targeted marketplace is healthy and worthwhile pursuing, further expanding awareness. As this cycle of innovation and signalling repeats itself, consumer choice is maximised. Competitors have an incentive to remain hyper-focused on resource allocation, with its attendant implications for further efficiency gains.

Building a repeatable process

For new competitors in a given marketplace, the question — how do we out-compete the incumbent base? — is both initially and ultimately existential.

The answer is through persistent, constructive differentiation. When selling a similar product or service to a single customer base, the key to winning business while aspiring to be the market leader is to provide an improved, differentiated product.

Creating a product that is preferred by the client-base is not easily done, but successful companies urgently and continuously drive to build products which improve client workflow in a manner that their competitors struggle to match. GLMX has achieved this in the repo market by building innovative, intuitive and comprehensive technology that serves both individual users through enhanced customisation and the industry overall through the efficiency gains driven by its extensive network connectivity.

As an independent and a relatively unknown entrant to the repo market a decade ago, GLMX has constantly needed to outperform the industry's much larger incumbent technology providers, both with the functionality of its technology and the responsiveness of its client support.

That need drives the company to develop streamlined processes which tie success to the ability to rapidly develop and deliver customisable technology solutions, based directly on user feedback. GLMX's CEO Glenn Havlicek describes this simple yet difficult to execute process: "The critical GLMX differentiator is our process — refined over several years and numerous development cycles. The process is simple and highly effective. First, listen carefully and with a critical ear to clients' needs. Second, develop quickly. Third, test new functionality with clients in a real-world trading environment. Fourth, refine functionality as empirical evidence suggests. This is a continuous process for us."

Consistent with its belief that exceptional and combined functionality and support provide an irreplaceable path to success, GLMX delivers a differentiated product and premium client service, striving to ensure that clients receive consistent, superior levels of attention at each touch point — from sales to tech integration to client support. This level of professional engagement provides a customer experience that creates a sense of trust and consistency, instrumental to the growth of client use of GLMX technology.

Also critical to successfully serving clients and competing with entrenched interests, GLMX is manically committed to maintaining the nimbleness of its startup roots. To this end, efficient collaboration across our teams, and direct engagement with clients, remains paramount.

Success and the subsequent client loyalty, combined with attention to rapid responses, generates increasing requests for GLMX to build technology-enabled solutions to complex problems where others have tried and failed, perpetuating the virtuous circle of innovation.

Opportunity in securities lending

The securities lending market has entered a transformative period. Complying with recent regulation has taken up a lot of the industry's collective energy and the changes made as a result have profound effects on market structure. How market participants access liquidity and process transactions is also at an inflection point. There is renewed focus on this important segment and, as such, there is an opportunity to evolve market structure, with the direction this structure takes firmly in the hands of those who engage the market every day, enabled by providers of modern technology.

Healthy competition across technology providers is emerging as the industry begins to seek and foster new solutions. Whether this openness is motivated by a need for trading contingency, driven by regulators, boards of directors and senior managers who are looking to mitigate liquidity and operational risk, or by traders and salespeople looking for overdue, updated technology solutions to further automate the borrowing and lending process, it is happening.

The securities lending industry is massive and systemically important. According to estimates by S&P, revenue of almost US$13 billion was generated by securities lending activity in 2023. In addition to revenue, and perhaps more importantly, the ability to source securities and cash efficiently has significant implications for the broader equity and fixed income markets.

At GLMX, we believe that technology which enhances the location and exchange of liquidity in securities lending is ripe for competitive disruption and attendant improvement. It is within this environment that GLMX has plenty of experience.

As an independent company charting a new path in delivering technology to securities finance, GLMX employees embrace and embody the highest forms of "competitive spirit".

Recent conversations, ranging from senior managers to salespeople and traders who are prosecuting day-to-day business across lenders and borrowers, have clearly revealed that the industry, with few exceptions, is actively pursuing alternatives in pursuit of increased access to liquidity.

The company that has existing fit for purpose technology has proven it can quickly and efficiently build new technology to support inevitable market evolution, and can scale its network to grow liquidity pools, is the clear choice to fill that void.

GLMX has been there, done that.

Adapting to a changing securities finance environment

By consolidating securities finance, collateral operations, post-trade processing and risk management into a single system, clients can break silos and mitigate risk, says Murex's Sabine Farhat. Carmella Haswell reports

Sabine, having been a part of Murex for the past 15 years, how have you seen the business transform and evolve over this time?

Securities finance is an ever-evolving activity. It has always been the backbone of the financial market — the energy that makes the machine function. In a sense, securities finance ensures shorts are covered, risk is hedged, liquidity is available to fund activity and collateral is available to support and cover activity exposure.

Securities finance players have a key role in executing liquidity mandates and optimising balance sheets. At the same time, they ensure compliance with an increasingly regulated market. We have always been a one-stop shop when there is a need for securities management, as well as liquidity mining. Juggling those mandates comes at a cost. Desks operate complex operations ranging from negotiation, pricing and trading to risk management, corporate actions execution, settlement and more.

Ideally, they should operate on a cross-function, low-touch system to lift the burden of manual intervention and ease communication between desks. What I can see from this perspective is not so much a change, but waves of moving from one product to another and from one mandate to another based on liquidity cost, collateral scarcity and regulations. The real transformation and evolution of the market is seen in the mandatory use of technology to cope with the current era of standardisation, regulation and steps to reduce the total cost of ownership (TCO).

Our users can utilise MX.3 to assist them with the emergence of new products and the shift of mandates. With our cross-asset system, we provide a fit-to-purpose solution and low-touch usage for front-to-back-to-risk-to-collateral across equities and fixed income, while ensuring quick time to market.

What key lessons have you learnt from your time in the securities finance and lending industry and how are you applying these to provide for your clients?

Even though operations, regulatory reporting and risk management can be standardised and optimally be packaged in an out-of-the box system, the financing tools, the optimisation algorithms, position sweeping between desks and cost allocation is very specific to the strategy of the financial institution and its trading decisions. As a result, from a system perspective, it is mandatory to have optimal workflow for operations with the highest straight-through processing (STP) rate, providing credit risk, compliance and a sharp eye on regulations. Flexible and large financing tools that cope with any strategic trading decision and openness to apply the rules and cost of positions and liquidity usage are the way forward.

"If we want to be ahead of the market, service our clients to the best of our abilities, and provide them with the technology solutions to be able to operate, we need to look beyond the direct industry and monitor widely."

As a result, in securities finance it is extremely important to understand not just the securities finance industry and the customer, but also what is happening in equity cash, fixed income, liquidity and collateral management. When we see trends in volatilities for equities or new indices in the market, we know that in a few months it will have a direct impact on securities finance, because we are financing the inventory of equities and fixed income or raising secured funding. If we want to be ahead of the market, service our clients to the best of our abilities, and provide them with the technology solutions to be able to operate, we need to look beyond the direct industry and monitor widely.

Even though the market operates differently when there is a split between repo, delta 1 and securities lending, equity and fixed income, sell side and buy side, in-house, agency or broker, they are always interlinked. Consequently, from a software house perspective, we ensure functionalities are available on all types of securities financing transactions (SFTs), regardless of underlying, desk or actor. This has helped Murex clients that merge desks to have a fully operating centralised desk with a single system.

Lastly, regulation is key in these times. Whenever there is a study or a project on regulation, we need to make sure that we are participating in the workshops and listening to different audiences, because when a project is finalised, it will be too late to develop. We are a software company at the end of the day — we are here to help our clients operate. If we want them to operate correctly, we need to be involved in every step of the regulation.

What are Murex's prime focus points for 2024?

We maintain a focus centred on the three pillars of our offering.

Product catalogue. We want to provide the widest financing tools offering with a full support of all types of underlying, while having a tailored user experience to each product lifecycle. For instance, we recently added total return swap on iBoxx, total return futures to our catalogue, working hand in hand with Eurex, and trade allocation optimiser for money-fill repos. We are currently adding margin lending, as we believe this will be the new financing product in Europe with regards to the Eurosystem Collateral Management System (ECMS).

Centralised firmwide inventory and liquidity ladder. Murex is adding the necessary tools to optimise its securities inventory and has added the capacity to algorithmically allocate the best securities for repo funding and collateral allocations automatically.

Moreover, we continuously enrich our internal funding module to sweep positions and their cost or gain between desks in a low-touch way.

Automation and connectivity. Securities finance operates in a large system in the market. We need to be connected easily to all service providers and automate our internal processing in a seamless manner — a key area to reduce implementation costs.

Where are you focusing your resources to enhance your MX.3 offering?

In addition to the points above, we have a dedicated group that monitors regulations and their impact on our value proposition, as well as enriching our out-of-box proposal for credit risk management. T+1 proposals from the US Securities and Exchange Commission (SEC), ECMS and Basel are the current areas of focus.

Ultimately, our trademark is our rich product catalogue, which can be booked, priced, monitored, operated and optimised within the same system, front-to-back-to-risk-to-collateral. This is our DNA — everything evolves from this point.

Murex recently partnered with Rabobank to expand its securities finance solution. In what direction will this collaboration take the firm and its clients? Are there plans in the pipeline to further expand MX.3 for Securities Finance?

It was an amazing opportunity to work with Rabobank — I am very proud of this work. It was quite rewarding and resulted in fast-paced time to market. We have adopted this approach in all of our investments. We collaborated with different clients to activate GMRA/GMSLA margining from inventory and simplify trade representation and basket lifecycle management via the Dynamic Basket Total Return Swap (BaRS). We have published our newly refurbished lending solution, which uses our existing repo and synthetics products. We are continuing to invest in that area to enrich our optimisation offering. Securities finance and collateral management are a major focus of Murex — we aim to ensure that we continuously evolve in these areas.

The richness of our offering comes from the fact that we have clients across regions, and each one brings their knowledge on the same module, which makes it possible to transpose in case of expansion or market availability.

How is technology disrupting the securities finance industry and how is this changing how Murex is engaging with the market?

I don't see technology as disrupting securities finance — I see it more as enabling securities finance. What we can do today, we couldn't have done historically without the use of technology. Technology has provided automation and scaling, the capacity to collect, clean, transform and analyse data for more knowledgeable decisions, accurate pricing, known risk and compliance with regulations, and has provided a major reduction in desk operation costs.

Clients using technology for securities finance today can expand volumes, which should lead to reduced costs and increased profits. This has been a major enabler to the market. The addition of new technology is not disruptive, it is an enablement.

We are achieving major enhancement in securities settlement failures through a highly automated process, for example the algorithmic optimisation of automatic sweeping position cost, accounts and more.

A real, disruptive shift will be seen in the securities finance market when it increases its use of machine learning and artificial intelligence. The disruptiveness will not be operational, but it will come. Will some counterparts be forced out or forced in? Will optimisation be different? Will pricing be different? It will be a new era for the financial market, not just securities finance.

In terms of regulation, where are you seeing the most impact on your side of the market over the next 12 months?

We should no longer say regulation is impactful. It is part of the normal day-to-day business, the quotidian. We should expect to have more regulation, which is more extreme and more real time. As a technology provider, we need to make sure that we have the richest data possible in our system to ensure that, whenever a regulation comes into force, our clients have the capacity to generate the necessary data and report on time with the highest STP rate and with the lowest failure rate possible. When it comes to standards, we need to ensure that we are aware and that we can easily comply by having appropriate API, flexibility and openness.

"A real, disruptive shift will be seen in the securities finance market when it increases its use of machine learning and artificial intelligence."

There are numerous regulations and standards coming into force — the T+1 settlement, Basel III Endgame adjustments, central clearing of US Treasury and US Treasury repo, ECMS collateral settlement and liquidity in European central banks, as well as the SEC regulatory reporting for the US. Each has a different impact on the market, vendors must operate to be compliant and support the service on time.

The impact of these new standards and regulations mostly falls on the cost of funding, use of funding and settlement. As a result, for us, it is imperative to be able to accurately monitor the P&L of investments and funding, allocation of internal cost, rating aggregation and calculation to accurately estimate capital charges, settlement situation and accurate generation of instructions, among other factors. All of this impacts our areas of focus for development. We continuously monitor new market standards, requirements and regulation to ensure we are providing our clients with the best service.

The future of sec lending

Tim Smith, managing director of data insights at Hazeltree, delves into how regulation is transforming the securities lending landscape and how technology plays a critical role in this evolution

The world of securities lending has undergone a remarkable transformation in recent years and its evolution can be attributed to the need to better manage risk through stricter regulations.

The financial crisis of 2008 left an indelible mark on the global economy, reshaping perceptions of securities finance and short selling in the public consciousness. Despite the fact that the issues primarily stemmed from inadequately controlled collateral rather than inherent flaws in these practices, they were thrust into the spotlight, often unfairly associated with the crisis.

This heightened scrutiny spurred regulators worldwide to collaborate in monitoring these aspects of the financial industry. Recognising the interconnectedness of global markets and the need for robust oversight, regulators embarked on a concerted effort to ensure greater transparency and accountability within the securities finance and short-selling domains. This collective action aimed to mitigate systemic risks and restore trust in the financial system, marking a pivotal moment in regulatory cooperation and oversight.

Driving greater data transparency

One of the most significant shifts in securities lending has been the substantial increase in transparency. In the past, the term “transparency” was often met with scepticism, as market participants were more inclined to keep their activities opaque. The early days of securities lending were marked by a one-way approach, where firms sought to gain insight into their peers' actions while closely guarding their own. However, in the aftermath of the 2008 financial crisis, there was a growing realisation that this lack of transparency was detrimental to the market.

Recent years have seen significant progress in enhancing transparency in financial markets. One of the key developments has been the adoption of more open and candid dialogue between agent lenders and their institutional clients. This has allowed for greater visibility and a better understanding of the underlying risks and costs involved in securities lending transactions.

Additionally, the hedge fund industry and their prime brokers have become increasingly focused on achieving greater levels of transparency to effectively compare broker fees. This trend towards greater transparency has been driven, in part, by regulatory initiatives such as the Securities Financing Transactions Regulation (SFTR) in Europe and SEC regulations — such as 10c-1a — in the United States. These regulations have laid the foundation for a more open and transparent marketplace, benefiting both investors and market participants.

To achieve this high level of transparency, alternative asset managers require access to robust global securities lending market data, intraday data points, top long and short positions, sector and industry movers, as well as security rate changes. They also need to be able to compare prime broker rates against benchmarks by accessing not only the rate data, but also information around the costs of putting on synthetic transactions to mirror short-selling positions in markets that do not facilitate traditional short-selling activity.

The right regulation vs more regulation

The role of securities lending has transitioned from being a back-office settlement function to a front-office operation. This transformation has necessitated the establishment of front-office controls. Regulators have sought to apply rules from the derivatives market to securities lending, although such a blanket approach may not be entirely suitable.

Unlike a trade, securities lending is more of an arrangement, offering flexibility that regulations sometimes struggle to accommodate. The arrangement can be reevaluated, renegotiated, or even recalled, which adds a layer of complexity not typical in traditional trading. However, there is a collective understanding — or at least an admission — that more regulation is needed, provided it is tailored to the unique nature of securities lending. In other words, it should be the right regulation rather than more regulation.

It is important for alternative asset managers to implement the proper processes and systems to stay on top of regulatory changes and be sure they can comply with new rules regarding margin management, transparency and reporting.

Modernised systems

As the securities lending landscape has become more open to a growing number of counterparties, the importance of modern treasury management systems has surged. These systems are crucial for consolidating data related to cash, collateral, margin, securities finance and rates from all counterparties into a central platform. With the rise of complex operational and treasury demands, the days of relying on simple Excel spreadsheets are long gone.

In light of the recent challenges faced by banks, alternative asset managers are increasingly seeking to have a more comprehensive and timely view of their counterparty exposure. Evidently, they want to be able to quickly and accurately assess any potential risks associated with their counterparties, so that they can take appropriate action in a timely manner.

To achieve this, they are no longer content with waiting for periodic reports that may be outdated by the time they are received. Instead, they are looking for near real-time access to data, which can provide them with up-to-date information on their counterparties' financial health, creditworthiness and overall risk profile. The days of waiting for periodic reports are over; near real-time access to data is becoming the norm.

By having this kind of visibility, alternative asset managers can more effectively manage their counterparty risk and make informed decisions about how to allocate their investments. Ultimately, this can help them to improve their overall performance and deliver better results for their clients.

Disruption through technology

When looking at collateral management, an area where it is possible to achieve greater efficiency is in the mobility of the collateral itself. Distributed ledger technology (DLT) makes it possible to move assets 24/7, eliminating the typical afternoon rush to beat the Federal Reserve deadline.

Immutable proof of settlement is also visible to all participants using this technology, making the old process of chasing down Fed reference numbers obsolete. While many in the industry are not yet ready to use cryptocurrencies as collateral, there are alternative ways to leverage DLT and blockchain technology to achieve similar efficiency with collateral mobility.

Tokenising assets that are already generally accepted as eligible collateral, such as treasury securities or money market funds, can be a good entry point. This idea is gaining mainstream acceptance. The International Swaps and Derivatives Association (ISDA) has published papers that broach this topic, and the Depository Trust and Clearing Corporation (DTCC) recently completed the acquisition of Securrency, a company that focuses on tokenising assets on the blockchain.

While using tokenised digital assets for collateral mobility may appear to be the most immediate use for DLT and blockchain technology, it is certainly not the only conceivable use case. Dispute management is a process that injects the most inefficiency into the daily collateral process. An inordinate amount of time and effort is put into reconciling portfolios to find the root cause of differences.

Artificial intelligence can help to do this more quickly, and that is a good first step. But even when the breaks are automatically highlighted, there are still breaks. It is not a stretch to imagine firms using DLT and blockchain technology to define the contents of a portfolio of positions between parties, including contractual terms, such as independent amount. When the portfolio of positions on the blockchain is viewed as the single source of truth, reconciliation becomes obsolete.

On the sec lending horizon

In summary, the securities lending ecosystem has been dramatically altered by regulatory mandates. The demand for transparency has reshaped how participants interact with and exchange information. The industry has transitioned from a back-office function to a front-office operation, requiring more nuanced regulatory approaches.

Additionally, the growing number of counterparties necessitates modern treasury management systems to manage data effectively.

The securities lending industry is undergoing a transformation as market participants adapt to the changing landscape. The focus is on enhancing transparency, agility and technology to improve the efficiency and resilience of the industry.

To achieve this, lessons learned from the past are being used to guide current practices. Market participants are implementing robust technology solutions to streamline processes, improve risk management, and enhance operational efficiency.

Regulators are playing a key role in shaping the industry's future by enforcing proper regulations. The right regulations can help prevent past mistakes from recurring and ensure greater stability and transparency within the industry.

The future of securities lending looks promising, with greater resilience and efficiency on the horizon. As market participants and regulators work together to implement best practices, the industry will continue to evolve towards a more transparent, agile and technologically advanced future.

Sewing the market fabric

Peter Eliades, managing director of electronic trading at Clear Street, speaks to Carmella Haswell about the power of best execution in the prime brokerage market and how regulatory frameworks are shaping this entity for broker-dealers

What are the key considerations in delivering best execution? How have you refined your services to enhance execution services offered to clients?

Although the US Securities and Exchange Commission (SEC) proposed new regulations to help to codify a federal best execution standard in December 2022, interpretation still involves resolving connotations and nuances based on broker type, trading objectives, retail obligations, and related policies and procedures.

The SEC requires the basic tenet that brokers must achieve the “most favourable price” for their clients. Yet, by design, that definition allows some degree of interpretation to ascertain reasonable diligence when accessing the best market and price for a specific security. There is also the mention of specifically avoiding any “conflicted transactions”, which includes inter-positioning of affiliate interest, not disclosing payment for order flow arrangements or aspects of proprietary market-making involving retail order flow.

At Clear Street, we adhere to these principles and follow the guidelines established by the SEC and other regulatory agencies such as FINRA.

How are clients refining their routes to market, and applying a wider range of execution venues to meet their trading strategies?

Client liquidity requirements are always top of mind at Clear Street. As such, we have enhanced our execution stack to accommodate their increasing appetite for new venues and customised solutions.

Several new liquidity sources have come to market recently. Being liquidity-verbose yet agnostic is the most critical factor in allowing our clients to access liquidity as efficiently as possible across fragmented markets.

Therefore, we need a robust ability to handle high-capacity order flow and direct that request to bespoke solutions to fit our clients’ needs. This involves placing an extremely competent client gateway layer to acknowledge, refine and deliver concise messages expeditiously to downstream risk and execution systems.

We are days away from completing this integration, which will allow us extraordinary flexibility when routing very specific client requests to execution solutions around our complex.

Fragmentation is a component of our US market structure by design and it is here to stay. It is up to the innovative broker-dealer to invest in technology and sew the “market fabric” efficiently back together for our clients in real-time.

How do you interpret the impact of technology, such as electronic trading, on prime brokerage trade execution?

There is an inextricable relationship between a prime broker and electronic trading — they go hand in hand.

Our primary objective is to align with our clients and coordinate a solution to significant drivers such as funding costs, execution capabilities, or balance sheet optimisation to help differentiate our services.

One critical requirement for a prime brokerage firm is the ability to communicate information to clients efficiently and bilaterally. We must offer best-in-class technology to facilitate this handshake via high-speed, accurate data transfer and position reconciliation so they can compute and digest their own portfolio risk and PnL.

At Clear Street, we use a strategic cloud infrastructure. We have efficiently achieved this data strategy goal via a web-based client portal, where our clients can monitor critical position and funding metrics supplemented by secure file transfer protocol (SFTP) facilities to transfer necessary information every minute of the day.

How does current or impending regulation present a hindrance or opportunity for the use of electronic trading in this space?

Electronic trading helps Clear Street to comply with accessing venues — sometimes more than 20 venues in the same parent order. Often, algos are programmed to return to places that are significant liquidity sources at that very moment.

The SEC proposed a new Best Execution rule in 2022, which bears important distinctions from the current FINRA Best Execution and Interpositioning rule. The FINRA rule requires an evaluation, but is much less prescriptive regarding what needs to be evidenced. This permits a number of factors to be considered, including price improvement opportunities, the likelihood of execution of limit orders and the size of the execution.

In contrast, the first part of the SEC's 2022 rule includes a more detailed set of requirements — including obtaining and assessing reasonably accessible information (price, volume and execution quality), identifying markets that may be reasonably likely to provide the most favourable prices for customer orders, and incorporating material potential liquidity sources into its order handling practices and ensuring that the broker or dealer can access this.

Electronic trading, and the data it can generate, can assist brokers in complying with each rule set. In this regard, looking at algos, assessing MIC codes on fills, and reviewing the FINRA OTC transparency data are all components of a compliance regime. Using transaction cost analysis (TCA) and other analyses will always be a part of this as well, but trading electronically generates the type of audit trail required.

What are the latest developments in prime brokerage trade execution and their implications on the market?

Clear Street has purposefully built its electronic strategy to accommodate a wide range of prime brokerage client personas and their varying needs. That is a tall task when considering the variety of investment theses across strategies. Client success is defined by tight strategic alignment and coordination across our business lines and engineering teams to ensure we have a complete solution for their needs.

Specifically, it requires that our execution channels integrate alongside risk and margins modules and extend an understanding of how to net and assign positions across entities, accounts and asset classes in real-time. These calculations also need to be transparent for our clients, so they are aware of their own exposures and funding costs.

We solve this balance by harnessing the latest technologies across clearing, risk, position management, market data, financing, margining and proprietary settlement systems. Most importantly, we sew that data fabric back together at the execution phase of the trade and during the transition across corporate actions, dividends, symbol changes and other events that bring challenges when marking to market.

We are uniquely positioned to offer these solutions across equities and options in the US, coupled with a highly specialised high-touch desk. We support trading from 04:00 to 08:00 ET in equities, core and extended sessions for options.

Can you share your final thoughts on best execution in the prime brokerage space?

Increased connectivity and fragmentation across our market centres and liquidity destinations require more robust infrastructure and routing capabilities than ever before. As best execution requirements continue to rise, broker-dealers must stay ahead by investing in technology and innovating across their stack. As a technology-first firm, Clear Street can stand up key processes efficiently and effectively, yielding a more complete and cohesive electronic trading solution.

Unlocking new levels of efficiency

Justin Lawson catches up with Wematch's co-founders David Raccat and Joseph Seroussi on how the firm's collaboration with Eurex will drive innovation in synthetic securities finance, and the company's long-term vision for the industry

What do you note as the most pressing and current issues facing the securities finance industry?

One of the key challenges we see is the growing need for multiple liquidity channels and alternative platforms, products and venues on securities lending. This is especially critical given the increasing pressure on the sell side to move from physical to synthetic financing due to Basel III risk-weighted assets (RWA) and capital charges, accelerating synergies between physical securities lending and synthetic structures. Another pressing issue is the development of robust pre-trade tools to better optimise trading and inventory allocation.

Regulators are increasingly focusing on transparency and risk management in the securities financing market. How can technology help firms navigate this evolving regulatory landscape?

Our Data & Contribution service helps firms to meet the Fundamental Review of the Trading Book (FRTB) data requirements by providing real, tradable price observations, to pass the Risk Factor Eligibility Test. The service creates a total return swap (TRS) curve, and provides historical and observable data to help with marking books in an opaque OTC market. Working with a data partner like Wematch reduces the time to be FRTB-compliant, with a current run rate of 10,000 quotes received yearly, and more than 700 mids already created. We are soon extending the scope to securities lending with upgrades and downgrades.

Wematch's ongoing notional volume has recently reached a record US$320 billion. To what do you attribute this success, and how does your platform differentiate itself in the market?

Our platform was revamped in 2022 to manage much larger volumes and industrialise the business. We have expanded from niche markets into general collateral flows, which are very volume-intensive. Key differentiators include a powerful collateral optimiser, seamless connectivity and integration, and continuous client-driven innovation on a modern, agile technology stack. We have identified strong growth in securities lending and in the US market, compared to the more mature European TRS market. Our focus is on capturing additional flows in the US and APAC regions for both TRS and securities lending.

It took us less than four years to reach US$100 billion in ongoing notional, two years to grow from US$100 billion to US$200 billion, and just six months to transition from US$200 billion to US$300 billion. This accelerating growth rate is a testament to the value our clients see in our platform and the trust they place in us.

We attribute this success to a few key factors. First, our commitment to innovation — we are constantly pushing the boundaries of what is possible in securities finance, whether it is through our optimisation tools, our expansion into new markets and products, or our strategic partnerships with industry players such as Eurex.

Second, our client-centric approach. Everything we do is driven by a deep understanding of our clients' needs and pain points. We work closely with them to develop solutions that streamline their workflows, reduce their risks, and enhance their profitability. This collaborative approach has helped us build strong, long-lasting relationships with our clients and partners.

Finally, we have very dedicated teams working to make Wematch the go-to platform for securities finance. Their expertise, passion and dedication are the driving force behind our success.

In 2023, Wematch launched several tools. Can you explain how these solutions are helping to revolutionise post-trade processes and your plans for 2024?

The FRM Optimiser is designed to transform financial resource management for banks by simplifying and optimising the recall and substitution process for securities-based lending financing trades. It provides a central marketplace, enhanced trade capture, lifecycle management tools, and a user-rule-driven optimisation tool, ensuring optimal inventory allocation and improved balance sheet management.

The TRS Cash Flow Manager streamlines and automates cash flow management for total return swaps. By leveraging trade data from our TRS modules and corporate actions data, it calculates cash flows. Our Trade Sync feature automates reconciliation, reducing breaks and increasing efficiency.

The Data & Contribution service addresses data challenges in the TRS market, particularly for regulatory requirements such as FRTB. It aims to provide transparent data sharing, enhancing price transparency and standardisation of TRS funding curves. Participants contribute prices, access historical data, and receive customisable reports, therefore improving accuracy and efficiency.

In 2024, we plan to extend the Data & Contribution service globally, introduce digital ISDA confirmations, and enhance the TRS Cash Flow Manager.

Our goal is to be a comprehensive one-stop shop for TRS, and to provide the market with a matching platform on securities lending, revolutionising post-trade processes and becoming the go-to provider for securities finance market participants, who seek to optimise workflows, reduce risks, and enhance capital efficiency.

AI and machine learning are increasingly being applied to securities finance. What potential do you see for these technologies, and how is Wematch incorporating them into its platform?

We recognise the immense potential of AI and machine learning in revolutionising the securities finance industry. As part of our long-term roadmap, we are investing in research and development to responsibly harness these cutting-edge technologies, while maintaining the highest standards of security, privacy, and regulatory compliance.

Our goal is to gradually incorporate AI and machine learning capabilities into our platform, ensuring they complement and enhance our existing offerings. We will keep our clients informed and work closely with them to address their specific requirements and concerns as we make progress in this area.

Wematch recently partnered with Eurex to drive innovation in synthetic securities finance through Basket Total Return Futures (bTRFs). Can you share more details about this collaboration?

Our Eurex partnership, set for a Q3 2024 launch, will enable interoperability between Wematch's TRS module and Eurex's bTRF products. Wematch will provide the GUI for participants to input interests, match trades, and update digital portfolios in real-time via API, allowing for listed bTRF trading alongside OTC TRS.

This collaboration aims to revolutionise the complete end-to-end workflow for bTRF market participants, from basket construction and pricing to trade execution, lifecycle events, and streamlined clearing and settlement. The seamless harmonisation between the two platforms will unlock new levels of efficiency, standardisation, reduced counterparty risk, cash flow management, and capital optimisation for market participants.

The partnership will roll out in strategic phases, with full integration across pricing, execution, and lifecycle management targeted for Q3 2024.

What are your thoughts on DLT and smart contracts, and how do you see these shaping the future of securities finance?

We believe distributed ledger technology (DLT) has immense potential to transform collateral management. Wematch has partnered with HQLA^{X}, Ownera and J.P. Morgan, for repo execution with delivery-versus-payment (DVP) settlement across two different distributed ledgers. DLT can help solve settlement issues and maximise collateral velocity using tokenised securities and digital cash on private blockchains. We have completed all developments to be part of the DLT repo workflow and are eager to see the first trades go through.

Looking ahead, what is your long-term vision for the securities finance industry, and how do you see Wematch contributing to this evolution over the next five to 10 years?

We emphasise the importance of interoperability and a cross-product solution that allows clients to optimise workflows, collateral, and inventory across securities lending, TRS, and bTRFs. Our vision is to become product-agnostic and offer a single-provider solution for maximum efficiency.

Wematch prioritises the development of DLT solutions and plans to release an interoperable solution in late 2024. Wematch envisions a future of accelerated digital efficiency, connecting market participants across asset classes on modern, agile platforms.

We will continue to expand our TRS, securities lending, and financing offerings globally, bringing automation, optimisation and innovation. Wematch is committed to accomplishing its plan of providing market participants with a full suite of securities finance solutions, encompassing securities lending, TRS, bTRFs, and other innovative products. By offering a comprehensive, integrated platform, Wematch aims to become the go-to provider for securities finance market participants seeking to optimise their workflows, reduce operational risks, and enhance capital efficiency.

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Combining innovation and alliance: Comyno's securities finance strategy

The industry is under tremendous pressure to adapt to an ever-tightening regulatory environment, according to Frank Becker, COO of Comyno, who dissects the challenges currently facing the market

Within the complex interplay of the global financial markets, the securities finance sector performs a pivotal role. But as the tempo increases, so does the complexity of its movements. Today's landscape is fraught with an array of challenges that test the agility and acumen of financial institutions worldwide.

We find ourselves at a crossroads, where regulatory requirements, operational efficiencies, and technological innovations converge. This juncture is critical — it beckons a significant shift in how securities finance operates, demanding solutions that are as flexible as they are robust. To stay afloat and thrive, firms are required to harness both the innovation within and strategic partnerships without. Comyno, with its C-ONE platform and a history of alliances like the one with SWIAT, stands as a paragon in this dual approach.

Founded almost two decades ago, Comyno pivoted from a specialised consulting firm into a software development boutique for the securities finance industry. Its unique combination of strategy, business and IT expertise found its purpose in the creation of Comyno's modular trading software C-ONE.

Private and public financial institutions, asset managers and clearing houses, all trust Comyno's services and products. Further development and expansion are managed by its founder Markus Büttner, Admir Spahic and Frank Becker.

Dissecting industry challenges

Navigating the complexities of securities finance in a shifting regulatory landscape, Comyno COO Frank Becker articulates the pressure points. He says: "The industry is under tremendous pressure to adapt to an ever-tightening regulatory environment. Metrics such as the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and the Securities Financing Transactions Regulation (SFTR) represent just the tip of the iceberg."

These regulatory frameworks are not static but evolving, with each iteration demanding more from financial institutions in terms of transparency, reporting, and risk management.

Adapting to existing market infrastructures while simultaneously assimilating new technologies such as distributed ledger technology (DLT) and blockchain, is a parallel challenge. This technological integration is no longer an elective enhancement but an imperative transition, as these emerging fields promise enhanced transparency, efficiency and security.

Operational efficiency is paramount. Amid a maze of legacy systems and assorted software platforms, firms face the colossal task of maintaining 'business as usual' while transitioning to more sophisticated, streamlined processes. Manual interventions, often cumbersome and error-prone, are being challenged by the need for automated, reliable systems.

Becker emphasises the magnitude of this transition: "Operational aspects around 'running the bank' — which involves managing day-to-day operations, while also coping with legacy systems — remain a significant hurdle." The industry's elephant in the room, as Becker mentions, is the shift towards a T+1 settlement cycle. This transition will compress the post-trade processing window dramatically, urging firms to accelerate their operational cadence while maintaining accuracy and compliance.

C-ONE: a modular approach to securities finance

In response to this multifaceted environment, Comyno's C-ONE platform brings forth several innovations. As a multi-dimensional solution, C-ONE addresses the core needs of securities finance, enveloping SLB, collateral management, regulatory reporting, and blockchain technology into a single, potent source.

One of C-ONE's utilities is the Locates Manager. This tool pre-processes locate requests from multiple channels, presenting them in a standardised format that is easy to interpret. By automating replies and booking trades, it aims to curtail the manual effort typically involved in these operations, thereby trimming response times and enhancing overall efficiency.

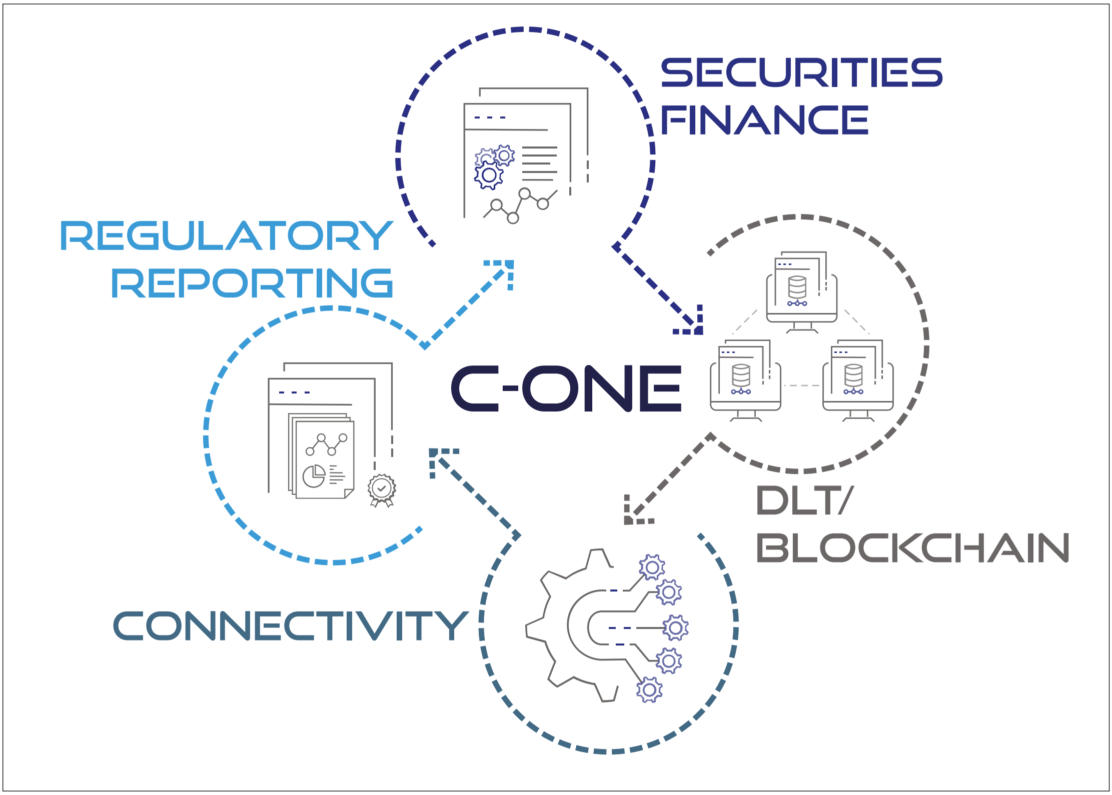
The Locates Manager is adept at improving lenders' inventory utilisation, says Becker, amplifying revenue while also boosting the chances for entities to find the securities they seek. It is an installation that does not necessitate a cumbersome system overhaul, instead offering immediate benefits with minimal integration effort.

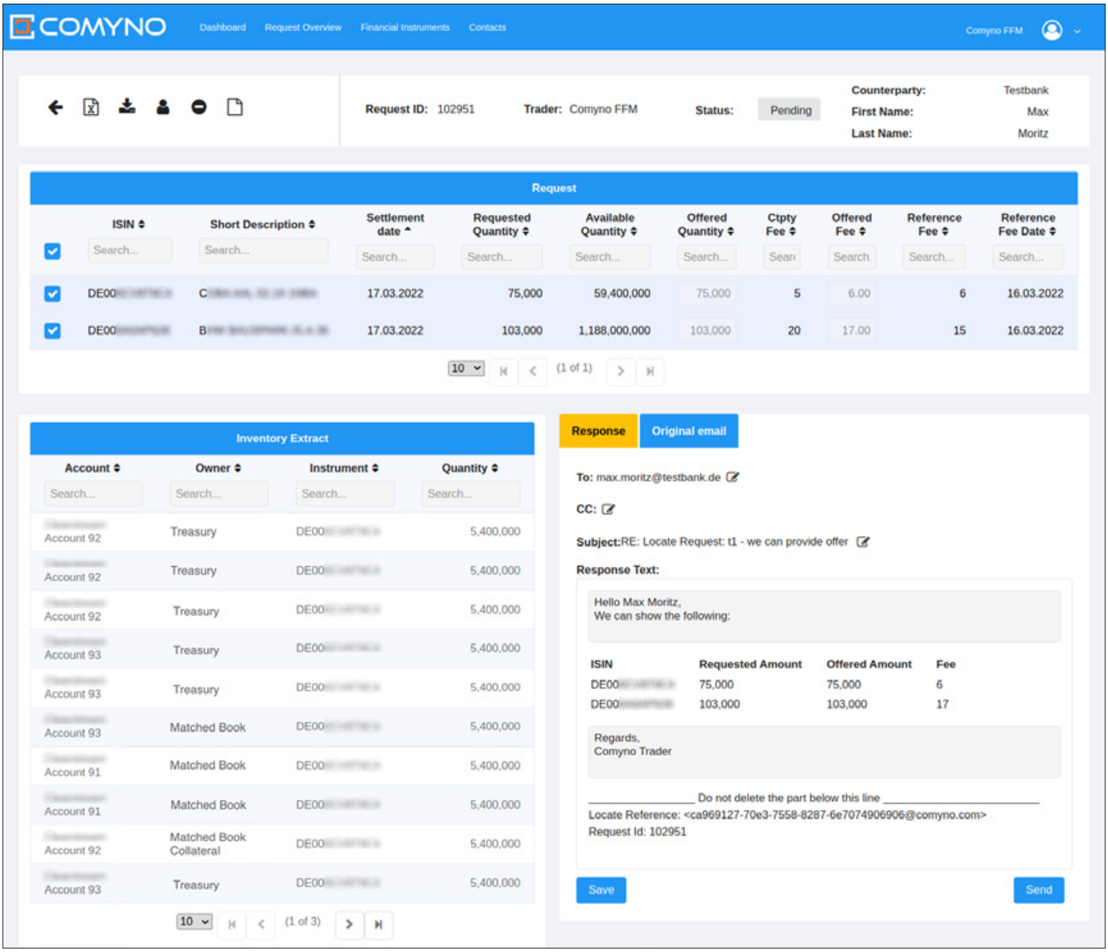
Comyno's one-stop-shop approach consolidates securities lending, repo, and collateral management for both traditional and digital assets, Becker explains. It exemplifies a seamless merger of multiple finance realms under the C-ONE umbrella, streamlining what was once a segmented and unwieldy set of processes.

C-ONE stands as a hybrid platform, a nod to its combined capabilities of managing in-house trading and collateral across multiple entities and product types. Its web-based access points allow for client and counterparty connectivity, including white-labelling options, ensuring a personalised and expansive service reach.

Position sharing, locates management, affirmation processes, and exposure to trading activities and collateral management, are all facets made transparent and accessible to stakeholders. Even the platform's PnL features extend to all entities involved, underlining the depth and flexibility of C-ONE's reach.

The myriad of internal and external parties, software systems, IT components, and manual workarounds, are significant cost drivers in securities finance. Comyno's C-ONE platform, with its modular design, directly addresses these inefficiencies. By offering an extensive suite that covers the entire value chain, both commercially and technically, C-ONE is designed to provide a streamlined, cost-effective solution.



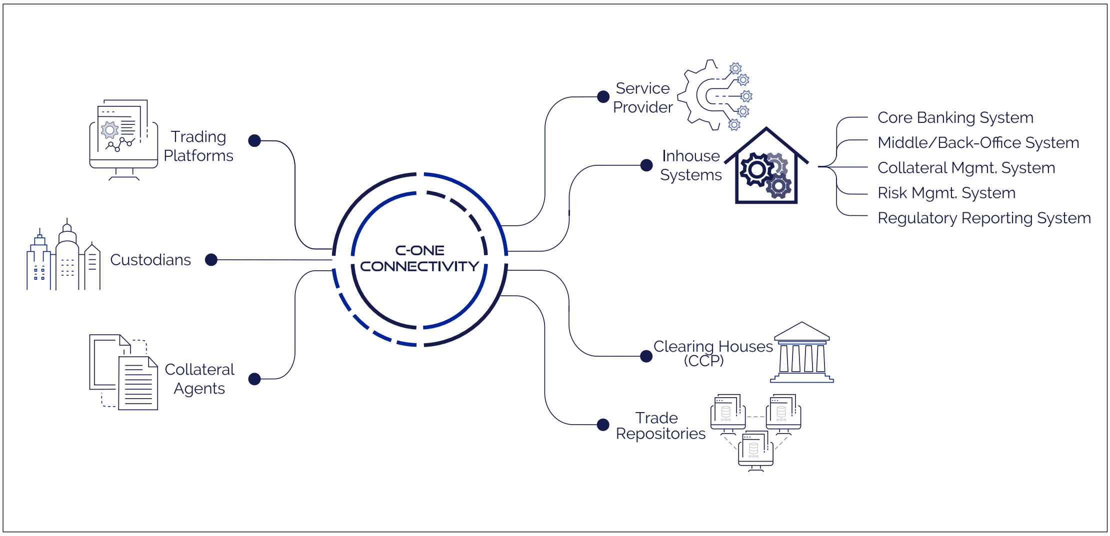


Reflecting the diverse needs of its clientele, C-ONE is available both on-premises and as a software-as-a-service (SaaS) model. This dual offering ensures that firms can tailor the platform's integration to their specific operational landscapes, whether preferring a localised control or seeking the agility of a cloud-based solution.

The essence of living partnerships

Comyno's philosophy extends beyond its technological prowess, recognising that strategic partnerships, as exemplified by its collaboration with SWIAT, are fundamental to address industry-wide issues. Such alliances are not just about enhancing product offerings but about fostering a culture of shared expertise and common goals.

Frank Becker recognises that the value of a partnership lies in its execution. “It is imperative that our strategic alliances are not static entities on paper. They must be dynamic, living systems that provide tangible technical solutions to our customers,” he asserts. This philosophy is at the heart of Comyno's approach, where partnerships are nurtured through the integration of sophisticated technologies and the development of shared platforms that actively simplify and enhance client processes.



The Comyno-SWIAT partnership showcases a blend of Comyno's software solutions with SWIAT's technological strengths, resulting in a service that exceeds the sum of its parts. This collaboration serves as a model for how Comyno intends to approach and establish future partnerships.

The road ahead

As Comyno continues to tackle the issues facing the securities finance industry, it does so with a keen understanding that the future lies in innovation paired with strategic collaborations. The upcoming initiatives and partnerships are poised to build upon past successes, leveraging collective expertise to address the evolving challenges of the market.

The combination of cutting-edge technology and synergistic partnerships has consistently proven effective in addressing complex challenges within the industry. Comyno's dedication to innovation, flexibility, and collaborative progress heralds not just evolution but a potential revolution in the securities finance sector.

Adding to this vision, Becker hints at exciting developments on the horizon: "As we stride forward, our focus on living out the partnerships we create has never been more vital. We are not just preparing for the future — we are actively crafting it with our alliances. Stay tuned for an upcoming announcement where we will unveil a new strategic partnership, setting the stage for unprecedented innovation and cooperation in the industry."

Frank Becker
COO
Comyno

Mike Airey
NA Vice President Sales
+1 201 714 3039
Mike.Airey@broadridge.com

Paul Wilson
EMEA Sales Director, SFCM
+44 20 7418 4500
Paul.Wilson@broadridge.com

Kurt Eldridge
APAC Head of Sales
+65 8202 0332
kurt.eldridge@broadridge.com

www.broadridge.com

Broadridge Financial Solutions, a global Fintech leader with over $6 billion in revenues, provides the critical infrastructure that powers investing, corporate governance, and communications to enable better financial lives. We lead business transformation and deliver technology-driven solutions for enriching client engagement, navigating risk, optimising efficiency, and generating revenue growth, helping our clients get ahead of today's challenges with products that streamline and simplify the Securities Finance industry.

Broadridge Securities Finance and Collateral Management (SFCM) offers a suite of global, front to back office securities finance solutions for buy side and sell side. Both our full service integrated Mainline solution and new FastStart rapid spin up operating solution both support agency and principal trading of equities and fixed income securities across securities lending, repo, collateral management, collateral optimisation, and end to end transaction reporting solutions. Broadridge's solutions help customers comply with new regulations, increase efficiency, improve strategic decision making and make more intelligent use of capital, balance sheet and liquidity.

In addition, Broadridge provides project management, consultancy, business analysis and testing support to augment firms' internal regulatory project teams and help them comply with the rules in a timely manner. Broadridge's technology and operations platforms underpin the daily trading of on average more than US$10 trillion of equities, fixed income, and other securities globally.

For more information about Broadridge and our proven securities finance, collateral management, and transaction reporting solutions, please visit our website.

Comyno
Your Specialists in Securities Finance

Zimmerweg 6, Frankfurt am Main, Germany, D-60325

Comyno DLT Hub
Cara Lazara 5-7, Belgrade, Serbia, Stari Grad 11000

Markus Büttner
Founder & CEO
+49 (0)173 672 6225
markus.buettner@comyno.com

Frank Becker
COO & Head of Sales
+49 (0)151 4249 0801
frank.becker@comyno.com

Admir Spahic
COO & Head of Consulting
+49 (0)177 4367027
admir.spahic@comyno.com

www.comyno.com

Comyno is a specialised FinTech company with more than two decades of experience in securities finance, focusing on software and consulting. We work with leading private and public financial institutions, asset managers, clearing houses, and triparty agents, combining their expertise in strategy, business know-how, and technology.

Our extensive experience in providing standardised and tailor-made solutions increases functionality and efficiency across the entire value chain of securities finance business. This is the main reason why customers choose Comyno's C-ONE software solution and consulting services.

Comyno's innovative strength is demonstrated by our expertise in the area of DLT/Blockchain and its practical application. We founded Comyno DLT hub in 2017 and have implemented blockchain technology in our trading software C-ONE.

Consulting Services

- Strategic Consulting
- Project & Program Management
- Business Analysis & Consulting
- Technical & Infrastructure Consulting
- Product Architecture & Design
- Software Development
- Blockchain Development

Software Solutions

- C-ONE Securities Finance
  In-house/Platform Hybrid Solution
- C-ONE Connectivity
  Standard Market Interfaces
- C-ONE RegReporting Solutions
  SFTR | CSDR | MiFID
- C-ONE DLT/Blockchain

Paul Lynch
Managing director, global head of products
paul.lynch@equilend.com
+1 212 901 2281

Dan Dougherty
Managing director, global head of sales & client relationship management
dan.dougherty@equilend.com
+1 212 901 2248

www.equilend.com

EquiLend is a global financial technology, data and analytics firm offering Trading, Post-Trade, Data & Analytics, RegTech and Platform Solutions for the securities finance industry. EquiLend has offices in New York, New Jersey, Boston, Toronto, London, Dublin, India, Hong Kong and Tokyo and is regulated in jurisdictions around the globe.

EquiLend's solutions include:

- Trading Solutions: Supporting bilateral and cleared securities lending transactions and total return swaps optimization, EquiLend's world-class Trading Solutions bring unparalleled automation and efficiency to securities finance trade execution.
- Post-Trade Solutions: EquiLend PTS includes a streamlined package of services enabling firms to manage and automate their operational activities, with support across the entire trade lifecycle in securities finance. Additionally, benefit from seamless connectivity to EquiLend Trading Solutions for full STP.
- Platform Solutions: EquiLend Spire is a state-of-the-art platform and technology-driven hub for securities finance firms of all types, including agent lenders, prime brokers, retail brokers, beneficial owners and collateral managers. EquiLend Spire's powerful modules include a comprehensive books & records/subledger system and much more.
- Data & Analytics Solutions: EquiLend Data & Analytics is the firm's award-winning market data division. By combining innovative technology solutions with the experience of our team, EquiLend is able to provide securities finance market participants with a unique blend of industry-leading tools and consultative analysis.
- RegTech Solutions: EquiLend's suite of regulatory services support firms not only in meeting their regulatory requirements, but in enhancing operational efficiency. Offerings include support for SFTR, CSDR, ALD, ESG and, once live, SEC 10c-1.
- 1Source: EquiLend's 1Source initiative aims to resolve the industry's central pain points and risks, develop state-of-the-art technological solutions and efficiently transform the industry. 1Source will harness emerging technologies, such as distributed ledger, to develop an industry-wide "single source of truth" for transaction lifecycles in the securities finance industry.

FinOptSys®
Powering Peer-to-Peer

Divyesh Bhakta
CEO
+1 646 785 9109
divyesh@finoptsys.com

www.finoptsys.com

FinOptSys, launched in 2019 and developed by seasoned market practitioners, is a State-of-the-Art, cloud-based SaaS platform that addresses the entire pre-trade spectrum of Securities Financing (securities lending, repo, swaps) needs for market participants of varying types and sizes. Built to sit seamlessly on top of any existing system, it is the first pre-trade analytics and actionable decision-making platform that covers all asset types (including non-traditional / digital assets) from legal document and collateral schedule negotiation / digitization to seamless trade negotiation with clients, counterparties and peers.

Powered by its patented Activity Based Collateral Modeling (ABCM) analytics engine, the platform today comprises more than 30 distinct yet integrated functional modules which are highly customizable. Users can choose from one or a few modules to the entire platform - the FinOptSys platform is a perfect fit for any firm. The platform provides sophisticated real time analytics and allows users for the first time to proactively manage their financial resources with greater optionality to decrease cost, increase both yield and asset utilization and seamlessly connect to new sources of liquidity.

These capabilities, together with the power to seamlessly connect to all internal stakeholders and negotiate with any other market participants through our unique P2P and H2S (hub-to-spoke) networks, will catapult the securities financing business into an entirely new dimension of peak market efficiency, connectivity, liquidity, revenue generation, risk management and transparency. A growing number of financial institutions, including State Street (and their institutional clients), TradeUP Securities and Drexel Hamilton trust FinOptSys to optimize their financial resources and enable Securities Finance's first true P2P negotiation marketplace. FinOptSys is also supported by partners S&P Global.

FinOptSys is empowering the industry participants of today, with the necessary arsenal to solve for what's coming tomorrow!

Glenn Havlicek
CEO

Sal Giglio
President

Sales@GLMX.com
+1 646 854 4569

www.glmx.com

Combining Wall Street expertise with Silicon Valley technology, GLMX has developed a thriving ecosystem for the negotiation, execution and management of money market instruments including securities financing transactions (SFT). Using state-of-the-art streaming technology, GLMX facilitates a wide array of SFT including multi-variable negotiation, lifecycle events management, STP, reporting and data management. Funded by leading Silicon Valley venture capital firms, GLMX brings unparalleled trading and liquidity management workflow efficiencies to existing counterparties in the global securities financing markets.

The GLMX solution provides intuitive technology, extremely quick development times and enhanced customisation. These characteristics allow GLMX to create a premium user experience.

GLMX technology functionality supporting SFT and Time Deposit trading includes:

- Web-based, RFQ-driven, Multi-variable Negotiation
- Bilateral, cleared, and triparty
- Cross-currency, locates, rate runs, packages
- Extensive data capture
- Trade life-cycle management
- Full SFTR reporting
- Pre and post trade API
- Pre-trade control functions

HAZELTREE

Over 500 sophisticated investment management firms across the globe – with over $4T in client assets – rely on Hazeltree's innovative cloud-based treasury and liquidity solutions.

Purpose-built for hedge funds and investment management firms, our solutions facilitate almost $8 billion in transactions across over 10,000 funds every day, delivering enhanced transparency, liquidity, and risk mitigation.

Our clients increase returns and gain tangible business value by optimizing counterparty interactions, margin requirements, fees, and more.

Hazeltree provides treasury management, collateral, securities financing, margin management, and liquidity planning and execution solutions that streamline processes and data, resulting in significant improvements in workflows and data accessibility. By gaining comprehensive visibility, investment management firms can optimize their fund financial operations even further. This aggregation and optimization create opportunities for superior execution. The Hazeltree solutions are designed specifically for the hedge fund, private markets, and asset management ecosystem, enabling faster time-to-value and empowering ongoing improvement of capabilities.

MUREX

For more than 35 years, Murex has provided enterprise-wide, cross-asset financial technology solutions to capital markets players. Its cross-function platform, MX.3, supports trading, treasury, risk and post-trade operations, enabling clients to better meet regulatory requirements, manage enterprise-wide risk and control IT costs. With more than 60,000 daily users in more than 65 countries, Murex has clients across the financial services industry, from banking and asset management to energy and commodities. Murex is an independent company with over 3,000 employees across 18 locations. Murex is committed to providing cutting-edge technology, superior customer service and unique product innovation. MX.3 is specifically designed and engineered to meet the multifaceted challenges of a transforming financial industry.

MX.3 for Collateral Management

MX.3 for Collateral Management streamlines enterprise-wide margining, optimization and compliance for cleared and uncleared OTCs, repos and securities lending with settlement-aware, global, real-time inventory.
Fully integrated front-to-back-to-risk and seamlessly connected to key utilities, the solution helps to simplify operations, increase efficiency, control risk and reduce cost.

MX.3 for Securities Finance

MX.3 for Securities Finance provides a holistic approach to address these challenges. It centralizes firmwide inventory in real time, with settlement awareness, for the entire range of repo, securities lending and synthetic products across equities and fixed income. Fully integrated from front to back to risk, it streamlines trading, collateral operations and life cycle management.

S&P Global Market Intelligence

regreporting@spglobal.com

www.spglobal.com/marketintelligence

S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI), the world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG solutions, deep data and insights on critical business factors. S&P Global has been providing essential intelligence that unlocks opportunity, fosters growth and accelerates progress for more than 160 years. www.spglobal.com/marketintelligence

Cappitech

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S&P Global Market Intelligence Cappitech provides regulatory reporting, best execution analysis and business intelligence solutions that meet the fast-evolving needs of the largest and most complex financial and non-financial institutions. Our cloud-based, cross-regulation SaaS platform fully automates the reporting process and provides a comprehensive view on a single, intuitive dashboard for reporting regimes such as EMIR, MiFID, SFTR, FinfraG, SEC, CFTC, Canadian reporting, ASIC, MAS, JFSA and others.

S&P Global
Market Intelligence

S&P Global Market Intelligence

h-ihsm-global-equitysalesspecialists@spglobal.com

www.spglobal.com/marketintelligence

At S&P Global Market Intelligence, we understand the importance of accurate, deep and insightful information. We integrate financial and industry data, research and news into tools that help track performance, generate alpha, identify investment ideas, perform valuations and assess credit risk. Investment professionals, government agencies, corporations and universities around the world use this essential intelligence to make business and financial decisions with conviction.

S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI), the world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG solutions, deep data and insights on critical business factors. S&P Global has been providing essential intelligence that unlocks opportunity, fosters growth and accelerates progress for more than 160 years. For more information, visit www.spglobal.com/marketintelligence

Matthew Harrison
CEO
+44 7824 412664
matthew.harrison@tradingapps.com

www.tradingapps.com

Do you want to see your Securities Finance team outperform their peers?

Trading Apps is an independent tech team that builds software products for Securities Finance businesses. We're here to understand what you need and put you one step ahead.

By pulling together all the functionality your team needs into one system we provide a platform that supports increasingly complex trading strategies. It can be configured to suit your precise needs, this means a better experience for traders and support staff. And we never stop revitalising our solutions to keep pace with an evolving marketplace.

Why us? We've been traders. We've been support staff. And we have great technologists. We know the pressures you face, and we're here to give you the edge. Our team has 32 years of trading experience and 30 years of development experience. By knowing your business, we can adapt our software and services to match your needs. Trading Apps isn't just providing a service, we act as partners who are obsessed with constant improvement. If something keeps you awake, it's keeping us awake too.

wematch.live

David Raccat
Chief Revenue Officer and Co-founder
david@wematch.live

Stéphan Demoulin
Head of Sales & Relationship Management EMEA
stephan.demoulin@wematch.live

David Culshaw
Global Head of Fixed Income
david.culshaw@wematch.live

www.wematch.live

Wematch is a pioneering financial technology platform that is transforming the securities financing industry through cutting-edge solutions designed to drive efficiency, transparency, and growth. With a comprehensive suite of offerings spanning dealing workflows, TRS trading, sales-to-trader collaboration, cash flow management, collateral optimisation, FRM, securities lending, and data contribution, Wematch empowers financial institutions to digitise and automate their operations, unlocking new levels of productivity and profitability.

At the core of Wematch's success is its commitment to innovation and client-centricity. By actively collaborating with financial institutions and incorporating their feedback into the product development process, Wematch ensures that its platform remains at the forefront of the industry, consistently delivering value and driving results. The company's modular, cloud-based architecture and open APIs enable seamless integration with existing systems, allowing firms to leverage the benefits of digitisation while maintaining their unique processes and requirements.

Wematch's global network connects over 1,000 dealers and 85 institutions, facilitating the efficient exchange of transaction data and fostering a vibrant community of market participants. Through its advanced automation capabilities, intelligent optimisation algorithms, and real-time data analytics, Wematch enables firms to streamline workflows, mitigate risks, and seize new opportunities in an increasingly complex and dynamic market landscape.

As a driving force of change in the securities financing industry, Wematch is committed to empowering financial institutions to thrive in the digital age. With its progressive values, collaborative spirit, and relentless pursuit of excellence, Wematch is well-positioned to support firms in navigating the challenges and opportunities that lie ahead, transforming finance one step at a time.

MUREX

MX.3 for Collateral Management and Securities Finance

Banks can now break silos and bridge the gap between collateral management, settlement and securities finance for a wide asset class catalog.

Benefit from Murex technology and deploy centralized real-time inventory management, a holistic strategy on funding activities and a high level of automation that can mitigate risk, manage liquidity and reduce cost.

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