the ValueExchange

Latin America FMI Evolution

The ValueExchange

Empowering change-makers in the capital markets with expert-backed, statistical insights on the case for transformation

Leveraging our...

Hands-on experience
Over 25 years of practitioner experience in securities and capital markets

Expert community
An active and engaged community of industry leaders and changemakers across the globe

Unique industry data
Over five years of in-depth data on how and where the world is transforming its investment operations

... to empower changemakers with:

Concierge
Our personalized service to help you get the answers you need

Measure Impact
Specialist benchmarking insights to track the economic impact of your transformation in dollars and cents

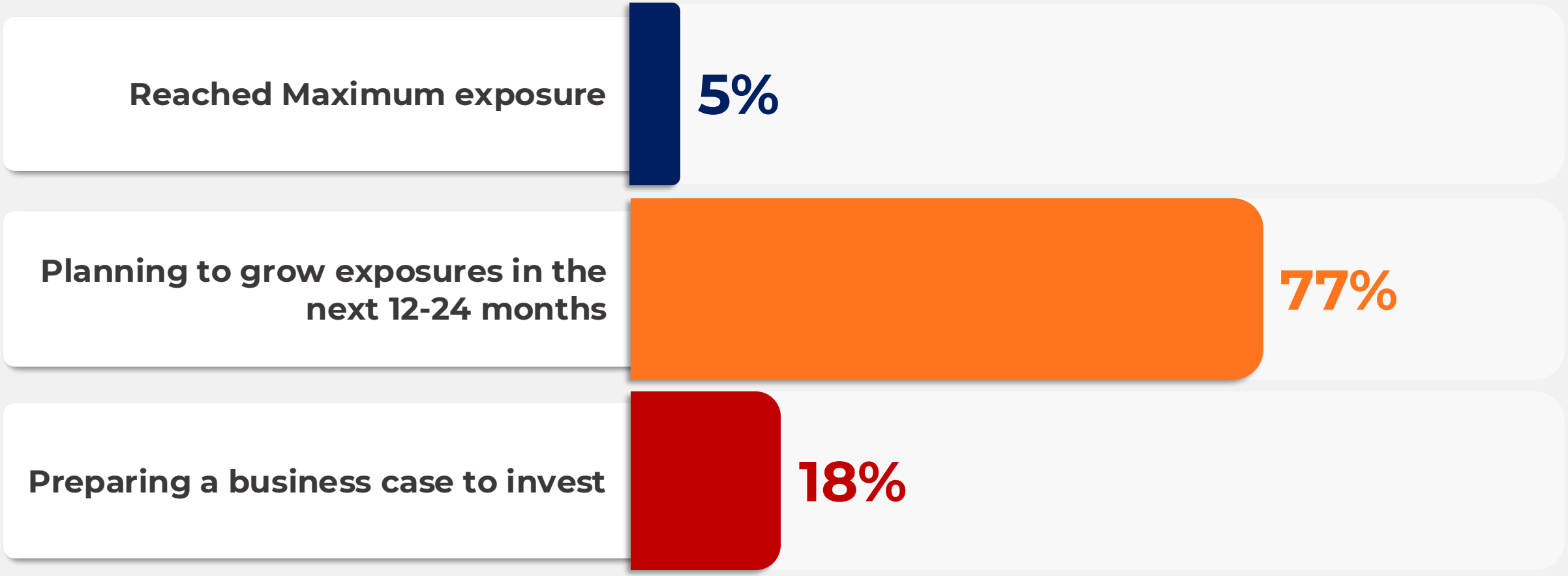
Industry advocacy
Collaborative, industry-wide campaigns to make the case for transformation

Thought leadership
Tailored whitepapers, factsheets and webinars to help you make your case for transformation

How is the world investing into Latam?

Strong growth expected before 2026

How are foreign investors planning their Latam strategies?



Latam in 2024: overview

Who and where?

Up to 16% volume growth from...

80%
of institutional investors plan to grow their Latam exposures in 2024-2026

Asian and European flows are expected to grow by
16%

Highest growth regions will be driven by
investment returns and ESG
– more than by index allocations

20% are seeing volume blockages

High costs of regional variance are a limitation for
70% of investors

Latam investments require
288%
More headcount than comparable markets

67%
of investors are experiencing unnecessarily high error rates in settlements

87%
of institutional investors are experiencing unnecessarily high error rates in corporate actions

How to facilitate new investor flows?

84%
of respondents plan to increase exposures to Latam in next 2 years

Today's investments into Latam

How to remove blockages?

59%
of respondents face an artificial cap on volumes due to market issues

Transforming Latam investments

Regionalisation: delivering 14% cost savings

Respondents see savings of up to
14%
from regional harmonisation - mostly in securities lending

70%
of institutional investors would prefer to see regional consolidation – not harmonisation

85%
of respondents believe that standardised messaging could deliver significant savings (of over 6% pa)

A new operating Model: enabling up to 18% cost and risk improvements

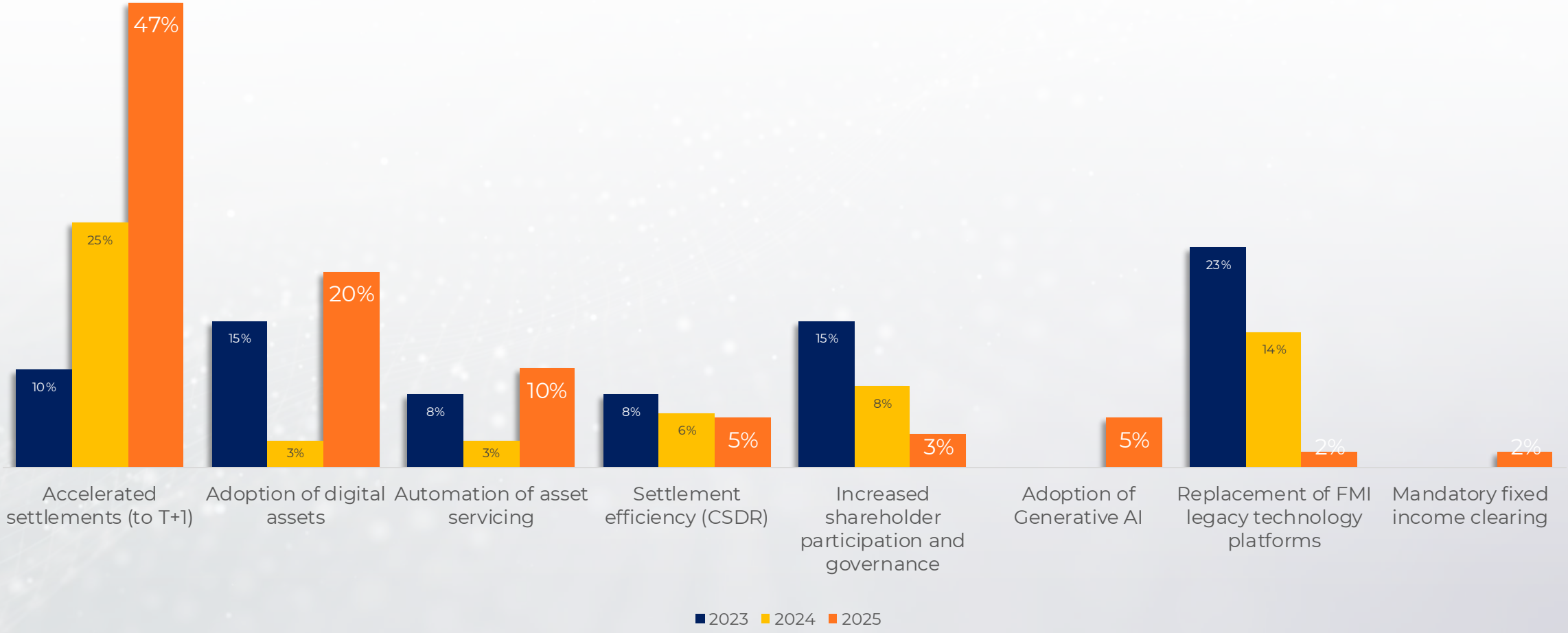
Respondents see up to
18%
cost improvement from new operating model improvements – mainly in collateral and margining

Institutional investors see savings of up to
20%
from standardised (SWIFT) messaging in settlements, corporate actions and collateral

16%
Institutional investors see major growth in enabling private markets

Latam market activity in 2025

Top industry priorities in Latin America in 2025 (by % of respondents)



FMIs in 2025: re-engineering the foundations

System transitions: the new norm

"**One of the key objectives of our platform transition is to deliver optionality for the future - including T+1 but also CBDCs, Stablecoins, Corporate Actions and non-Exchange assets**."

(Clive Triance, Group Executive, Securities and Payments, ASX)

40% of the world's market capitalisation is undergoing system change today

Successful transitions in Canada and the US: change doesn't have to mean outages

Core objectives of change: not like-for-like replacements but micro-processes and batchless production

Resilience: non-negotiable

"**We have to be able to start the day at 9am every day. That's all that counts"**

(Javier Jara, DCV)

Retail: 20 million accounts in India 2023 to 93 million accounts in 2024. Five million in Brazil over five years. Creating huge pressures on volume processing, data and even market outreach

Growing connectivity to issuers through private market innovation and shareholder engagement

Shockwaves through the settlement cycle

"**T+1 means that a CSD has to operate 24/7 - or at least 21/5 - to serve global investors**

(Morena Carvalho, MD, Clearing and Settlement Services, B3)

T+1 and 24/5 clearing all impacting CCP/CSDs at the same time

Crypto-integration: moving past competition to become a core requirement for the business model

How to protect local issuers and avoid putting them at a competitive disadvantage?

FMIs in 2025: market dynamics

Growth and expansion

"The role of neobrokers and B2B2C clients is very real today in our markets - and the role of FMIs is to be their backbone for European reach. But they have totally different requirements - they need crypto assets, 24/7 trading and intraday listings"

(Jens Hachmeister, Head of Issuer Services and New Digital Markets

Neobrokers as the latest manifestation of the growth of retail: not just volumes but low cost, super-high tech and highly complex in requirements

Competition and consolidation

"As the Investor CSD model grows, interoperability is going to be absolutely key. Choice is alive and happening - and we have to promote competition. We can't have more fragmentation"

Tim Beckwith, Head of Commercial & Business Development

How can competition remove fragmentation – not increase it? Work in progress in Europe, Brazil and Australia (?)

What do Robin Hood and Coinbase mean for traditional venues?

The battle for issuers

Competition means that the connection between issuers and CSDs will grow. The key question will be "which market do I issue into?"

Isabelle Delorme, Group Head of Innovation and Digital Assets, Euroclear

Growing competition in settlements means that the battleground has shifted to the issuer – who owns that relationship?

From digital assets to digital services

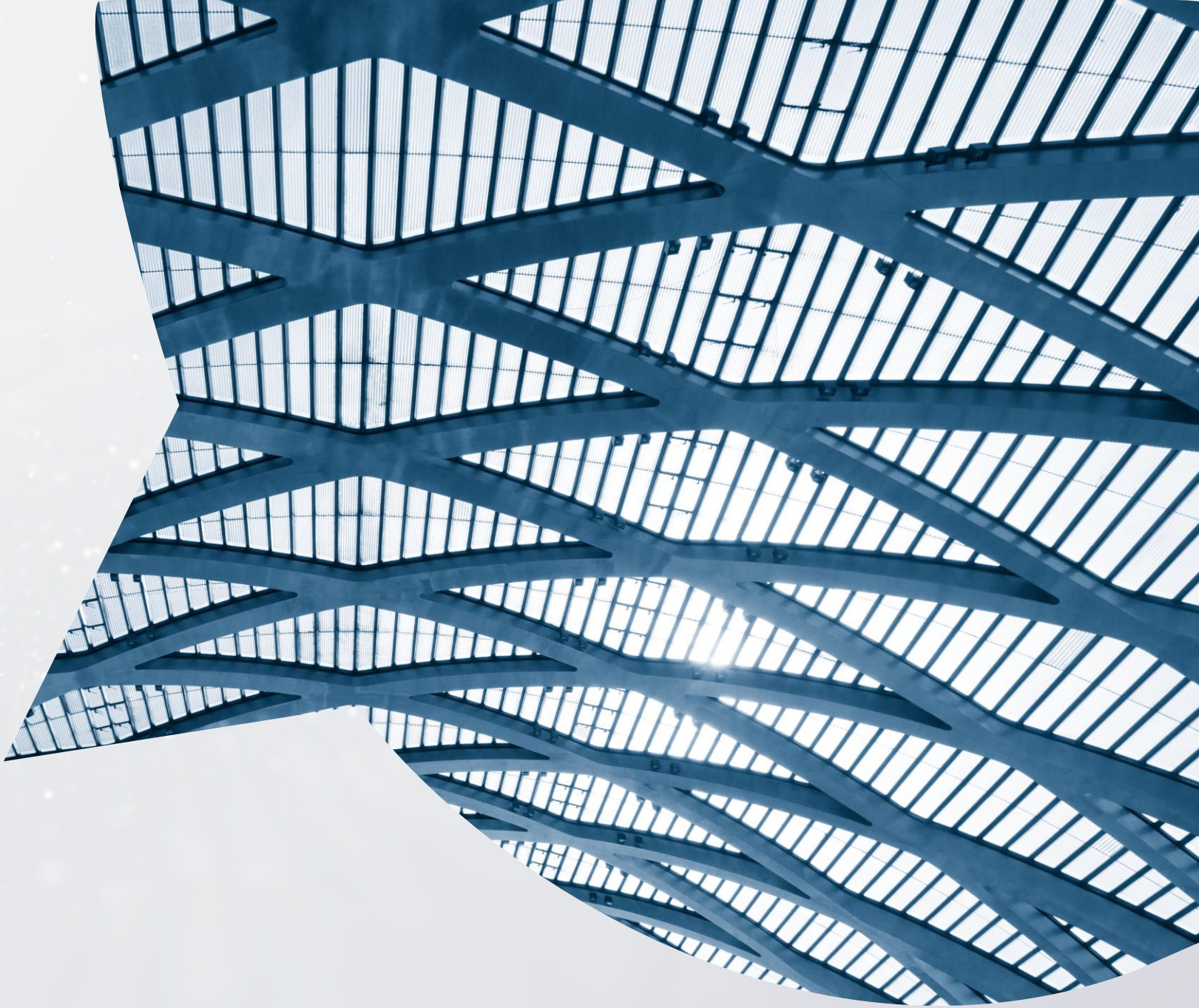
"People don't come for the quality of the technology, they come for the value of the ecosystem"

Jorgen Ouaknine, Head of Digital Assets, Euroclear

From disruption to mobility: digital platforms are reinforcing roles and responsibilities for regulated firms

Delivering on change in collateral and crypto-custody (including clearing and financing) as immediate priorities

01



T+1

The T+1 roadmap

2.5 years to prepare for the big wave

Expectation of T+1 transition date by market

2024 | 2025 | 2026 | 2027 | 2028 | 2029

40%
of global turnover on T+1

China (T+0)
India (2023)
Canada (2024)
USA (2024)
Mexico (2024)
Peru (2024)
Argentina (2024)

43%
of T+1 project work
(for North American markets)

T+1
preparation
(for global markets)

UK
E.U.
Switzerland

UK... and Europe

Brazil
Nuam

?

Hong Kong
Japan
Singapore

Other Asian and African markets

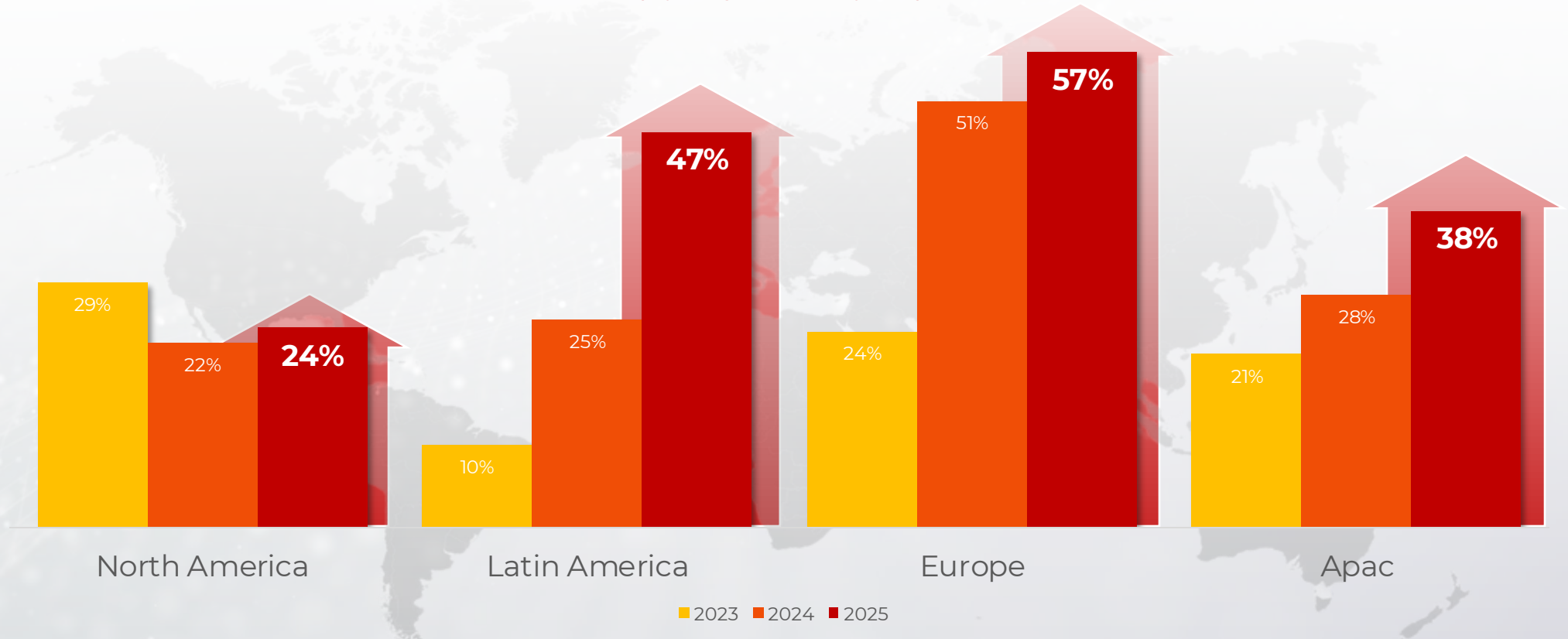
Australia
New Zealand

Oceania

T+1 is dominant in every region

T+1 is a growing priority for everyone in every region YoY

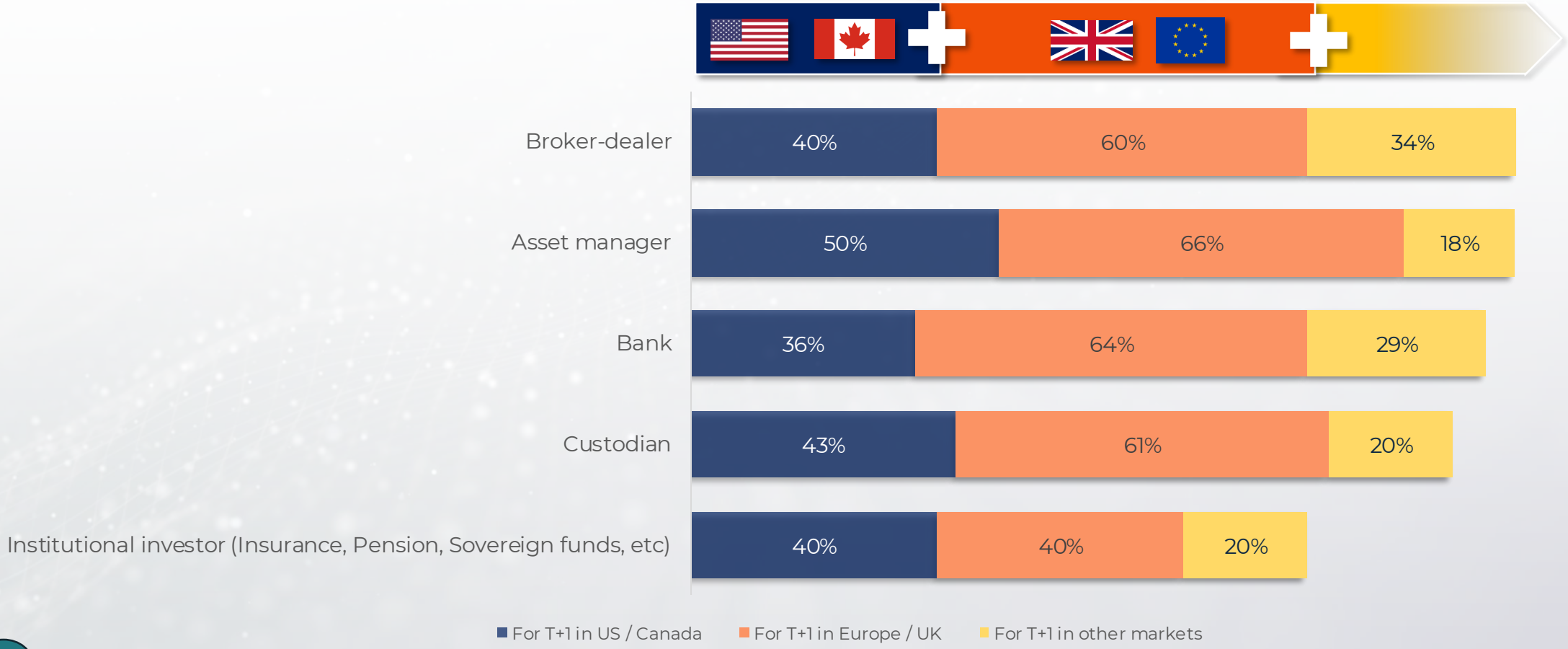
% of respondents citing T+1 and Accelerated Settlements as their top priority for 2025 (by region and year)



The cumulative load is huge

Across every region, up to 66% of firms are running T+1 projects

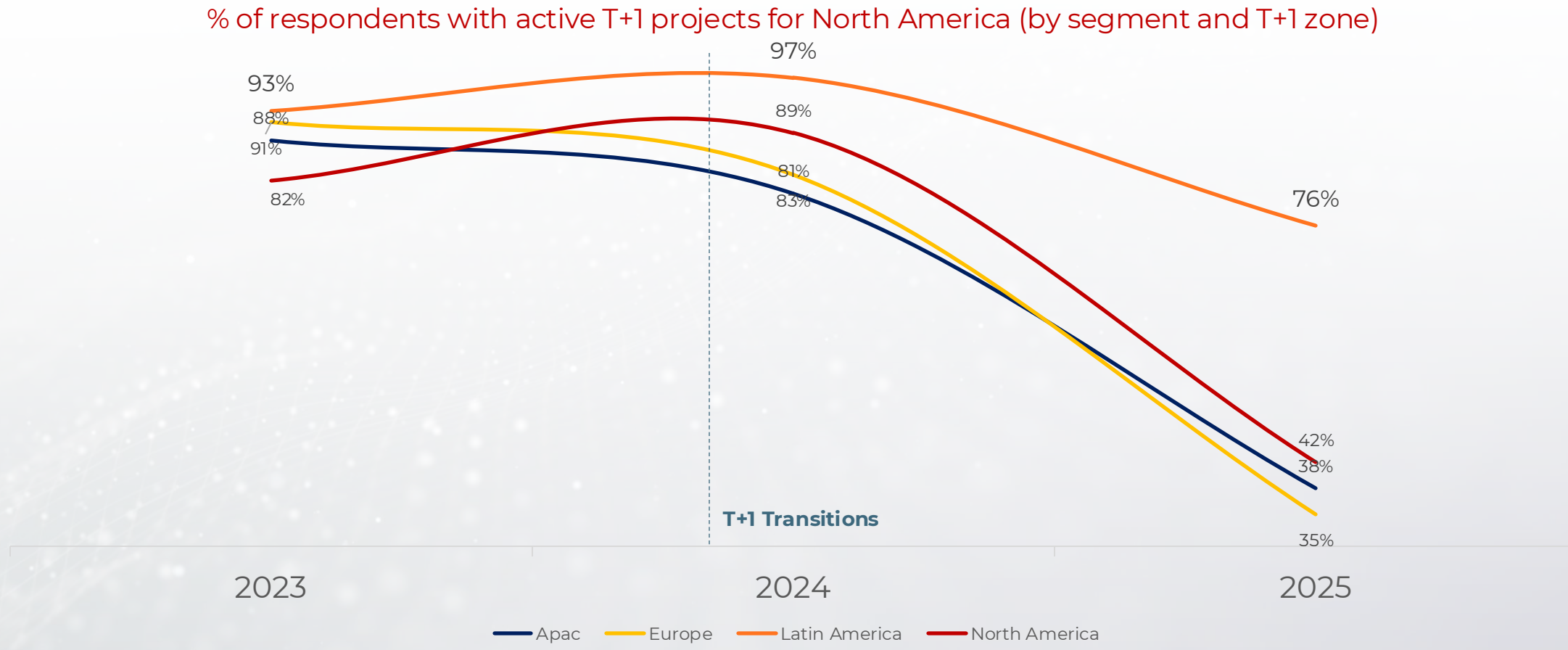
% of respondents with active T+1 projects (by segment and T+1 zone)



Q4

T+1: one year on

48% of firms are still running projects for the North American T+1



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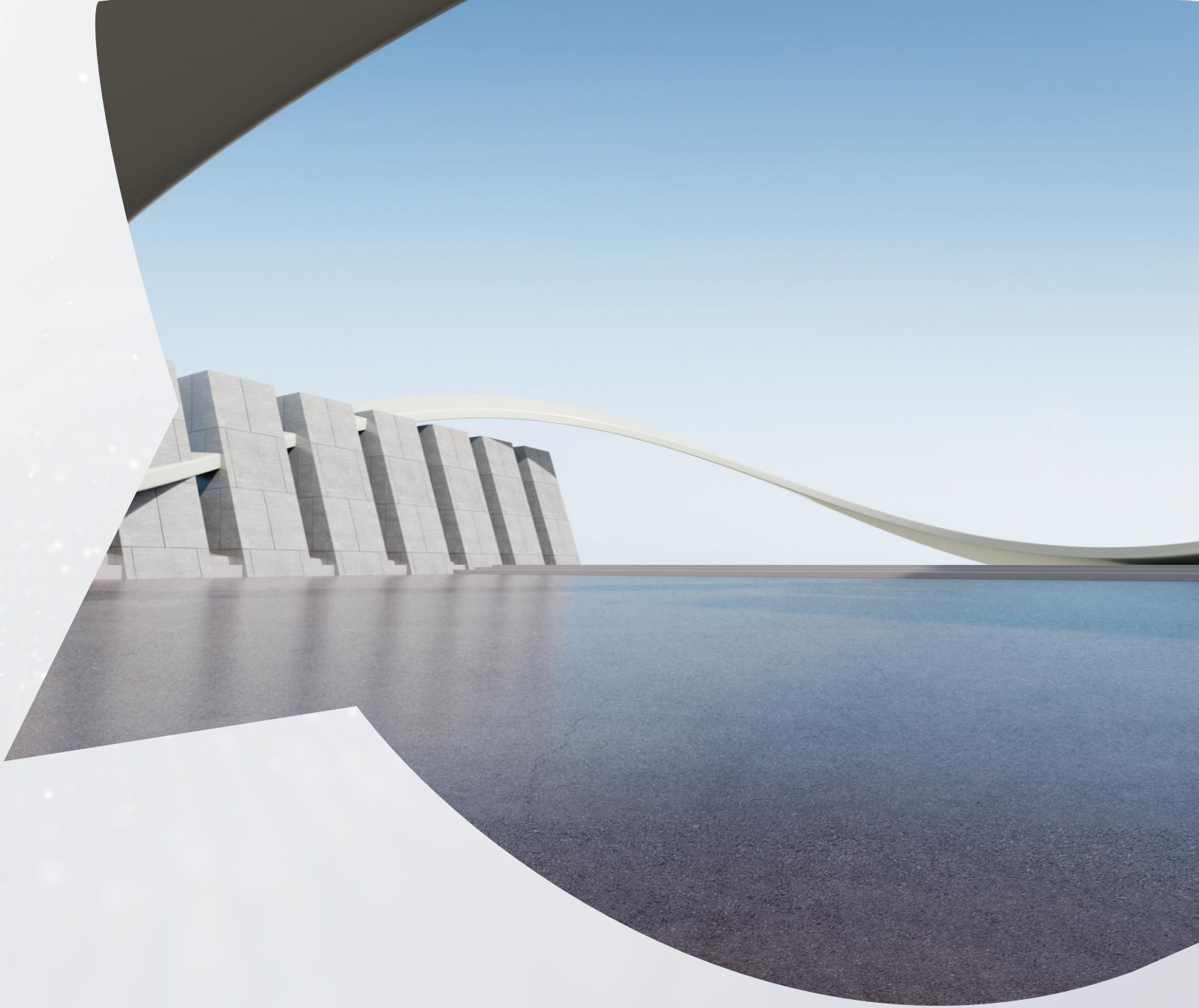


Asset servicing

Asset servicing

Is the industry's work to standardise paying off if the buy-side is still having to invest so much?

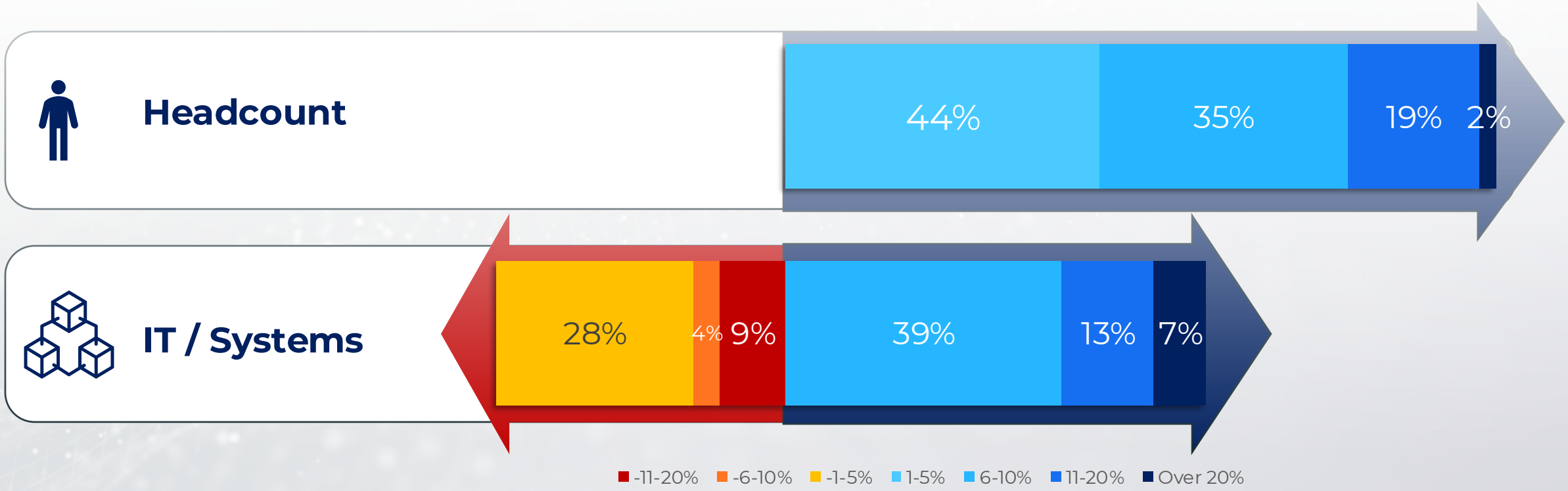
Latam volumes are growing fast

Average % change in asset servicing volumes by activity (2024/2025 YoY change)

	North America	Latin America	Europe	Asia-Pacific
Mandatory corporate action events	16%	30%	23%	38%
Income events (corporate actions)	18%	30%	23%	36%
Voluntary corporate action events	14%	30%	21%	49%
Proxy votes	10%	20%	29%	37%
Class actions	20%		23%	35%

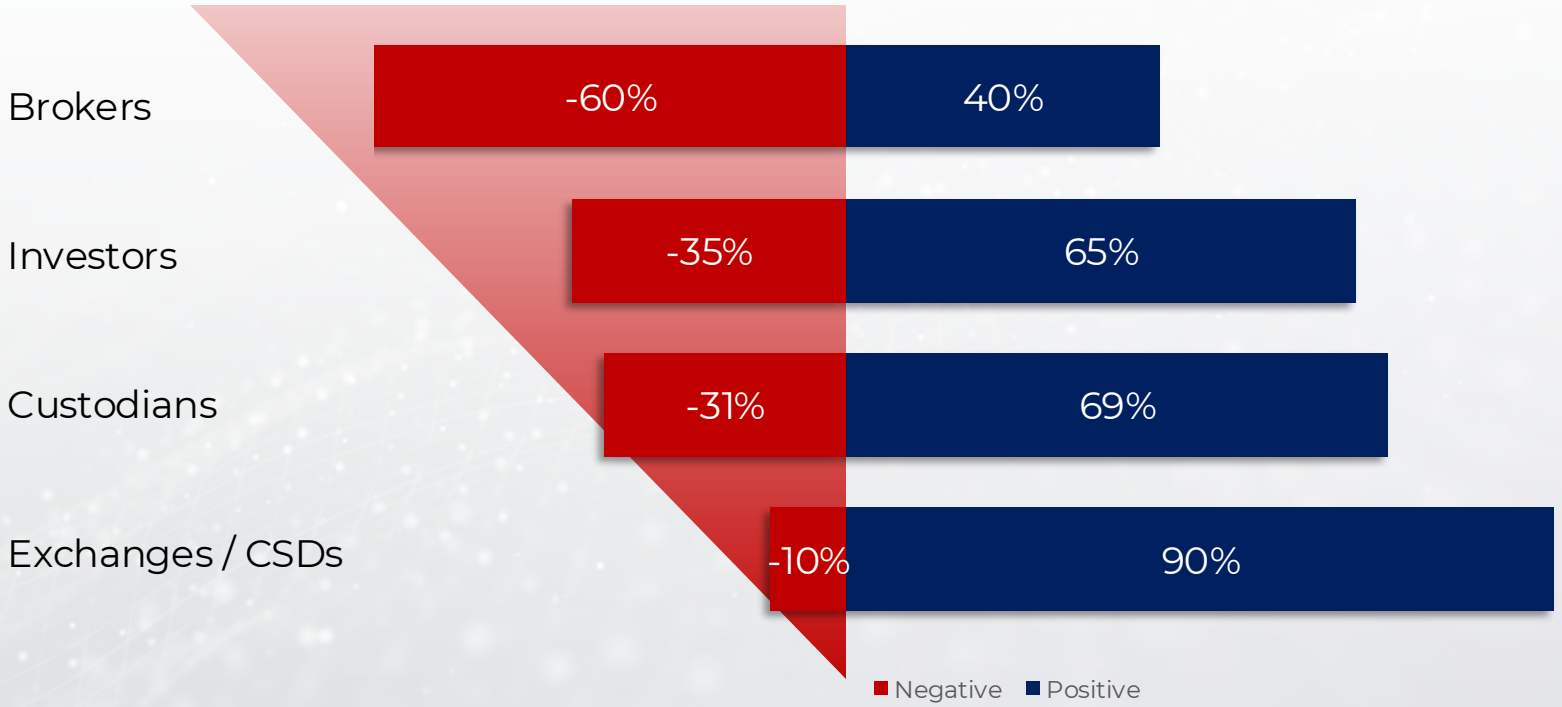
The main growth is in people – whilst system spend is reducing for 41% of respondents

Asset servicing budget changes in 2025 (% of respondents citing each level of change, by activity)

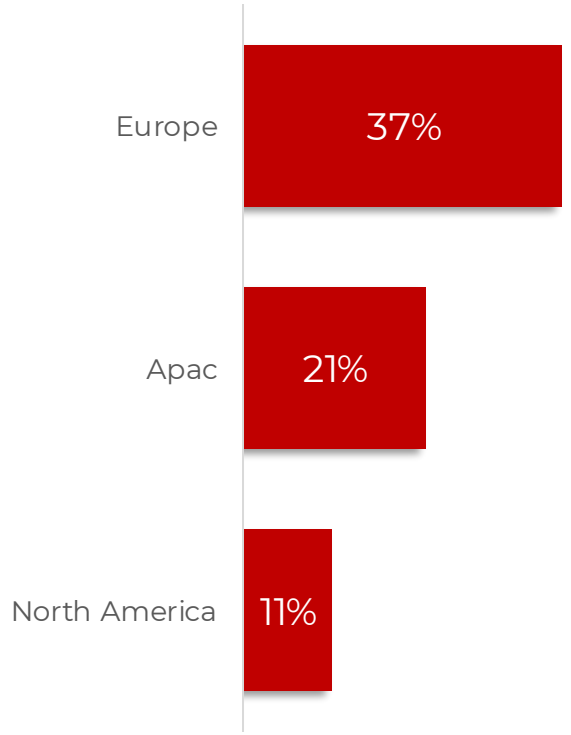


But the majority of brokers are seeing their automation levels decline...

% of respondents who see their corporate action automation levels change as positive or negative (2024/2025 YoY)

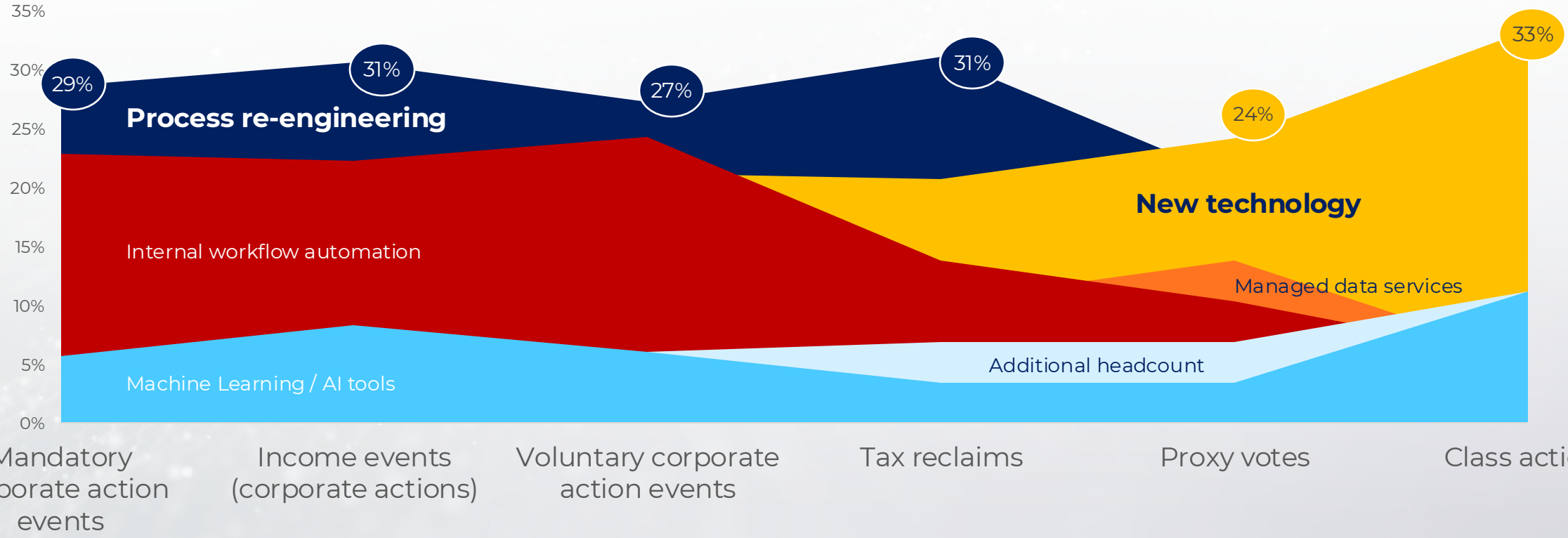


% of respondents who see their corporate action automation levels change as negative (2024/2025 YoY)



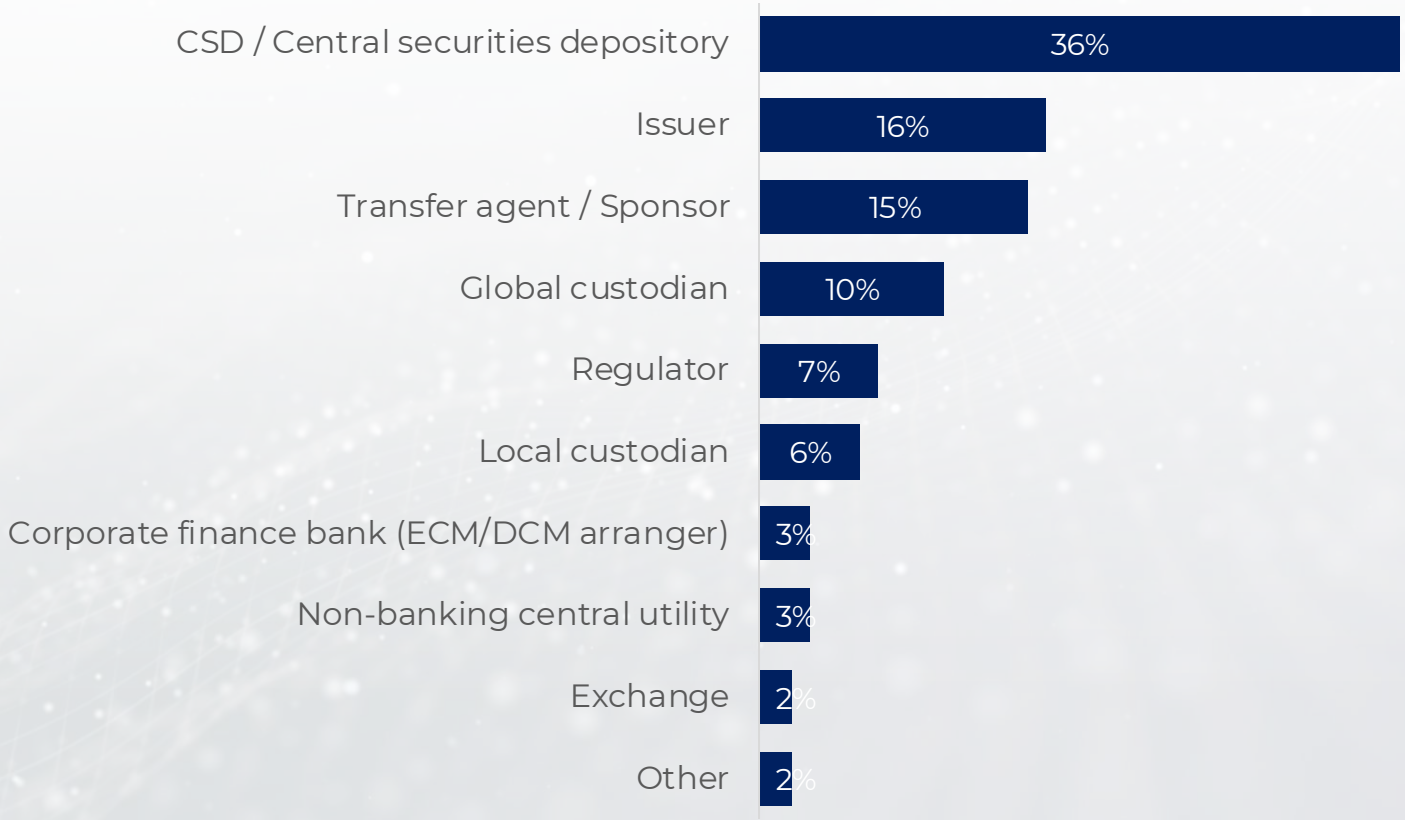
What is the first step? Process reengineering has been the most effective change investment in the last five years

Which investment has delivered the best P&L over the last 5 years (% of respondents citing each)

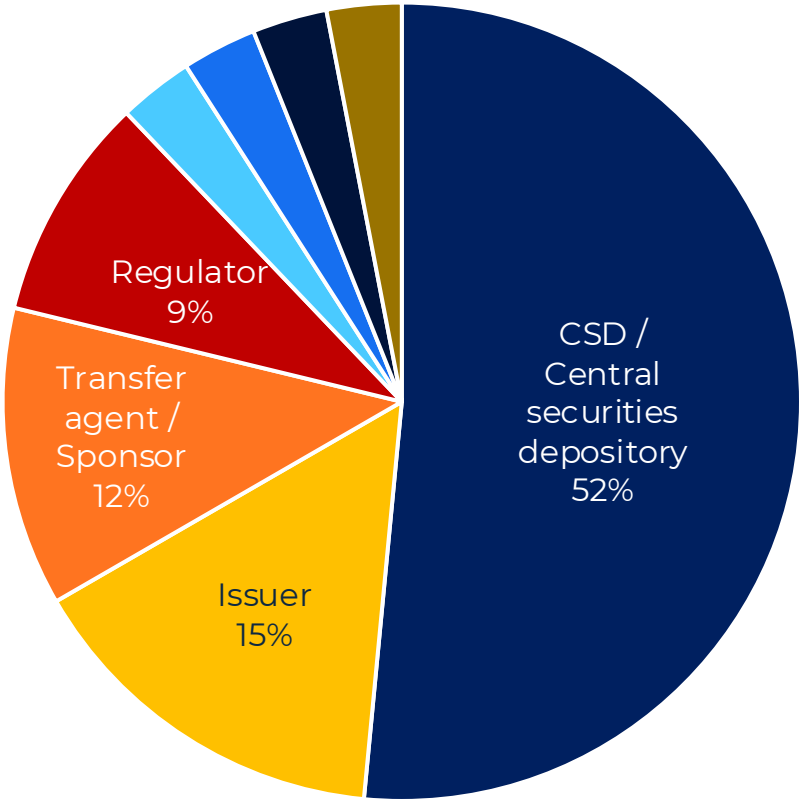


36% of firms believe CSDs should be responsible for golden copy event data – and CSDs agree

% of respondents naming each party as ideally being responsible for creation, maintenance and liability of golden copy asset servicing event data

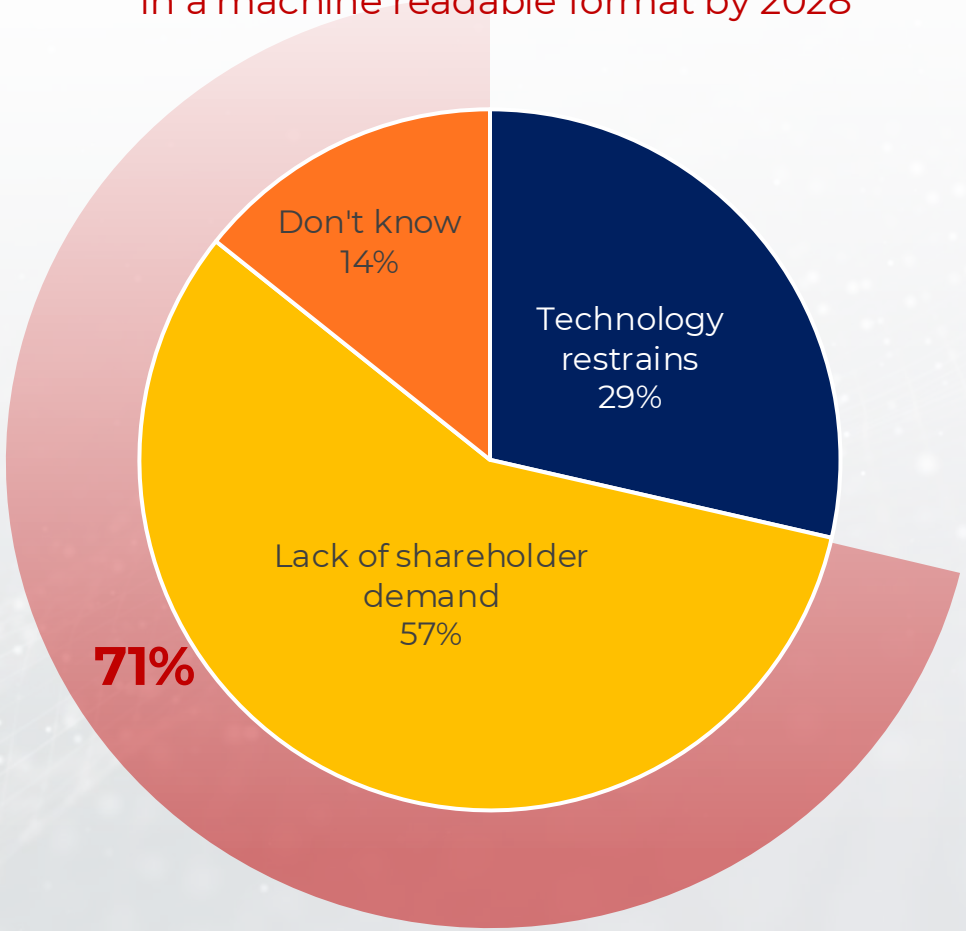


% of CSDs naming each party as responsible

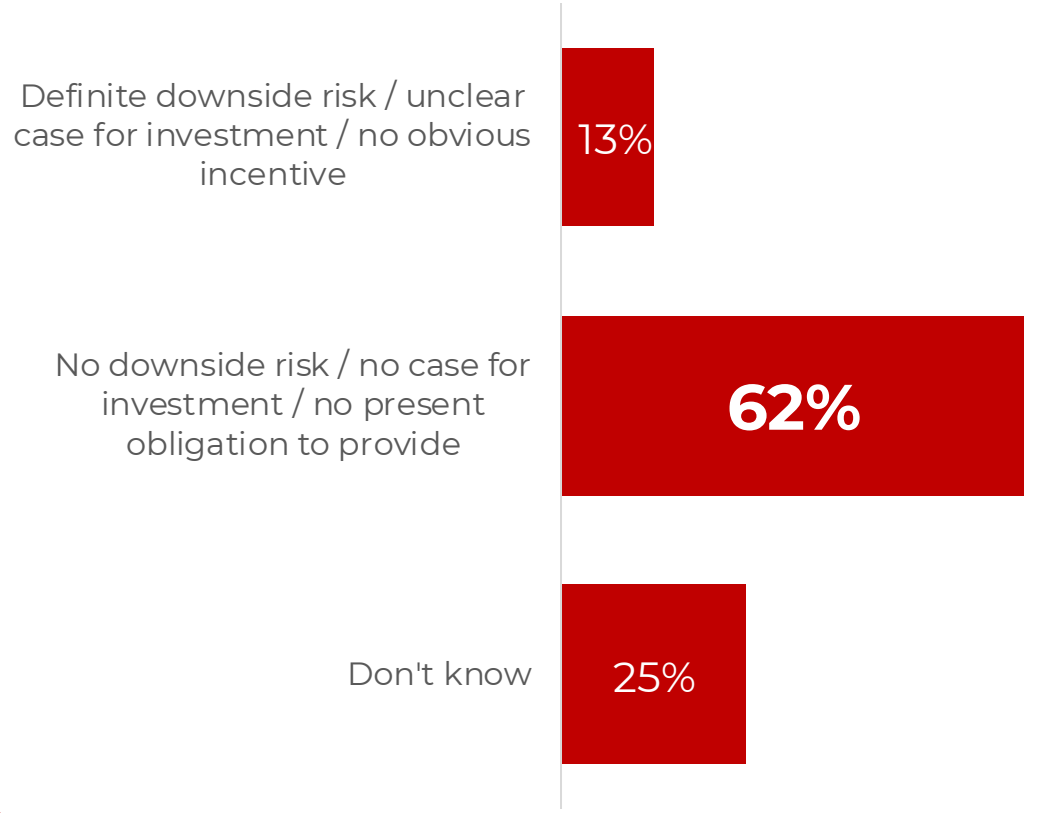


Why not automate? Because it doesn't matter today to 71% of issuers

% of firms citing why they do not plan to distribute corporate event information in a machine readable format by 2028



Perceived downside risk of making no changes to investor communications



03

DLT and digital assets: the future state

DLT and digital assets

Why does this conversation matter?

+172%
YoY (2023/2024)

Cryptocurrencies

$4.22T
in issued value (o/w Bitcoin is 56%)

562 million holders

6.8% of global population

18,000+ coins
in issuance

$245B in custody
by Coinbase Institutional

+22%
YoY (2023/2024)

Stablecoins

$291B
in issuance

192M
holders

$8.9T
turnover

22%
annual growth rate (to 2024)

+80%
YoY (2024/2025)

Tokenised securities

$33.07B
in issuance

413,439
holders

$8.4B
in US Treasuries

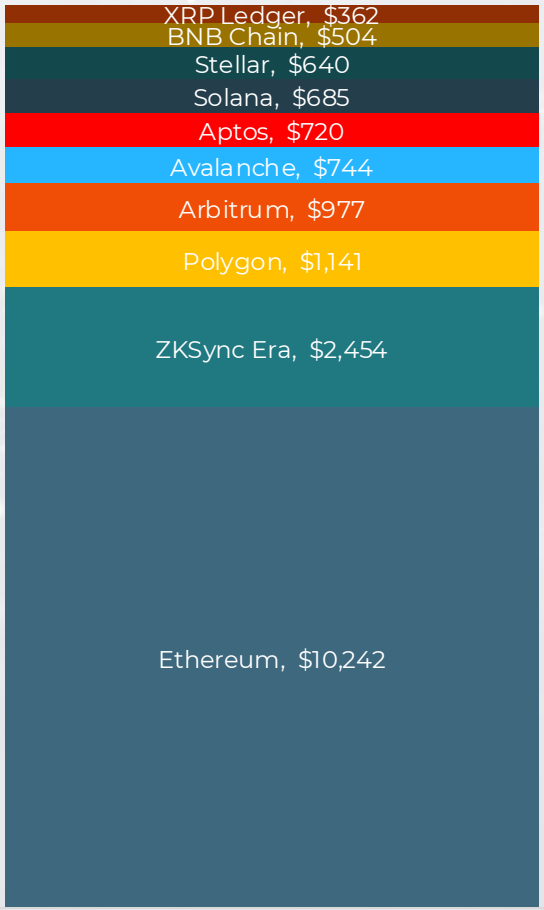
Crypto-currencies and digital assets

Where are they?

Where in the world?

Ranking	Country
1	India
2	Nigeria
3	Indonesia
4	USA
5	Vietnam
6	Ukraine
7	Russia
8	Philippines
9	Pakistan
10	**Brazil**
11	Turkey
12	UK
13	**Venezuela**
14	**Mexico**
15	**Argentina**
16	Thailand
17	Cambodia
18	S. Korea
19	China
20	Canada

On which public chains?



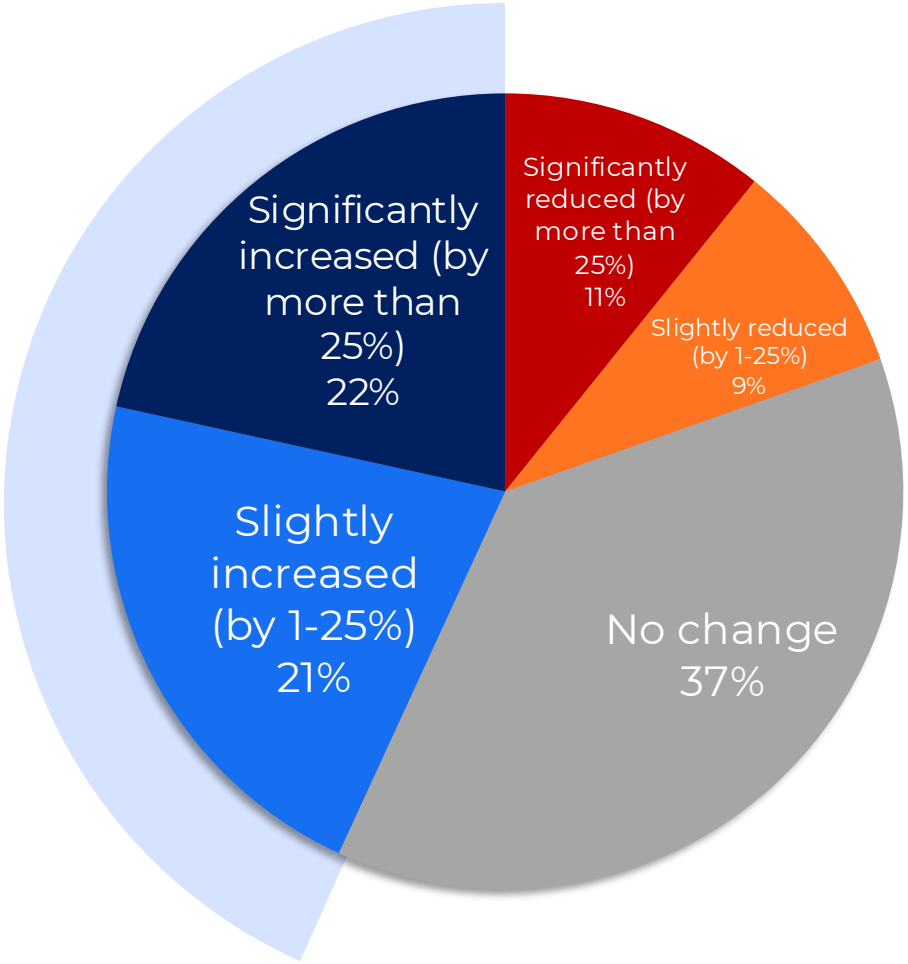
Where else?

Canton network
USD6T

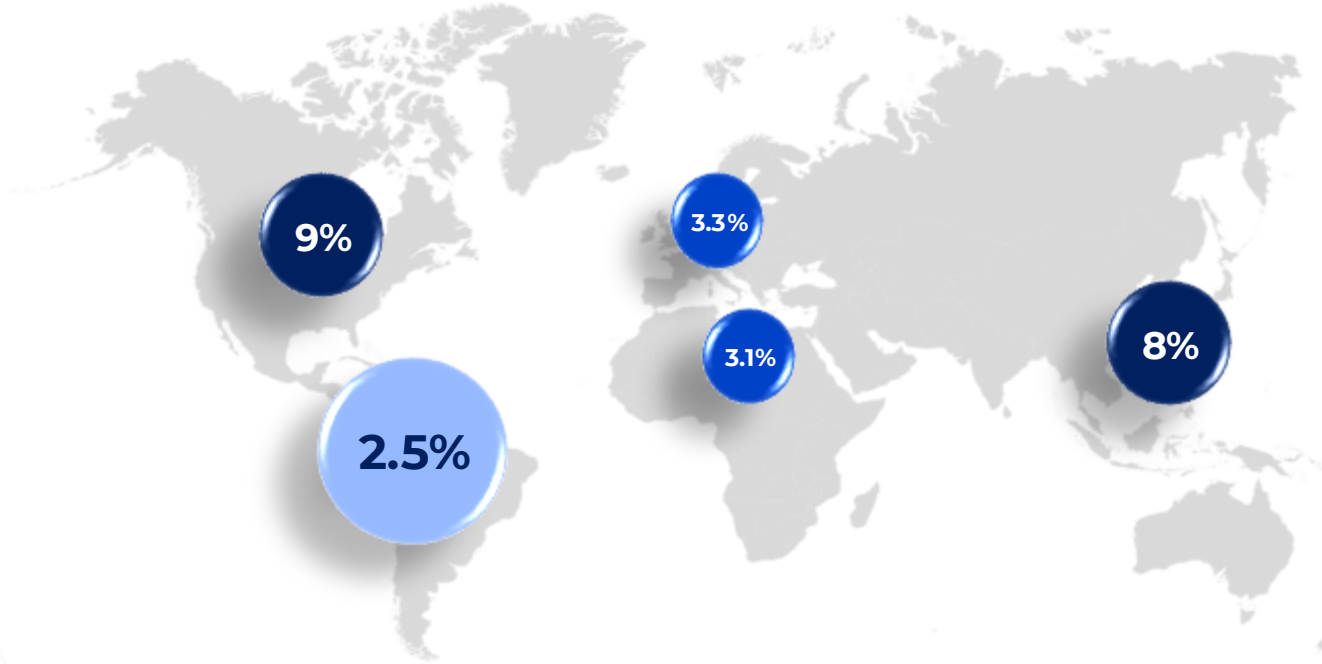
R3 Corda
USD17T

Hyperledger,
Quorum?

How much? Budgets are growing by 7% per annum – but speeds are different



Average DLT and digital asset budget growth (2024/2025 YoY)



Introduction

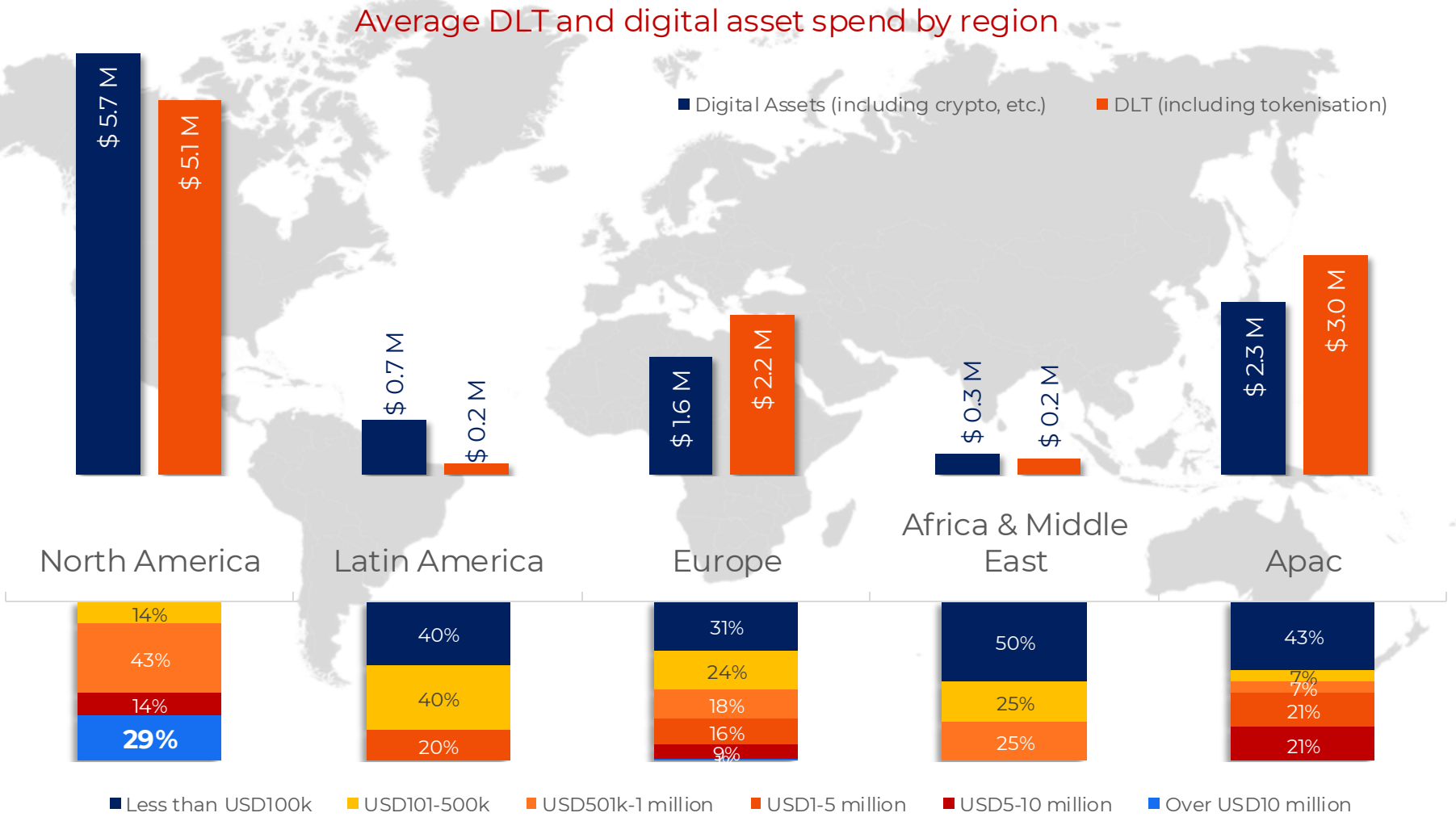
How much are firms spending? North America is outspending Europe and Asia by over 200%

Average DLT and digital asset spend

$2.2m
Average firm spend on digital assets in 2025

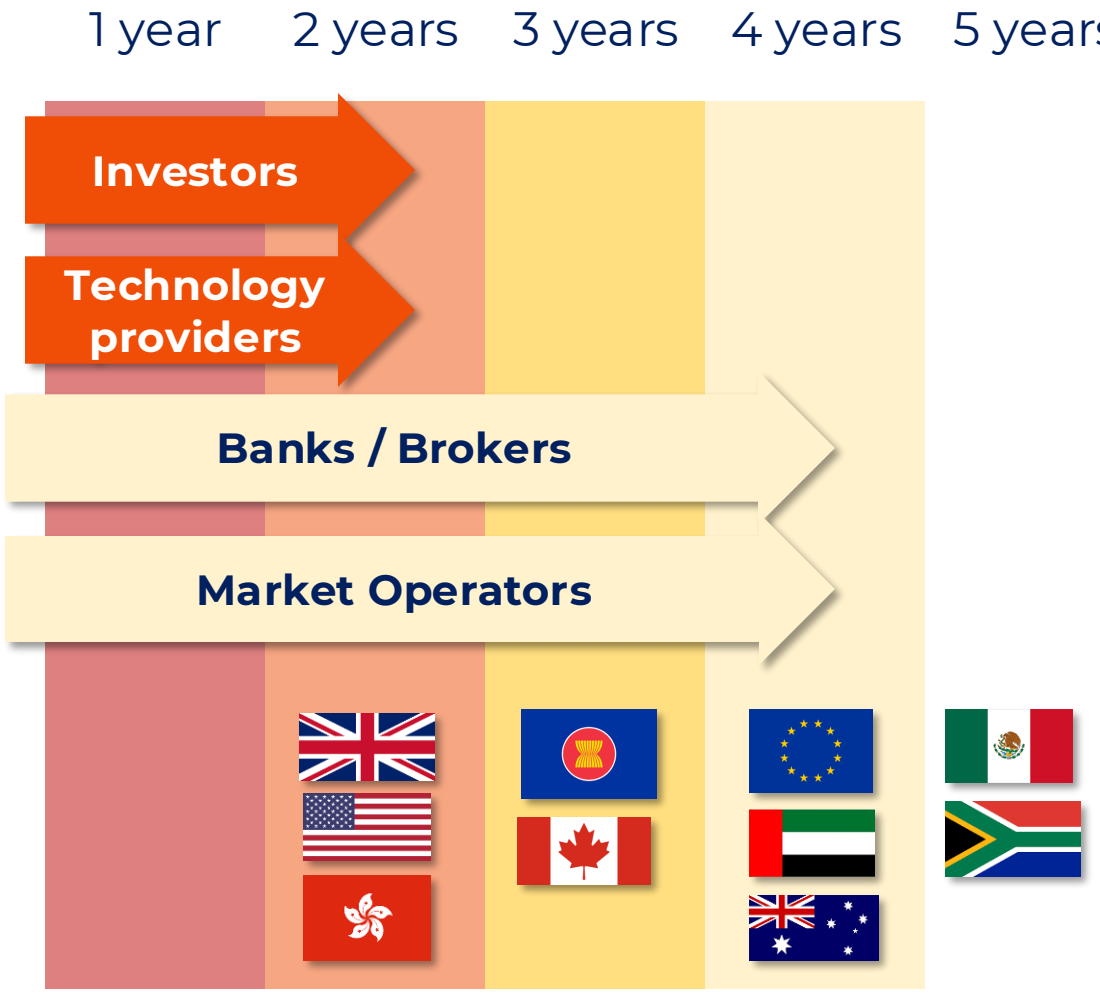
$1.8m
Average firm spend on DLT in 2025

$509k
Average firm spend on DLT in 2020



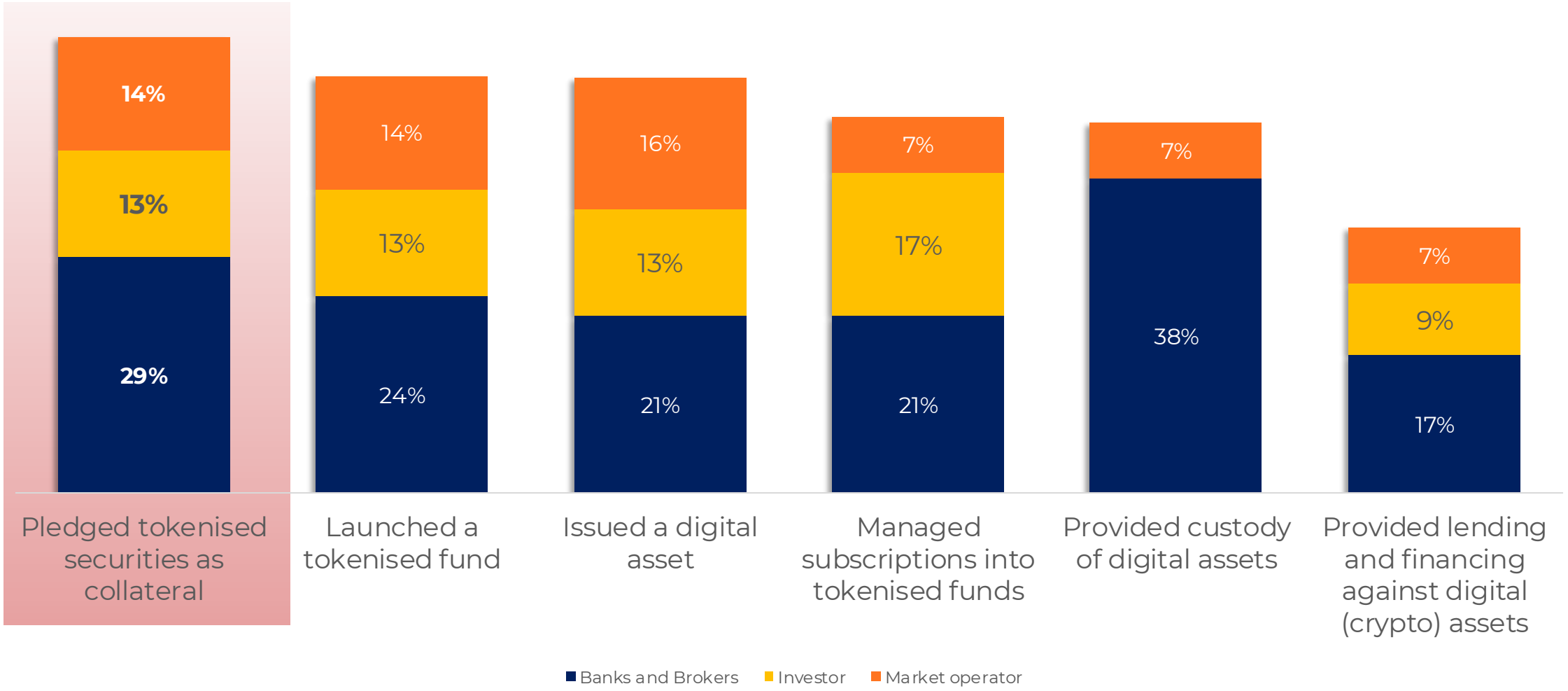
When? DLT and digital assets have to deliver quickly

Expected time-frame for return on project investment



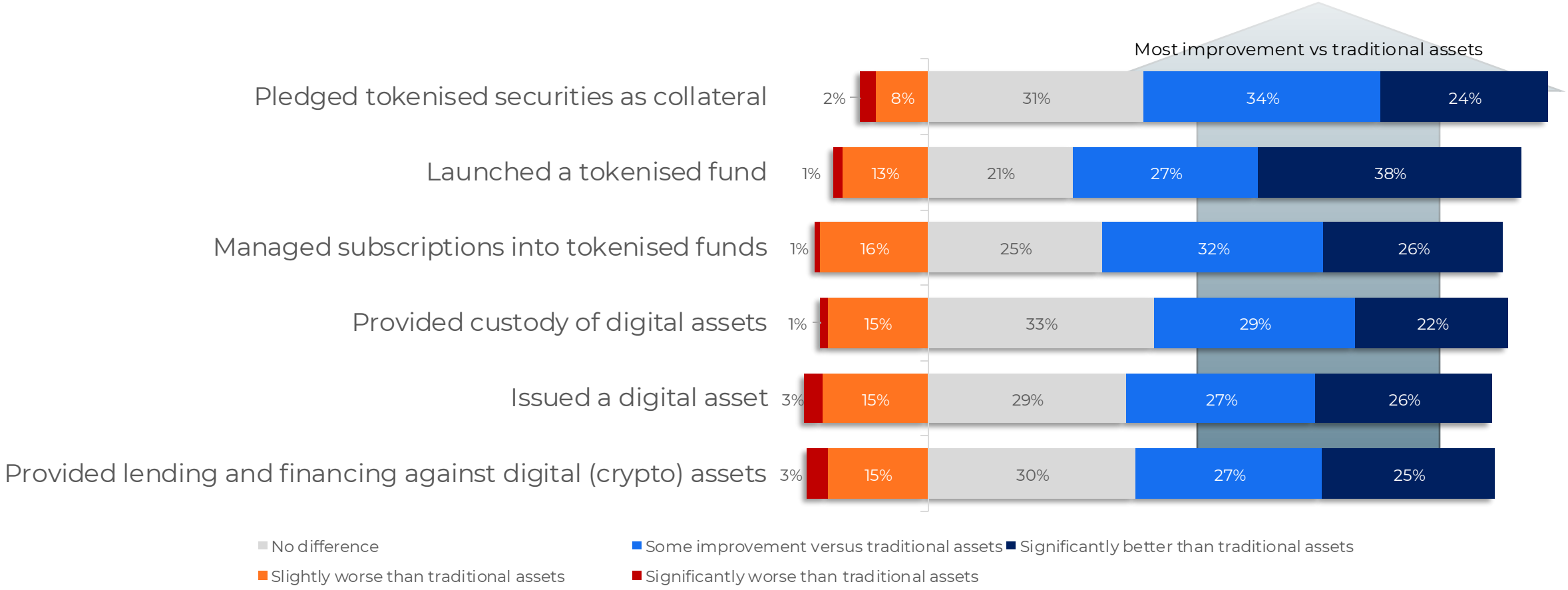
Where is the action tomorrow? Financing looks set to lead the industry agenda

Actions to be taken by respondents in the next 12 Months (% of respondents by segment)



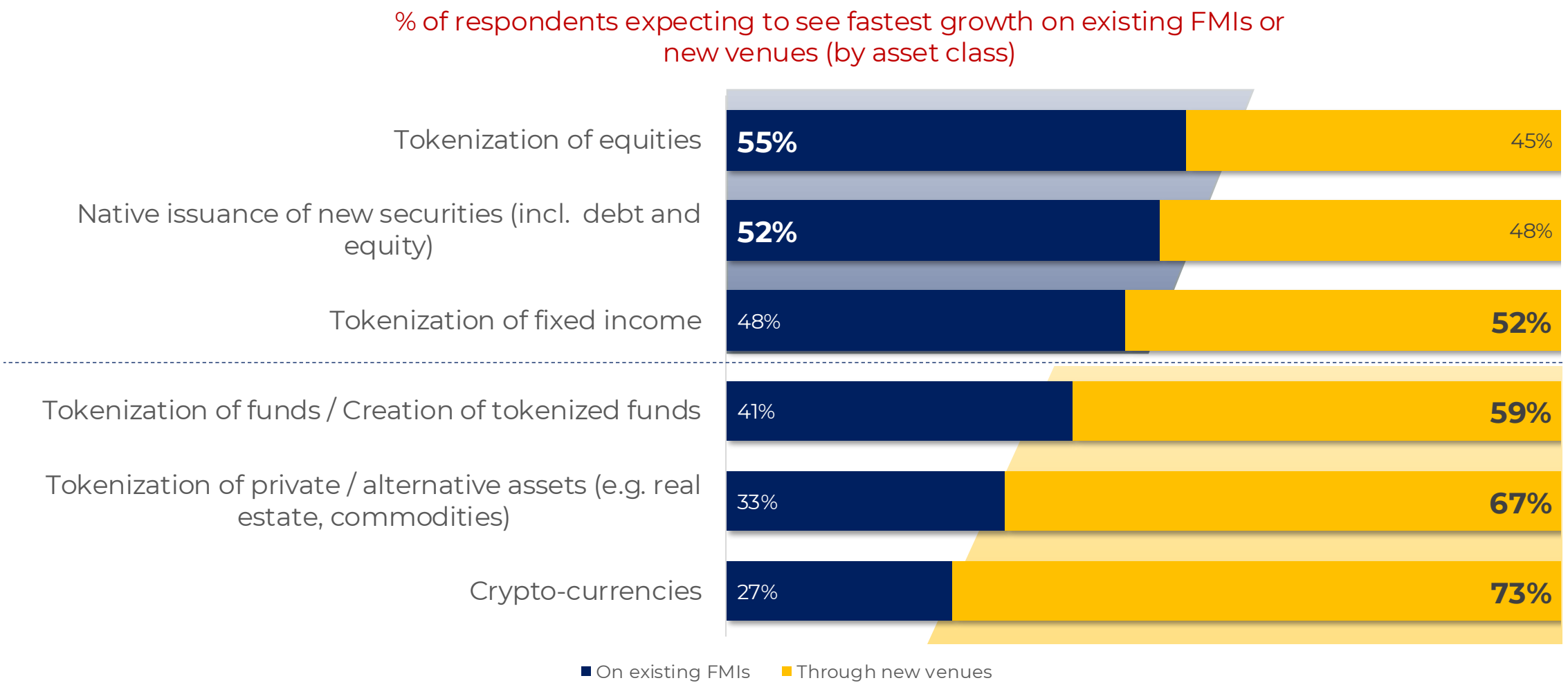
Performance? Up to two-thirds of firms find DLT / digital assets to be better than traditional ones

Where you have direct experience, how do digital assets compare with traditional assets in each use case?



Where is liquidity growing?

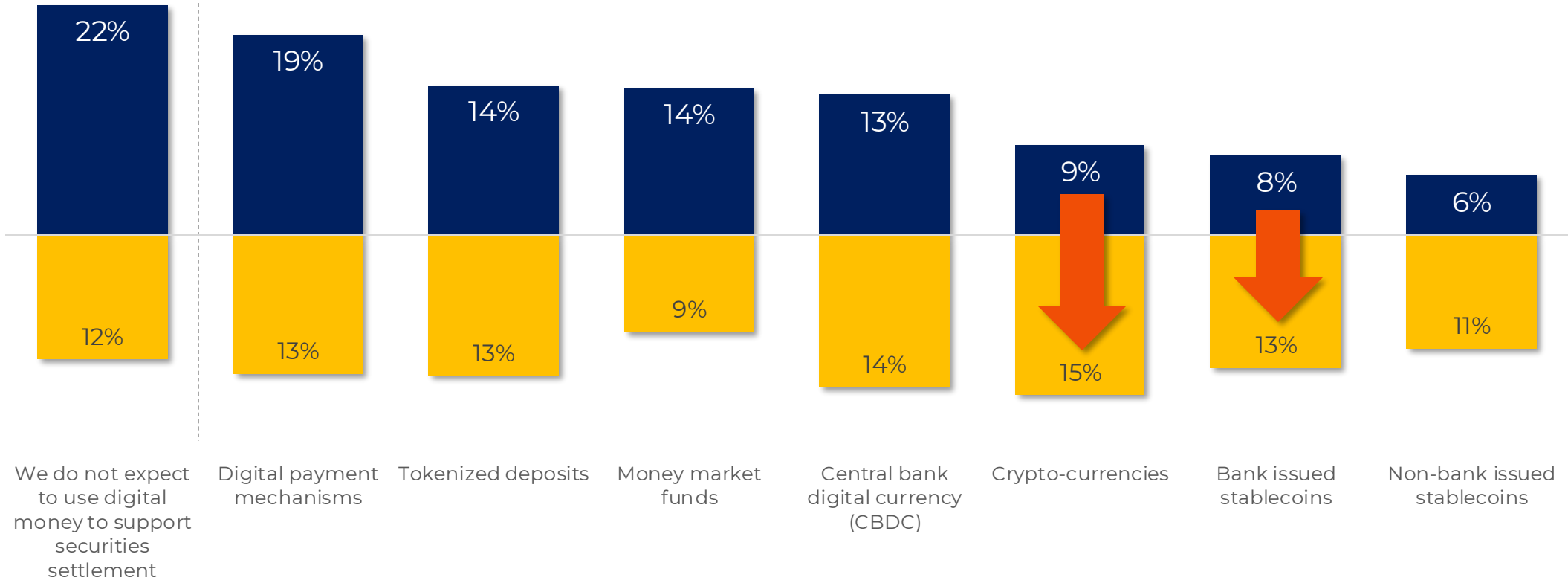
FMIs unlikely to see their core asset classes disrupted – but OTC assets are going to see new venues grow fast



With what?

Fiat cash continues to prevail for now – but stablecoin usage is expected to grow fastest in the next five years

Cash mechanisms to be used for exchange-traded activities in 2025 and 2030 (% of respondents citing each)



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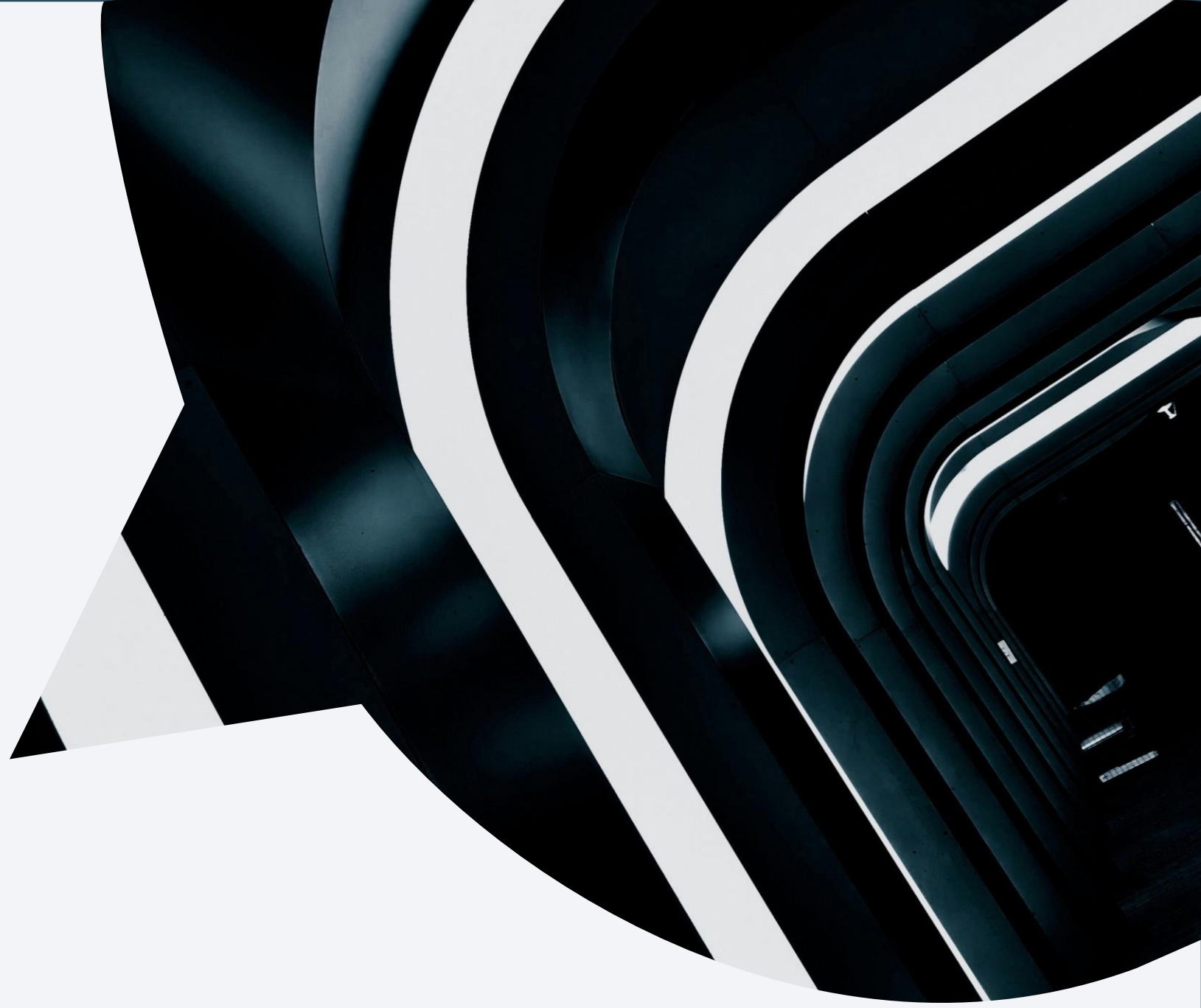
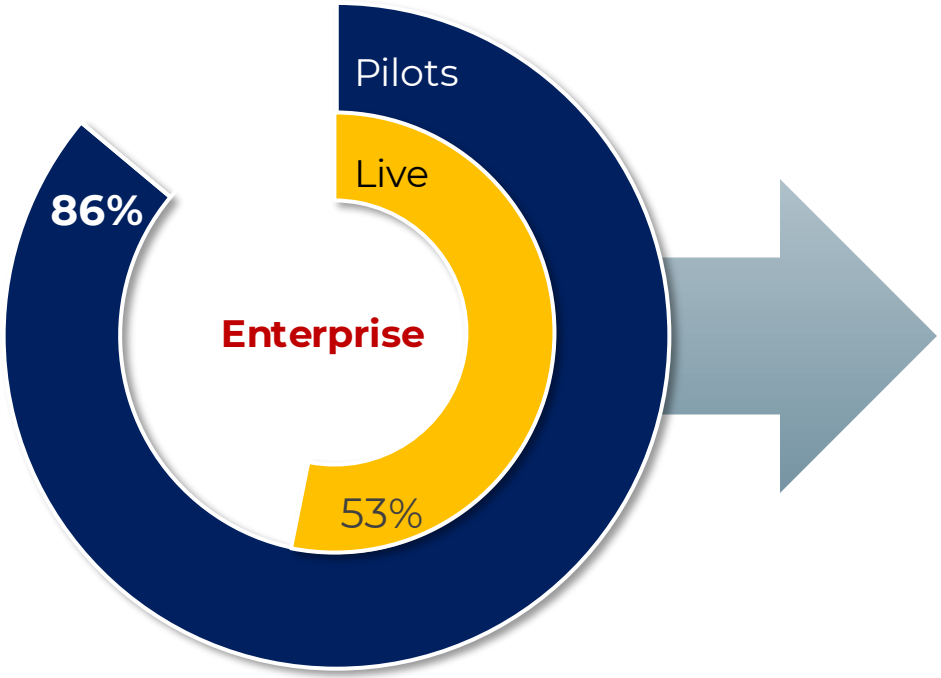


Generative AI

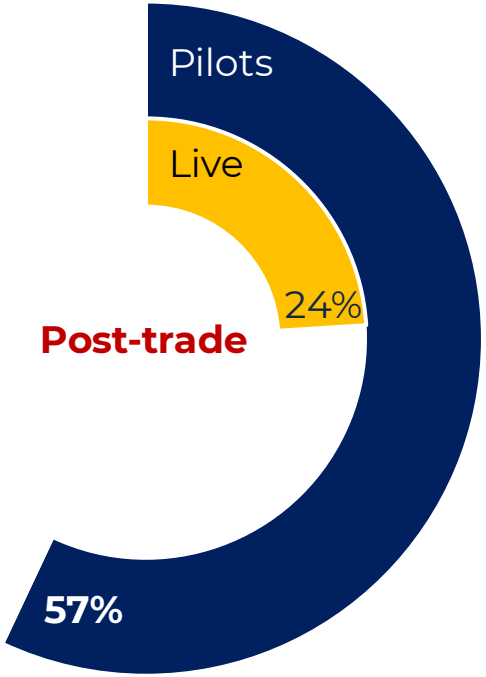
Generative AI is reaching all corners of the industry today

But back office usage is 30% lower than the enterprise

% of respondents with pilot deployments ongoing for Generative AI (all functions)

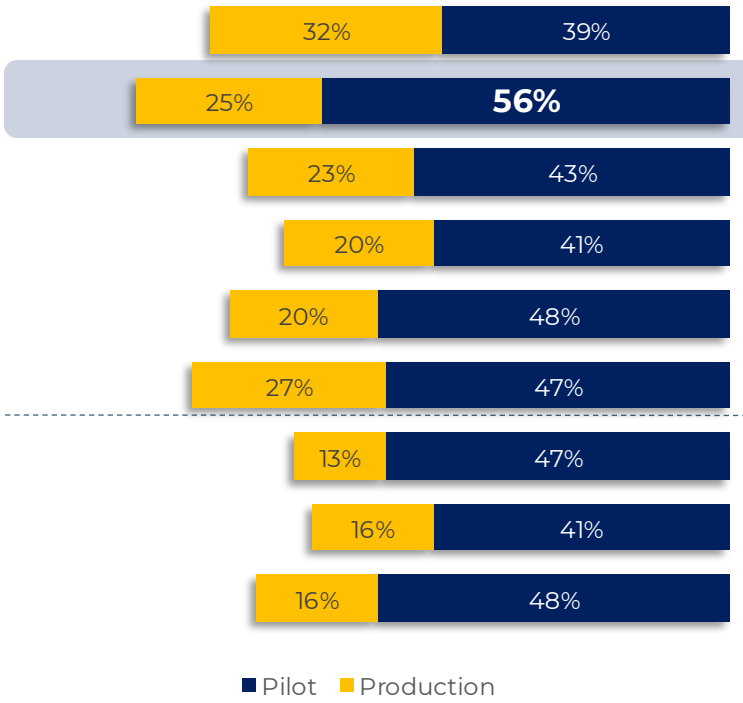


% of respondents with pilot deployments ongoing for Generative AI (post-trade only)



Client onboarding is the major opportunity for Gen AI – led by institutional investors

% of respondents with deployments ongoing for Generative AI



	Institutional investors	Asset managers	Custodians	Banks	Broker-dealers
IT development (i.e. testing & coding)	58%	25%	32%	50%	50%
Client onboarding (KYC)	50%	60%	63%	29%	83%
Issuance workflows	50%	30%	42%	36%	67%
Product distribution / sales	50%	40%	42%	21%	33%
Portfolio modelling (incl. asset allocation, etc.)	58%	45%	32%	50%	50%
Surveillance and risk monitoring	58%	50%	37%	36%	50%
Clearing & Settlement	67%	40%	42%	43%	50%
Asset servicing (incl. corporate actions)	58%	45%	37%	36%	33%
Post trade reconciliation & reporting	67%	40%	47%	43%	67%

Q17

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Thank you!

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