

Connecting Financial Institutions Worldwide

CYBER SECURITY

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SAUDI ARABIA IN FOCUS

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REMINISCENCES FROM THE FRONT LINE

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Welcome



It is with great pleasure that we can share with you the first edition of the TNF Magazine. Now that we have been in existence for approaching 18 months, we can reflect on what an incredible ride we have had so far.

The Network Forum now boasts over 1,000 subscribers within our community - a unique grouping of key market participants from around the world, bolstered by the support of our Founders.

We are absolutely honoured to be working with such a friendly and closely-knit group of people, and we take great pleasure in seeing many of you throughout the year.

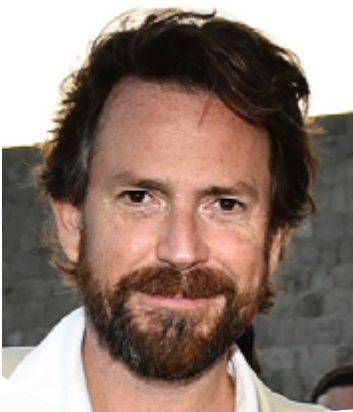
Whilst the 4 Meetings we run - in Africa, Asia, Europe and Americas - are a definite highlight for us, it is the year-round interaction that is so rewarding, as it is an opportunity to hear first-hand what is important to you, and how we can help collate and distribute market information amongst the community. We also enjoy all the off-the-record industry gossip of course!

The custody, clearing and settlement landscape is changing rapidly and there is no need to stress here the importance of keeping up to date with the massive technological shifts occurring. At our recent Africa Meeting in Cape Town, one of our keynote speakers considered the current explosion in new technology bears a close resemblance to the dawn of widespread Internet usage in 1996; and we are all old enough to remember how the world had altered by 2000 after those heady days of early exponential growth. It is seemingly very difficult to keep up with this fast-paced evolution, but with constant dialogue and information sharing within our community, we hope to face the future not so much with trepidation, but more with considered engagement.

But let's not forget that, at its core, The Network Forum is all about people and relationships. Tech developments, AI and Innovation will never change that - the eye contact, the handshake, the exchange of business card will have a vital role to play in years to come, but we must be prepared to ride the wave of technological change that is coming.

We look forward to being at the heart of that change and connecting you with each other!

Andrew Barman
Managing Director
THE NETWORK FORUM





ECB supports European financial markets in strengthening cyber resilience

With increasing digitalisation and technological innovation, the global community's attention on cyber resilience continues to grow. Strengthening cyber resilience is important for all sectors and absolutely essential for the financial industry. The level of digital dependency, the interconnectedness of financial players and the potential for financial gains make the financial ecosystem a likely target for cyberattacks. Particularly in the case of financial market infrastructures (FMIs), a cyberattack could ultimately destabilise markets and disrupt the broader economy.

Public authorities have recognised these growing challenges and have come together to strategically align their efforts on cyber resilience at global level. The European Central Bank (ECB) plays an active role in the international fora that discuss this topic and has contributed to developing the CPMI-IOSCO guidance on cyber resilience for FMIs and the G7 Fundamental Elements of Cybersecurity for the Financial Sector. In line with these globally-applied recommendations, the ECB has developed the Eurosystem cyber resilience strategy for FMIs, based on three pillars.

1. FMI readiness

We conducted a survey among 80 FMIs in the European Union to assess whether they are sufficiently prepared to cope with cyberattacks. The results revealed that many of the respondents need to improve their approach to cyber governance, training and incident management. To help the FMIs and their respective overseers address these issues, the ECB has developed cyber resilience oversight expectations (CROE). These expectations provide overseers with a benchmark to evaluate the current level of cyber resilience for each FMI, to measure progress and to establish priority areas for improvement. In April 2018 the ECB launched a public consultation, inviting FMIs and other interested parties to comment on the CROE by 5 June 2018.

In addition, we encourage financial companies to test their cyber resilience by hiring friendly hackers who try to penetrate their system and identify weaknesses – a concept known as ethical hacking or red team testing.

To provide clear rules on how these tests should be conducted in a controlled manner, the ECB has developed the European Framework for Threat Intelligence-based Ethical Red Teaming (TIBER-EU). The framework, inspired by similar initiatives in the United Kingdom (CBEST) and the Netherlands (TIBER-NL), can be adopted on a voluntary basis by central banks, supervisory authorities, intelligence agencies and relevant ministries in any jurisdiction. TIBER-EU is applicable EU-wide and can support cross-border testing. We are looking to increase the effectiveness of the framework by establishing a centralised TIBER-EU Knowledge Centre, which will facilitate collaboration among different authorities.

2. Sector resilience

The second pillar of the strategy aims to enhance the resilience of the European financial sector. We are currently developing an analytical framework for sector mapping to gain a better understanding of cross-market dependencies. The maps will be particularly useful for identifying key risk areas and improving crisis communication procedures.

At the heart of sector resilience is collaboration and information-sharing among market participants and regulators. Creating an ecosystem of trust and openness is the best way to address a common threat. In this respect, we are exploring different arrangements together with the other central banks in the euro area. Our aim is to make information-sharing in Europe less inconsistent and streamline procedures for the benefit of all stakeholders. This will naturally lead to better cooperation with other authorities at European and national level, thereby ensuring authorities adopt similar approaches and focus on similar priorities.

Key to effective resilience is acknowledging that an attack is always imminent. All infrastructures must be in a position not only to withstand such attacks, but also to respond appropriately and recover in a safe and efficient manner. To further enhance the readiness of FMIs, the ECB conducts market-wide exercises and cyberattack simulations.

3. Strategic regulatory-industry engagement

Last but not least, the Eurosystem's cyber resilience strategy for FMIs highlights the need for a public-private forum for all relevant stakeholders. To this end, the ECB launched its Euro Cyber Resilience Board for pan-European Financial Infrastructures (ECRB), which held its inaugural meeting in March 2018. The Board is chaired by Benoît Cœuré, member of the Executive Board of the ECB. It brings together high-level FMI representatives, service providers and competent authorities, who will focus on raising awareness of common cyber challenges, fostering a spirit of trust and collaboration, and acting as a catalyst for joint initiatives.

The actions detailed above demonstrate the ECB's strong commitment to supporting the financial industry in reinforcing efficient governance and procedures to cope with potential cyberattacks. Enhancing cyber resilience is a long and never-ending journey and we stand ready to guide the European financial market along the way.

Marc Bayle de Jessé

Director General Market Infrastructure and Payments
European Central Bank



Is The Traditional Banking Model Over? A Delve into The Internet of Value



Traditional bank systems have become outdated, isolated, inflexible, complex and lack standardisation - making it challenging for institutions to share data. Settlement and payment processes are lengthy and opaque, involving many intermediaries and interventions.

Blockchain software companies are emerging globally to face up to these technological challenges. One such firm leading the charge is ConsenSys, which is currently working on using a private, permissioned Ethereum blockchain implementation to enable efficient, instant cross-border interbank payments. In the same way that the internet enables de-centralised peer-to-peer (P2P) communication, blockchain technology can enable P2P transfer of value. This idea is commonly referred to as the "Internet Of Value".

Ethereum, developed in 2014, has since grown to become one of the leading blockchain platforms today for building such P2P applications, commonly referred to as de-centralised applications or dApps.



Blockchain will strengthen and modernise the financial services sector.

Digital currency transactions on a blockchain are cryptographically secure and ledgers are computationally infeasible to compromise or modify without network consensus.

Also, Blockchains have built-in redundancy and support automated recovery of the shared transaction ledger from other participating nodes.

The South African Reserve Bank and the Monetary Authority of Singapore have recently partnered with ConsenSys to conduct further advanced experiments with Ethereum; while the Bank of England is partnering with the Ethereum startup Clearmatics to implement Utility Settlement Coin, a token representing central bank money on Blockchain.

Currently capital markets infrastructure relies heavily on central counterparties (CCPs) such as clearing houses. While CCPs currently provide a single point of supervision for prudential regulators, they have also become single points of failure in financial markets.

It is for this reason that prudential regulators are exploring de-centralised alternatives to central clearing that tokenisation and Blockchain technology can facilitate.

Tokens present vast potential for improving the transparency, security, cost-efficiency and accessibility of payment systems and financial infrastructure for consumers, businesses and governments.

ConsenSys is currently exploring automated, real-time clearing and margining solutions with a CCP which will permit the credit exposure of the CCP and clearing members to be managed at far lower levels, improving capital efficiency in the process.

Another point of centralisation in modern markets are Central Securities Depositories (CSDs). The failure of a major CSD, by hacking or technical failure, can seriously disrupt market operations.

Most centralised intermediaries such as CSDs still use messaging and database technology that are outdated and are at least two decades old.

In cases of failures, such as the failure of the BOE (RTGS) in October 2014, significant disruption and systemic risk can arise.

While CSDs have improved market efficiency, the identity of the ultimate beneficial owner is often only known to the 'last mile' broker-dealer or asset manager that the beneficial owner instructs to engage in the transaction on their behalf. This results in intermediation costs and delays imposed upon the consumer by each of the intermediaries, such as exchanges, custodians and CSDs, along the value chain.

The asset management value chain also suffers from extensive intermediation by registrars, transfer agents, brokers and fund managers whose incentives may not necessarily align with the consumer.

Additionally, transactions in payments and securities markets require a complex web of messages that result in reconciliation between intermediaries that maintain their own, inconsistent versions of the shared ledger. Such reconciliations are expensive and the entire cost is borne eventually by the consumer.

Public or Private Blockchains, if used as secure registries of asset ownership, tokenised securities and assets, can facilitate transactions without intermediaries, eliminating such cost and time-inefficient processes.

Blockchain allows all transactions to be captured on a shared ledger, maintained and secured by network participants using economic incentives built into the software. By comparison closed-networks do not enable the same degree of secure consumer-to-consumer value transfer or benefit from the vast global innovation ecosystem which is rapidly moving towards open source, networks and standards, as evidenced by Java, Apache, Linux and Ethereum.

The reality is that the role of custodians will fundamentally change. If the record of ownership is held by the investor not the broker or the custodian bank or CSD, they will have to redefine themselves in the future.

One of the new emerging products is the offering of custodian services of tokens and crypto currencies to investors that don't want that responsibility. Statistics already show a massive decline in listings on traditional stock exchanges. So custodians will have little choice but to adapt to offering custodian services in tokens and crypto assets where the investment funds are already moving towards.

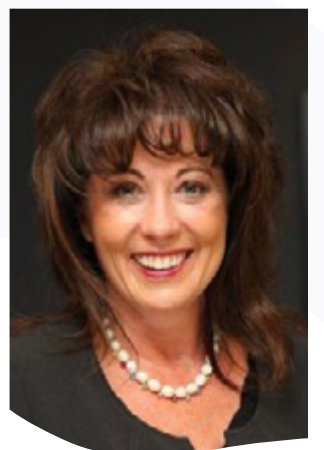
London is becoming the fintech capital of the world by hosting prominent emerging technology companies and is driving this evolution of such next generation internet technologies.

The Financial Conduct Authority Regulatory Sandbox programme and the substantial investment funds allocated towards distributed ledger technology (DLT) research and development by the Innovate UK programme are attracting digital currency and Blockchain startups to the UK.

However, the competition is heating up with Switzerland, China, Japan, Hong Kong, Korea, and Singapore creating policy incentives for digital currency innovators to be domiciled in their jurisdictions.

Monica Singer

Creator of Opportunities, ConsenSys



Due Diligence Questionnaire (DDQ) ~ An Update

AFME published its first Due Diligence Questionnaire (DDQ) in late 2016 based on a call from the industry. It was the result of a collaboration between Investment Banks and Custodians and a baseline document provided by Thomas Murray. This DDQ provided a harmonised set of questions to cover due diligence on sub-custodians.

When AFME reviewed the questionnaire in 2017, we enlisted the support of the ICSDs, Euroclear and Clearstream, who had received supplementary questions to the AFME document. Although this in itself was not unexpected we were initially surprised by the number of questions they had received. However, as we worked through the data, it became clear that the clear majority were RFP rather than DDQ questions. The AFME DDQ Task Force, consisting of approximately twenty Investment Banks and Custodians, reviewed all these additional questions but, in the end, only added a relatively small number of truly DDQ questions to the questionnaire for 2018.

Although we understand that firms will need to ask their own confidential questions, we are confident our work has decreased the effort and costs involved in the DDQ process. The increased harmonisation should allow for fewer resources to be employed to respond to the questionnaire. To address a known gap, an AFME group is compiling a Client Money section to be added at the end of this year.

When AFME and its members set out to create the document, there was broad agreement from the industry that this was the correct approach. The document appears to be popular with many members and non-members alike (there is no requirement to be an AFME member to use the document). Certainly, members that participated in the creation of the DDQ could see benefits for senders and recipients, with a substantial reduction in cost. The addition of an optional technology platform, proprietary or third party, is a route that could enable firms to compare the responses annually and alert them to any "red flags".

The AFME Due Diligence Questionnaire spoke to AFME Post Trade's core principle of harmonisation. AFME does not keep a track on which banks use it, however, anecdotally we hear that the number of users continues to rise. Global banks acting in over 100 markets use the document. Critically, banks are cross referencing their original DDQ with the AFME document and finding that they can reduce the overall number of questions that they ask. Our members believe that it can be used globally with a relatively small number of additional questions. It does require an investment of time to cross reference an in-house document with the AFME one, and possibly to negotiate with internal teams who provide their questions to determine which are still required.

At our annual review which will start after summer, AFME will review questions which members would like added and determine if they are justified. If you are not part of the group and would like to be, we would welcome your involvement.

Stephen Burton
Managing Director - Post Trade, AFME



The way ahead for Network Management, Due Diligence, Client Onboarding and Lifecycle Management

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MYRIAD lets you move away from manual and often fragmented ways of working.

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MYRIAD delivers automation and organisation of routine but critical tasks in network management and can be configured to give all levels of staff appropriate views and functionality through strict permission controls.

CODUDE: Due Diligence

CODUDE is MGTL's response to the market need for a tool to combat the increasing burden of regular Due Diligence.

CODUDE encapsulates the phrase 'Collaborative Due Diligence' and, as the name therefore suggests, it brings together different stakeholders - Requester and Responder - to carry out the function in one place.

The platform is designed to support the bilateral exchange of information, with and for multiple counterparties.

Embus: Client Onboarding

Client Onboarding and Lifecycle Management continue to be major challenges for Banks and Financial Institutions.

Embus is a comprehensive and cost-effective solution to enhance the Client Onboarding and Lifecycle Management experience for you and your client, providing transparency and accountability throughout the whole process.

The functionality within Embus allows you to manage your relationships from prospect to fully onboarded client more effectively than ever before.

The key benefits of MGTL's business systems



Transparency is increased across all functions, leading to dramatically improved audit and MIS



Visibility and Maintainability is improved by merging multiple sources of information and documentation



Automation of repetitive functions reduces risk and improves efficiency



Knowledge Management – a consolidated information repository available across your organisation



Regulatory Compliance is enhanced by deploying workflow for critical processes

THE VIEW FROM CAPE TOWN



The Network Forum kicked off its 2018 global tour with the Africa Meeting taking place in the shadow of Table Mountain in Cape Town. Attended by more than 130 delegates drawn not just from the continent but across Europe, Asia and North America, the conference touched upon a number of burning issues currently impacting African securities markets.

The Market Recovers....slightly

While there is a renewed sense of optimism in South Africa, its recovery remains fragile. Relative to the rest of Sub-Saharan Africa (SSA), South Africa's GDP (gross domestic product) growth continues to be under par. The International Monetary Fund (IMF) anticipates the country's GDP will grow by just 1.1% in 2018 versus the regional average of 3.8%.

Only two other countries in the region had lower growth forecasts, namely Zimbabwe and Equatorial Guinea. South Africa's GDP growth is mainly off the back of an improving business climate which is fuelling investment; a gradual recovery from a destabilising drought; a normalisation of commodity prices; and a change in political leadership.

Elsewhere in Africa, Nigeria is going through a recovery, having seen an improvement in oil prices. The return to health of the continent's two biggest economic powerhouses, which collectively comprise more than 50% of SSA's GDP, is a much welcome respite for some of the other smaller countries in the region.

The Network Manager Perspective

Asset safety is top of mind at network managers. With UCITS V and AIFMD firmly bedded down and the liability risk fully digested, the role of the network manager has assumed greater significance. Emerging or frontier markets naturally tend to pose a higher asset safety risk, mainly because some of the local counterparties have lower credit ratings.

Equally, local legislation governing insolvencies or asset safekeeping provisions are often more immature in certain African jurisdictions. In markets where risk management standards or local providers fall well below international expectations, banks will not hesitate to withdraw business if necessary.

The DDQ

The AFME (Association for Financial Markets in Europe) Due Diligence Questionnaire (DDQ) has divided the industry. The concept of standardisation is hard to criticise, and the DDQ's original purpose to streamline network manager due diligence was welcomed initially by custodians/broker-dealers and sub-custodians.

Network managers have since incorporated additional questions into the DDQ template, which some believe has undermined AFME's harmonisation efforts. The volume of extra, bespoke questions now being asked in DDQs has prompted some sub-custodians to moot whether they should start charging clients for filling in the templates.

The response from the network managers to this suggestion has been fairly uncompromising, pointing out that the sub-custodian market is rife with choice, and that any attempt to levy charges on the DDQ compilation process could result in clients switching service providers.

Attracting liquidity

With most African markets having electronic trading and settlement, the absence of liquidity in a number of jurisdictions is clearly nothing to do with the state of the continent's infrastructure. The local institutional investor base is maturing as pension fund industry assets continue to grow, driven by government efforts to encourage people to save.

However, local pensions typically buy and hold securities for a long time, thereby stifling liquidity. This is partly because there is a limited number of viable listed securities to purchase, leading some markets to initiate efforts to internationalise their stock exchanges, and encourage foreign listings.

Mauritius, for example, has eased its listing rules and pushed ahead with double taxation treaties prompting a number of global fund managers to list on its exchange. Other schemes to attract liquidity to the region include the establishment of cross-border stock exchange linkages, modelled on the highly successful Stock Connect in China.

Disruption in Africa

Network managers have repeatedly implored frontier economies to build market infrastructures such as CSDs and CCPs, arguing that their continued absence in African countries is a blocker to meaningful investor flows. In a world of Blockchain and DLT, this infrastructure deficiency is now viewed as being an advantage.

Developed markets have been slow to adopt Blockchain, mainly because integrating the technology into legacy systems like COBOL is profoundly difficult and complex. Frontier markets do not have that problem. Blockchain's applicability in areas like reconciliation; clearing and settlement are well known, but some believe it is the ICO or initial coin offering which could have a major impact in Africa.

IPOs in Africa have been far and few between, but an ICO – which is means for issuers to raise capital from ordinary investors on a Blockchain and in the form of cryptocurrencies – could redefine African securities markets. In a region as tech-savvy as Africa, ICOs could become popular channels for investment among retail allocators.

This would give SME businesses easier access to funding and capital markets, and would provide a massive liquidity boost in the region. Unfortunately, ICOs are fraught with legal risk as they are not regulated under securities laws, putting investors at risk of suffering serious losses should the issuance turn out to be fraudulent. ICOs – once properly regulated however – could dramatically alter equity markets as we know it.

Cyber-security

Cyber-security is a global problem and it is a particularly potent risk in emerging and frontier markets where local providers and suppliers occasionally do not subscribe to international standards around cyber-security. Simultaneously, regulation and laws against cyber-crime may be quite basic or not even exist in some markets.

For banks with exposures to local providers, the threat of cyber-crime is a very real one. Sixty-one percent of TNF attendees confirmed that cyber-risk was an increasing focal point in their counterparty risk assessments. Concerted efforts have been made to instil awareness about cyber-security, with 70 percent of TNF delegates stating cyber-training had been effective at their organisations.

Charles Gubert
Founder, GTL Associates





Saudi Arabia In Focus ~

A Market Index Perspective

MSCI will announce next month the results following the consultation for the potential inclusion of MSCI Saudi Arabia into its Emerging Markets index series. With a pro forma weight of MSCI Saudi Arabia Standard Index in MSCI Emerging Markets as of Feb 9th 2018 (1) of 2.3%, and a current pool of assets of \$1.9tn (2) actively and passively tracking MSCI's Emerging Markets, not surprisingly a number of people are eagerly awaiting the outcome. However, to focus on the 'destination' doesn't give full credit to the 'journey' the stakeholders in the Kingdom of Saudi Arabia have taken to get there.

To understand the journey requires an understanding of the process that MSCI undertakes when it initially places a market index on a watchlist, through to the announcement of inclusion. Historically MSCI has observed time frames of watchlist announcement to index inclusion in the 3-5 year range. That doesn't include MSCI Pakistan which achieved the step in the minimum time of 1 year, though that was a reintroduction of MSCI Pakistan to the MSCI Emerging Markets from the MSCI Frontier Markets. In those 3-5 years from initial watchlist inclusion, there are usually successive annual cycles as international institutional investors undertake their detailed assessment and provide feedback to MSCI of the eligibility of a country's equity capital market to be reclassified by MSCI. Given the stakeholders involved are the likes of Exchanges, Regulators, Central Banks, plus many more, the level of coordination and alignment, rule change and ultimate implementation can, and often does, take several years. What follows is a sequence of events where those market participants then 'test' those changes and provide feedback to MSCI. MSCI announces the consultation feedback results thus starting the annual cycle again. In the case of some markets those cycles never end and ultimately MSCI removes the potential reclassifications from its watchlist.

In the case of Saudi Arabia, the involved parties have adopted a somewhat different approach. The areas raised to MSCI by international institutional investors as concerns have been addressed pre - inclusion to the watchlist for potential reclassification. More importantly those cycles have not been years but have been months, thus compressing the overall timeframes. The challenge though is time. Time for those same investors have historically experienced several years of testing to try and assess the robustness of the changes, and obtain the comfort that everything written on paper is actually happening in practice. Fortunately the interest in Saudi Arabia is such that it seems investors who have previously enjoyed those multi-year cycles are prepared to 'roll up their sleeves' and equal the pace being set by the Kingdom to test the capital market framework.

June 2018 will tell us if 'we are there yet' or not as international institutional investors continue to provide their feedback on how the changes are functioning in practise. Whilst some will still focus on the destination I, like a number of others, may also focus on the benefits to the Saudi Capital market the journey has given so far.

(1) www.msci.com

(2) As of December 31, 2017, as reported on March 31, 2018 by eVestment, Morningstar and Bloomberg

Rob Ansari

Executive Director, MSCI Inc.



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is to become a regional CSD in the CEE-SEE region

As the sole Central Securities Depository (CSD) in Hungary, KELER is to celebrate its 25th anniversary this year. In addition to offering the full range of core and ancillary CSD services, as a specialized credit institution, KELER is bringing all benefits of TARGET2-Securities to Clients in the form of tailored solutions, as part of its renewed strategy.

Since KELER's foundation in 1993, significant changes and regulatory developments have shaped the CSD and CCP landscape. Improved regulatory oversight has been introduced – particularly through the creation of new EU supervisors with the ability to overrule national regulators in some circumstances.

As part of T2S harmonisation, following the progressive implementation of T2S since 2014, many European CSDs have defined an investor-CSD strategy allowing for a single access point to T2S markets through direct links with the T2S CSDs and enabling their Participants to rationalize some relationships in the new T2S environment.

In line with its international strategy, KELER wishes to become the first single entry point to the CEE region and provide competitive investor-CSD offering for settlement, safekeeping and asset servicing developed through partnerships with local agents.

KELER was among the first CSDs of Central and Eastern Europe (CEE) to enter T2S in early 2017, and successfully built a direct DVP cross-CSD link with the region's largest capital market, the Polish Central Securities Depository, KDPW, in May 2018.

The next milestone in the implementation of KELER's strategy will be the development of a network of direct investor-CSD links with selected regional CSDs, combining the safety of direct CSD accounts with full custody service offering. The direct link of KELER with KDPW combines high level of security provided by the direct CSD relationship and local knowledge and professionalism represented by KELER's local custodian partner.

In KELER's new service model on the Polish market, the transactions in dematerialised Polish securities issued in KDPW will be settled directly on KELER's securities account held in KDPW. The local custody partner of KELER will manage the cash leg of settlements and corporate actions related to Polish securities, and provides a partial tax service also.

The creation of the Polish link is a significant step for KELER to implement its regional strategy. In the next few years, KELER will focus on the establishment of links with selected T2S and non-T2S markets, in particular with markets that are difficult to access from an operational point of view and are currently serviced at a high price.

An improved capital market regional connectivity will ultimately allow KELER to provide unique solutions to regional investors and also to market participants from the region, and to act as the single entry point to the CEE region providing direct access to the CEE issuer CSDs. Furthermore, investors in the CEE region will also have access to the full KELER network, including developed EU and non-EU markets serviced by KELER's sub-custodian.

In addition to the continuous development of its core services KELER will continue to further develop its value-added services (e.g. LEI code issuance and Trade Reporting services under EMIR and MiFID2) and will make them available for regional participants at a price level adjusted to their economies of scale.



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KDPW | CCP

KDPW | LEI

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“Reminiscences from the Frontline”

During my 44 years in the securities services industry, initially with Morgan Guaranty Trust (JP Morgan), Chase, Credit Suisse and lastly my own business, I have had the opportunity, or some might say the misfortune, to have been associated with some of the more challenging markets around the globe.

The nascent Russian securities market offered a number of unusual business incidents. I arrived in Moscow, in early 1993, as a seconded consultant from Chase to a USAID funded capital markets project to develop the Russian securities market after an initial three-and-a-half-week project, and ended up living in Moscow for almost four years. Getting caught up in the October 1993 parliamentary crisis, one very quickly found out that an open-ended BA flight ticket had no value when you were trying to get out of the country. Left with no alternative, the Moscow Aerostar Hotel became my place of refuge; suffice to say that Yeltsin decided to use the runway of the adjacent disused airport as the marshalling point for his tank regiments during the period of unrest.

Chrystia Freeland (Minister of Foreign Affairs of Canada), the Moscow bureau chief for the Financial Times and author of “Sale of the Century – The Inside Story Of The Second Russian Revolution” very accurately outlines the challenging times during the period of 1995 to 1998. In particular it references setting up and running the back-office operations for CSFB and ultimately the custody business of Credit Suisse Moscow Ltd, and how this brought the business into conflict with the securities market regulators and issuers alike. The Primorsk Shipping Company based at Nakhodka in the far east of Russia was the first Russian privatised company to launch a rights issue at a time when it was very difficult, if not impossible, for foreign investors to open ruble cash accounts, therefore making it impossible for the existing western shareholders to partake in the corporate action.

At that time, I was involved with the very active “Disgruntled Shareholders Association”, which gave me the opportunity to meet with the very genial Captain/General Director over lunch at the Cosmos Hotel in Moscow to discuss the pros and cons of their actions, only to be told by his translator at the end of the lunch “Mr Lawrence, may I suggest you leave Russia at the earliest opportunity”.

My relations with the Regulator towards the end of 1996 took a turn for the worse, when I was accused in a letter from Dimitri V. Vasiliev – Chairman, Federal Commission for the Securities Market to the then Chairman of Credit Suisse and Credit Suisse First Boston: “Through reliable sources I am informed that Mr Bruce Lawrence has engaged in a campaign to discredit the Specialised Depository Project, as well as the Federal Commission’s efforts to develop a regional depository system for Russia and seriously impede development of the Russian capital market”. In the same letter I was also accused of attempts to bribe employees of the Federal Commission with two Credit Suisse corporate Swatch watches, “The value of the watches exceeded the monthly salaries of the respective employees of the Federal Commission”. If I recall correctly, the cost of each watch in the CS corporate gift catalogue was US\$20. I will let the statement speak for itself.

For those of you that are looking for a book to while away the interminable hours of international air travel I highly recommend my ex-custody client Bill Browder of Hermitage Capital Management’s book entitled “Red Notice – How I Became Putin’s No.1 Enemy.”

I cast off the corporate comfort blanket in April 1997 and set up H.B.L Consultancy Services Ltd. My role as a consultant and trainer since then has given me the opportunity to visit, and in a number of instances become deeply involved with the capital markets infrastructure of a number of the more demanding emerging markets.

A word of warning to those that give approval for their presentations to be made public, an application to the Cote D’Ivoire embassy in London resulted in a phone call from an official asking me to explain why I had, in a presentation given at the 6th NeMa conference in Prague, made reference in my African Regional Focus that the Ivory Coast was good at “trafficking in diamonds” and “cross-border arms for hire”. Suffice it to say, my visa was issued, but just be aware about what ends up in cyberspace.

Night travel is commonplace when visiting Central and Eastern Europe. On arriving in Tashkent, Uzbekistan in 1999 on an assignment for the Asian Development Bank focusing on the development of a clearing and settlement system, I was dropped off at my rented apartment early in the morning, only to be visited an hour or so later by the local tax police. A conversation was had through a closed front door and agreement reached that they should return later in the day, by which time I had already moved to another apartment, rented from a more “tax compliant” landlord! In early 2004 I was assigned to a World Bank project to develop the Tirana Stock Exchange (TSE) in Albania. Our accommodation during the nine-month assignment was the Rogner Hotel which was at the time also the headquarters for KFOR and NATO following the Kosovo crisis. Mealtimes at the hotel required navigating around the automatic weapons and small arms of the various NATO countries in residence at the time. The project was greatly frustrated by the refusal of the Central Bank to give up the monthly T-Bill auctions. The long-dormant exchange was eventually suspended and replaced with the Albanian Securities Exchange in late 2017 and the on-going development of a CSD this year.

I have also had the opportunity to be closely involved with the development of the pension fund and custody business in Lagos, Nigeria and relocated there between 2005/7 as the Managing Director of Zenith Pensions Custodian Limited. Early in my assignment I was asked to arrange for a gift to be sent to the Head of the Pension Regulator, to celebrate the wedding of his daughter. On asking for a copy of the corporate gift catalogue to make a gift the selection, I was told it would either be a horse or a cow depending upon their religion. I still wonder if they branded the corporate logo on the animal’s arse.

Our BCP location was at a branch office near to Murtala Muhammed International airport; just prior to my departure I received a memo from management informing me of the need to find another location as the premises had been sold to Mr Bigg’s, Nigeria’s largest fast-food outlets.

The years have taken me to many assignments around the world, from being in Iceland on the day their FX markets collapsed, training a princess (a daughter of the Sultan of Brunei) and being confronted in my hotel room in Beirut by the local militia and ordered to delete photos I had taken earlier. The development of the Mongolian Stock Exchange in Ulaanbaatar which believe me is the coldest capital in the world! It is gratifying to see that that they have recently seen the error of their ways and re-established a T+2 settlement regime. Working in Riyadh during a thwarted Yemeni Houthi rebel missile attack. 2017/8 saw me working on the CCP development project with NCCPL in Karachi, Pakistan. A country of deeply contrasting cultures, experiences, suffice to say the increase of 35% “danger pay” belies the true beauty of the country and its people.

I continue to look at a map of the world but am now beginning to wonder where is left for me to have another little adventure...

Bruce Lawrence

Managing Director of H.B.L Consultancy Services Ltd





The times they are a-changin'~ and mainly for the better.

I am by nature a 'glass half full' kind of person - a pragmatic optimist if you will. I hope and believe that Brexit will work out, but accept there are challenges. I hope and believe that the securities services industry will continue to evolve and survive, despite some significant threats. I hope and believe that we'll never hear of or see The Gypsy Kings again, but that's another matter...

In the face of an unprecedented number and range of challenges - regulation, market volatility, increasing fragility of legacy systems, reducing margins, cyber-terrorism, disintermediation etc. - I see impressive resilience being shown.

This is showing itself in many ways; innovative new products, an acceptance of the need for significant cost-cutting, an understanding by the workforce of the need to be flexible and by employers to offer flexible working conditions and more holistic, and paternalistic, employment conditions.

To borrow a phrase from the Scottish independence campaign, firms are now seeing that they are 'better together' and are becoming more comfortable with collaboration. The Technological Revolution is firmly upon us - even if, as one sage once put it, folks always under-estimate the time it will take for IT to be implemented, but over-estimate the scale of its impact. Led by dynamic, entrepreneurial, industry-savvy professionals, newly emerging firms such as Equichain and CloudMargin have been sufficiently nimble and flexible structure ground-breaking offerings which are being embraced by the market.

Technology has also allowed larger custodians such as Deutsche Bank to capture, analyse and utilise data in ways never seen before via their Flow products. Intellectual capital is being aggregated, packaged and employed for the benefit of the industry by firms such as Soterium out of Toronto and Myriad in London. Staffed by even more bright folks, specialist firms like GlobeTax are bringing value to their clients by using a combination of intellect and technology to navigate through and around the arcane world of tax reforms. For many years the industry has had a shared fear of tech industry giants like Google, Microsoft or Apple entering the fray, however we've seen very little evidence of that - the industry's infrastructure doesn't lend itself to a wholesale makeover and tech is therefore being employed, and deployed, by much smaller but equally opportunistic firms. Over and above that, margins are so low, regulation so oppressive and capital requirements so high that a 'like-for-like' replacement of a bank with a tech firm simply doesn't make sense for the latter.

Continuing on the people front, readers may be familiar with my 'egg-timer / wine glass analogy' (if not, do buy me a glass of something when you see me and I'll explain it in detail) of how the nature of employment in our industry has polarised over the past twenty years or so - but in a nutshell if you can produce revenue then you're in demand and will be for some time. If you can cut costs you have a stay of execution but costs can only be cut so much. If you are 35+ years old and have a head for regulation and compliance you should be fine. If you know the ManCo space then, especially with Brexit, you're in good shape. If you are a 'classic', ie non-revenue producing, Relationship Manager then I'd consider changing your career plans or they'll be changed for you. If you're in pure operations, in an expensive location, and are over 30, then I'd do the same as your RM buddies and think of a plan B pretty quickly. If you are a bright product developer in Alternatives - especially PE and RE - then your near- and mid-term future is pretty rosy. In Network Management, my sense is that teams will morph into teams of Subject Matter Experts - Legal / Compliance / Commercial Negotiators - headed by a limited number of experienced and strategic Network Managers.

In terms of geographic hotspots, many folks dreamt of heading to America, but that route has dried up for a number of 'headline-grabbing' reasons. Likewise Asia was seen as an easy, and exotic route to career enhancement and extension, however now the pool of available talent has increased to a point that you need some seriously specialised skills - or be an internal mover - to secure a decent role. Opportunities still remain in Europe though and an increasing amount of folks will be obliged to leave their families behind during the week and become intra-European commuters. The practicality of the need for staff will overcome any admin issues raised by Brexit. With respect to formal education, in the same way that nowadays anyone who wants to progress has to have a university degree, going forward it will be obligatory to be quailed in areas such as Prince II, Agile, Scrum and Six Sigma. Similarly, the days of working for thirty years and getting a gold watch for your troubles are gone - the future employee will more likely be a highly flexible - and highly paid - contractor in all areas but sales and management, being employed in a plug-and-play format to the benefit of both parties.

In summary, will our industry survive? Yes. Will it look the same? Heck no. Who is best placed to manage your career? You are.... Best of luck and happy to help!

Paul A. Chapman
Owner
HornbyChapman Ltd



Dear Network Forum-goers, have you met Debbie?

~

Deutsche Bank Securities Services new chatbot empowers clients with real-time trade settlement data which does away with a chain of phone calls.

You've heard of Siri, Alexa and Cortana, but have you met Debbie, Deutsche Bank's new chatbot? She won't be able to help you with the weather or film choices, but she can give you real time updates on your trade settlement status

Who is Debbie?

Debbie is the Deutsche Bank's latest digital initiative that harnesses the rapid changes in technology, leveraging Symphony, a financial markets messaging platform, and APIs to deliver query status updates, thus improving both speed and efficiency.

What is her story so far?

Debbie was created in collaboration with a large global custodian client to enhance the day-to-day experience, facilitating quicker access to information. "We were excited by the possibilities presented by the client's chatbot prototype developed during their hackathon challenge, and initiated a whiteboard session to explore further opportunities. We saw the potential that a solution such as this would benefit our clients," explains Jeslyn Tan, Director, Deputy Global Head of Product Management – Securities Services, Deutsche Bank.

Deutsche Bank and BNY Mellon announced in a press release on June 4, 2018 that they have integrated their new chatbots on the Symphony platform in a solution that enables direct access to real-time data on trade settlement queries on the Hong Kong Exchange.

This integration resulted in a more seamless flow of information for clients trading securities on the Exchange. Using their new chatbots, trade settlement status queries for the Hong Kong market which previously took up to 3 minutes each are now answered by the chatbots in bulk in a matter of seconds.

How will Debbie benefit the end client?

The end-client will see a much faster turnaround time for their queries, particularly important near market settlement cut-off time when trade status updates are essential to help them manage trades – and where trade failures could potentially lead to financial loss or reputational risk.

Tan offers a simple example by way of illustration:

"Let's say an asset manager calls their global custodian to check on a status. The GC will call us. We check our internal systems and the central depository system. We then respond back in the same way. This is manual and time-consuming. Having a combined ecosystem based on a collaborative platform between the two organisations now allows us both to reduce the time and resource involved in supporting queries, while improving the efficiency and experience for the client."



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Creating Opportunities

Retaining youth: A health strategy for custody



Digital technology is putting banking operations under a powerful microscope, a tool that can sequence the DNA of financial services firms and profile their microbial biology. The picture it builds is fascinating. It allows a bank's management at every level to better understand their business and its interaction with customers and counterparties.

The wealth of knowledge is however not easily absorbed; it needs to be processed via smart systems that can make decisions based upon near-understanding of the banking context. These technologies – robotic process automation (RPA) and machine learning – offer a revolution in the health and wellbeing of the banking industry. Yet firms in the custody and securities depository space risk missing out on most of the benefits by maintaining their legacy systems and ways of using technology.

Our industry must seize the opportunities. According to the analysts Coalition, the industry has seen revenues decline for the past five years in the transaction banking space, hitting the lowest level of revenues in eight years, with margin compression limiting the positive effect of any volume growth.

In general, taking advantage of the new technologies available can help firms to deliver greater return on equity. Using legacy technology as a foundation might seem tempting. However, legacy systems are a foundation that leaves limited budget for new 'change the bank' initiatives. With every business under tight cost controls, it is incumbent upon leadership to deliver a strategy that will enable firms to leverage digital systems.

Business over technology

The industry-wide organisational spaghetti and the maintenance of legacy technologies have often been maintained due to a lack of vision of the back office / post-trade as a competitive differentiator, even as those businesses rode out the financial crisis in far better shape than the investment banking businesses, for instance. Lacking the resources to invest in change, some firms have developed efficiency models in an effort to streamline processes. However, despite this some businesses are still not cost effective.

The issue is not purely a technology challenge. The teams that are maintaining the legacy technology are themselves aging. It is challenging to get young adults into back office and processing work. Repetitive functions are ripe for automation and do not look attractive. The longer that firms take to modernise, the less attractive they make the positions they are offering.

Younger people want to be able to effect change, to use the latest tools and avoid the commonly observed pattern of retrain or maintain. Keeping the lights on for legacy technology does not appeal, and young bankers and technologists cannot make a difference to the world of finance if they have to work in a technology time warp. Senior bankers need to drive up the value that they can provide to the rest of the organisation.

At the same time the pace of change in innovation is unrelenting, and even gathering pace. The expectation of clients, through the use of personal smart technology, means financial institutions need to replicate that model of simple and clean interaction when working with service providers and banks.

The need to change is high priority and cannot be avoided. The finance industry must be part of it in order to move forward, to simplify business and reduce costs and inefficiency. How to achieve this is the greatest challenge.

Positive forward steps

A Catch 22 situation develops where institutions that lack the expertise to develop a digital strategy also lack the ability to recruit that expertise due to the absence of a digital strategy. To avoid taking a step into the unknown, a positive step forward can be building partnerships with other firms in order to combine intellectual and financial resources.

Identifying collaborative partners who are non-competing, and working with them to solve common problems can provide considerable value to both sides. In some cases this might be a bank focussed on corporate clients in one country, working with another financial institution focussed on corporate clients in another jurisdiction. With common problems to solve, the underlying cost issue can be mutualised.

In other circumstances, start-up firms will be developing solutions to particular issues that can contribute to the greater challenge. As large firms will typically need to provide more holistic solutions for their problems than small start-ups are capable of delivering, the support from a big bank can enable them to work with partners on a larger solution. In some cases that might be bringing several small providers together in an incubator.

Utility concepts are also proving a valuable addition to the custody ecosystem. Third-party providers with the balance sheets to support big operations and the global reach to deliver cost advantages and skills have come to the market. Outsourcing common problems to these businesses can entail relatively low risks whilst saving costs, which tackles a significant issue. The appetite for outsourcing is significant, with Everest Group predicting that the global banking business process outsourcing (BPO) market is to grow at a steady 5–9% annually from 2016 to 2020. (Source: Everest Group)

However, it is clear that there is no one size fits all in these services. The most successful utility concepts have been constructed to cover end-to-end processes, but also allow banks to pick a component in order to solve a particular problem, such as settlement and confirmation.

Identifying partnerships is key to helping firms work together to solve common problems.

Leadership, not pursuit of goals

Commerzbank has publically stated that it will drive forward digitalisation projects and automate and optimise processes. By 2020, 80% of relevant business processes will be digitalised. We coordinate the development and deployment of these technologies from the top down. (Source: Commerzbank AG)

Like many banks we have adjusted our business model to account for a changing landscape and to meet the technological challenges out there. U.S. banks are starting to increase their return on equity, with some having changed faster than European banks in stripping out the costs in their business. The lag that exists from Europe to the US increases the pressure on European firms to engage with the process in order to grow.

Also, where technology solutions are being developed by Fintech providers, they are more of a component solution than end-to-end systems, which makes them difficult to integrate because they address just one part of the value chain, and not the full problem. This means banks do not get the benefit of being able to collapse down legacy technologies.

In addition, there is the excitement surrounding technologies such as blockchain, robotic process automation, business process management, AI and cloud computing. All of these technologies are going to be useful and all of them will be integrated in some way.

For example, robotic process automaton can be applied to the collateral management process which is often rules-based and has very predictable outcomes. If a bank has a team of people using the same sort of key strokes, by using Excel and with very predictable outputs it could examine how that work can be automated. The team supervising that function can then interrogate the data more closely, offer better solutions, and offer more of a servicing aspect to their function instead of spending four hours filling in a spreadsheet to generate a certain result.

A strategic approach led by a financial institution's senior team can ensure inefficiency is found, isolated and automated. Process re-engineering can be used to identify how and where these technologies might be applied with a view to increasing return on equity.

One goal

Investing in data quality starts the firm on its journey to realising its potential. With good data, any system gives useful output. The best systems will deliver nothing if they feed on bad data. That point is crucial to the leadership in financial services. That is the first step forward.

Data science has created a talent pool that is fought over by the Silicon Valley firms, the big digital giants and the world of finance. The reason is evidently the value that can be derived from building the right data and data analytics capabilities. Banking, when quantified, can be seen in far more detail than ever before through the lens of data science. Building up these skills can harness the value in that data.

Automating the understanding of that information through AI and RPA could allow firms to monetise it and build future strategies in a more informed manner. It reduces risk by eliminating unnecessary human intervention. Crucially, it also reduces costs.

There is no silver bullet. Successful banks will be the ones that can harness some of these technologies, collapse down outdated systems, integrate newer IT with minimal disruption to service, while improving service quality in a seamless and intelligent way. This will allow a bank to have the youthful energy of a start-up, the operational health of a tried-and-tested corporation and the wisdom of experienced leadership.

Robert Scott

Head of Custody, Collateral and Clearing at Corporate Clients
Commerzbank



COMMERZBANK 

Shareholders Rights Directive: An opportunity to digitalize votes

The Council of Europe adopted a revised version of the Shareholders' Rights Directive on April 4th, 2017. The text focuses on strengthening shareholders' rights and their engagement in European listed companies. With an implementation deadline set for June 2019, member States of the European Union have now just one year to transpose parts of the Directive into national law.

In the meantime, the European Commission is working with experts on producing technical standards to implement the rest of the Directive. Being a provider of voting solutions and a key contributor in the chain of vote, SLIB has particularly looked at the impacts of the Directive for the stakeholders contributing to the exercise of shareholders' rights. Conclusions are summarized below:

~ Henceforth, shareholders should receive all information necessary for the exercise of their rights, and could be more inclined to vote. To anticipate this increase of shareholders' demands, industrial solutions would be developed.

~ The new standards also create a great opportunity to digitalize and streamline processes, by informing shareholders of their rights electronically and by providing reliable online voting platforms. SLIB wishes that the solutions that might emerge will encourage retail investors from exercising their rights.

~ The text might also create more added-value in the field of votes, as issuers will have to be able to confirm that shareholders' votes have been correctly taken into account. This might require new developments to managing new voting statuses.

In the light of this regulatory change, SLIB recommends exploring and creating pan-European solutions for online votes that will offer advanced tools to comply with the Directive.

The European Shareholders' Rights Directive will set standards for a European harmonization and encourage new processes and new demands from shareholders to exercise their vote. The European market should therefore be prepared to offer advanced and reliable solutions to comply with the Directive. Modern and digital tools can help European stakeholders maintain one step ahead in the fields of online voting and the transmission of shareholders information.

SLIB already provides online solutions in order to cast general meeting information and to collect answers from shareholders in a secure and scalable environment.

Philippe Cagnet, CEO at SLIB, added "We warmly welcome this new directive, which aims at strengthening shareholders' rights and shareholder empowerment. We have been working since 2010 to offer value-added solutions that both digitalize General Meeting processes and offer shareholders more freedom in the exercise of their voting rights. We worked with all French intermediaries to build a global solution, VOTACCESS, to securely distribute and collect all the information needed for the organization and the management of General Meetings. We have also integrated 20022 ISO standards in our solutions in order to enrich the information transmitted to intermediaries for greater transparency. Using this experience and working today on blockchain technologies, we are engaged in a sustainable way in the deep changes of our ecosystem whether technological or any other nature."

To learn more: www.slibvote.com



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ClientScope AFME DDQ Tool for Network Managers from Lacuna Solutions

Lacuna Solutions, the creators of ClientScope™(CS), a platform that delivers to banks and financial institutions a complete 360° view of their clients, has a ground-breaking tool created specially for Network Managers called CS AFME Tool.

Lacuna Solutions provides adaptable mechanisms for critical data to be managed and consumed: Data related to KYC, AML, transaction monitoring and ongoing client/counterparty due diligence, providing for greater automation efficiencies as is critical towards meeting regulatory driven requirements and standards.

ClientScope's BankCheck (Financial Institutions) and ClientScope LINK™ modules have proved their value to Lacuna's growing list of global clients. BankCheck (FI), through its data aggregation platform, is a simple cost-effective solution for KYC due diligence, providing very detailed client ownership information, related documents and financials. BankCheck (FI) combines graphical database technology with linked open data, to link and store over 1.5 billion data items. It is an advanced analytical framework for FIs with a usable interface that streamlines the workflows of KYC due diligence teams.

ClientScope LINK™ uses Lacuna's proprietary matching rules to link an organisation's entity reference data with the matching CSLEID (ClientScope™ Legal Entity Identifier). With this, critical reference data has 24/7 access to the full power of the Lacuna linked-data universe and the machine learning tools that keep it updated.

With ClientScope Link, clients own client records are constantly updated, responding to changes within their clients' infrastructures. ClientScope LINK™ is the key to unlocking immediate operational efficiencies. It is a static identifier that links a given legal entity to multiple large data sets and ultimately provides a 360° view of clients

At The Network Forum Annual Meeting 2018, Lacuna is announcing its ground-breaking ClientScope AFME DDQ Tool.

This year The Association for Financial Markets (AFME) published a revised edition of its Due Diligence Questionnaire. It incorporates 20 new additional questions and its breadth has increased with the addition of a Global Custody section.

The scope may also increase further in the near future, making the completion and consumption of the document more challenging.

The AFME DDQ is the most harmonised document for the industry but is difficult to complete and to consume. At present organisations are having to distribute responsibility for questions across departments and geographies thereby creating a complex process, prone to error and potential oversights.

CS AFME DDQ Tool provides automation and intelligence to relieve the complexity of the existing process, both in the completion of the document and also in the way the answers from the third party questionnaires are addressed.

To assist with creating the questionnaire, the CS AFME DDQ Tool pre-populates answers in accordance with publically available and verified data records. Additionally, given our relationships with our clients, we will take instructions on the standardised answers per question, and complete on our clients' behalf. The part completed questionnaire will be presented back for validation and for any additional comments and responses.

Upon receiving the document from third parties, CS AFME DDQ Tool filters responses and directs them directly to the respective user groups, highlighting non-standardised (unexpected) responses aiding immediate and timely investigation. Working with an internal list of users significantly reduces the amount of time in the management and administration of the document. It also makes the process more streamlined and efficient as well as eliminating potential omissions and oversights.

For a demo of ClientScope please contact
Paul Joseph, CCO – pauljoseph@lacunaclientscope.com



Some people end up standing out of the crowd, because at some point in life they aspire to do something different. While most people talk about their dreams, others choose to act and very often they also share one important characteristic - they follow their dreams.

Former UBS Switzerland AGs Custody Sales Director Ralf Schwesinger has chosen to follow his dreams. At the beginning of April he embarked an electric trip around the world in a Tesla, on a mission to support sustainability. During 2018 and 2019, together with his partner he will visit Europe, Australia, Asia and North America.

They currently write a blog on their website www.mrandmrstontour.com and as Mr & Mrs T on tour they also share their insights on Facebook and Instagram.

But this journey is more than a very long vacation, as they are looking for ways to embrace sustainability in a novel way. "We want to explore the world and provide inspiration for others how to enjoy a more sustainable lifestyle" - Ralf says. "While many companies talk about sustainability these days, what does sustainability really mean? There are thousands of different answers to this question and we aim to discover as many as possible. All of us have access to the internet, but some things you simply can't experience from behind your desk. You need to get out into the world, meet with people and learn from the environment first hand before you can share what you have learned."

To be able to do this journey, Ralf had to wind-up his employment with UBS – a step that most people his age would have to think long and hard about - so we were interested to learn why he still decided to do it.

"I had the pleasure to work with a truly fantastic team at UBS! This made it a really hard decision for me. However, I believe one thing for sure – if you want to lead and support others, you better have a defined path ahead. So finding my own way is just the next logical step, and letting this unique opportunity pass was simply not really an option. Given the lifestyle in most developed countries is quite established, discovering more sustainable options, which people want to actually become consumers of, is key to our future as well as for future generations."

It is not only the world of the Custody business that is changing, but a much wider world out there too. Mr & Mrs T are looking for best practice samples across all industries and maybe your institution can also invite them to share how you can support a more sustainable lifestyle.

We wish Ralf every success for his trip and are looking forward to read more about his findings while on the road!



Warsaw 2017



Warsaw 2017



FUTURE EVENTS

www.thenetworkforum.net/home/events



AMERICAS MEETING

25 SEPTEMBER 2018 - NEW YORK

Bringing together key decision makers from the Network Management community from all over The Americas, as well as regional services providers from both North and South America, The Americas Meeting promises another packed session of information rich discussions and friendly networking.

See you in The Big Apple!



ASIA MEETING

12-13 NOVEMBER 2018 - SINGAPORE

After a great launch in Hong Kong in 2017, we are delighted to be hosting the Asia Pacific Network Management community in South East Asia in the powerhouse of Singapore. Given the wide breadth of developments across Asia, we have expanded the agenda to a full, 2-day event. Expect to see the region's key NMs, Direct Custody providers and FMIs for a top notch get together.

See you in The Lion City!



AFRICA MEETING

19 - 20 MARCH 2019 - CAPE TOWN

Just three months ago, The Network Forum held their inaugural Africa Meeting in Cape Town. With industry representatives joining from across the African continent, as well as a healthy representation of NMs coming down from Europe, Asia and USA, we couldn't have hoped for a better launch. To get a grip on all the major market developments from key players driving this rapidly evolving region, we would like to invite you to THE Africa event.

See you in The Mother City!

The Network Forum can help you connect and interact with our community.
Contact Edward Jones on ejones@thenetworkforum.net with your ideas.



THE NETWORK FORUM

Connecting Financial Institutions Worldwide

The Network Forum is a curated global community for the custody, settlement and post-trade industry. Its main aim is to provide a structured networking environment for this tight-knit industry group, in which key issues are discussed, developments are communicated and best practice shared.

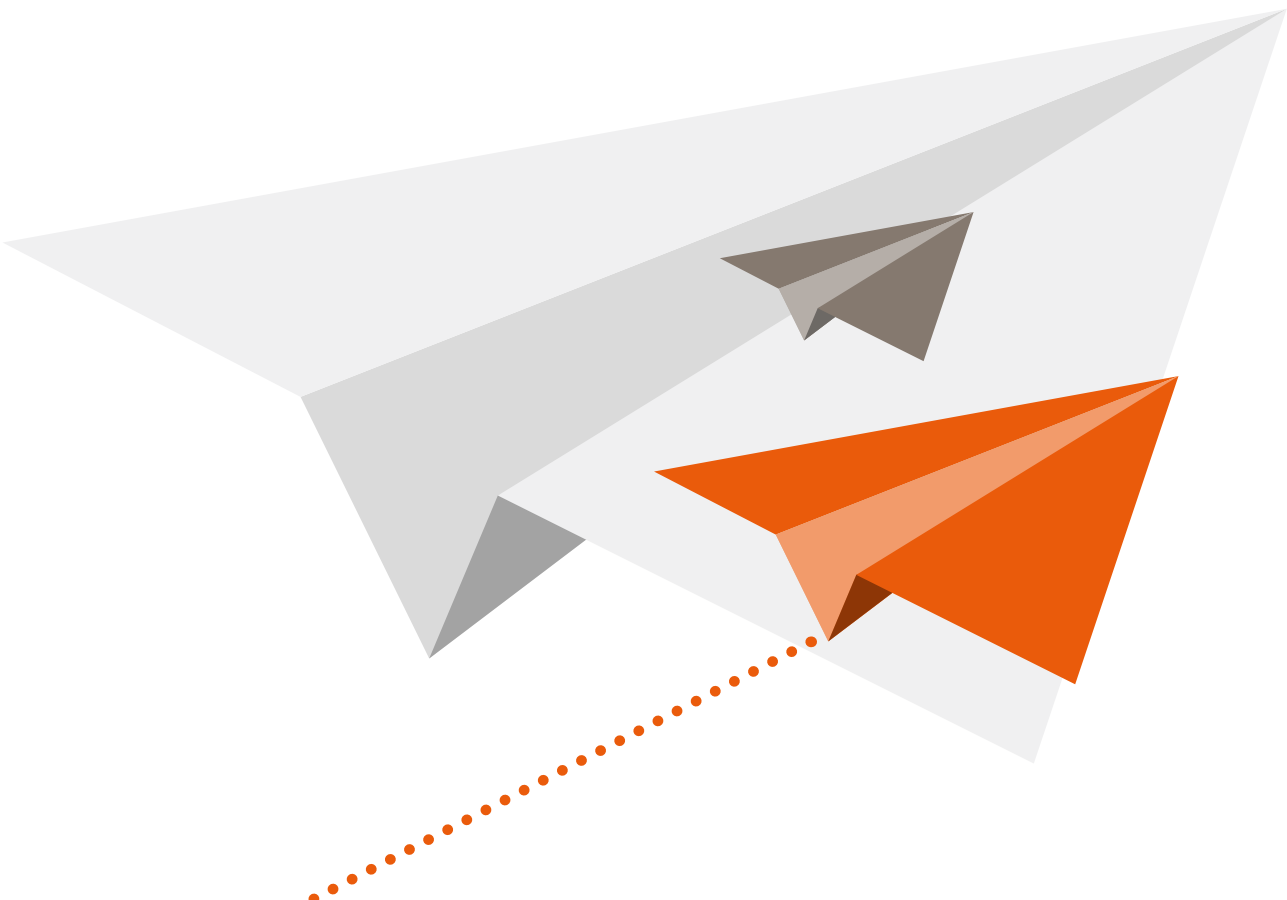
Please be sure to visit our website to see all details of our upcoming events, as well as various thought leadership pieces and articles. In addition, we have some great video interviews and video highlights of the Annual Meeting accompanied by some wonderful photos of the community both hard at work, and enjoying a bit of "off the record networking".

www.thenetworkforum.net

THE FOUNDING PARTNERS

We are honoured to have been supported in the launch of The Network Forum by our Founding Partners below.



A large, stylized graphic of a paper airplane in shades of gray, flying towards the right. A smaller, orange paper airplane is positioned below it, also flying right, with a dotted orange line trailing behind it.

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