

## **The Future of Network Management**

June 8th, 2026

### **Rebuilding the Network from Scratch**

To rebuild a network today, one panellist suggested start with real-time data exchange to ensure transparency for both the firm and the end client throughout the investment and post-trade environment. The infrastructure must support this data exchange, specifically focusing on cloud-based architecture that allows for the integration of AI capabilities. Resiliency should be built in from day one, including contingency providers and a clear understanding of legal terms and operational processes to allow for pivoting between counterparties during market stress. The ultimate goal of a modern network is to free people from broken or manual operational processes, allowing network managers to focus on understanding client outcomes and working with sub-custodians and CSDs.

### **The Role of AI and Advanced Data Strategy**

Custodian Bank A has mandated AI training for all 50,000 employees and expects 60% of network staff to complete an intensive AI boot camp. Custodian Bank B views the current network management challenge primarily as a data challenge, noting that they manage an inventory of over 4,000 individual line items. They are focusing AI efforts on three axes: simplifying the periodic due diligence process, speeding up information delivery to clients, and increasing real-time monitoring of geopolitical, resiliency, and cyber risks. Custodian Bank C has invested approximately \$100 million annually over three years into its data strategy, organizing custody and fund accounting around ISO 20022 data products to better manage real-time crises.

### **Cybersecurity and Infrastructure Resilience**

Insights were shared from the ISSA symposium suggesting that 99% of cyber issues stem from known vulnerabilities, making the speed of patching and identifying vulnerabilities via AI tools critical. The panel discussed the importance of FMIs (Financial Market Infrastructures) like Equinix and CLS in providing minimum viable service offerings during sustained cyber attacks. One panellist suggested that the threat of cyber attacks might lead banks to pull technology back "inside the wall" by hosting on-prem and owning underlying code rather than relying entirely on

external cloud vendors. A second panellist emphasised the reliance on vendor technology subject matter experts to analyse sub-custodian oversight and technology assessment questionnaires.

### **Cost Pressures and Strategic Benchmarking**

The rising costs of technology, cyber security, and compliance are creating significant barriers to entry, leading some third parties to exit specific markets. One panellist argued that while optimisation and consolidation of the network can save costs, they also increase concentration risk, necessitating robust contingency arrangements that do not add extra expense. A second panellist explained they utilise a dual provider strategy in most markets to benchmark fees and services against sub-custodians who are gaining efficiencies through AI. The panel highlighted the need for transparency regarding CSD costs, referencing the AFME study and the importance of market infrastructures behaving responsibly with their profits.

### **Digital Assets and the Evolution of Payments**

The rise of instant payment systems, stable coins, and deposit tokens is driving the industry toward 24/7 instantaneous payments and potential T-zero settlement. A panellist suggested that digital assets provide a unique opportunity to rebuild the network and custody offering, which may require separating traditional services from new operating models. Another panellist noted that they are heavily invested in use cases for collateral optimization, tokenized money market funds, and the DTCC initiative for tokenizing equities. While the panel expects a blend of traditional and digital providers in the future, they anticipate the number of digital custodians will remain small in the medium term due to jurisdictional and regulatory complexities.

### **The Irreplaceable Human Element**

It was argued that while AI can replace mundane tasks, it cannot replace critical thinking, selection, taste, or the ability to make high-level decisions and have an opinion. The industry remains relationship-driven, as AI chatbots cannot conduct on-site due diligence or meet with regulators in locations such as Africa. Emphasis was made that network managers must actively embrace digital change and AI to avoid being left behind, using these tools to remove administrative burdens and focus on client advocacy. The conclusion was that the network manager of the future will major in the human-centric value adds that AI cannot replicate while utilizing new tools to manage data and threats in real time.