



The Network Forum (TNF) returned to New York for its Americas Meetings on October 1, the first of three regional events taking place this Autumn.

So what were the main talking points from TNF Americas?

Countdown to November 5

While a straw poll at TNF revealed 71% of the audience believed VP Kamala Harris would win the Presidency on November 5, a geopolitical expert thought otherwise, adding the race would be incredibly tight.

The expert told TNF that while VP Harris may have enjoyed an initial bounce after she first announced her candidacy, this honeymoon period is now firmly over, and the momentum is swinging back in Donald Trump's favour.

A Harris Presidency will likely see a continuation of the status quo, but the expert said a Trump White House could usher in some major policy changes, including reduced support for Ukraine, the reversal of the Green New Deal, additional deregulation of financial services, especially crypto, and a further decoupling from China's economy.

Artificial Intelligence (AI) and the future of custody

The Securities Services industry is currently in full AI hype mode.

A TNF survey found 50% of attendees felt AI will help them improve their data analytics, i.e. comparing responses from due diligence questionnaires (DDQs), while 29% plan to use it in their workflows and communication, i.e. managing emails.

While AI could facilitate potential productivity benefits, not everyone is convinced. For some, existing software is just as capable, if not better than AI, when performing certain tasks, such as benchmarking DDQ responses.

Others point out that the energy and maintenance costs of running AI systems will nullify any productivity gains, adding the technology's vast power consumption risks undermining industry efforts to meet sustainability targets.

Operational resilience still a top priority

Few would dispute that the 2020s are on course to becoming one of the more eventful decades in recent memory, and we are not even halfway through.

Amid worsening geopolitical tensions, the industry's increasing reliance on technology, and the growing threat of cyber-crime, operational resilience has never been more important.

Consequentially, network teams are spending more time asking questions about operational resilience in their due diligences on sub-custodians. With the EU's Digital Operational Resilience Act (DORA) due to take effect from January 2025, and various industry associations working on their own operational resilience guidelines and questionnaires, expect network teams to keep focusing on this subject.

T+1 – not such a walk in the park after all....

At the TNF Annual Meeting in Warsaw in June, the consensus on T+1 was that its introduction in North America had been relatively frictionless, but it was still too early to pop the champagne cork.

Four months on, we now have more clarity.

While T+1 delivered on its promise to provide margin savings, the transition has not been easy, with experts noting that banks and brokers have been forced to significantly increase headcount to manage the entire process. A recent paper by Citi also noted firms had been heavily exposed to manual processing and exceptions handling triggered by clients post-transition.

With North America now live with T+1, the focus will undoubtedly shift to the UK and EU.

Is Nuam on the cusp of doing something special?

Previous attempts to integrate LATAM markets, i.e. MILA, have come to nought.

The Nuam initiative, which will see the stock exchanges of Colombia, Chile and Peru, merge into a single entity, promises to be different. By facilitating CCP interoperability and CSD interconnectivity, Nuam will make it easier for institutions to trade, clear and settle securities listed in the three markets via a single process.

If successful, this could drive liquidity into the region, and may even set the benchmark for future financial market infrastructure consolidation projects in Emerging Markets.

TNF's Middle East Meeting will take place on November 5 and 6 in Doha, before heading out to Singapore on November 11-12 for its Asia Meeting.