Securities Finance Times

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Connecting markets

Sara Carter and John Edwards of BrokerTec reveal the global integration of the CLOB and BrokerTec Quote platforms

RBC, TMX, and Clearstream collaborate in triparty pledge solution

RBC Investor Services has collaborated with TMX Group and Clearstream to pioneer an innovative triparty pledge collateral management solution for the market.

The effort comes as an expansion of the Canadian Collateral Management Service (CCMS), in a move the companies say will extend its optimisation benefits, and further enhance market liquidity by reducing intraday financial resources.

The firms see this as an important expansion of the CCMS into facilitating pledge transactions in securities lending, and one which comes as a key step to fully mobilise and optimise collateral within the Canadian market.

Talking about the collaboration, Steve Everett, head of post trade innovation at TMX Group, says: "Canada's first triparty pledge initiative significantly enhances our existing CCMS repo and securities lending capabilities by introducing an advanced pledge mechanism to complement the existing services.

"This innovative approach streamlines securities pledging, leading to increased efficiency and optimised balance sheet management. Specifically, it replaces the traditionally cumbersome, line-by-line booking of individual pledges with a fully automated, end-to-end process. Moreover, it offers real-time collateral substitution across the entire CCMS, enabling flexible management of trading obligations, optimisation of collateral, and enhanced inventory management in an unlimited capacity."

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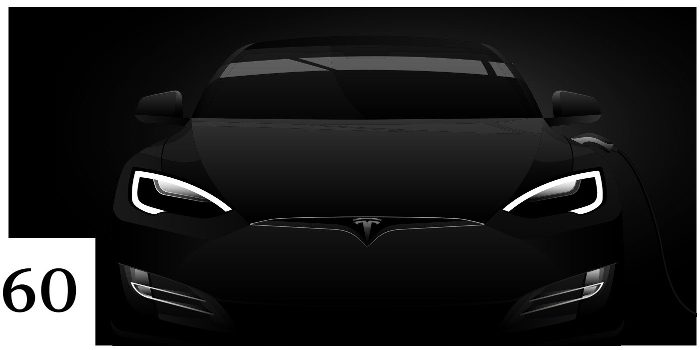

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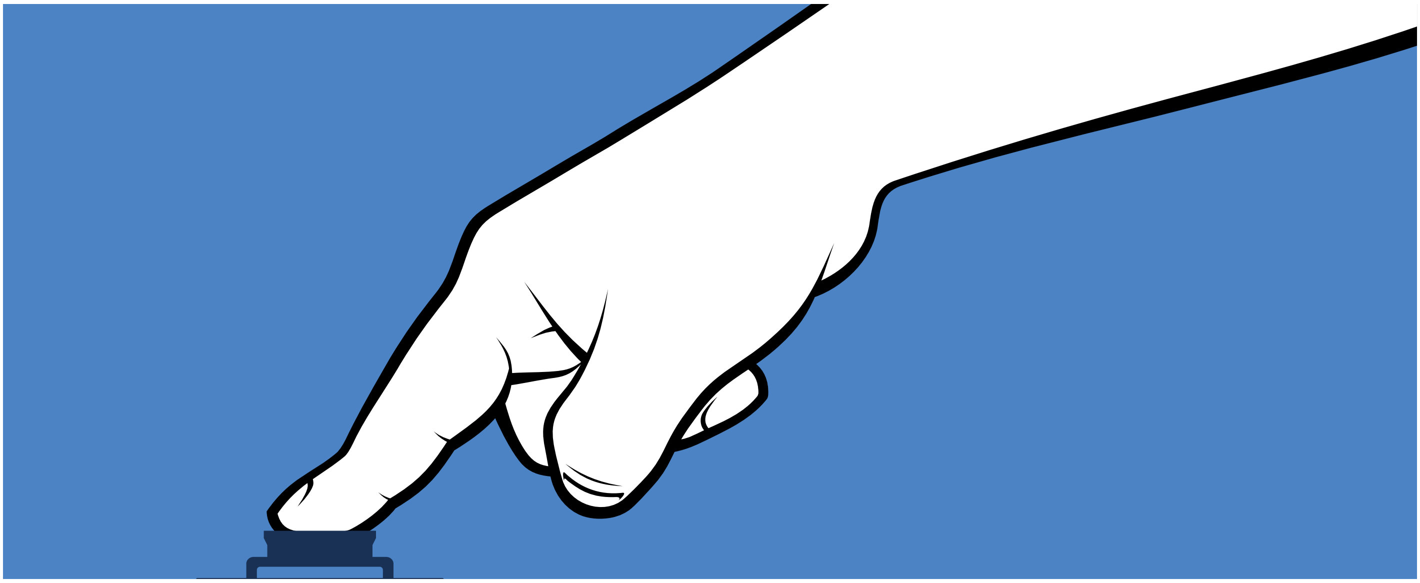

Sharegain launches securities lending offering for prime brokers

Sharegain has launched a complementary securities borrowing offering designed to help prime brokers expand access to small and micro-cap securities.

Primelocate is an addition to Sharegain's existing offering for prime brokers, addressing the observed need to increase volumes, reduce fails, and eliminate the 'buy-to-lend' practice.

Stuart Jarvis, head of strategic partnerships at Sharegain, comments: "Existing locate and trading practices within the securities lending space did not support the mobilisation of small and micro-cap securities available in retail accounts.

"Primelocate offers a new way to tap into this unique inventory, significantly broadening the range of securities available for locates."

Collaborating with market participants as design partners, Sharegain aims to simplify the borrowing process for hard-to-borrow small and micro-cap securities at a fixed price.

Boaz Yaari, founder and CEO of Sharegain, adds: "The participation of private investors in capital markets has surged in recent years, impacting all aspects of the industry, including securities lending.

"New supply from retail investors creates new trading opportunities for borrowers, enhances overall market liquidity, and delivers greater value to asset owners."


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Online platform to accelerate approvals between lenders and borrowers.
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Performance Measurement Tools
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Oversight Management Solutions
Independent performance and risk management governance tools.
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SMBC Group joins ISLA

The International Securities Lending Association (ISLA) has added SMBC Group as its newest member. One of the world's largest banks, SMBC Group is regionally headquartered in London, and is part of the Sumitomo Mitsui Financial Group (SMFG).

SMBC Group offers banking services to both institutional and commercial clients across EMEA, as well as offering services in Japanese equities and equity-linked products to global customers.

The news comes following a number of recent additions to the association, including Tullet Prebon in April.

BrokerTec reports 28% ADVN YoY rise

CME Group's BrokerTec has reported an average daily notional value (ADNV) of US$936 billion for May across US Treasuries, European government bonds, as well as US and EU repo.

This figure, derived from the firm's central limit order book (CLOB), dealer-to-client (D2C) request-for-quote (RFQ), and streaming platforms, represents a 28 per cent increase year-on-year (YoY).

In the US repo market, May was BrokerTec's second-best month on record, with an ADNV of US$352 billion — up 29 per cent YoY.

John Edwards, global head of BrokerTec at CME Group, comments: "We continue to benefit from demand for specials activity as a result of market volatility in cash US Treasuries, as well as the quarterly refunding of 3s, 10s, and 30s bonds mid-month."

According to research by the Securities Industry and Financial Markets Association (SIFMA), repo volumes are also increasing because of total US Treasuries outstanding growing 6 per cent to US$28.6 trillion at the end of March.

US Treasuries ADNV for May was US$101.1 billion, up 20 per cent YoY, as ongoing uncertainty related to tariffs and US trade deficit weighed on bond markets.

In Europe, ADNV for BrokerTec EU repo grew by 3 per cent YoY to €307 billion for May.

CASLA welcomes eSecLending as member

The Canadian Securities Lending Association (CASLA) has welcomed its newest member, eSecLending.

With the addition of the independent third-party securities lending agent, the association says its full and associate membership has reached a total of 26.

Full members must be engaged as principal or agent in the lending or borrowing of securities.

Associate members must be involved in the provision of commercial services to full members in support of their securities lending or borrowing activities.

eSecLending was founded in 2000 as an alternative to traditional custodial and other third-party pooled lending models, created from the perspective of a beneficial owner.

The business is driven by investment management principles including best execution philosophies, a multi-manager disciple, price transparency, performance measurement, and separately managed accounts.

Clearstream GSF volume outstanding up 1% YTD

Clearstream's global securities financing (GSF) business has grown by 1 per cent in volume outstanding year-to-date to €724.54 billion for 2025, according to recent monthly figures.

The business also saw a 6 per cent increase in volume outstanding year-on-year (YoY) to €750.96 billion for April.

Assets under custody held in Clearstream increased 5 per cent YoY to €19,624 billion for the month. Year-to-date, assets under custody have also grown, with a 9 per cent increase to €20,007 billion for 2025.

For Clearstream's investment funds services (IFS), securities deposits were up 8 per cent YoY for April to €3,888 billion. The volume of transactions through the funds division jumped 34 per cent YoY to 6.28 million.

International business securities deposits through the Clearstream ICSD grew 5 per cent YoY for April to €9,155 billion. The number of transactions through this service rose 23 per cent YoY to 9.45 million for the month.

Bloomberg expands to Middle East

Bloomberg has released its high-quality liquid assets (HQLA) solution in the Middle East.

The Basel III regulatory data solution helps financial institutions monitor liquidity requirements in accordance with the Central Bank of the UAE Rulebook and the Qatar Central Bank's prudential regulations.

Leila Sadiq, global head of enterprise data content at Bloomberg, says: "With this expansion, Bloomberg brings our robust HQLA dataset and best-in-class reference data to Middle East jurisdictions to help all financial institutions including local banks, hedge funds, and private banks, in addition to international banks, meet local liquidity and regulatory requirements."

Basel III requires financial institutions to hold an adequate amount of unencumbered HQLA that can be converted easily and immediately into cash.

The HQLA solution forms part of Bloomberg's Regulatory and Accounting Product suite, which aims to help navigate the regulatory disclosure environment.

OCC average daily loan value up

The Options Clearing Corporation (OCC) has recorded a 7.5 per cent year-on-year (YoY) increase in average daily loan value for securities lending trades, generating US$170.8 billion for May.

Total securities lending transactions cleared on the OCC platform for the same month spiked 31.17 per cent YoY to 315,169.

In terms of all futures and options cleared through the organisation, the total volume increased 20.1 per cent YoY to 1.1 billion contracts for May.

OCC also experienced a 23.6 per cent YoY hike in ETF options contracts for the month to 438.48 million, and a 19.9 per cent YoY rise in equity options contracts to 639.9 million.

However, cleared futures contracts declined by 26 per cent YoY for the month to 3.4 million. Index options volumes were up 9.7 per cent YoY to 92.3 million for May.

GLEIF launches Partners Program

The Global Legal Entity Identifier Foundation (GLEIF) has launched the GLEIF Partners Program, a new global initiative fostering increased collaboration among stakeholders to accelerate the adoption of the LEI and verifiable LEI (vLEI).

According to the firm, GLEIF's Partners Program creates a forum for data and technology vendors, financial institutions, and corporates, to develop offerings by using the technology of the LEI and vLEI. The programme aims to provide product listings, global visibility, and strategic engagement where users can access market insights, regulatory updates, and industry best practices.

Alexandre Kech, CEO at GLEIF, comments: “Building a more open and transparent global marketplace is dependent on interoperable, verifiable organisational identity. The LEI and vLEI provide significant opportunities to enhance transparency and build greater trust across global markets.

“By convening organisations from across the world with a shared mission of improving digital trust and maximising the utility of the LEI and vLEI, the programme promises to enable invaluable exchanges that will advance secure and transparent business interactions — promoting sustainable growth across the global digital economy.”

Guillermo De la Fuente, SwissTreasurer, and co-chair of GLEIF’s Partners Program, says the launch of this programme is “essential in bridging the digital identity gap for legal entities around the world”.

He adds: “This initiative goes beyond promoting the LEI and vLEI — it is about building a community of practitioners who understand their practical value. From streamlining client onboarding to expanding access to trusted identity credentials globally, GLEIF Partners are delivering real-world benefits.”

Global organisations that have recently joined the GLEIF Partners Program include JacobsenID, a Nordic identity assurance service provider interested in enabling vLEI use cases; Montran, a provider of payment and capital market infrastructure solutions operating in over 90 countries; and NETS Solutions, a specialist in payment and securities settlement solutions for central banks.

NETS Solutions, part of the Singapore-based payment services NETS Group, extends GLEIF’s focus and engagement in the APAC region, GLEIF says.

The new programme also integrates members from previous GLEIF stakeholder groups to foster greater collaboration between longstanding stakeholders and new partners.

Matthieu de Heering, global head of business development, capital markets at Montran, says: “Montran is honoured to be among the inaugural members of the GLEIF Partners Program. Since the inception of the legal entity identifier as an international standard, we have integrated it into our solutions for payments and capital markets, supporting many of our clients in its implementation.

“We look forward to expanding our collaboration with GLEIF across various instruments and transaction types, learning from other partners' best practices, and sharing our own — in a true spirit of cooperation.”

RBC becomes first Canadian member of LCH CDSClear

The Royal Bank of Canada (RBC) has joined LCH CDSClear as the first Canadian clearing member.

The London Stock Exchange Group (LSEG) — LCH’s parent company — says this addition demonstrates its continued global expansion, and enables RBC to benefit from margin and operational efficiencies across their credit default swap (CDS) portfolio.

Marcus Robinson, head of CDSClear and DigitalAssetClear, LCH, says: “We are delighted to welcome RBC as our first Canadian clearing member, and for the bank to be part of our significant growth journey at CDSClear.

“We are committed to increasing the level of choice market participants have in CDS clearing and are proud to offer an international clearing member such as RBC access to our broad range of CDS products and access to trade with members and clients across the globe.”

Santosh Sateesh, MD, global head of Credit Derivatives Trading, RBC adds: “We are proud to be a part of the growing service at LCH CDSClear, with the capability to clear a wide range of credit derivative products while achieving significant risk management efficiencies. This move demonstrates our commitment to our clients across the globe.”

ISLA Americas adds RBC Capital Markets

The International Securities Lending Association (ISLA) Americas has welcomed RBC Capital Markets as its newest member.

This latest addition continues the association’s recent momentum, with several leading firms joining its growing membership in recent weeks.

RBC Capital Markets is the corporate and investment banking arm of the Royal Bank of Canada, providing a range of financial products and services to institutional investors and corporations across key markets.

ISLA Americas is a non-profit industry association, incorporated in May 2024, and represents the common interests of securities lending agents, borrowers, beneficial owners, institutional investors, and other market practitioners in the Americas region.

HKEX announces Swap Connect enhancements

The Securities and Futures Commission (SFC), the Hong Kong Monetary Authority (HKMA), and the People's Bank of China (PBoC) have partnered to enhance Swap Connect, enabling international investors to better manage the interest rate risk of their renminbi assets.

Following the announcement, OTC Clear, the clearing subsidiary of Hong Kong Exchanges and Clearing (HKEX), will collaborate with China Foreign Exchange Trade System (CFETS) and Shanghai Clearing House (SHCH) to enrich the product features under Northbound Swap Connect.

The company says: “HKEX looks forward to working closely with CFETS, SHCH, regulators, and market participants to further enhance and develop the Swap Connect programme, facilitating the continued opening of China's financial markets and the internationalisation of the RMB.”

Swap Connect, a mutual access programme linking Hong Kong and China’s interbank interest rate swap markets, has recorded steady growth in trading volumes since its launch in May 2023, according to HKEX.

As of the end of April 2025, a total of 79 international institutions from 15 markets have conducted more than 12,000 interest rate swap transactions under Swap Connect, with an aggregate notional amount of about RMB 6.5 trillion.

Euroclear Bank joins LCH RepoClear

Euroclear Bank’s Treasury division has joined the French arm of LCH RepoClear as a direct clearing member.

Through this move, Euroclear Bank can access the netting and risk management efficiencies available through the service, expanding its long-standing partnership with RepoClear.

Michel Semaan, global head of LCH RepoClear at the London Stock Exchange Group (LSEG), says: "This is a significant moment for the growth of the service, as we broaden the range of financial institutions


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we serve, and so that large cash providers, such as Euroclear Bank, can benefit from our product offering."

In joining LCH RepoClear, Euroclear Bank will be active both in the specials and €GCPlus, a central clearing service for the triparty repo market, as a key cash provider.

Herve Foyan Djoudom, head of Treasury and Asset and Liability Management at Euroclear Bank, adds: “Expanding [our] repo clearing capabilities enables us to achieve greater capital and operational efficiencies while enhancing our risk management solutions.

Securities lending revenues grow 12% YoY for May

Securities lending revenues grew 12 per cent year-on-year (YoY) to US$1.202 billion for May, according to S&P Global Market Intelligence.

Although average fees experienced a slight decline of 2 per cent YoY across all securities, a recovery in valuations throughout the month led to a 14 per cent rise in balances compared to May 2024.

Equity performance mirrored trends from previous months, says the firm.

In the Americas, equity revenues totalled US$355 million, reflecting an 11 per cent YoY decrease.

Conversely, Asian equity revenues surged by 27 per cent YoY, reaching US$229 million.

Additionally, American depository receipts (ADRs) and ETFs maintained their robust performance, with average fees increasing by 76 per cent and 36 per cent YoY, respectively.

The fixed income markets also displayed resilience, with average fees of 28 basis points for corporate bonds and 16 basis points for government bonds.

Commenting on the month’s performance, Matthew Chessum, director of securities finance at S&P Global Market Intelligence, says: "Market activity in May was marked by volatility, as the equity market rebounded from the previous month's losses.”

SimCorp and Clearstream partner

SimCorp and Clearstream have partnered to incorporate Clearstream’s post-trade solutions into SimCorp One, the firm’s front-to-back investment platform.

Following the integration, SimCorp clients are now able to access Clearstream’s fund data solutions, allowing them to outsource the tasks of disseminating data, documents, and regulatory reporting for their funds.

This will provide cost-saving benefits as well as enhance efficiency and scale, the companies say.

The next step of the partnership will see Clearstream and SimCorp exploring the inclusion of further fund and securities services on the FundsDLT software-as-a-service (SaaS) transfer agency platform, as well as solutions for triparty repo.

On the partnership, Georg Hetrodt, SimCorp CEO, says: “Adding Clearstream to our existing ecosystem gives investment managers additional ways to leverage investment management solutions based on access to market infrastructure solutions.”

CEO of Clearstream, Philippe Seyll, adds: “By leveraging SimCorp as our partner within Deutsche Börse Group, we will make our offering even more readily accessible to the investment management industry. We are looking forward to a close collaboration and to expanding this partnership across Clearstream’s post-trade services for both securities and funds.”

Connecting markets: BrokerTec's next chapter

John Edwards and Sara Carter from CME Group sit down with Carmella Haswell to discuss the strategic moves the firm is making to expand BrokerTec's offering, including its new Chicago CLOB, global integration of the CLOB and BrokerTec Quote RFQ platforms, and growing the firm's footprint in Asia

With several record days so far in 2025, the first half of the year has been extremely active for CME Group's BrokerTec platform. The firm has much in the pipeline, as it lays out its strategic development plan for the second half of the year.

As the securities finance market continues to embrace electronification, the firm has rapidly grown BrokerTec Quote, expanding its global footprint and investing in new markets, corporate repo, mortgage-backed securities (MBS) repo, and securities lending.

In the second half of the year, BrokerTec is expanding its global front end to integrate BrokerTec Quote into the existing EU and US repo central limit order books (CLOBs), providing enhanced opportunities for clients and a more intuitive experience to be able to trade and manage orders between the two different market segments.

Strong volumes and continued growth

With ongoing geopolitical tensions, BrokerTec has seen an increase in volume as market participants look to hedge and manage their risk.

Providing an overview of performance, John Edwards, global head of BrokerTec, CME Group, says April was BrokerTec's highest overall volume month on record, with US$1.01 trillion in average daily notional value (ADNV) transacted, up 31 per cent year-on-year (YoY) and up six per cent month-on-month.

On 7 April 2025, the company set a new single-day volume record of US$1.2 trillion in ADNV traded across the BrokerTec complex. Between 3-15 April, the platform saw nine consecutive days with ADNV over US$1 trillion.

BrokerTec Quote is now in its fifth year, and Edwards notes that it has seen "phenomenal growth" over the last 12–24 months. Sara Carter, global head of repo at BrokerTec, CME Group, seconds this by noting the acceleration in growth and volumes over the past few years, but particularly in 2025, when the top 15 trading days all occurred. "We are really pleased with the growth and we're looking forward to bringing more functionality to the market. We continue to see strong client adoption from the banks and buy side clients."

BrokerTec has been focused on growing the platform, making regular enhancements in terms of features and functionalities, onboarding new customers and further expanding into fixed income with the addition of corporate repo in 2024. Carter adds: "We recently went live with repo on mortgage-backed securities and executed our first trades. We will be introducing US securities lending in addition to our already available European offering, and that will obviously continue to drive volumes going forward."

Clients accessing BrokerTec Quote can enter into repo transactions referencing a wide range of collateral, including all G10 products. BrokerTec continues to expand the collateral options available to participants. Issuances, for example, from Brazil, Chile, Colombia, Hong Kong, Indonesia, Mexico, New Zealand, and Qatar have recently been made available on the platform.

Connectivity and beyond

Looking to the future, Carter is excited to integrate BrokerTec Quote with the US and EU repo CLOB through its global front end in the second half of the year.

Providing connectivity between the two platforms will provide clients with enhanced opportunities regarding data analytics, efficient and transparent pricing for the sell side, who are active in the wholesale-cleared market, and provide core liquidity regarding incoming request-for-quotes (RFQs). The new connectivity will make it more intuitive for the sell side to be able to trade and manage orders between the two different market segments. As a result, the buy side should see faster price discovery for best execution.

Edwards views this as a “really interesting development” within the repo market, but is clear that this is not about merging dealer-to-dealer (D2D) cleared volumes with dealer-to-client (D2C) RFQ, predominantly bilateral activity.

As part of this new connectivity, sell side clients will need to upgrade to BrokerTec’s back-end trading system (BETS). According to Carter, by doing so, BrokerTec will be able to bring additional features and functionalities to the CLOB, and help to deploy them more quickly.

She explained: “We're really, really excited. The upgrade has started in the US already, and it will soon be enabled for European accounts. Additionally, the BETS upgrade provides another level of security for the banks.

“BrokerTec was a catalyst in the electronification of the repo market. We are always discussing: what opportunities lie ahead? What functionalities can we bring to market? What efficiencies and trading modalities can we bring to the market as it gets increasingly electronified?”

With much in the pipeline over the next 12 months, Edwards considers: “What other products or services can we offer our clients, whether they're trading cash bonds or whether they're trading repo and doing financing transactions?

“What can we bring that is unique and helps to differentiate our product over some of the competitors that occupy the same space on that side?”

“BrokerTec was a catalyst in the electronification of the repo market. We are always discussing: what opportunities lie ahead? What functionalities can we bring to market?”

Sara Carter
Global head of BrokerTec repo
CME Group

Edwards highlights the firm's achievement in this respect, by bringing SOFR and ESTR futures to its customers through existing tools such as BrokerTec's UI or other means of execution. He concludes: "Those are unique products to CME Group, and we're looking at how we can continue to leverage that going forward."

Asian expansion

Currently, BrokerTec offers repo on government and corporate bonds. These include new markets for securities, which are typically traded by counterparties or used as financing for collateral from counterparties based in the UK, EMEA, North America, etc. As Edwards and Carter continue to advance the BrokerTec repo business, the team is eager to expand its customer footprint across Asia Pacific.

Edwards explains: "It's a big region, and we pride ourselves on operating BrokerTec under a number of different regulated entities in different jurisdictions, which gives clients a great deal of satisfaction and confidence in terms of how we offer our services."

Carter shares that "we are applying for a licence in Singapore to extend our BrokerTec Quote business, and we're working closely with the authorities to keep everything on track."

CME Group already has a large footprint in the region and several employees are based in Singapore helping to support the future growth of the repo business, once BrokerTec's license is approved.

BrokerTec Quote already lists a suite of Asian products on the platform driven by London-based buy side client demand to trade these products. "By having a licence in Singapore, it will allow us to further extend our outreach to Asia-based customers," says Carter.

"Our ambition for BrokerTec Quote has always been to provide a global offering," Edwards adds. "While we initially focused on growth in EMEA and the US markets, as we've diversified to cover all fixed income asset classes, we've been able to grow further in Asia."

Edwards shares that Asia continues to be a central region for US Treasury trading for clients to manage their risk in real-time in response to the overnight news cycle and market-moving events. Recent trade policy changes, which have been announced at the end of the US trading day, have immediately hit market open in the Asia time zone, which has resulted in some "extremely high volume days" in the region.

He believes these market moves reinforce the importance of Asia as a trading centre. In April alone, as clients managed their tariff risks, BrokerTec saw ADNV for US Treasuries in the APAC and EMEA regions double the volume seen in Q1 2025. Further, between 4-8 April, ADNV in the region was four times higher than in the first quarter of this year.

During the 7 April Treasury rout, BrokerTec saw US$322.5 billion ADNV traded on its CLOB, the highest volume day since February 2021. Of this volume, 13 per cent came from Asia — nine times higher than the Q1 2025 average for the region.

A new transition

In March 2025, CME Group released details of its newest Treasury market initiative: BrokerTec Chicago. The project will introduce a second BrokerTec US Treasury CLOB, located next to the firm's futures and options market, which is based in the Chicago data centre.

The company has been laser-focused on bringing the US Treasury cash and futures markets closer together and unlocking efficiencies for clients since it acquired NEX Group, and therefore BrokerTec, in 2018.

The first stage of this process occurred in 2021 with the migration of BrokerTec's CLOB onto CME Globex. BrokerTec Chicago is the second phase in this process and will support spread trading between cash and derivatives markets. A purpose-built CLOB, BrokerTec Chicago will simplify the workflows or reduce some of the existing legging risk that the market typically sees as participants look to trade both products side by side.

Edwards explains that "it really helps in terms of the efficiency for deploying relative value strategies of which there are a large number of customers very active in that space".

"This is a significant new initiative that we are bringing to the market. We've had phenomenal customer demand, which continues to grow. We've commenced testing and we're excited to go live in Q3 of this year."

In terms of underlying market trends, over the last 10 years, liquidity in Treasury futures has grown relative to the cash market, creating increased client demand for relative-value trading strategies, the firm notes.

Due to this growth, the interdealer market in US Treasury cash on-the-runs has been segmented out into a two distinct use cases: risk transfer trades, for clients seeking larger stacks of liquidity, which the BrokerTec New York CLOB addresses, and relative value trades, between cash and futures, which typically seek out tighter prices in small trade sizes.

The New York CLOB will remain the primary venue for price discovery in the cash Treasury market, and is particularly suitable for larger risk-transfer trades.

Providing a rundown of its core capabilities, Edwards says clients of BrokerTec Chicago will benefit from co-location of the matching engine with futures and cash, which will reduce slippage and create more deterministic trading experience for customers, as well as enhance certainty of execution when trading cash versus futures.

He continues: "It will allow for more precise hedging because we're going to offer notional sizes, which are aligned with the futures market. Our current CLOB, in New York, has a minimum trade size of one million.

"The Chicago CLOB will allow clients to trade 200,000 lots for the two-year and the three-year, and 100,000 lots for contract sizes for the five-year and out for US Treasury benchmarks."

Edwards suggests that this will significantly reduce the tails for those trading the spread between futures and cash. BrokerTec Chicago will also offer tighter price increments, which will be at a 16th of a 32nd across the curve.

"We believe this will increase matching opportunities, and encourage a greater number of counterparties to trade in this new CLOB," says Edwards.

Lastly, the new CLOB will benefit from shared connectivity for CME Globex matching and the existing BrokerTec APIs. The new release is currently available for customer testing. The firm is working with customers to go through testing, as well as the major ISVs, who are an important link in terms of bringing those customers to market.

"Our ambition for BrokerTec Quote has always been to provide a global offering. While we initially focused on growth in EMEA and the US markets, we've been able to grow further in Asia."

John Edwards
Global head of BrokerTec
CME Group

The next chapter: An evolution of Margin Services

Following his recent relocation to London, O'Delle Burke, global head of Margin Services at J.P. Morgan, speaks to Carmella Haswell on reimagining the firm's approach to margin services, establishing bidirectional connectivity, and refining the buy side perspective

Following 14 years in Hong Kong, serving both the buy and sell side within Asian markets, O'Delle Burke, global head of Margin Services, has relocated to London, where he is looking to reimagine J.P. Morgan's approach to helping buy side clients meet their trade and margin obligations.

The move coincides with the firm's recent rebranding exercise, which saw J.P. Morgan's 'Collateral Management' making way for 'Margin Services'. This evolution is driven by a comprehensive understanding of the broader spectrum of services that buy side clients require, particularly from a financing and margining perspective.

"While we remain in the collateral management business, our service offering has become more comprehensive," Burke explains. "We are not only managing collateral but also addressing other requirements, such as trade valuation services, as not every client has the resources or infrastructure for mark-to-market calculation."

Actively refining its approach to cater to the expanding collateral services needs of its buy side clients, J.P. Morgan aims to adopt a more holistic approach going forward, considering the broader client perspective to enhance its service offerings.

A global outlook

Of his career trajectory from New York to Hong Kong and now in the UK, Burke says "it has been quite a journey". Discussing his most recent move, Burke believes London not only offers a unique advantage in terms of understanding the nuances between various regions, but also a "strategic timezone" that allows for "effective global coverage".

Elaborating on regional idiosyncrasies, he reveals that clients in Asia are particularly keen on understanding market dynamics, not just within Asia but also in EMEA and the Americas. "This impacts the support they seek from us," Burke explains. "For instance, buy side clients in Asia were the first to use triparty support for segregated initial margin, while buy side clients outside the region focused on control account structures."

In the collateral domain, while globally accepted securities and currencies are common in the Americas and Europe, Burke says the Asian market — with the exception of Japanese government bonds (JGBs) — is less established in terms of the acceptability of local securities and currencies. J.P. Morgan has worked to incorporate local securities like Korean government bonds into the collateral basket, with ongoing efforts to include China government bonds (CGBs), which are currently only used as collateral onshore in China. Outside China, CGBs are not yet widely used as collateral, despite the fact that the country's bond market is the second largest in the world.

In the Middle East and South Africa, the collateral market is relatively new. Saudi Arabia is beginning to use local government bonds as collateral, and South Africa has recently introduced its Uncleared Margin Rules (UMR), necessitating support for local market participants and securities. Mexico has also implemented UMR to align with global best practices for mitigating counterparty risk within the derivatives market.

The type of assets used as collateral in the market are predominantly cash, accounting for about 70 per cent of the total, while the remaining 30 per cent consists of securities collateral. Burke reveals that the increase in securities collateral usage is largely attributed to the UMR regulation, which favours securities over cash for segregated initial margin. He continues: "Securities collateral can be segregated, unlike cash collateral, which is considered a deposit and therefore is classified as a liability on the balance sheet."

Within his new London position, Burke looks to address primary challenges such as reducing the friction involved in delivering services.

"Clients often need to move assets from their native custodians to J.P. Morgan and then to the market, which can be a challenge for sophisticated clients with underlying clients and custodial relationships," he explains. "We are working with clients and their custodians to find solutions that avoid the need for this double transfer, streamlining the process."

Additionally, many buy side clients use order management systems, like Aladdin, Calypso, and Simcorp. "Our goal is to establish bidirectional connectivity to capture trade information for valuation and exposure, and to provide reporting back to these systems," Burke says. While this remains an obstacle for sophisticated clients, J.P. Morgan's Margin Services and Investment Middle Office Services are currently working to make this process more seamless.

> "Sell side institutions may have similar operational demands to the buy side when using equities collateral, presenting an opportunity for J.P. Morgan's Margin Services."

Furthermore, Burke pinpoints onboarding as another area of focus. From both an internal and external standpoint, opening the door for clients has proven difficult. According to Burke, clients often have specific requirements regarding the information needed to open accounts and set up agreements; however, this may not always align with J.P. Morgan's system requirements. "We are working on digitising the capture of relevant information to streamline the setup process, reducing time and cost for clients."

Refining the offering

Boasting a rebrand, Margin Services promises to provide a full spectrum of services beyond mere collateral management, offering a more holistic distribution of services to clients. "This is the evolution of our Margin Services, reflecting how we see ourselves in the market."

For instance, Burke indicates that if clients cannot provide exposure or valuation on their trade portfolio, they can rely on J.P. Morgan's Margin Services to assist. Additionally, for cleared activities, if a client works with a futures commission merchant or a prime broker, J.P. Morgan can read the broker statement and instruct payment on behalf of the client.

"We also help clients validate margin calls from these statements by comparing them with the calculations provided by the central counterparty or exchange, offering transparency in case of discrepancies," he explains.

In the realm of financing and margining, a common denominator is the shared asset pool. By streamlining the utilisation of these assets — whether they are to be traded, lent out, or used as collateral — J.P. Morgan aims to create a more efficient and cost-effective experience for its clients. For Burke, this streamlined approach not only benefits clients by enhancing efficiency but also offers opportunities for cost savings. "This is the main driver for refining our offering to our buy side client base," he says.

When the buy side community uses an agent lender, this process, says Burke, is conducted on a secured basis, with the lending agent ensuring the collateral type and size are appropriate. Historically, buy side clients were not directly involved in managing collateral for financing activities.

The introduction of UMR in 2016, which first focused on variation margin and later on phased in initial margin requirements, has necessitated a more direct involvement from certain buy side clients in managing and posting collateral for their over-the-counter (OTC) activities.

J.P. Morgan addresses these challenges by offering services as a collateral agent or margin services agent. This allows organisations to avoid setting up new departments to manage collateral activities, purchasing new systems, or integrating with industry utilities, as J.P. Morgan can manage these tasks on their behalf.

Burke expands: “In terms of portfolio activities, clients often have both cleared and bilateral activities, such as OTC derivatives and bilateral repo activities. Historically, clients managed these separately, in silos, with distinct operational processes and ring-fenced assets.” J.P. Morgan provides a solution in which it can assist clients with both cleared and uncleared activities, making the process “more uniform” and “streamlined”.

But what about the sell side?

Although J.P. Morgan primarily represents the buy side community when it comes to margin services, it does have some interaction with the sell side during margin exchanges, particularly for variation margin.

With respect to initial margin, there is a natural involvement in supporting buy side activities. Burke reveals: “Sell side institutions, such as swap dealers, typically establish their own units to capture trades, perform valuations, and exchange collateral for variation margin.”

J.P. Morgan regularly handles various sell side client needs via its triparty offering. When this group is required to post or pledge collateral for segregated initial margin, the firm will offer support. Moreover, if these institutions face challenges similar to those of the sophisticated buy side clients, Burke says the firm remains open to providing margin services.

In the OTC derivatives space, government bonds are the primary type of securities used as collateral. However, Burke notes, “there is growing interest in using equities as collateral”. Equities, with their “distinct nature” from cash and bonds, perform well in triparty financing.

He continues: “Sell side institutions may have similar operational demands to the buy side when using equities collateral, presenting an opportunity for J.P. Morgan's Margin Services.”

Per Burke, J.P. Morgan has also seen particular interest in posting equities to mitigate wider bid-offer spreads in FX forwards post the implementation of the Standardized Approach for Counterparty Credit Risk (SACCR). That means J.P. Morgan’s clients are voluntarily collateralising these positions for economic reasons rather than it being regulatory driven.

Striving for ‘custodian agnostic’

Looking forward, J.P. Morgan is focused on removing pain points and providing seamless solutions across financing and margining activities. While clients previously needed to purchase multiple products or services to meet their needs, the firm says it now aims to eliminate these conditions where possible, creating a more “seamless flow”.

“The Uncleared Margin Rules continue to evolve globally, with new markets implementing similar rules, requiring support for impacted clients.”

As J.P. Morgan remains dedicated to current clientele, Burke says the firm is also committed to future client needs. He explains: “Clients may explore further within the securities financing space, considering other asset types such as loan positions, physical assets, or commodities as collateral.”

J.P. Morgan intends to reduce friction in these processes, striving to be “custodian agnostic” and accommodating various middle office services and lending activities. Burke says that as the firm aims to meet clients “where they are” — it promises to support them in traversing the evolving collateral landscape.

In conclusion, Burke notes: “The collateral market is dynamic, with ongoing changes, particularly from a regulatory perspective. The Uncleared Margin Rules continue to evolve globally, with new markets implementing similar rules, requiring support for impacted clients. J.P. Morgan is committed to helping clients navigate these changes and meet their demands as they arise.”

European Securities Lending Panel

Industry experts look at the trends, opportunities, regulations, and potential impact of the T+1 cycle on securities lending facing the Continent

Panellists

Joseph Gillingwater, Global Head of Fixed Income Securities Finance Trading
Northern Trust Banking & Markets

Ross Bowman, Global Head of Client Management Securities Lending and Repo, Securities Services
BNP Paribas

Zoe Long, Associate, Agency Securities Finance Equities Trading
J.P. Morgan

Rickie Smith, Executive Director, Trading Services Product Manager
J.P. Morgan

How do you assess the performance of European securities lending markets over the past 12 months?

Ross Bowman: As the Greek philosopher Heraclitus famously said: "There is nothing permanent, except change." The securities lending market is no exception. Along with global capital markets reacting to breaking news on trade deals on a daily basis, ever-changing macro-conditions make for difficult year-over-year (YoY) securities lending performance comparisons.

At a simple 'numbers' level, reviewing performance is straight-forward, but the factors influencing the numbers are changeable and constantly evolving. Looking at the European equity securities lending market, revenues have progressively declined YoY. Although mergers and acquisitions (M&A) activity in 2024 did increase over 2023, 2025 has proved to be a slow starter. M&A and directional market investor conviction are large contributing factors to securities lending performance. Consequently, when these elements are absent or in decline, lenders focus on comparative performance trends, encompassing collateral flexibility, trade structures (term versus. overnight) and peer-group comparisons, to determine overall levels of programme performance, focusing on programme optimisation rather than the YoY revenue delta itself.

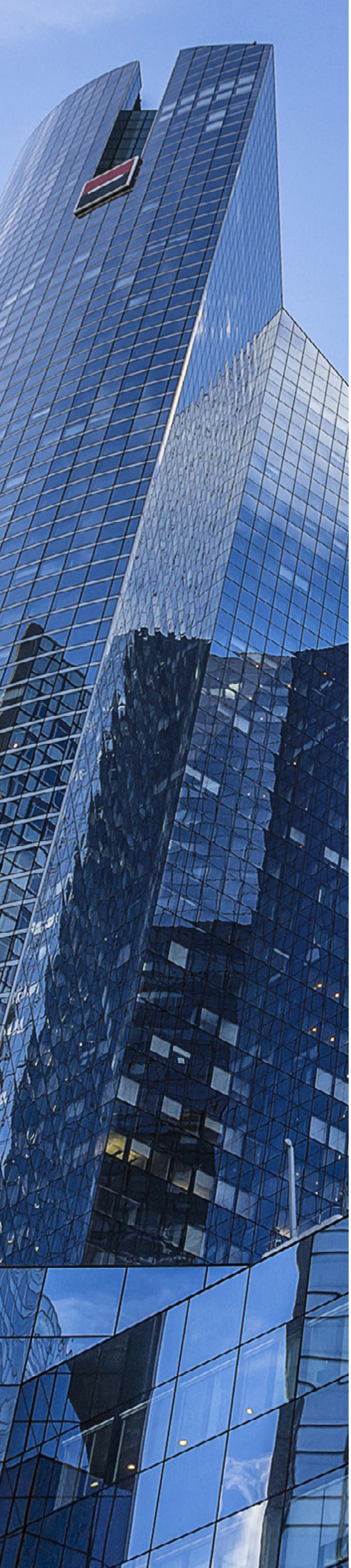
European government bonds remain in high demand, although downward pressure on fees has increased, as a result of borrowers becoming more efficient at managing balance sheet costs, adopting alternative trades structures to source supply (such as swaps), while seeking longer term trades, to replace overnight and shorter-dated term supply.

Zoe Long: US trade policy and geopolitical developments will continue to shape market direction and influence central bank policy. While the recent tariff-induced volatility was relatively short lived, prevailing uncertainty nevertheless means that risk remains.

In the Middle East and North Africa (MENA) region, there continues to be an acceleration of demand for specific names, which presents potential opportunities for the rest of the year and into 2026, while we anticipate opportunities in continental Europe, particularly in the context of European bank mergers and acquisitions, especially in Italy which has fuelled performance.

More broadly, we continue to expect counterparties to remain acutely focused on financial resource management, with binding constraints driving trading decisions. Accessing supply from capital-efficient sources of liquidity will remain central as will funding long inventory via collateral transformation and reverse repo to generate liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), in turn providing opportunities to drive alpha across various parts of the book.

Joseph Gillingwater: Securities lending markets have had a lot to contend with over the past 12 months, as stubborn inflationary pressures prolonged global higher-for-longer interest rate narratives, while geopolitical pressures added to uncertainty. Fixed income demand and revenue remained healthy with collateral upgrade trades continuing to be well sought. Indeed, equity valuations continued to rise after the US elections, with the Republican administration expected to be softer on bank regulation. This rally resulted in added funding pressures over year-end with banks having to contend with global systemically important banks (G-SIB) score pressures. In short, this



increased the demand for highly rated core European sovereign issuance.

Equity lending flows declined as elevated stock valuations meant investors remained heavily skewed to the long side. General collateral and hard-to-borrow volumes were impacted as a result, with revenues pressured for much of the period. However, activity rebounded in the first quarter of 2025 with significant market turbulence driven by uncertainty over the direction of US trade policy. President Trump's announcement of reciprocal tariffs on 2 April triggered a sharp equity sell-off and spike in volatility, resulting in more concentrated borrowing demand.

In which European markets, both by jurisdiction and asset class, do you identify the strongest opportunities for growth of your lending business?

Long: Given a number of headwinds across Europe, the Middle East and Africa (EMEA), which have clearly impacted industry revenues and relative performance over the past two years, it has become increasingly important to both broaden and evolve the product in order to continue to drive alpha and diversify revenue streams.

The MENA region is a current focal point in the securities lending market. A growing number of hedge funds have established operations in Saudi Arabia, aiding the development of a fully functioning capital market with both funding and short selling key to liquidity depth and supporting derivatives markets. We see the Gulf Cooperation Council (GCC) region as a key opportunity, and continue to build out our Saudi footprint both in terms of asset depth and diversity, client base, and counterparty breadth, while maintaining a keen focus on collateral and our financing capabilities as we look forward.

Within Turkey there was clear engagement and activity from a securities lending perspective throughout Q1, although flows remained somewhat constrained. Despite political tensions, the short sell ban remains under review and, if lifted, we anticipate further opportunities on the back of positioning to deploy liquidity and drive returns for our client base.

Elsewhere, market volatility driven by macroeconomic pressures has led investors to gravitate towards the safety of bonds. Despite Moody's downgrade of the US credit rating, sovereign bonds have demonstrated remarkable resiliency throughout tariff-induced turbulence, especially in the backdrop of increased importance of capitally efficient borrowing. While short positioning across the evergreen space has decreased, lending performance has remained strong, driven more from the funding side where institutions remain focused on upgrading collateral into high-quality liquid assets (HQLA) within LCR compliant structures.

Bowman: 2024 witnessed a substantial year-on-year growth of investor inflows into European exchange traded funds (ETFs). Although its flexibility, simplicity, and relatively low cost of investment make it an asset class of choice in Europe today, the overall size of the ETF market is much smaller than that of the cash equity and fixed income markets. With collective investment vehicles, such as UCITS funds, representing around 18 per cent of global on loan balances, and consequently an even larger percentage of available market inventory, the launch and expansion of ETFs by UCITS funds supports this growth potential, as demand in the lending market to borrower ETFs and the underlying securities of the ETF could potentially provide additional securities lending performance returns for investors.

What pressures and opportunities have recent regulatory initiatives created for your securities lending business?

Rickie Smith: Recent regulatory initiatives such as Basel III capital rules, the Central Securities Depositories Regulation (CSDR), and the move toward T+1 accelerated settlement have created both significant pressures and compelling opportunities for our securities lending business.

The pressures are clear — Basel III's capital and liquidity requirements have prompted many counterparties to reassess the economics of their lending and borrowing strategies, making balance sheet efficiency more critical than ever. At the same time, CSDR's settlement discipline regime has heightened the operational stakes, demanding greater precision and timeliness to avoid penalties and maintain client trust. The shift to T+1 in key markets is compounding these challenges by tightening operational timelines and reducing the margin for error across the trade lifecycle.

But these changes are also driving innovation. We have been proactive in investing in automation, real-time data infrastructure, and smarter optimisation to support more agile, compliant, and cost-effective lending. These upgrades not only mitigate regulatory risks, but also enhance the client experience by improving transparency, settlement efficiency, and return optimisation.

Overall, while the regulatory trajectory demands more from us operationally, it is also reinforcing our strategic role in helping clients navigate an increasingly complex market landscape with confidence and agility.

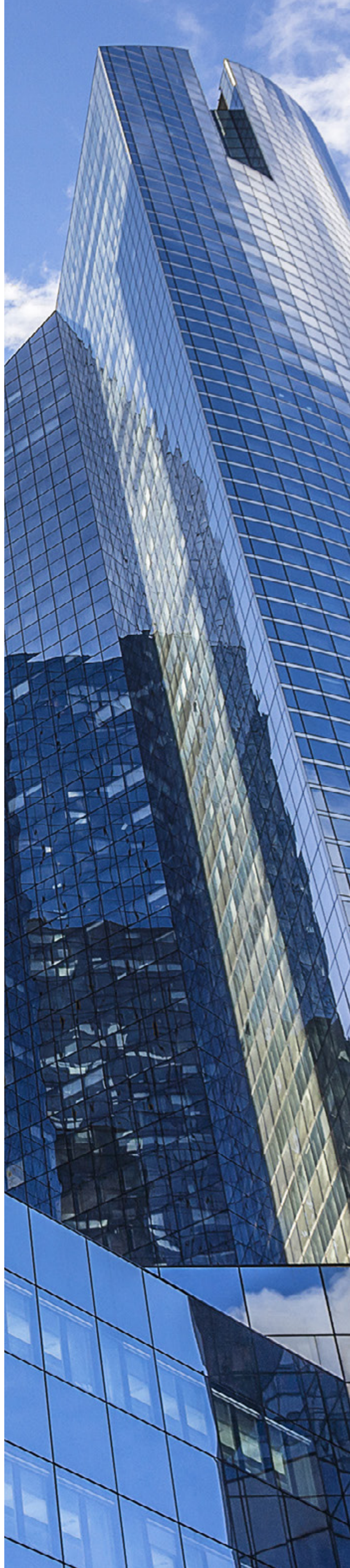
Gillingwater: Like recent years, regulation has continued to shape the wider industry, with the new US administration expected to ease the regulatory burden on banks. This could lead to some dislocation versus international peers, potentially disadvantaging non-US banks most active in international markets. Most of the focus remains on the Basel III Endgame, and clarity on whether the Trump administration will alter the Basel rules or even mark the 'Endgame for Endgame'.

> "Having an effective strategy and a detailed development and investment plan in place will be a critical component to the success of a smooth transition for any business."

Ross Bowman
Global Head of Client Management
Securities Lending and Repo,
Securities Services
BNP Paribas

While delayed for 12 months, the US Securities and Exchange Commission's (SEC's) mandatory clearing rules require significant attention and staffing resources. Securities lending transactions are out of scope, though cash reinvestment desks partaking in US Treasury repo transactions will need to ensure full documentation is in place for compliance in June 2027.

Lastly, settlement efficiency remains a key theme after Canada and the US successfully adopted



the move to an accelerated T+1 settlement cycle in May 2024. In contrast with prior concerns around settlement discipline, the relatively smooth North American process paves the way for other markets to adopt the same measures, with Europe and the United Kingdom confirmed to transition in October 2027, benefitting from 'second-mover advantage'.

The UK, Europe, and Switzerland are in alignment when it comes to T+1, with a confirmed implementation date of 11 October 2027. What investments and adaptations will your firm need to make to be T+1 ready? What role will automation play in this?

Bowman: Each market participant will have its own process and technological needs with respect to the adaptation of its business in accommodating T+1 settlement in the UK, Europe, and Switzerland. The securities lending market has already adopted T+1 settlement in the US last year, with valuable lessons learnt, by each firm, from that experience. However, the complexity of Europe's many markets, multiple currencies, numerous central securities depositories (CSDs), etc., will create three main challenges.

The first will be the internal changes firms will need to make to their current processes, either manual or with automation. The second will be the alignment and agreement of 'market standard' practices and guidelines so the interconnectedness across the lending market and participating firms is minimally disrupted. The third will be related to the scale in adoption of automated matching platforms to minimise manual processes, under the restricted settlement timeframe.

T+1 industry taskforces and the International Securities Lending Association (ISLA) are keeping market participants 'on point' with the second challenge, but, as we saw with the move to T+1 in the US equity market, adoption of automated platform solutions appeared not to be widespread, creating process fragmentation across the industry, that was typically backfilled with manual solutions; processes that may well still be in place today. Having an effective strategy and a detailed development and investment plan in place, well in advance of the implementation of the regulation, supported by a mindset of open engagement with the wider industry, will be a critical component to the success of a smooth transition for any business.

Smith: The move to T+1 settlement is more than just a compression of timelines, it is a fundamental shift in market infrastructure that demands front-to-back integration, speed, and accuracy. For our firm, it is a catalyst to accelerate strategic investments we have already been making in automation, data quality, and exception management.

As the industry develops new best practices to address the regulatory changes, our focus from a development point of view is twofold. First, we are investing in real-time processing capabilities across the full trade lifecycle, improving data integrity across systems and counterparties which will be imperative in ensuring our readiness. Second, we are working closely with our technology partners and internal teams to ensure our operating model is lean, resilient, and capable of straight-through processing wherever possible.

Automation will play a pivotal role — not just in meeting the compressed timelines, but in transforming how we operate long term. By automating manual touchpoints, we reduce operational risk, improve scalability, and free up our teams to focus on proactive exception handling. T+1 is not simply a compliance deadline, it is an opportunity to future-proof our business and better serve clients who are demanding more speed and certainty in their transactions.

A lot of work around automation was implemented as a result of the US, Canada and Mexico move to T+1, therefore with more markets following this is reinforcing a shift that was already underway: from operational silos to integrated, intelligent trade ecosystems. And for firms that embrace this early and decisively, there is a real competitive advantage to be gained.

How are geopolitical and macroeconomic events shaping your business decisions? How do you see these changes shaping the securities finance market overall?

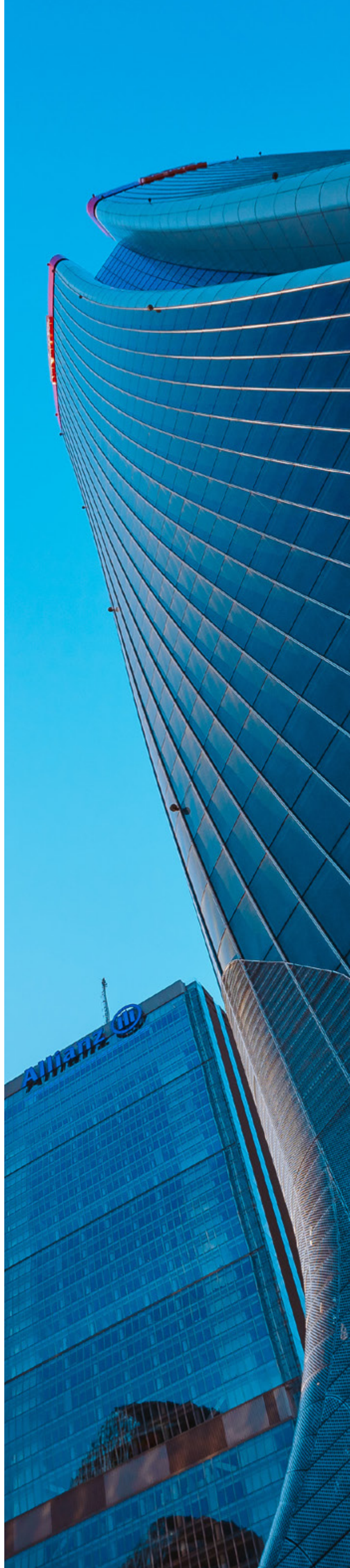
Long: One way to successfully navigate such market conditions is through a broad, diverse trading book. The ability to pivot and leverage a wide range of distribution channels to deploy liquidity across different trade structures is key to both managing risk and driving risk adjusted returns for our client base. For example, while we continue to see pressures on the short side, we have observed strong performance across the funding book through 2025 year-to-date, driven by the long positioning of the market and the need to fund assets. Quantitative tightening has reduced central banks' balance sheets with an abundance of collateral returning to the market after a sustained period of collateral scarcity. The general long bias that has persisted has meant much of the focus we've seen across the borrower community has switched away from the short side, and more towards the funding of longs.

This year's volatility was spurred by macroeconomic policy shifts occurring around the world, with new election candidates coming into power globally. The US's most recent policies on tariffs generated short interest, particularly in sectors such as automobiles, healthcare, and semiconductors, all of which we have particularly targeted by tariffs. This in turn has presented a significant opportunity for short interest in the market and resultant borrowing demand.

> "The move to T+1 settlement is more than just a compression of timelines, it is a fundamental shift in market infrastructure that demands front-to-back integration, speed, and accuracy."

Rickie Smith
Executive Director
Trading Services Product Manager
J.P. Morgan

The war in Ukraine, alongside ongoing geopolitical tensions in the Middle East, continues to fuel demand for defence stocks. Unsurprisingly, gold hit all-time highs amid a flight to safety, reflecting investors' lack of appetite for high yield during instability in equity markets, compounded by Moody's downgrade of the US credit rating, resulting



in hedge fund deleveraging due to turbulence and uncertainty.

Gillingwater: Elections in much of the world prompted ongoing market nervousness, with the new US administration posing a degree of volatility across international markets. European sovereign bonds subsequently sold off in wild fashion during the latter part of the period as uncertainty around US defence policy led to historic fiscal expansion efforts. Germany was forced to materially increase defence spending, with significant new bund issuance driving sovereign bond yields meaningfully higher. Indeed, the 30 basis points one-day increase in the 10-year German Bund was the most since the fall of the Berlin Wall, back in 1989. The lingering war in Ukraine and more recent Israel-Palestinian conflict only added to heightened concerns around market risk. These instances broadly prompted a flight-to-quality, with a notable bid for dollar-denominated bonds.

How do you assess the outlook for European securities lending markets for the remainder of 2025 and into 2026?

Gillingwater: Securities lending activity remains resilient in the face of numerous headwinds and regulatory changes. Traditional reactive flow remains somewhat subdued with moderate specials demand and a lack of corporate events and IPOs. Moreover, well-telegraphed central bank policy and adequate market liquidity leads to narrower fees across the bond lending space. However, lenders are finding niche opportunities with more focussed strategic initiatives coming to the fore. Collateral upgrade trades should remain well-sought as banks contend with funding ratios and seasonal financing pressures. Across both fixed income and equities, we expect the trend of alternative collateral structures to remain in place, benefitting clients able to look down the collateral credit curve and adopt segregated structures which align with the agent lenders' evolving regulatory capital framework. These types of structures typically improve a beneficial owners' attractiveness, presenting significantly higher utilisation and elevated lending fees.

> "Well-telegraphed central bank policy and adequate market liquidity leads to narrower fees across the bond lending space."
>
> **Joseph Gillingwater**
> Global Head of Fixed Income Securities Finance Trading
> **Northern Trust Banking & Markets**

Bowman: These 'crystal ball' type questions are becoming more and more difficult to answer, for many of the reasons already covered. What will be key for any market participant though will be to become as nimble and as open to opportunities as possible. With change being the only permanent, continuing to operate for another 12 months without embracing the flexibility to consider new trade opportunities, collateral options, and different market structures, lenders will remain heavily reliant on the occurrence of specials, and as the European markets have shown over the past 12 months, there is no guarantee they will materialise in any great abundance.

Enhanced SFTR scrutiny: The path forward for reporting firms

Jonathan Lee, senior regulatory reporting specialist at Kaizen, speaks with Justin Lawson about ESMA's latest data quality report, which reveals significant shortcomings in SFT reporting and signals a new era of enhanced regulatory enforcement

ESMA's recent report delivers quite a stark message on SFTR data quality. What is your immediate takeaway?

The European Securities and Markets Authority (ESMA) could not be clearer with its statement that "reporting entities must increase the quality of their reported data significantly". The report confirms what many of us in the industry have suspected — despite the Securities Financing Transactions Regulation (SFTR) being live for nearly five years, the data quality still has substantial room for improvement. What is encouraging is seeing the structured approach ESMA is now taking through the Data Quality Indicators (DQI) framework, which gives firms concrete metrics to measure themselves against.

Under SFTR, the reporting entity is usually the trading firm — both sell and buy side firms like banks, asset managers and insurers — even if reporting is delegated to a custodian or agent lender. Delegation does not shift responsibility. The firm remains fully accountable for the accuracy, completeness, and timeliness of data submitted on its behalf, regardless of who handles the reporting mechanics.

One issue lurking beneath these data quality concerns is the widespread use of delegated reporting. Many buy side firms rely on third-party agent lenders to generate and submit their SFTR reports. But this arrangement can create dangerous blind spots, especially if firms lack the capability to independently validate what is being reported on their behalf.

One interesting development in the report is the enhanced cooperation with BaFin. How significant is this?

This is actually a very positive development. Historically, we have seen somewhat uneven regulatory scrutiny across different EU jurisdictions, creating challenges for firms operating across multiple countries. The 'enhanced periodic engagement' between ESMA and the Federal Financial Supervisory Authority (BaFin) signals a more coordinated supervisory approach. BaFin stepping up their efforts suggests we are moving toward more consistent enforcement across the EU, which ultimately creates a more level playing field.

Let us talk about the Data Quality Indicators that ESMA has now fully implemented for SFTR. Which ones stand out to you?

The valuation metrics are particularly noteworthy. Missing valuations have improved dramatically — dropping from 26.3 per cent to 8.5 per cent over about 21 months — but that is still well above ESMA's five per cent threshold. Even more concerning are outdated valuations, which ESMA explicitly calls “the worst among depicted DQIs” at 26 per cent by December 2024.

What is telling about both these metrics is that ESMA attributes the improvement to “amelioration of reporting by a few of the major reporting entities”. This suggests a concentration of responsibility among larger market participants, and those who have not addressed these issues yet will likely face increased scrutiny.

Why are those valuation metrics so important to regulators?

ESMA makes this crystal clear in the report when it says “having updated information in times of adverse market movements and crises is crucial for authorities”. Remember, SFTR was born out of the 2008 financial crisis and concerns about the shadow banking system. Regulators need accurate, timely valuation data to monitor systemic risk effectively, especially during market stress. When over a quarter of valuations are outdated, that creates significant blind spots for supervisory monitoring.

The trade reporting discrepancies seem particularly high at 35 per cent. Should firms be concerned?

Absolutely. That 35 per cent mismatch rate between counterparty pairs is startling, especially when you consider that ESMA's threshold is just five per cent, and even the European Market Infrastructure Regulation (EMIR) — which has its own matching challenges — shows only 20.5 per cent.

What makes this particularly surprising is that many SFTR reports are single-sided, and even for dual-sided reports, we often see reporting delegated to one party with pre-matching and data enrichment from third-party providers. But delegation does not remove liability — buy side firms are still accountable for ensuring their reports are accurate, complete, and timely, regardless of who submits them. The current environment is making that accountability harder to ignore.

The report seems to focus heavily on securities lending – is that a concern?

At Kaizen, we would have liked to see more attention on repo transactions, given their greater systemic risk significance. Securities lending is certainly important, but repos typically represent much larger values and are more closely tied to short-term funding markets that can transmit financial shocks. The focus on securities lending elements, particularly the historical issue with inflated market values for open-term securities loans, is valid but perhaps unbalanced.

What should firms be doing now in response to this report?

First, firms should benchmark their own performance against these Data Quality Indicators. If you are falling short of ESMA's thresholds — particularly on valuations and trade matching — you need remediation plans in place immediately.

Second, review your internal controls around valuation updates. ESMA has made it abundantly clear that outdated valuations are unacceptable, especially for open positions.

Third, do not be lulled into a false sense of security just because you are below the thresholds. Perhaps most telling is Data Quality Indicator 11A - Anomalies. This uses statistical and machine learning techniques to flag values that deviate from market norms or best practice. While ESMA provides little detail on how this works, it effectively acts as a catch-all, designed to detect inconsistencies that may be incorrect, misleading, or paint a false picture of your firm's positions. Just because your data passes validation rules does not mean it is accurate — and both ESMA and national competent authorities are watching closely.

Fourth, prepare for more direct regulatory engagement. The enhanced cooperation between ESMA and national competent authorities like BaFin indicates heightened scrutiny is coming. Firms with persistent data quality issues should expect more targeted supervisory action.

Finally, firms that delegate reporting should reassess their internal oversight arrangements. With ESMA signalling increased scrutiny, relying entirely on an agent lender or third-party vendor without proper reconciliation or validation mechanisms is no longer a tenable strategy. Regulators will hold the reporting entity accountable — not the delegate.

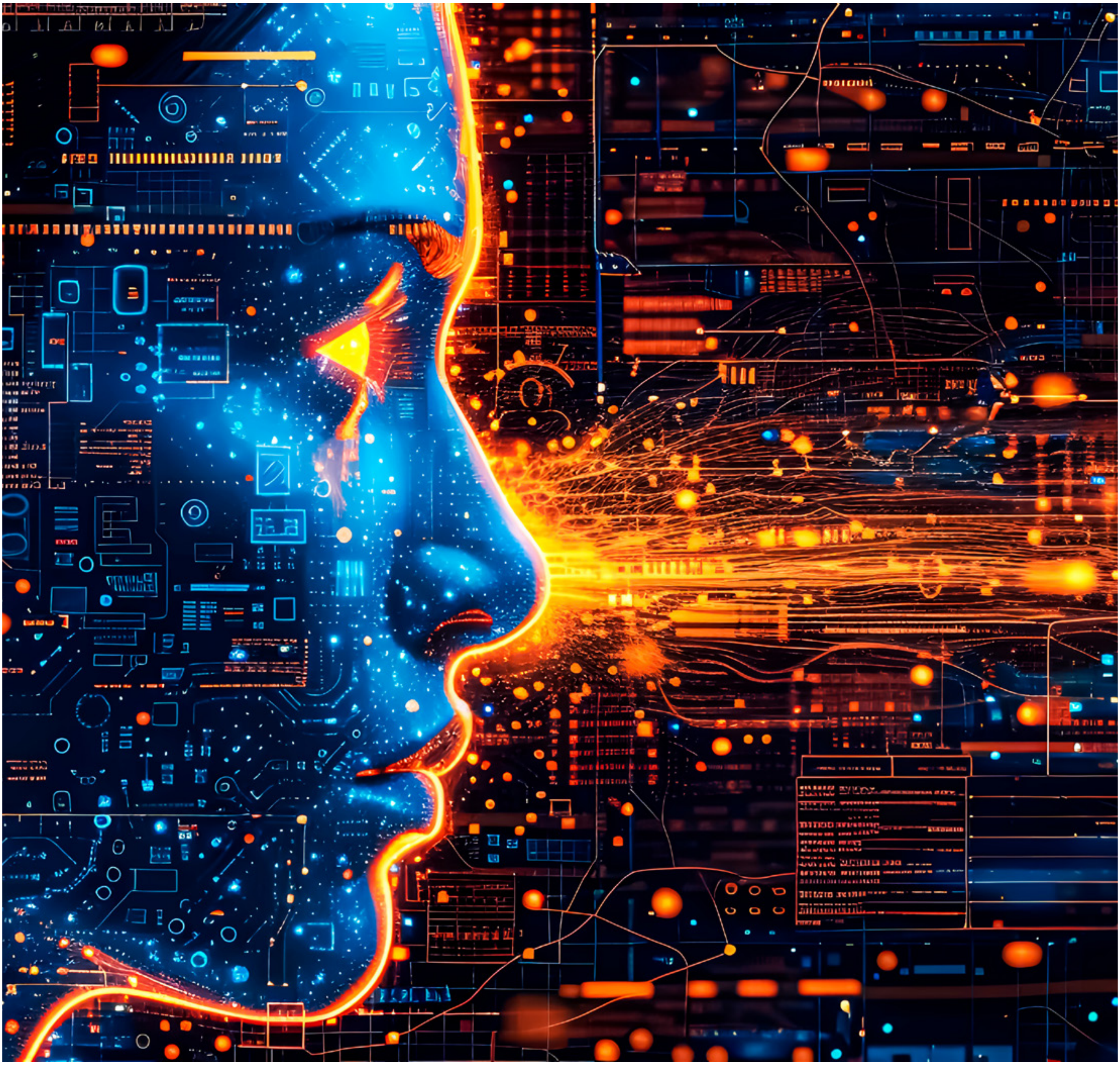
Five years after implementation, are you optimistic about the future of SFTR reporting?

I am cautiously optimistic. The publication of the Data Quality Engagement Framework and specific DQIs provides greater regulatory certainty, which is always helpful for compliance teams. The coordinated approach between ESMA and national authorities is also promising.

However, I remain concerned about the industry's preoccupation with simple matching rates as a proxy for data quality — especially among firms who assume delegation covers their compliance responsibilities. It does not. We need a mindset shift where firms take ownership of their data, even when others report it on their behalf.

The report makes clear that ESMA's patience is running thin when it comes to data quality issues. Firms that have not prioritised their SFTR reporting infrastructure and controls need to do so immediately — or risk finding themselves the subject of those 'targeted efforts' regulators are now pursuing.

Jonathan Lee
Senior regulatory reporting specialist
Kaizen



Enterprise collateral optimisation: Transcend's connected approach

Paul Wilson, sales director EMEA at Transcend, provides an in-depth discussion on why firms must prioritise collateral optimisation and connectivity to unlock value

For capital markets businesses, collateral is more than just an operations necessity — it is a core lever of balance sheet efficiency and liquidity management which, if handled effectively, creates a strategic advantage. As regulatory mandates continue to trend tighter and trading strategies evolve, the ability to deploy collateral intelligently across the enterprise is now a critical function.

Many financial institutions, however, continue to rely on outdated technology, manual processes, and business-siloed decision making. These legacy approaches limit collateral visibility and impede mobility, which means increased funding costs, aka lost P&L.

Collateral optimisation addresses these challenges by aligning collateral usage with strategic objectives, whether to reduce funding costs, meet regulatory obligations more efficiently, or maximise asset utilisation. Yet optimisation is only as effective as the connectivity supporting it. Collateral connectivity — the seamless integration of data, systems, entities, and venues — enables real-time insights and action, ensuring the right assets are in the right place at the right time.

Transcend's connected approach is unique in its ability to provide both collateral optimisation and collateral connectivity. Together, the ability to connect to the global matrix of venues and optimise for configurable scenarios within and across them, forms the most complete foundation for true enterprise collateral management.

The following case studies demonstrate how two global firms used Transcend to transform their collateral strategy and operations, achieving significant gains in funding efficiency, transparency, and risk control.

Case study one: Enterprise optimisation across equities and fixed income desks

The challenge

A global bank faced a broad challenge — how to unlock realised collateral savings (net stable funding ratio (NSFR), liquidity coverage ratio (LCR), etc.), but at the enterprise level. This could be accomplished by optimising collateral across both equities and fixed income desks, each with distinct requirements and previously siloed operations teams and infrastructure.

Key operational pain points included:

- **Complex constraint environment.** The firm needed to optimise across multiple dimensions, including asset quality, haircut, LCR, tenor, maturity, operational movements, and even customer or firm-driven attributes.
- **Siloed infrastructure.** Without integration between venues or business units, collateral mobility was limited, and optimisation opportunities were missed.
- **Manual eligibility checks.** Lacking visibility into actual agent-level eligibility, internal teams moved collateral based on assumptions rather than analytics, resulting in poor asset placement success and unnecessary cost.
- **Tagging and allocation limitations.** The firm could not accurately tag or allocate assets at the shell level, making it difficult to fully utilise triparty optimisation platforms.
- **Record date risks.** Assets were sometimes trapped in non-optimal locations around record dates, reducing their usable liquidity and collateral value.

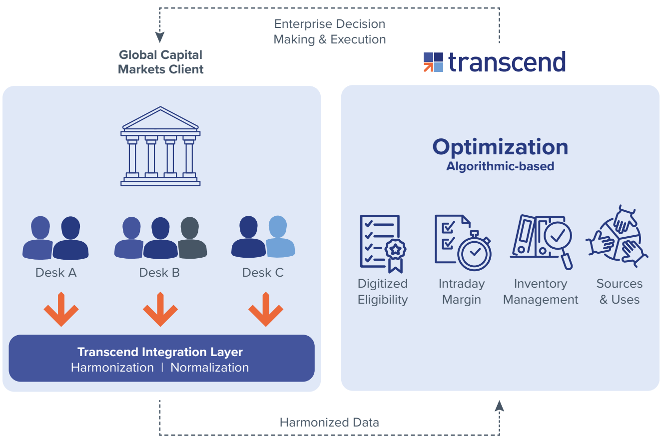
The solution and benefit

Transcend's Cross Triparty Optimization solution provided the firm with a centralised and intelligent platform for enterprise-wide collateral decision making and execution:

- **Full visibility across venues.** With daily insights into eligibility, positions, trades, and usage across multiple triparty agents, the firm could position assets optimally early in the day, ensuring maximum availability for end-of-day shell allocations.
- **Defined optimisation parameters**. The platform allowed the firm to configure optimisation rules to suit individual desk or cross-desk priorities — whether minimising haircut, maximising asset quality retention, preserving liquidity, reducing buffers, saving on movement costs, or just factoring unique counterparty of client attributes.
- **Systemic execution.** Optimisation outputs were automatically fed into internal systems and to triparty venues, streamlining execution and improving accuracy.
- **Shell-level precision.** The firm gained the ability to dictate exact shell-level preferences, achieving targeted results for both operational efficiency and economic value.
- **A single, connected platform.** By consolidating visibility across business lines and venues, Transcend enabled the firm to break

down internal silos and achieve holistic optimisation — resulting in better funding decisions, reduced operational risk, and meaningful cost savings.

This transformation gave the firm true enterprise-wide control over collateral, unlocking a new level of agility and strategic alignment between business units, saving tens of millions in P&L and countless manhours.



Case study two: Optimisation for equities desks across the US and UK

The challenge

Another global bank wanted to optimise collateral across regionally siloed equities finance desks but faced multiple structural and operational hurdles, such as:

- **Manual allocation practices**. Collateral selection and substitution were largely manual, due to siloed operations teams creating inefficiencies and limiting flexibility.
- **Lack of automation and mobility.** Without automation and cross-region asset mobility, the firm was unable to react dynamically to funding needs and market conditions.
- **Collateral recall challenges.** Counterparty re-use of pledged collateral made it difficult to recall and redeploy assets efficiently.
- **Inadequate agreement data.** Internal systems lacked digitised eligibility data, making it hard to validate decisions and optimise allocations.
- **No cross-triparty optimisation.** The firm could not coordinate movements across triparty venues or manage shell-level preferences or effectively differentiate between firm and client priorities.
- **Missing scenario analysis:** The team was unable to run hypothetical 'what-if' simulations to inform strategic decisions or forecast the impact of proposed asset movements.

Transcend solution and benefit

By implementing Transcend's optimisation platform, the firm was able to automate and elevate its collateral operations across the US and UK:

- **Shell-level automation.** Optimal collateral allocation decisions were automated and tailored to shell-level requirements for multiple venues, reflecting asset quality, haircut, and client-versus-firm usage constraints.
- **STP booking to triparty agents.** Using Transcend's straight-through processing (STP) booking services, the firm automated collateral movements directly into multiple triparty venues, dramatically reducing operational overhead and effectively broadening the pool of available collateral.
- **Enhanced inventory visibility.** Real-time insights into collateral inventory and movements enabled proactive decision-making and efficient asset sourcing, as well as facilitating better trading decisions.
- **Hypothetical scenarios.** Teams could now model what-if scenarios, such as acquiring new client assets or adjusting the funding mix, helping determine the most cost-effective strategies while preserving high-quality liquid assets.
- **Measurable impact.** The optimisation efforts revealed an opportunity to increase funding capacity by US$500 million in less-liquid assets, improving overall balance sheet usage.

This marked a transformative shift, with equities finance teams now equipped with both the tools and the data needed to make smarter, faster collateral decisions at a coordinated global level.

The value of collateral connectivity

Collateral connectivity refers to the seamless, real-time orchestration of data, systems, entities, and movements across the entire collateral ecosystem.

These case studies underscore a central truth — collateral optimisation is only as powerful as the connectivity that supports it.

That is the strength of Transcend. We unlock the power of a connected ecosystem through off-the-shelf, seamless data and operational integration with all major global triparty agents, internal systems, most major vendor platforms, more than 40 custodians, over 45 central counterparties, SWIFT, Fedwire, CSDs, and other major market infrastructure.

This connectivity has taken us more than a decade to build, but without it, we would not be able to achieve the benefits our clients are looking for. These include:

- **Real-time visibility** into detail-rich assets and obligations, along with comprehensive eligibility terms and constraints.
- **Enterprise optimisation:** Intelligent analytics that enable cross-entity, cross-venue optimisation aligned with firm-specific constraints and objectives.
- **Automation at scale:** STP capabilities to automate collateral allocations and substitution workflows, reducing operational load and settlement risk.
- **Real-time insights:** Dashboards and analytical tools to provide a 360-degree view of inventory, usage, and opportunity.
- **Strategic scenario analysis:** What-if modelling to evaluate new funding strategies, asset sourcing decisions, and balance sheet impacts.
- **Accurate tagging of data and booking orchestration:** Reducing reconciliation errors and improving allocation precision.
- **Coordinated movements across silos:** Breaking down the traditional barriers between desks, regions, and business functions.
- **Proactive response** to change with configurable scenario creation, whether driven by markets, regulations, or liquidity events.

Without robust connectivity, optimisation remains solely a theoretical exercise. With it, optimisation becomes a driver of real business value.

Enabling smarter allocation decisions or transforming legacy processes, Transcend equips its clients with the tools, insights, and infrastructure to achieve their strategic goals.

To learn more about Transcend's optimisation capabilities or any of our other innovative products for enhancing liquidity, funding, and collateral decisions, visit us at www.transcendstreet.com or contact us at sales@transcendstreet.com.

"As regulatory mandates continue to trend tighter and trading strategies evolve, the ability to deploy collateral intelligently across the enterprise is now a critical function."

Paul Wilson
Sales director EMEA
Transcend

Beyond efficiency: Trading technology for upside

Technology is not just replicating workflows, it is redefining what is possible, says James Day, client relationship director at GLMX, who explores the potential of technology to streamline and elevate in order to expand potential

For years, the conversation around trading technology in securities finance, across repo and securities borrowing and lending (SBL), has centred on efficiency — reducing manual work, minimising errors, and improving settlement rates. These are critical outcomes, especially in high-volume markets. But we are at a turning point.

Today, the market has reached a level of electronification where baseline efficiency is expected. The true opportunity lies beyond error reduction and latency optimisation: it is about unlocking the ability to prosecute higher-value trades, tap into more complex and nuanced opportunities, and scale business intelligently across asset classes and regions.

This is not just evolution — it is transformation.

From plumbing to performance

As recently as five years ago, many SBL and repo desks were still reliant solely on spreadsheets, phone calls, instant messaging, and disjointed systems to execute on their trading decisions. In that world, ‘technology’ meant automating what was already being done manually.

But now, technology is not just replicating workflows — it is redefining what is possible. Automation, integration, sophisticated decision support, and connectivity are not just reducing friction; they are expanding the surface area of what can be traded, with whom, and how often.

This shift changes the conversation from ‘how do we reduce fails?’

to how do we use tech to grow faster, win better business, optimise resources, reduce risk, and trade more strategically?

Three forces redefining growth

1. Scale with confidence

Modern trading platforms are removing previous trade-offs between volume and control. Clients can handle thousands of transactions in real time — across general collateral (GC), non-GC and hard-to-borrow securities lending, and collateral transformation — with audit trails, compliance automation, and actionable insights built in.

What makes this possible?

- Targeted availability lists that update dynamically throughout the day, so traders act on real, relevant inventory — not outdated broadcasts.
- Deep integration with client order management systems (OMS) and trading applications, enabling real-time alignment between trading desks and front-office execution strategies.

At GLMX, we offer a range of negotiation protocols to manage different workflows and multiple connectivity options to suit all types of firms.

This is what makes true scale not just possible — but manageable and profitable.

2. Unlocking high-value trades

It is not simply about doing more — it is about doing better. The right technology empowers traders to identify, pursue, and execute complex or high-value trades that would otherwise remain out of reach.

Key enablers here include:

- Multi-variable negotiation, allowing participants to move beyond binary trade terms and engage with counterparties on rate, term, collateral, margin, and other dimensions — all within a single interaction.
- Real-time analytics and trade lifecycle management that surface opportunities and mitigate risks before they impact P&L.

From sourcing specials in hard-to-borrow equities to managing real-time substitutions in structured repo chains, advanced tools are turning missed opportunities into realised gains.

3. Cross-asset growth

Clients increasingly desire a single platform that supports all of their financing related activities in repo, securities lending, and total return swaps (TRS) across fixed income and equities. This is not about convergence in theory — it is already happening on the desks.

To support this, platforms need:

- Unified workflows that reflect how desks actually operate across asset classes.
- OMS integrations that allow seamless execution across desks, regions, and counterparties.
- The flexibility to broadcast, receive, negotiate, and execute across a range of instruments and protocols — without switching systems or workarounds.

The result is not just operational convenience — it is strategic growth, trading optimisation, and smarter client coverage.

Two use cases: Value over volume

Use case one: Sourcing liquidity in non-GC SBL

Locating off GC, warms, and hard-to-borrow securities once meant manual outreach and fragmented workflows. Today, borrowers can:

- broadcast targeted inquiries to relevant lenders, not a generic list
- receive firm, live quotes based on current availability and limits
- negotiate nuanced terms using multi-variable protocols
- execute, track, and manage — all in one place

The impact is faster access to broader liquidity pools, better pricing, lower latency and a higher win rate on trades.

Use case two: Managing lifecycle events in repo

Substitutions, partials, and re-rates can quickly become a bottleneck. But with integrated lifecycle tools:

- automated workflows prioritise and manage events at scale

- traders, operations, and risk stay in sync via connected systems
- capacity increases, allowing firms to take on more valuable business without additional operational drag

The impact — risk is reduced, capacity is freed, and traders focus on forward-looking opportunities.

The tipping point: Real technology, real scale

The industry is past the experimentation phase. We have hit a tipping point where technology adoption is widespread — but now clients are demanding more. Not just functionality. Not just resiliency. They want platforms that help them *win better business, faster.*

That means:

- Engaging directly at the point of trade, not through multiple handoffs.
- Using dynamic availability lists to seize real-time opportunities.
- Leveraging OMS integrations to connect pre-trade intent with post-trade execution.

It is no longer enough for technology to help participants keep up. It has to help them pull ahead.

A new technology standard

Leading firms are not just evaluating platforms based on whether they reduce operational load. They are asking:

- Can this technology make me a better trader?
- Can I access additional pools of liquidity?
- Does it help me win high-value trades more consistently?
- Is it equipped to support my cross-asset strategy?

These are the questions driving adoption — and investment.

Final thought: Growth is the new efficiency

Efficiency remains foundational — but it is no longer the finish line. As repo, SBL, and TRS continue to evolve in size, complexity, and importance, the firms that thrive will be those who use technology not only to streamline, but to elevate.

We have entered a new era where trading technology is no longer just about reducing friction — it is about expanding potential.

At GLMX, that is exactly the future we are building.

“We have entered a new era where trading technology is no longer just about reducing friction — it is about expanding potential.”

James Day
Client relationship director
GLMX

Joining forces on collateral optimisation

Marije Verhelst, head of product strategy and development, collateral management and securities lending, Euroclear, and Todd Hodgin, global head of product at Transcend, discuss why collateral optimisation is no longer a luxury, but a necessity

Collateral optimisation has become a frequently discussed topic over the last few years. What has changed in your clients' optimisation demands over this period?

Marije Verhelst: Historically, collateral optimisation has always had a main objective of minimising the overall cost of funding of a firm, while securing seamless access to vital liquidity. However, the implementation of mandatory regulatory requirements like Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), risk-weighted assets (RWA), etc. has had a significant impact on the way dealers are looking at optimisation, increasing its potential value but also making it more complex to achieve as success is dependent on more parameters and constraints than ever.

Consequently, no two clients will have exactly the same collateral optimisation objectives. This diversity necessitates extreme flexibility and modularity in all solutions, meaning that any solution must be adaptable and bespoke to individual client requirements. The ability to tailor solutions to specific needs is essential for meeting the varied demands of different clients.

Ultimately, collateral optimisation has evolved into a strategic requirement for all firms, although the strategies and approaches vary widely. It is increasingly seen as a way for firms to gain advantages over their peers in the market. By optimising collateral, firms can enhance their competitiveness, and position themselves more favourably in the industry.

Todd Hodgin: The collateral optimisation landscape has grown significantly more complex over the last several years. Our clients are pursuing various strategic objectives across a range of needs — from regulatory compliance to better capital management, liquidity preservation, funding, and operational efficiencies. They have also expressed difficulty in navigating the complexity of meeting these goals, which are created by integrating with a variety of market venues and aggregating activity across different technology stacks and data sources.

Without a single 'golden source' institutions must integrate, reconcile, and make sense of fragmented information spread across many internal systems and external venues. That's where Transcend steps in.

Despite these challenges, the urgency around optimisation has never been greater. Clients are asking for real-time decision-making, cost transparency, and automated collateral mobility. In our view, firms that fail to build intelligent, dynamic optimisation frameworks risk leaving P&L on the table at best; at worst, they risk difficulty during times of extreme market volatility. At Transcend, we believe that solving these challenges requires a strategy that delivers scalable architecture, strong data governance, and workflow automation at the core.

What operational and technological challenges do firms face when implementing optimisation solutions, and how are they overcoming these?

Verhelst: When implementing optimisation solutions, firms face several operational and technological challenges. One of the primary challenges is access to data. Companies often struggle to gather the necessary data from various sources, which can hinder the optimisation process. Additionally, the quality of data is a significant concern. Poor data quality, or inconsistent data between multiple data sources, can lead to inaccurate insights and suboptimal decisions, making it crucial for firms to ensure their data is clean, consistent, and reliable.

Another challenge is the integration with new technologies or algorithms. As optimisation systems often require advanced technologies and sophisticated algorithms, firms must ensure that their existing infrastructure can support these new tools. This integration process can be complex and time-consuming, requiring significant technical expertise.

Firms also face the dilemma of whether to build or buy optimisation solutions. Building an in-house solution allows for customisation and control but requires substantial resources, expertise, and importantly, time. On the other hand, purchasing a ready-made solution can be quicker and more cost-effective but may not fully meet the specific needs of the firm.

Hodgin: The build versus buy decision is an important one. Typically, firms we engage with have a very good understanding of the value proposition of getting optimisation right. In our view, the first challenge is properly assessing what it is they are looking to achieve over both the short and long term. Can the solution scale to your aspirations across a variety of collateral obligations, whether triparty or bilateral? Is the framework flexible to allow optimisation across business drivers over time? Does the solution provide early financial and regulatory advantages, offer standard industry connectivity, and still allow my firm to tailor business drivers to fit our specific needs? Ultimately, this means developing a realistic plan for what is ideal to build and what is best to buy, and to make sure that those components can come together to deliver a scalable infrastructure.

In evaluating solutions, firms should make sure that they can meet not only the short-term requirements but also the long-term goals. For example, can your technology continue to perform as new trades flows, asset classes, business lines, or venues are added? In other words, do you need something just for a single use case, or do you need something that can grow to an enterprise-level solution? Can your technology adapt as funding policies or regulations change over time? Is it resilient in times of extreme market stress? Do you have the time and expertise to build everything you need? These are just some things to consider.

What do you see as a prerequisite for successful optimisation? What are you working on to enable this?

Verhelst: A prerequisite for successful optimisation is fundamentally about data and granularity. The efficiency of any optimisation strategy can only be as good as the quality and timeliness of the underlying data it is based upon. This includes data that Euroclear, as a triparty agent, does not necessarily have access to, such as trade-level data.

Recognising this, the first facet of our collateral optimisation roadmap is to invest in our data. We are committed to providing our clients with access to the highest standards of data quality and availability, which is key to making the right optimisation-driven decisions.

To address data that we may not have access to today, we are actively working on modernising our data structures within Euroclear to allow for both internal and, just as importantly, external data sources to be fed into, and consumed by, our triparty platform. We have already proven this data approach through connectivity to external data feeds, such as ESG indices. However, our ambition goes way beyond this, and we intend to keep increasing the flexibility of our platform when it comes to data, aiming to become a gold-standard data source.

Once all of this is in place, it is essential to have an intelligent algorithm to process all the data and provide meaningful conclusions, resulting in effective actions based on these insights. This is where our partnership with Transcend comes into play. Euroclear's reliable data, powered by Transcend's intelligent algorithms, ensures that we provide our clients with a one-stop solution for valuable and efficient collateral optimisation.

Hodgin: The first step to success is often to focus the programme on the areas that differentiate your firm and create a solution that can enable that vision. Firms we have partnered with turn to Transcend for its proven industry connectivity, a robust framework to optimise across diverse use cases — including LCR, NSR, and capital — and hard-earned experience from implementing solutions in real-world business processes. This has allowed those firms to focus on identifying key business drivers and configuring scenarios that deliver value.

Equally important is the flexibility and robustness of the optimisation engine itself. Markets are dynamic, and so optimisation strategies must be adaptive. Optimisation engines must be built to be both comprehensive and configurable, enabling firms to define and evolve rules, constraints, and objectives as business needs and regulatory landscapes shift or periods of market volatility. Whether prioritising cost, risk, or capital requirements, our algorithmic framework can support nuanced collateral needs and adjust in real time to market conditions or stress scenarios.

Firms empowered with a modular, intelligent infrastructure that not only solves today's challenges but is ready for tomorrow's complexity is a real advantage. By bringing together powerful data integration and a flexible optimisation core, Transcend helps institutions stay ahead — and turn complexity into a strategic advantage by connecting the dots across data silos and turn disjointed processes into streamlined, informed and intelligent business process.

Why do you think Transcend makes a good partner for Euroclear?

Hodgin: Euroclear has been a leading triparty agent for decades and Euroclear Collateral Highway has scalability and stability on its side. Euroclear Collateral Highway has much of the data required to provide holistic optimisation solutions for its clients.

Transcend, in turn, has best-in-class capabilities around turning this data into optimisation parameters and executing collateral allocation seamlessly across complex operational and settlement ecosystems. Importantly, Transcend is also able to integrate with multiple sources of data, including direct trading data from the organisations themselves, and a more complete data model.

At Transcend, we bring not only a flexible and interoperable technology stack but also years of experience solving collateral and liquidity optimisation challenges across the world's leading financial institutions. Our platform is designed to integrate seamlessly with existing infrastructure, unlocking front-to-back connectivity, data transparency, and automation that would take years to build internally.

By partnering with Euroclear, we can together offer a reliable, scalable solution to the market that combines Euroclear's proven track record as a triparty agent with Transcend's optimisation expertise.

Verhelst: Transcend makes an excellent partner for Euroclear because by integrating Transcend's expertise in collateral optimisation algorithms with Euroclear's Triparty solutions, we can offer our clients a fully flexible and scalable state-of-the-art collateral optimisation solution with a short time to market. This collaboration will enable us to realise our ambition to become the industry benchmark for collateral allocation and optimisation. This partnership will allow our clients to achieve their bespoke objectives without incurring the integration, connectivity, and development costs associated with building an in-house solution, ultimately enabling all of our clients access to a powerful collateral optimiser.

Unlocking the next frontier of collateral optimisation

Wassel Dammak, head of collateral solutions strategy at VERMEG, looks at collateral optimisation and offers a strategic view for securities finance leaders

As the securities finance industry converges, a common theme resonates across discussions — the increasing strategic importance of collateral in shaping both operational resilience and competitive positioning. Collateral is no longer just a post-trade afterthought, it is central to liquidity, capital, and risk decisions across financial institutions.

The last decade of regulatory reform — from the introduction of Uncleared Margin Rules (UMR) to Basel III liquidity metrics — has transformed how firms engage with collateral. In parallel, the expansion of eligible collateral types, including equities, money market funds (MMFs), and potentially digital assets, has introduced complexity alongside opportunity. In this environment, optimisation is not just about reducing cost — it is about navigating the new realities of global funding, inventory, and market stress.

Collateral optimisation: Beyond the buzzword

Collateral optimisation became a familiar concept, but what has shifted is its role — from an operational afterthought to a strategic necessity. Today, optimisation spans the full trade lifecycle. At the front end, trading and treasury desks are increasingly relying on real-time tools to estimate margin impact before a trade is executed. With fragmented collateral rules across venues and counterparties, these insights inform better decisions about where and how to trade.

Once trades are in motion, firms turn to netting and compression techniques to reduce exposure. These measures have become vital in managing the scale of bilateral and triparty activity across securities lending and financing operations.

But the most transformative gains lie post-trade — where daily margin calls, substitutions, and rebalancing happen. This is where optimisation becomes truly dynamic, shifting pledged assets to minimise cost, preserve high-quality liquidity, and align with counterparty-specific rules. In this environment, collateral decisions are no longer just operational — they are strategic levers that impact funding, capital, and even profitability.

Optimisation in this sense is not just about algorithms. It is about alignment — across functions like treasury, trading, risk, and operations. It is about governance — creating the right structure to scale efforts across the firm. And it is about data — ensuring eligibility, inventory, and pricing information is clean, current, and integrated.

Four pillars are making optimisation real

Cross-function alignment

Securities finance teams often operate in siloed frameworks — treasury might guard liquid assets, trading prioritises revenue, and operations focus on efficient delivery. Optimisation requires breaking down these silos, establishing a shared inventory, and coordinating on how assets are valued, ranked, and deployed.

Governance with momentum

Some firms spend years debating ownership of the optimisation function without taking meaningful steps forward. Success often begins with a single business unit demonstrating value — creating a ripple effect that other teams buy into. Governance should evolve with usage, not be a barrier to starting.

Data centralisation

Eligibility rules, concentration limits, haircut models, and internal cost metrics typically reside in disconnected systems. A modern optimisation function requires integrated, near-real-time data pipelines. This is a prime opportunity to align on standards, formats, and interoperability initiatives across the ecosystem.

Quantifying return on investment and risk reduction

While the most visible benefit is cost savings through better collateral selection, optimisation also reduces operational workload, improves liquidity management, and supports scenario testing under stress. Simulation capabilities and historical comparisons between actual and optimal allocations provide senior management with the transparency they increasingly expect.

A case study from a leading global bank

One innovative bank — facing regulatory-driven margin call increases and fragmented collateral management — implemented an enterprise-level optimisation platform. Their goals were to:

- Centralise inventory and eligibility data across business lines
- Minimise funding costs while preserving liquidity
- Enable front office access to traditionally back office processes

The outcome was a standalone collateral optimisation system that:

- Integrated seamlessly with internal systems
- Supported flexible prioritisation (cost, liquidity, regulatory compliance)

- Automated call responses and rebalancing workflows

Key benefits reported:

- FTE reduction in operations
- Enhanced front office decision-making
- Quantified cost savings that aligned with strategic treasury objectives

This reflects a growing shift across the community: optimisation is no longer a niche exercise — it is foundational infrastructure.

Looking ahead: AI, DLT, and real-time collateral

The future of securities finance will be shaped by emerging technologies that bring real-time intelligence and automation to collateral workflows:

- AI-Powered agents will soon detect anomalies, trigger workflows, and even perform decision-making around allocation and substitution. These systems will reduce manual intervention while increasing agility.
- Distributed ledger technology (DLT) will enable 24/7 settlement and real-time collateral exchange across networks. Combined with tokenised collateral assets, this points toward a future of continuous collateral optimisation.
- Optimisation-as-a-Service models are gaining traction. Some firms prefer to integrate optimisation capabilities via APIs from trusted providers rather than build in-house platforms. The emphasis on interoperability and ecosystem collaboration aligns well with this trend.

Final thoughts: Turning operational necessity into strategic advantage

Collateral optimisation is evolving from a compliance-driven activity into a competitive advantage. It enables firms to respond to regulation with agility, to meet rising funding demands without sacrificing flexibility, and to build more resilient collateral ecosystems.

But optimisation is not a single tool or process — it is a mindset. One that values transparency over silos, automation over manual work, and real-time insight over reactive response.

The next chapter of securities finance belongs to those who treat collateral as a strategic asset, not just a regulatory obligation.

> “The future of securities finance will be shaped by emerging technologies that bring real-time intelligence and automation to collateral workflows.”

Wassel Dammak
Head of collateral solutions strategy
VERMEG

/colline®

Collateral Management & Optimization

Unlock Efficiency, Optimize Costs, and Mitigate Risk

Colline is a state-of-the-art web-based platform designed for banks, asset servicers and buy side firms. It streamlines collateral workflows across asset classes, automates margin calls, and enhances liquidity management while reducing IT costs with scalable SaaS technology.

/ Key Benefits

/ Consolidate collateral management in a single layer across all traded asset classes: OTC derivatives, cleared OTCs, Repo, SBL, TBA, ETF and ETDs.

/ Optimize collateral inventories and pledges to reduce funding cost, automate margin call deliveries and enhance long boxes prefunding.

/ Centralize Inventory across clients, locations and trading desks to maximize inventories utilization with "What if" scenarios for liquidity risks management.

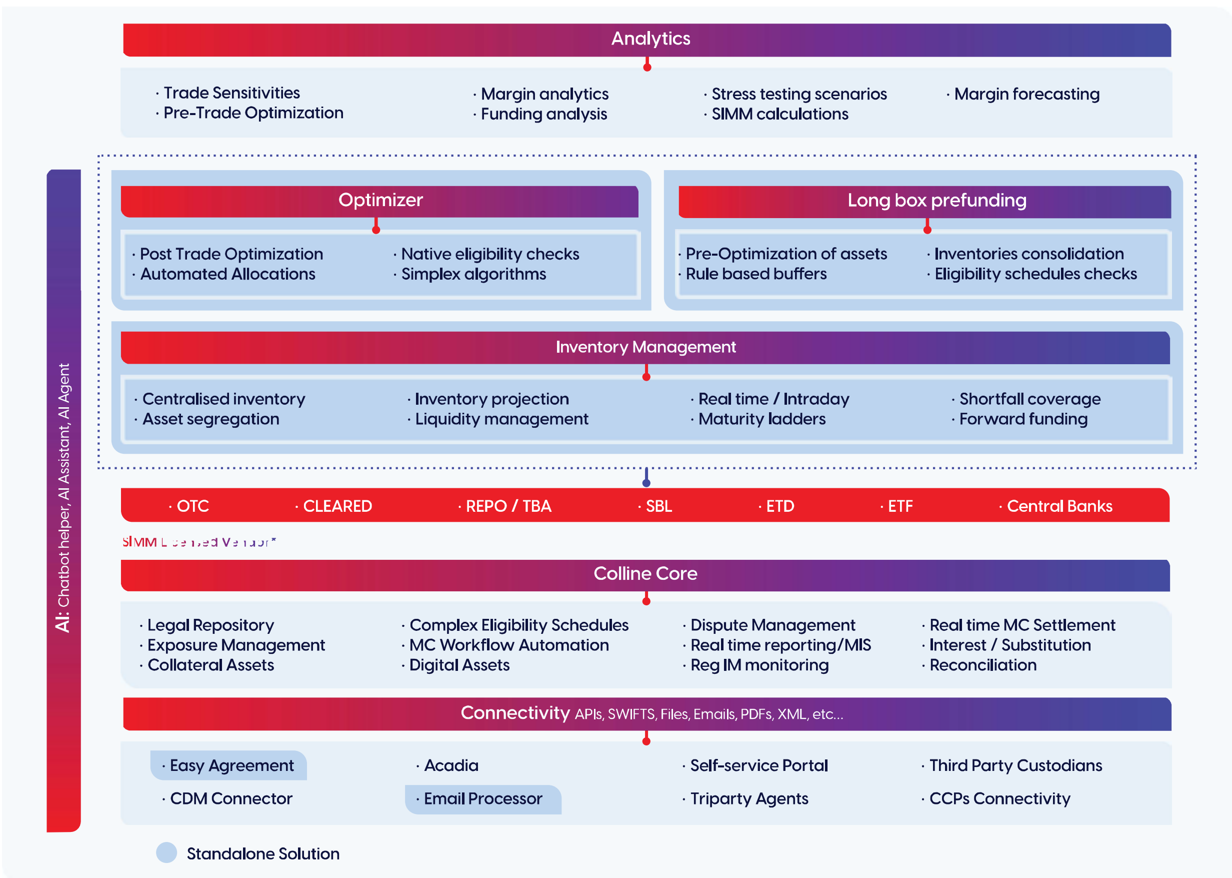
/ Streamline connectivity to utilities, traditional and DLT settlement venues by adopting market standards like Common Domain Model (CDM) and providing digitization services for CSAs, GMRAs, GMSLAs and complex Collateral Eligibility schedules.

/ Reduce IT costs through efficient SaaS services leveraging new technologies such as PostgreSQL and artificial intelligence assistants and agents.

/ Leverage vertical AI models as chatbot helpers, data insight assistants and decision maker agents.

/ Colline at a glance:

Centralized risk management, margin automation and collateral services across asset classes



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Monitoring the market: Drawing lessons and preparation

Banu Apers, Clearstream's head of securities lending and borrowing, reflects on how the securities lending team is optimising benefits from strategic lending and fails coverage during dynamic market conditions led by macroeconomic trends, policy changes and the regulatory landscape

Confronted by geopolitical uncertainty and high levels of market volatility, Clearstream has continued to expand the pool of lendable assets available through its securities lending programme, bringing on board new lender and borrower counterparties, extending coverage across new locations, and supporting rising activity from firms already active in the programme with new asset classes. Since 2024, this has included the extension of exchange traded fund (ETF) lending across all of its lending solutions.

"Volatility in the market comes in different shapes and forms, so having a diversified pool of lendable assets can give a good hedge for revenue generation," explains Banu Apers, head of securities lending and borrowing at Clearstream.

During a period of post-Covid monetary readjustment, when central banks have been focused on inflation control and on winding down their liquidity support programmes, regional conflicts have continued to disrupt global pricing and supply lines, particularly in energy and commodities markets.

Superimposed onto this background has been the impact of trade tariffs applied by the Trump administration. At the time of writing, the Court of International Trade, a US federal court, has ruled that the Trump administration's use of emergency powers — applied under the International Emergency Economic Powers Act — is unlawful.

With a shift in the monetary cycle, demand for specials has dampened and asset owners are seeking alternative opportunities to generate lending revenue, including a need to optimise returns on their general lending portfolios. Concerns around collateral scarcity during the period of central bank liquidity support have given way to relative collateral abundance as central banks have unwound their asset purchase programmes.

One side effect of these conditions is that it is pushing market participants to look closely at their collateral optimisation and how they allocate assets through the funding and financing channels available to them. With a contraction in 'specialness', different trading structures such as collateral transformation trades, structured trades, and currency hedging activities, among others, become key drivers of lending revenue — aligning closely with front office, asset allocation decisions as a determinant of risk-adjusted return generated on the portfolio.

For Clearstream, these market dynamics have provided a stimulus to financing activity directed through its triparty repo product.

Activity through the triparty repo segment has grown as liquidity support through central bank asset purchase programmes has ceased and market participants have sought alternative secured financing avenues for harder-to-finance assets. The shift from relative collateral scarcity to collateral abundance has reduced the cost of sourcing high-quality liquid assets — to meet regulatory capital buffers and for other uses — but regulatory pressures continue to drive banks to explore how they can draw further efficiency from their collateral and liquidity management.

Supporting accelerated settlement

For Clearstream, a primary focus over the coming 18 months will be to support the transition of the EU and UK to T+1 securities settlement. Next-day settlement is an integral component of the European Union's Savings and Investment Union pathway — previously known as the Capital Markets Union.

"By aligning the post-trade process across EU member states, the UK and Switzerland, T+1 will provide a foundation for more streamlined flows of capital, deeper capital markets integration, and a more competitive and unified European financial market," says Apers.

Market authorities in the EU and the UK have confirmed that markets will migrate simultaneously on 11 October 2027.

Apers explains that Clearstream is working closely with market participants to help them to prepare for this deadline, drawing lessons wherever possible from the migration experience in the US, Canada, and Mexico, which moved to next-day settlement in May 2024. The North American experience highlighted the importance of detailed planning and testing prior to the go-live date, with regular consultation and information sharing across industry participants helping to pave the way for a smooth transition.

In the EU, the creation of a T+1 governance structure has been important in providing an implementation framework to guide this transition. This contains 12 workstreams, overseen by an industry committee with representation from key industry stakeholders — including banks and brokers, buy side firms, market infrastructure and industry associations — providing specialist guidance on key elements of the project implementation.

Clearstream has created internal development teams that mirror the EU governance structure, providing a voice for its clients on T+1 working groups. Apers states that Clearstream among other streams closely supports the EU Securities Financing Transactions (SFT) working group, where the International Securities Lending Association (ISLA) and the International Capital Markets Association (ICMA) play a central role in coordinating market voice and recommendations.

One of the primary questions in reforming cash settlement markets in the EU and UK will be around ensuring access to intraday liquidity. A T+1 securities settlement environment will, in practice, predominantly be a T+1 or even T+0 environment for funding and financing.

For securities lending, this presents questions around the management of returns and recall deadlines, among other priorities. In addition to the consolidated access to all T2S markets, Clearstream offers a range of tools, including its auto-borrowing facility and support for partial settlement, that can help clients to migrate and to operate in a T+1 or T+0 settlement environment.

"In monitoring use of our fails coverage programme, intraday borrowing has increased by 7-10 fold, relative to use of the end of day borrowing facility, during last quarters," explains Apers.

"This illustrates that market participants are changing the way they employ fails coverage, increasingly applying this as a liquidity management tool to help them to manage their intraday liquidity requirements."

Inevitably, the migration to T+1 will increase pressure on post-trade processing, particularly for ETFs and collective investment funds. For ETFs, the move to T+1 will accentuate the significance of timing mismatches between primary and secondary market trading. When the investor subscribes to an ETF (or places a redemption), the cash leg typically settles on T+2.

However, settlement for the underlying securities will take place on T+1 — with authorised participants delivering securities to the ETF issuer to create new securities or receiving underlying securities from the ETF issuer when ETFs are redeemed.

Clearstream introduced ETF lending across all its securities lending pools during 2024 and expects this to be a key asset class from a strategy perspective in helping the market to transition to T+1 settlement.

A taste of T+0

While a significant share of interdealer activity in EU financing markets already operates through triparty repo and settles on T+0, the story is different for dealer-to-client activity — sell side transactions with buy side, corporates and other non-bank counterparties — where there will be significant challenges to moving this activity into an accelerated settlement timeframe.

This may provide an additional trigger for firms to migrate financing activity from bilateral relationships to triparty repo as they adapt to T+1 transition and seek more efficient and flexible mechanisms for their liquidity management. In line with this projection, Clearstream has identified a wider range of corporates coming into triparty repo as cash providers.

For securities lending, Clearstream has noted wider geographical coverage across its lending pool, with a rise in new lenders from the Asia Pacific region and other locations becoming active in the programme, whether through strategic lending, fails coverage for commercial bank money settlement via the international central securities depository (ICSD), or fails coverage via the Automated Securities Lending (ASL) Principal which supports ICSD settlement and central bank money settlement on TARGET2-Securities.

As part of its 2025 and 2026 roadmaps, Clearstream has also extended its collaboration with Simcorp to support buy side access to Clearstream's funding and financing channels via the Simcorp One platform, including access to the triparty collateral management, longbox optimisation, and securities lending solutions facilities.

With the changing securities lending landscape, Clearstream closely monitors the challenges relating to the extension of securities lending for retail investors. "With this in mind, we are working closely with vendors and platforms that support securities lending for retail clients to streamline access to this facility. We are at the early stages of this journey," confirms Apers.

Regulatory reporting

In the domain of US regulatory reporting, policy consultation and planning for the US Securities and Exchange Commission's (SEC's) Rule 10c-1a has been ongoing since the initial consultation paper was issued in Q4 2021, with respondents initially asked to submit their feedback before 7 January 2022.

In January 2025, the SEC approved proposed rule changes from the Financial Industry Regulatory Authority (FINRA) relating to its Securities Lending and Transparency Engine (SLATE), the platform that it will operate to support securities lending transaction reporting in the US market.

The live date proposed for the 10c-1a reporting rules is 2 January 2026. However, FINRA submitted a request to the SEC in April asking for an extension to this compliance date.

"In normal circumstances, we would expect to be testing during Q3 2025 in readiness for going live on 2 January 2026 to align with this schedule," notes Apers.

Market participants will require further clarification regarding the steps that they must take to meet their SFT reporting commitments in compliance with this timeline — and to understand how this will dovetail with any existing SFT reporting that they provide against their securities financing activities in the EU or UK markets.


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Tesla: The O.G. of automotive shorts

With years of mixed earnings and a 'Marmite' CEO, Matt Chessum, director of securities finance at S&P Global Market Intelligence, looks at short selling activity in the world's most famous electric vehicle maker

Over the past decade, few stocks have drawn more attention from short sellers than Tesla. At various points, it ranked as the most heavily shorted stock in the US market, not because it was an obscure or misunderstood company, but because many believed the fundamentals did not support its soaring valuation. What followed was one of the most closely watched and costly chapters in modern equity markets. Today, Tesla holds a distinct place in market history as the original high-profile automotive short of the 21st Century.

In the early 2010s, Tesla appeared to be a textbook short candidate. It was operating in one of the most capital-intensive industries in the world, posting consistent losses, and led by a CEO who was viewed by many as more visionary than operator. Incumbent automakers had scale, experience, and global supply chains. Tesla, by comparison, had a single model in production, persistent manufacturing issues, and a business model that required substantial ongoing investment.

By 2018, bearish bets on Tesla had grown substantially. Hedge funds and analysts issued detailed cases against the company, citing weak margins, missed targets, and concerns about cash burn. A common view among critics was that Tesla's market capitalisation was out of step with its actual financial performance and that the company would struggle to compete once traditional automakers entered the electric vehicle market at scale.

Despite this, Tesla continued to execute. Between 2019 and 2021, the company resolved key production challenges and began posting consecutive profitable quarters. Expansion in China was faster than expected, and progress on new facilities in Europe and Texas reinforced the view that Tesla was becoming a global player. Operational improvements helped support higher deliveries and margins, giving more credibility to the company's long-term roadmap.

During this same period, investor sentiment around Tesla began to shift. The company attracted significant interest from retail investors, many of whom viewed it as more than just a carmaker. Tesla's positioning at the intersection of energy, transportation,

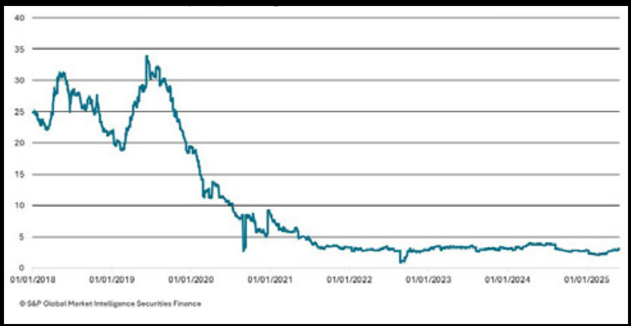
and software helped it build a loyal following among individual investors, some of whom saw the company as a long-term bet on structural change across multiple industries.

In 2020, the stock's performance caught even seasoned market participants by surprise. Tesla's share price rose more than 700 per cent that year alone, and it was added to the S&P 500 by year-end. This move dealt a major blow to short sellers, many of whom had been holding their positions for years. Losses were steep with some estimates putting the total above US$30 billion and several funds exited their trades under pressure.

What happened with Tesla has had a lasting impact on how short-selling risk is perceived. The episode challenged traditional valuation models and highlighted the influence of investor sentiment, retail participation, and narrative-driven investing. It also underscored the importance of timing and risk management when shorting high-volatility, high-conviction stocks.

Tesla remains a divisive name. Some investors view it as a platform company with potential well beyond the automotive sector, including energy storage, AI, and autonomous systems. Others continue to question the sustainability of its margins, its governance practices, and the increasing competition in the electric vehicle space. Yet regardless of one's outlook, Tesla's role in reshaping how the market approaches short interest and price discovery is difficult to ignore.

Tesla (TSLA) Exchange Short Forecast as a % of Freefloat



The Tesla short was never just about balance sheets or earnings reports. It became a broader test of conviction in a company, a CEO, and a story that did not fit the traditional mould. In hindsight, it offered clear lessons about how markets behave when belief, scale, and momentum collide and what can happen when too many investors are positioned the same way.

Instrumental, yet understated, facet of the market

Philip Chiritescu, senior sales associate at CME Group and BrokerTec, speaks with Daniel Tison about the importance of collaboration and how electronic trading venues have revolutionised US repo desks

Can you tell me about your journey into the securities finance industry?

I initially became intrigued with the industry during my undergraduate studies when I took a fixed income analysis course, looking at how repo markets facilitate liquidity and their importance among institutions globally.

In my final year of university, I secured an internship at CME Group on the platform sales team, which focused primarily on the distribution of front-end futures and options execution on the CME Globex platform. This role gave me exposure to many teams across the company, and I made sure to assimilate as much as possible from all parts of the business and offer assistance to as many people as I could.

As a result, by the end of the year, I landed my current role on the same team, but this time as a fixed income sales associate, focusing on the distribution and adoption of our BrokerTec US Treasury and US repo electronic trading platforms.

This includes the established repo central limit order book (CLOB) and our growing BrokerTec Quote global platform, which services request-for-quote trading, covering a wide range of aspects of the securities finance industry.

As a young professional, what aspects of your role or the industry do you find most exciting?

The most exciting aspect of my role is being able to work in a fast-paced industry with colleagues who come from various career trajectories and with customers across some of the largest financial institutions in the world. I find it fulfilling when we are able to enhance our customers' existing trading workflows with our evolving platform and product offerings.

One of my most rewarding experiences was the opportunity to work alongside veterans on our US repo desk and observe how one of the largest dealer-to-dealer execution platforms functions from a liquidity management perspective. The experience taught me the importance of collaboration and how electronic trading venues have revolutionised an instrumental, yet understated, facet of the market, which facilitates hundreds of billions of dollars in transactions daily.

Another fulfilling experience has been working on BrokerTec Quote, which is an agile and fast-growth venue where we are increasing market share rapidly. It has been very exciting to be part of the team advancing this product and contributing to its success.

Many companies offer various training and development opportunities for their employees. How has your company supported your growth?

CME Group has supported my growth and development through various in-person and virtual training opportunities focused on enhancing our ability to sell across our entire product suite. We also have the ability to acquire certifications, which encouraged me to pursue my Series 7 General Securities Representative licence.

My role allows me to work closely with colleagues on our US Repo and Treasury teams and Financial division management, and working with our technology team has allowed me to broaden my technical knowledge and expertise.

As a company, CME Group is committed to investing in the employee experience and encourages a culture of personal development through courses, mentoring, and coaching circles.

What misconceptions about working in the financial industry have you encountered, and how do you address these challenges?

A common misconception that I have encountered in our industry is that work-life balance is non-existent, and that the competition can be relentless, especially in the early stages of your career.

While the industry can be very challenging and stressful at times, I do my best to separate work from my personal life and still find the time to enjoy things outside of the workplace, such as spending time with friends and family, and staying active.

I have also noticed that at CME Group, rather than competing against one another, our leadership encourages collaboration across teams to achieve shared outcomes.

Looking ahead, where do you see yourself in the next five years in terms of your career goals and aspirations?

In five years, I hope to be on the manager track, continuing to solidify my expertise in securities lending and financial derivatives markets. I would also relish the opportunity to mentor other junior colleagues on my team and across the divisions. Lastly, I would like to expand my proficiency in data analytics, which can be used to provide helpful insights to internal colleagues and external market participants.

What advice do you have for other young professionals aspiring to pursue a career in your industry?

If I had one piece of advice, it would be to stay persistent, cultivate relationships, and absorb as much knowledge as you can from those around you.

Try to find ways in which you can stand out to colleagues. That can be by assisting with an upcoming project or by proactively taking on additional responsibility.

Although your technical capabilities are valued, your interpersonal skills will benefit you just as much. Make sure you are constantly learning and have the ability to adapt to your environment.

Philip Chiritescu

Philip Chiritescu is a senior associate under the Client Development and Sales Division on the platform solutions team. He is responsible for the distribution of the BrokerTec fixed income and CME Group futures and options front-end execution platforms.

Based in New York, Chiritescu joined the company in June 2022 as a global client development and sales intern. He holds a Bachelor of Science in business and technology from Stevens Institute of Technology, with a concentration in finance and computer science.

EquiLend has onboarded Simon Waddington in the role of product manager, Post-Trade and RegTech Solutions.

He joins from the International Securities Lending Association (ISLA), where he served as chief operating officer.

Waddington brings with him years of experience in the capital markets and securities lending, including an eight-year tenure at State Street.

Waddington started his career at the Royal Bank of Canada (RBC), where he spent more than 16 years in various positions — starting as a securities lending analyst, and leaving in 2016 as director and head of EMEA trading, Securities Finance.

Scotiabank has onboarded Mithra Warrier, who will join the company as managing director, global head of financing sales, effective 4 August.

She will report to Robert Dias, managing director and head of global prime services and collateral management and funding, and Kshamta Kaushik, managing director and head of US global capital markets.

Warrier brings with her more than 20 years of capital market experience, including tenures at TD Securities and Barclays, most recently overseeing sales and capital introduction for the North American prime services division of Citigroup.

“Mithra brings a breadth of leadership experience from multiple financial institutions and a strong track record of leading and developing high-performing teams,” notes Scotiabank, adding: “This newly created role exemplifies the bank’s commitment to continued investment in the fixed income and equities financing space and focus on expanding client-centric capabilities in the US region and other core markets.”

MarketAxess has named Dean Berry as group chief operating officer and CEO of EMEA and APAC.

The new role will see Berry responsible for MarketAxess’ global operations, risk, product, and technology, in addition to leading as CEO of the EMEA and APAC regions.

Prior to joining MarketAxess, Berry was group head for LSEG’s workflows businesses, as well as interim co-head for the firm’s data and analytics business. He also spent 16 years at Deutsche Bank and Societe Generale as a fixed income trader, bringing extensive analytics and markets expertise to the role.

Chris Concannon, CEO of MarketAxess, describes Berry as having a “consistent track record of scaling businesses profitably through technology and product transformation.”

"I look forward to the addition of Dean to my global management team and his help in driving our strategy to accelerate innovation and efficiency across fixed-income markets globally," he adds.

On his new role, Berry says: “I believe my previous experience as both a fixed income trader and as a champion of electronic trading, as well as my track record of profitable product-led innovation, will set us up for continued success.”

Berry is set to join the company in Q4 2025, reporting to Chris Concannon.

The International Capital Market Association (ICMA) has formed a regional committee for the UK and the Americas, and appointed two vice-chairs to support the region’s long-standing chair.

The UK and Americas region represents the association’s largest and most diverse membership, says ICMA, including 201 institutions.

The chair, Tim Skeet, comments: "Regional committees are such an important part of ICMA’s work in the capital markets, providing valuable expertise at the local level, which can be leveraged across international forums, working groups and advisory structures.”

ICMA describes its regional committees as a link with the membership, providing an additional layer of input from the numerous market practice and regulatory policy committees and working groups.

The new vice-chairs are Shrey Kohli, head of debt capital markets and issuer services for the London Stock Exchange, and Ruth Burrell, head of legal, capital markets, and corporate advisory at Standard Advisory London.

In their new roles, they will support Skeet, chief institutional relationship officer for the London branch of the Bank of China, who is also a deputy-chair of the Committee of

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Regional Representatives — composed of all the chairs of the various ICMA regions.

Skeet adds: “I look forward to working with the vice-chairs and the rest of the committee to represent the expanding and increasingly diverse UK membership, and in particular, those members not already well-represented across the many working groups of the association.”

DNB, Norway’s largest bank, has expanded its securities finance team with Ida Svensson and Patrick Thörnqvist.

Based in Stockholm, the two new hires have joined the bank as senior traders within securities lending and equity finance.

They will work under Christoffer Larsson, head of securities finance Sweden, and will be part of the global securities lending team headed by Dag Rudiløkken — both operating under the guidance of Jan Kenneth Hage, global head of securities finance.

Svensson joins the company with seven years of experience in prime brokerage, equity finance, and securities lending at SEB and Nordea. Most recently, she was chief dealer, securities finance at Nordea Markets, Corporates & Institutions.

Hage says: “Her deep industry knowledge and insight will be instrumental as we continue to develop and strengthen our product offering in this space. We are confident that her contribution will significantly enhance the value we deliver to our clients.”

Thörnqvist brings over a decade of experience in equity finance to his new role. He joins from a 16-year tenure at SEB where he was most recently an equity finance trader.

Hage comments: “His proven track record and deep understanding of the market will play a key role as we continue to expand our capabilities and presence within securities finance.

“Together with our existing team in Oslo and Stockholm, Ida and Patrick form a strong and dynamic unit that we believe will serve as a robust and value-adding partner to both current and future client relationships.”

The move is part of a strategic theme DNB has followed for the past decade, to increase its presence within securities finance, as well as to strengthen its presence in Sweden. It follows the recent acquisition of Carnegie by DNB.

Hage adds: “DNB Carnegie will be a leading Nordic investment bank to serve all client needs where securities finance will play an important role to deepen the relationships and support for our clients.

“DNB Carnegie can now operate as a complete house bank and are fully committed to sharing our expertise, innovative solutions, and client-focused approach to help navigate and manage the financial opportunities and challenges.”

Clear Street has hired Jason Hutt as equity finance associate director.

Hutt brings nearly two decades of experience in securities lending from his tenure at Brown Brothers Harriman to his new role.

He also holds a degree in money banking and finance from the University of Birmingham.

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