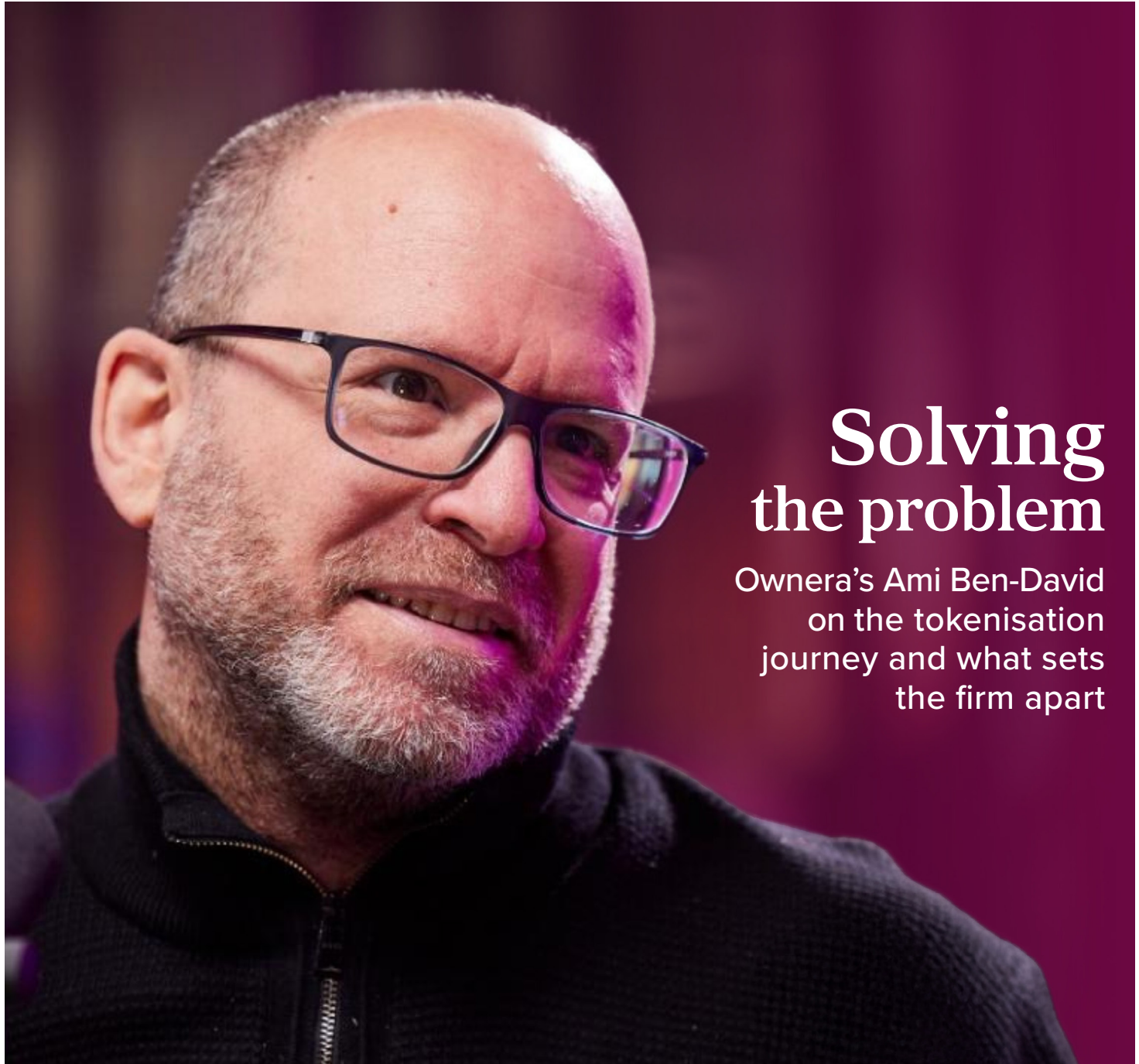


SECURITIES FINANCE TIMES

The primary source of global securities finance news and analysis

Issue 396 17 February 2026



Solving the problem

Owner's Ami Ben-David
on the tokenisation
journey and what sets
the firm apart

 **EQUILEND**
+
TRADING APPS

A Unified Trade Lifecycle for Securities Finance

J.P.Morgan

Market Leading Agency Securities Finance Solutions

Powering your portfolio

J.P. Morgan delivers best-in-class Agency Securities Finance solutions, backed by the thoughtful financial intelligence of our Commercial & Investment Bank.

We offer a global state of the art trading and cash management platform along with localised expertise, so you can unlock your portfolio's full potential.

To learn more, contact your representative or visit:

www.jpmorgan.com/securities-services





CME Group outlines tokenised clearing initiatives

Senior executives at CME Group, including CEO Terry Duffy, outlined the company's forthcoming tokenised cash and repo clearing initiatives during its Q4 2025 earnings call.

Duffy underscored CME Group's stance on tokenised collateral to be dependent on counterparty risk, indicating the firm's hesitance to accept a token issued by a "third or fourth-tier bank" for margin, although a systemically important financial institution would be more likely to have its issuance accepted.

He also highlighted CME Group's collaborative initiative with Google on tokenised cash, with the transactions facilitated by another depository bank, taking place later in 2026.

Furthermore, the exchange is exploring the development of its own

coin, with potential plans to put it on a decentralised network for other industry participants.

CME Group has also received approval from the US Securities and Exchange Commission (SEC) for its new clearing house, CME Securities Clearing, ahead of the SEC's US Treasury clearing mandate, for its launch later in 2026.

Awaiting authorisation from the Commodity Futures Trading Commission (CFTC) — anticipated later in the year — the CME FICC cross-margining programme is operationally ready, and currently available to house accounts of common clearing members at both companies.

The combination of both clearing ventures is intended to "unlock even more capital efficiencies for the industry".



18

Solving the problem nobody wants to talk about

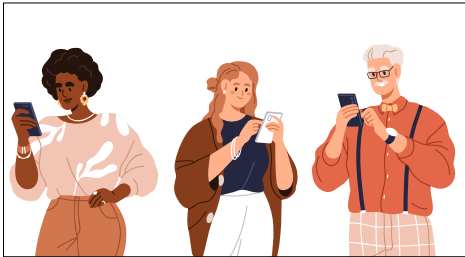
Hansa Tote sits down with Ami Ben-David, founder and CEO of Ownera, to talk about current trends, what sets the firm apart, and the tokenisation journey



22

Reading short interest through the lending market

Nancy Allen, head of Data & Analytics Solutions at EquiLend, introduces the firm's new daily Predicted Short Interest, designed to give an AI-derived view of current short exposure



26

The rise of UK retail

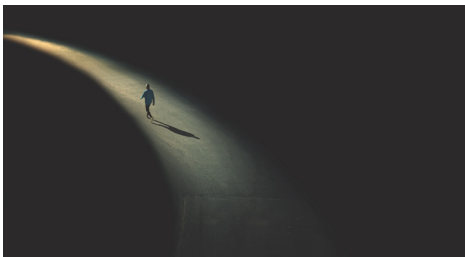
In the UK, securities lending is no longer just for institutional investors. As retail investing becomes increasingly popular, the lending side has stepped up the pace to match. Hansa Tote explores



30

From the ground up

Following an impressive career spanning 40 years in finance, Tak Sugahara sits down with Carmella Haswell to uncover his journey in building Japan's domestic SBL market outside of the JSFC



36

Playing the long game

Ben Clissold of USS Investment Management Limited sits down with Carmella Haswell to review the importance of securities lending, tokenisation, and how the trustee supports the largest pension scheme for universities and higher education in the UK



40

Getting comfortable with change

Trent Killen, manager of Member Services at OCC, speaks with Carmella Haswell about his journey from public accounting to leading a team supporting the clearance of securities finance, options, and futures



When financing stops being a barrier, it starts being an advantage.

Opportunities don't wait for outdated tools or technology. Your financing processes should move with you — not slow you down.

From Agency Lending to Prime Services and Secured Financing — all integrated through our Financing Hub and supported by a global team of experts — our solutions work harder for you, to help you excel in a fast-paced market.

Scan to learn more



For informational purposes only. Securities lending services are provided through State Street Global Markets®, the marketing name and a registered trademark of State Street Corporation®, used for its financial markets business and that of its affiliates. Products and services may not be available in all jurisdictions. SF ADP 2022-01

©2025 State Street Corporation – All rights reserved | 8426788.1.1.GBL.



Clearwater Analytics and TreasurySpring integrate

Clearwater Analytics (CWAN) has integrated with TreasurySpring to connect its investment management platform directly with over 1,000 cash investment products from TreasurySpring.

The move aims to help institutional clients manage surplus cash with defined maturity requirements.

Through TreasurySpring, institutional clients can optimise surplus cash by accessing fixed-term cash investments with predictable returns matched to specific maturity date; and diversify counterparty exposure across more than 120 highly rated global banks, governments, agencies, and corporate issuers.

In addition, institutional clients will be able to access better risk-adjusted returns

via the repo market, which is usually out of reach to regular cash investors, the firm says.

Since connecting to Clearwater, institutional clients can also streamline operations through automated settlement and real-time reporting within CWAN's existing investment accounting framework, while enhancing visibility with integrated position reporting across multiple currencies and counterparties.

The relationship allows mutual clients to utilise Clearwater's institutional-grade investment accounting capabilities alongside TreasurySpring's suite of fixed-term funds (FTFs), across eight currencies, allowing users to deploy surplus cash strategically while maintaining full transparency and control.

Transcend launches new collateral stress testing service

Transcend has launched a specialised service designed to help UK insurance firms meet the Prudential Regulation Authority's (PRA) new collateral stress testing requirements outlined in CP19/24.

The PRA's proposed rules introduce stricter requirements for understanding, monitoring, and projecting collateral needs under stressed market conditions.

With compliance required by 30 September 2026, Transcend says insurers are facing significant data, modelling, and operational challenges that most existing systems are not built to handle.

Transcend's new service is designed to provide insurers a complete, purpose-built framework to satisfy these requirements without adding strain to internal systems or teams.

The service combines Transcend's data integration and optimisation engine with targeted workflows supporting the PRA's expectations on scenario design, collateral projection, and liquidity impacts.

Bimal Kadikar, CEO of Transcend, states: "Insurance firms are under pressure to comply with evolving regulatory standards while maintaining increasingly complex market-driven collateral demands.

Around the clock, around the globe



For over 20 years, our global footprint and capabilities have continued to grow, supporting the development and success of our clients. Today, with our 24/5 Follow-The-Sun operational model and unsurpassed asset servicing expertise, CACEIS works continuously around the globe to help you excel in all situations.

That's frog power!

caceis
INVESTOR SERVICES

A company of Crédit Agricole

www.caceis.com



“Our goal is to give insurers a fast, reliable way to meet the PRA’s expectations while improving their visibility and control over collateral under stress.”

The service will provide key capabilities such as automated collection, validation, and enrichment of collateral.

In addition, the service offers exposure data across booking systems, custodians, and investment portfolios; scenario-based modeling aligned to the PRA’s expectations in CP19/24; forward-looking projections of collateral needs and liquidity impacts under stress; and optional integration with Transcend’s enterprise collateral optimisation platform.

Todd Hodgkin, chief product officer at Transcend, says: “Regulation is tightening, timelines are short, and insurers need a partner fluent in both the technical and operational realities of these complex new requirements.

“This service gives firms an immediate path to compliance while laying the groundwork for broader, long-term efficiency gains.”

The solution is designed to meet UK PRA requirements, while also meeting the needs of all global insurers who require a clearer view of how their collateral needs shift under market stress.

This level of insight allows insurers to make faster, better-informed decisions about liquidity, risk management, and operational readiness.

Provable Markets enhances Aurora with updated FIX specifications

Provable Markets, provider of securities finance platform Aurora, has announced the release of its updated FIX specification and FIX Engine.

The move follows the FIX Trading Community’s revised best practices for securities lending

orders and execution workflows.

The updates are in support of Aurora’s Marketplace Product, building upon the firm’s FIX specification first released in 2022.

Provable Markets — a member of the FIX Trading Committee and its Securities Lending Working Group — will look to onboard third-party vendors and clients to the updated interface in the first quarter of 2026.

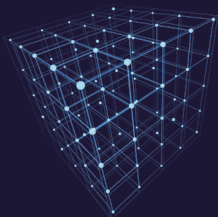
The FIX Trading Community’s initiative aims to unify trade execution practices and introduce open-source FIX Protocol benefits to a previously underserved area of capital markets.

The current market environment — characterised by proprietary solutions and inconsistent processes — forces firms to undertake costly custom development and budget separately for each vendor, partner, or counterparty integration, says Provable Markets.

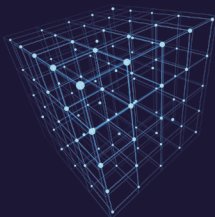
The graphic features a dark blue background with a circuit-like pattern of glowing blue lines and dots. In the center, the text "C-ONE" is prominently displayed. Surrounding it are four circular icons connected by dashed lines, each representing a different aspect of securities finance: "REGULATORY REPORTING" (top left, with a document icon), "SECURITIES FINANCE" (top right, with a document and magnifying glass icon), "DLT/BLOCKCHAIN" (bottom right, with a server rack icon), and "CONNECTIVITY" (bottom left, with a gear icon). To the right of the central elements, the "COMYNNO" logo is shown, followed by the tagline "C-ONE | One-Stop-Shop for Securities Finance" and the website "WWW.COMYNNO.COM".

arteria^{AI}

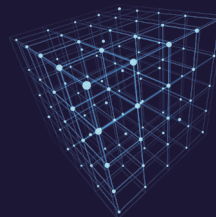
Transform Contract Data into an Institutional Asset.



Ingest



Structure



Analyze



ISDAs



**Tri Party
Agreements**



**Margin
Agreements**



**Repo
Agreements**



**PB
Agreements**



Agentic Backbone for
Financial Services Operations

Scan to learn more



Commenting on the proposed guidelines, Rachel Andreassian, head of product and market structure at Provable Markets, says: “As a service provider to some of the top securities finance institutions, I’m excited to be part of the team that is introducing FIX to a market that can greatly benefit from a common language.

“By lowering the complexity and costs that typically come with integrating and automating, participants can feel more confident in adding new solutions and providers, allowing them to grow their businesses.”

Alec Rhodes, vice president of client solutions at Provable Markets, adds: “This fantastic enhancement helps the team at Provable continue to deliver on our pledge to offer universal and agnostic connectivity solutions to maximise our client’s ability to interact with the broader securities finance ecosystem.”

FSB warns of financial stability challenges in repo markets

A recent report by the Financial Stability Board (FSB) entitled ‘Vulnerabilities in

Government Bond-backed Repo Markets’, focuses on the repo markets backed by government bond collateral — as this makes up the vast majority of collateral used by market participants.

The report estimates that approximately US\$16 trillion in repo trades backed by government bonds were outstanding, representing around 80 per cent of the total stock of all repo trades, at the end of 2024.

It highlights how quickly repo markets were impacted in several recent episodes



BMO



Regardless of which side of the Atlantic you’re on, when it comes to expanding your global reach, turn to the proven prime finance solutions and seamless execution of BMO Capital Markets.

BMOCMPPrimeBrokerageSales@bmo.com



All Your Securities Finance Needs

When traditional investment returns come under pressure, the ability to generate supplemental revenue from your existing portfolio can help maintain performance. We provide tools to source liquidity, borrow securities (as needed) and lend securities to help enhance portfolio returns.

Our solutions include: Agency Securities Lending, Principal Lending, Sponsored Member Program, Secured Loans and Agency Investment Product.



To learn more about all our Securities Finance Services, scan the QR code.

of market stress and warns that, given the importance of repo markets within the global financial system, it is critical to preserve their functionality, particularly during periods of stress.

The FSB identified several vulnerabilities within repo markets that could pose risks to the broader financial system.

First, repo markets can facilitate the build-up of leverage in the financial system.

Approximately 70 per cent of activity in the non-centrally cleared segment operates with zero haircuts and there are high levels of collateral rehypothecation.

Second, demand and supply imbalances can arise quickly in periods of stress if repo lenders are unwilling or unable to provide funds to meet spikes in the demand for liquidity.

Third, repo markets are highly concentrated

along various dimensions, which could lead to disruptions in the event of failures.

According to the report, the core nature of repo markets may act as a conduit through several channels in spreading shocks across the financial system.

Strains in repo and government bond markets may spill over into each other or across multiple jurisdictions, given the international nature of repo markets.

If haircuts are insufficient, they further expose lenders to leveraged counterparties, amplifying risks across the financial system.

The report outlines several measures for authorities to consider in response to these vulnerabilities, including closing data gaps and strengthening surveillance capabilities.

Further, the report suggests addressing vulnerabilities related to liquidity imbalances and leverage by taking into account the

FSB's recommendations on leverage in nonbank financial intermediation (NBFI), global securities financing transactions exercise, as well as other relevant international standards.

OCC average daily loan volume rises 19.2%

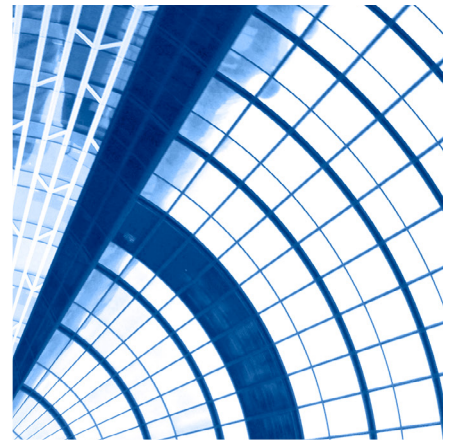
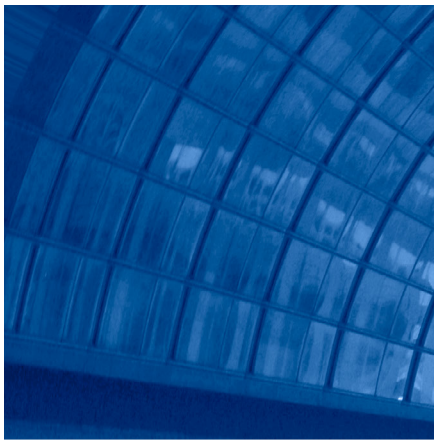
The Options Clearing Corporation (OCC) has reported a 19.2 per cent year-on-year (YoY) increase in average daily loan value for securities lending trades, generating US\$206 billion for January.

Total securities lending transactions cleared on the OCC platform for the same month increased 11.28 per cent YoY to 324,656.

In terms of all futures and options cleared through the organisation, the total volume was up 18.8 per cent YoY to 1.37 billion contracts for January.

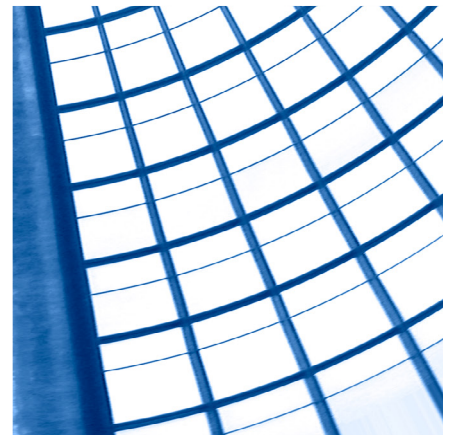
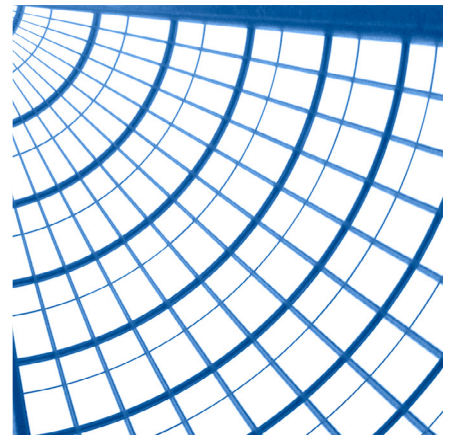
OCC also experienced a 10 per cent YoY





Your equity financing, centrally cleared

With the world's largest
U.S. equities lending counterparty



For more than 30 years, OCC's Stock Loan Programs have reduced operational risk while enabling capital and collateral savings for Clearing Members.

To learn more, visit theocc.com/securities-lending, or contact us at MemberServices@theocc.com.

30+
YEARS

76
HEDGE LOAN
PROGRAM MEMBERS*

\$182B
AVERAGE DAILY
LOAN VALUE*



THE FOUNDATION
FOR SECURE
MARKETS®

increase in equity options contracts for the month to 703.5 million, and a 21.5 per cent YoY rise in index options contracts to 111.8 million.

ETF options volumes increased 31.7 per cent YoY to 556.9 million, while cleared futures

contracts rose by 4.1 per cent YoY to 4.5 million.

Mediolanum International Funds selects GSAL

Mediolanum International Funds (MIFL), an

Irish asset manager, has appointed Goldman Sachs Agency Lending (GSAL) as its third-party lending agent.

The appointment will see GSAL become an agent for the asset manager's Irish and Luxembourg fund platforms' securities lending programme.

As a specialised service within Goldman Sachs' Prime Services business, GSAL will work with MIFL's custodian bank to support the firm's customised programme, lending across equity, fixed income, and ETF asset classes.

GSAL offers a full service agency model, programme customisation, a value-over-volume approach, a dedicated application development team, and the institutional resources of Goldman Sachs.

Crédit Agricole joins PASLA

Crédit Agricole CIB has joined the Pan Asian Securities Lending Association (PASLA) as a Prime member.

The firm is the corporate and investment banking arm of the Crédit Agricole Group, and provides a wide range of products and advisory services to support clients to meet their financing needs, underpinning ESG in all its solutions.

With a global network, the firm provides expertise in global markets, real assets financing, as well as investment and corporate banking, and serves a clientele

Step Forward. Be Recognised.



**You've done the work.
You've made an impact.
Now it's time to put yourself forward.
Big achievements deserve big recognition.**

Submission deadline: 27 February 2026

SECURITIES FINANCE TIMES
INDUSTRY EXCELLENCE AWARDS

www.securitiesfinancetimes.com/industryexcellenceawards



Analyze.
Monitor.
Understand.

The global leader in securities finance solutions.
Enhance investment decisions. Optimize performance. Improve transparency.

**Global Securities Lending
Market Coverage**

Covering corporate actions, ETF collateral lists, liquidity scores. Data delivered on an end of day and intraday basis.

A Range of Diverse Signals

Data to identify short squeezes, capture alpha, and refine risk management.

Onboarding Accelerator

Online platform to accelerate approvals between lenders and borrowers.

Repo Data Analytics

Proprietary and independent database providing transparency on global daily repo volumes and rates.

Performance Measurement Tools

Only data provider to fully adhere to and exceed the SLPM industry standards.

Oversight Management Solutions

Independent performance and risk management governance tools.

S&P Global
Market Intelligence

Contact us at
h-ihsm-global-equitysalespecialists@spglobal.com
www.spglobal.com/securitiesfinance



GLMX supports first TRS trade on the platform

GLMX has announced its achievement to support the first total return swap (TRS) trade on the platform — a swap over US Treasuries.

“The TRS trade on GLMX is the first of many and a further, powerful indication of the promising path for innovation in our market,” says GLMX CEO Glenn Havlicek.

With the trade completed in December, Elliot Waxman, head of cross-product business development at GLMX, says it is an important milestone for the market and the firm's clients.

He continues: "It represents years of investment in a product designed for the future of the TRS market, and we are

deeply appreciative of the participation
from our innovative clients.

“We are excited to support TRS as it broadens the range of options for our clients, adding a compelling synthetic alternative to repo and SBL.”

In a recent quarterly report for Q4 2025, GLMX revealed that the platform hit a record repo volume of over US\$2 trillion and repo balance of US\$4.9 trillion.

GLMX has also extended its regulatory authorisation in Australia with a market license, building on its foundation to support Australian domestic repo and securities lending.

encompassing large local companies, multinational corporations, financial institutions, and the public sector.

Commenting on the membership, Samy Beji, deputy global head of global repo and indexing at Crédit Agricole CIB, states: “CA-CIB is becoming a member of this leading industry association at a key moment of our involvement in Asian securities finance markets.

"Coming from an established franchise in fixed income, we have been steadily ramping up our equity finance and delta-one market participation over the past year.

“We will leverage this membership to further develop our Asian secured funding platform.”

The PASLA Prime membership is tailored for investment banks, securities houses, participating dealers, and physical and synthetic prime brokers operating across the Asia Pacific region.

Eurex Repo trading volumes rise 63%

Trading volumes on Eurex Repo have increased 63 per cent year-on-year (YoY) to €568.8 billion for January, in average daily term-adjusted volume (TAV).

This was driven by a 31 per cent YoY rise in GC Pooling average daily TAV to €259.4 billion, and a 104 per cent YoY

increase in special repo average daily TAV to €309.4 billion.

For OTC derivatives clearing, notional outstanding volumes have increased 31 per cent YoY for the month, to €48,902 billion.

Growth in this area can be credited to YoY increases in notional outstanding volumes for interest rate swaps (27 per cent, €20,469 billion) and overnight index swap clearing (68 per cent, €7,446 billion).

Average daily cleared volumes through Eurex Clearing have risen 21 per cent YoY for January to €467 billion.

This features a 34 per cent YoY rise in average daily cleared volume for interest rate swaps to €53 billion, and an 88 per cent YoY jump in overnight index swaps average daily cleared volume to €57 billion.

Repo ADV climbs 17.4%

Repo average daily volume (ADV) traded on the Tradeweb platform climbed 17.4 per cent YoY to US\$857.9 billion for January.

According to Tradeweb, record global repo average daily volume was supported by increased client participation across the platform YoY.

Additionally, balances in the Fed's reverse repo facility (RRP) remained close to zero for the majority of the month, with a small spike toward month-end.

In Europe, December activity remained subdued, with most dealers managing their balance sheet and funding position into year-end and volatility remained low.

The global operator of electronic marketplaces for rates, credit, equities, and money markets reports that ADV across all asset classes for the month of January reached US\$3.1 trillion, up 26.2 per cent YoY.

US government bond ADV was up 15.3 per cent YoY to US\$267.7 billion. European government bond ADV was up 36 per cent YoY to US\$79.4 billion.

For swaps and swaptions, ADV was up 34.6 per cent YoY for the month to US\$591 trillion. Total rates derivatives ADV also increased, rising 51.1 per cent YoY to US\$1.2 trillion.

In credit markets, fully electronic US credit ADV was up 24.4 per cent YoY to US\$9.4 billion, while European credit ADV jumped 44 per cent YoY to US\$3.5 billion.

Ripple's prime brokerage platform enables support for Hyperliquid

Ripple Prime — Ripple's institutional prime brokerage platform — has enabled support for high performance decentralised derivatives protocol, Hyperliquid.

This integration enables institutional clients to access onchain derivatives liquidity while cross-margining decentralised finance

(DeFi) exposures with all other asset classes supported by Ripple Prime, including digital assets, FX, fixed income, OTC swaps, and cleared derivatives.

By supporting Hyperliquid, Ripple Prime continues its mission to bridge traditional finance and decentralised markets, offering institutions access to DeFi venues within a unified, capital-efficient prime brokerage framework.

Clients can access Hyperliquid liquidity while benefiting from a single counterparty relationship, centralised risk management, and consolidated margin across their entire portfolio.

Michael Higgins, international CEO of Ripple Prime, states: "At Ripple Prime, we are excited to continue leading the way in merging decentralised finance with traditional prime brokerage services, offering direct support to trading, yield generation, and a wider range of digital assets.

"This strategic extension of our prime brokerage platform into DeFi will enhance our clients' access to liquidity, providing the greater efficiency and innovation that our institutional clients demand."

As institutional participation in DeFi accelerates, Ripple Prime aims to provide clients with scalable access to next-generation trading infrastructure while preserving the controls and capital efficiency expected of a global prime broker. ■



Solving the problem nobody wants to talk about

Hansa Tote sits down with Ami Ben-David, founder and CEO of Ownera, to talk about current trends, what sets the firm apart, and the tokenisation journey

From the perspective of a digital infrastructure provider, how would you describe the current state of the securities lending market? What trends are you seeing here?

The securities lending market is going through a structural shift: from debating whether to tokenise, to figuring out how to make tokenisation work across an entire organisation.

The practical challenge is connectivity. When a bank wants to mobilise tokenised collateral today, it might hold cash on one blockchain, securities on another, and run a margin engine that talks to neither. Its counterparty uses a different custodian, different chains, and different systems entirely. Multiply that across dozens of use cases and

hundreds of counterparties, and you have an integration problem that makes tokenisation economically unviable.

We are seeing three patterns crystallise.

First, the multi-everything problem. Different institutions have chosen different blockchains for legitimate reasons. That fragmentation is not going to resolve itself. The question is how to operate across all of it without building custom integrations for every combination.

Second, real production deployments are accelerating. The EU, UK, and now the US global digital finance (GDF) collateral mobility industry sandbox grew from zero to more than 80 institutions in a matter of

weeks — not because tokenisation is new, but because participants finally have a way to connect without years of bilateral integration work. Several are now moving directly to production.

Third, the economics have become difficult to ignore. One major bank calculated US\$100 million in annual savings just from intraday repo alone — paying interest by the minute instead of by the day. When you can borrow US\$100 million for three hours and pay only for three hours, the capital efficiency case is transformative.

The broader shift is from tokenisation as a technology project to tokenisation as operational infrastructure. That means solving not just blockchain connectivity, but legacy integration, partner connectivity, and application coordination simultaneously.

Can you take us through Ownera's journey since it began developing the FinP2P router in 2021? Where are you now and where are you heading?

We started with a straightforward observation: every bank was building blockchain integrations in silos. The trading desk connected to one chain, the collateral team to another, treasury to a third — each integration taking 18 months. Multiply that across every counterparty, and it does not scale.

The insight was that institutions do not need help deploying a single blockchain use case. They need infrastructure that lets them deploy all of them without rebuilding everything each time. So we built routers that sit inside each institution and handle three types of connectivity simultaneously.

Network connectivity covers legacy systems and primary blockchains natively, with access to additional chains through custodians and cross-chain protocols. Partner connectivity means you connect once to the router network and can connect with any other connected institution — minimal bilateral integrations.

Application connectivity means each new use case — repo, collateral, trading — reuses the same definitions of users, assets, and counterparties.

Validation came quickly. J.P. Morgan and HQLA^x went live in summer 2025 with intraday repo: production trades settling by the minute. The GDF collateral industry sandbox in Europe then demonstrated that dozens of institutions could connect in months. The subsequent US expansion has drawn virtually every major institution, with many looking to move straight into production.

Today we are processing billions in transaction volume across production deployments. But the more important development is that institutions are not stopping at one use case. They are layering multiple applications on the same infrastructure — intraday repo, collateral mobility, central securities depository (CSD) connectivity — and that compounding effect is what makes the economics work.

The next phase is about making tokenisation as easy to deploy as any other enterprise application. Connect your router, choose applications from the Ownera SuperApps platform or build your own, define your counterparties, and go live.

What differentiates Ownera and its approach from other fintechs in the industry?

We solve the problem nobody particularly wants to talk about: how do you operate tokenised markets at scale without your technology organisation spending the next decade on custom integrations?

Most blockchain solutions focus on one dimension — one application on a blockchain with specific partners. That is fine for a point solution. But institutions need to run dozens of business use cases across hundreds of counterparties.

The real scaling challenge is $n \times n \times n$ complexity: multiple chains + legacy, multiplied by multiple partners, multiplied by multiple business applications.

A concrete example: in the GDF project, we connected banks using different chains (Canton, Ethereum, Polygon, Hedera), different custody models (traditional custodians, digital platforms, omnibus accounts), different margin engines, and different money market

fund issuers. A single collateral substitution might touch four blockchains and six systems.

We addressed that through three architectural choices:

- 1. Institution-controlled execution.** Your router runs in your infrastructure. You control the compute, data, and decision-making. There is no external oracle network executing trades on your behalf. For regulated institutions, this matters enormously — your risk, legal, and compliance teams all understand exactly where accountability sits.
- 2. Intent-based abstraction.** Instead of coding instructions to move specific tokens on a specific chain via a specific smart contract, you define business intent: ‘post eligible collateral to counterparty X.’ The router determines which chains, assets, and custody model to use. This means supporting new chains and assets without rewriting application logic.
- 3. Native integration with primary blockchains.** For example, if Canton is your strategic platform for institutional markets, we connect natively — your digital asset markup language (DAML) applications run directly on your Canton node. The router extends Canton’s reach to legacy systems and other chains without forcing everything through an intermediary layer. The result is that institutions can go from “we want to do tokenised repo” to live production in months, and when they want to add collateral mobility, trading, or CSD connectivity, those layer onto the same infrastructure.

In August 2025, Ownera launched a cross-ledger repo solution with J.P. Morgan and HQLA^x. Almost six months on, what notable developments have there been with this solution? What are you hearing from clients?

The intraday repo deployment demonstrated something important: tokenisation does not just make existing processes faster — it enables entirely new products.

Traditional repo is effectively overnight-or-nothing. If you need US\$100 million for 3 hours, you borrow it for 24 and pay for 24. Minute-level settlement changes that equation fundamentally. For large institutions managing billions in intraday liquidity, the savings are substantial.

In practice, we are seeing three developments in production.

Institutions are calibrating funding to actual need — borrowing at 10:15, returning at 13:47 — turning repo into a precision operational tool, rather than a blunt overnight instrument. Capital efficiency is improving as liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) liquidity buffers can shrink when on-demand precision liquidity is available, freeing trapped capital. And the infrastructure built for repo — instant settlement, multi-chain coordination, custody integration — is proving directly reusable for collateral mobility, trading, and payments.

Client conversations have shifted from ‘does this work?’ to operational planning: how to connect margin engines, how to extend coverage to Asian entities, how to add derivatives collateral on the same platform.

The expansion throughout 2026 is proceeding across three dimensions: more trading platforms, more forms of digital cash — from stablecoins to deposit tokens to central bank digital currencies (CBDCs) — and broader geographic coverage.

In recent developments, Ownera collaborated with LayerZero to enable cross-chain solutions for institutional tokenisation. Can you explore the significance of this move and of the firm’s SuperApps platform — what is a SuperApp?

The LayerZero collaboration addresses a practical architectural question: institutions need access to liquidity across more than 160 blockchains, but they should not have to integrate with 160 different cross-chain protocols.

LayerZero provides omnichain interoperability — they have secured over US\$200 billion in value and connect virtually every major blockchain. We integrated their protocol through two SuperApps that give institutions access to that entire ecosystem through a single integration point.

But that was just the beginning — LayerZero has now launched Zero, a high throughput blockchain capable of 2m+ transactions per second per zone, which finally opens high throughput markets for blockchain implementation. This is a major milestone for the industry, and a

seamless integration into Ownera routers.

About the SuperApp model:

Traditionally, every vendor application an institution deploys requires separate onboarding, separate asset definitions, separate user management. You want repo from one vendor, collateral management from another, trading from a third — that is three separate integration projects.

A SuperApp inherits shared definitions from the platform level: users and permissions, assets and custody arrangements, counterparties and relationships, and blockchain connectivity — all defined once and available to every application. When ZeroBeta recently launched three SuperApps (portfolio management, secured financing, and staking), institutions did not need three integrations. They got three composable applications that work together and share the same institutional network automatically.

This matters because no institution can build every application it needs internally. Specialised tools for compliance, risk analytics, exotic derivatives, private markets, or cross-border payments can plug into the router and immediately work with an institution's existing setup.

The LayerZero SuperApps specifically resolve the 'which cross-chain protocol?' question. Instead of committing to one protocol and being limited to its supported chains, institutions access LayerZero's full ecosystem through a controlled interface. If a counterparty needs an asset on an unfamiliar chain that LayerZero supports, it just works.

This is how tokenisation scales beyond pilots: shared infrastructure that multiple applications build on, rather than each requiring its own bespoke integration.

Looking forward, what will be top of mind for you over the next 12 months?

Execution. Three specific priorities:

First, transitioning sandbox participants to production. The GDF

collateral mobility working group has validated the technology with more than 80 institutions. Many are ready to go live as soon as the legal and regulatory work, which is being done in parallel, is completed in the coming months. Our job is to make that transition as straightforward as deploying any enterprise application — clear business models for all participants, proven operational support, and simple legal structures between market players.

Second, ecosystem expansion. The SuperApps platform currently offers applications for repo, collateral, trading, payments, and CSD connectivity. We are working with partners to add compliance tools, risk analytics, reporting platforms, and specialised applications for private markets. The goal is that when an institution needs tokenised capability, there are multiple production-ready SuperApps available.

Third, demonstrating compounding value. The economic case for tokenisation strengthens as use cases layer on each other. An institution running intraday repo can add collateral mobility on the same infrastructure at minimal additional cost, then trading, then CSD connectivity. Each application increases the platform's value.

What makes this moment distinctive is convergence. Institutions are past the 'wait and see' phase. Regulatory frameworks are clarifying — the Commodity Futures Trading Commission's (CFTC's) December 2025 approval of tokenised collateral was a watershed moment. Production infrastructure exists and is processing real volume. And the Depository Trust & Clearing Corporation's (DTCC's) deployment timeline is creating industry-wide urgency.

The technology is proven. The economics are compelling. The regulatory environment is supportive. The next 12 months are about converting institutional intent into live production — and making tokenised markets as reliable and accessible as their traditional counterparts, with all the advantages digital infrastructure provides.

2026 is the year of critical-mass buildup and deployment of scalable tokenised market capabilities across the financial industry. ■

Reading short interest through the lending market

Nancy Allen, head of Data & Analytics Solutions at EquiLend, introduces the firm's new daily Predicted Short Interest, designed to give an AI-derived view of current short exposure



Investment professionals across the global markets are well-aware of the limitations of traditional US short-interest data: it provides a backward-looking snapshot that arrives only after market conditions have already shifted. By the time the figures are released, positions have changed, risk has been reassessed, and teams have executed on important decisions without accurate knowledge of short activity.

Those days are over. EquiLend is pleased to introduce our new daily Predicted Short Interest, calculated using a machine learning model and designed to provide an AI-derived view of current short exposure. With this enhancement, the market no longer needs to wait for reported short-interest figures to gauge sentiment in a stock. The model filters out the noise traditionally found in securities finance on-loan balances, which have long been used, somewhat imperfectly, as an indication of short interest.

Within our securities finance data set, borrow requests, new loans, returns, recalls, and inventory movements generate a high-frequency stream of signals that reflect how short positions form and unwind. The machine-learning model imposes structure on that flow, separating directional short demand from the mechanics of financing, settlement, and liquidity management. The edge comes from knowing when borrowing activity reflects a real change in positioning — and when it is simply noise.

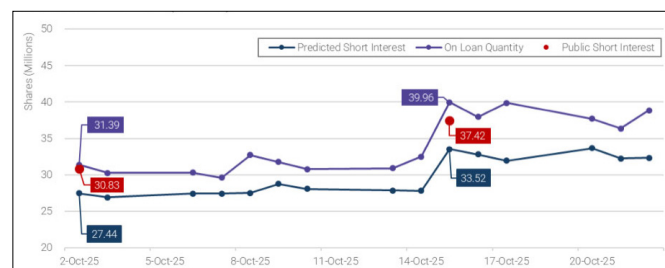
When borrow data is on the money

In hard-to-borrow names, the relationship between borrowing activity and short interest is often quite direct. When an investor initiates a short, a loan is triggered in the securities finance markets and is relatively quickly reflected in utilisation, borrow balances, and pricing. When demand rises, it becomes visible almost immediately.

Venture Global offers a useful example. After the company lost a US\$1 billion arbitration case against BP on 10 October, the stock declined sharply. In the days that followed, lending desks observed a steady increase in borrow balances as short exposure built alongside the volatility. When the exchange-reported short-interest data was later

released, it simply confirmed what the lending market had already been signaling.

Venture Global



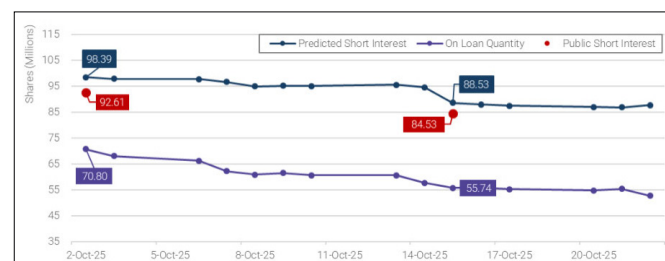
For investors monitoring daily and intraday loan data, the dynamics in this case are straightforward. Borrow demand increased, availability tightened, and short exposure rose accordingly. In situations like this, lending data behaves exactly as practitioners would expect.

When borrow data needs a second look

The picture becomes more nuanced in easy-to-borrow and general collateral names. In these cases, brokers can often source stock internally, so changes in short positioning are not always mirrored by changes in borrow balances.

Super Micro Computer illustrates this well. In October 2025, the stock faced significant shorting pressure, yet it remained easy to source from a lending perspective. Utilisation held in the 25 to 35 per cent range, and borrow costs stayed low. As the stock rallied, short sellers reduced exposure, and loan balances dropped by roughly eight million shares.

Super Micro Computer



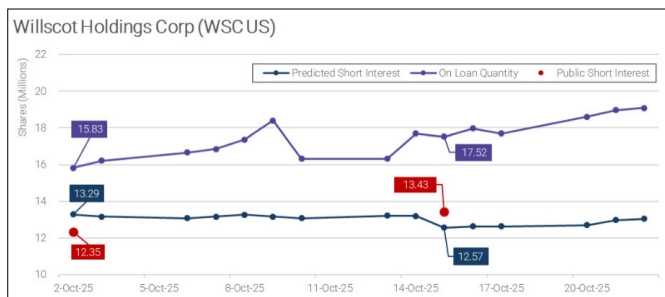
The direction was right — short interest was coming down — but the raw borrow data overstated the magnitude of the move. EquiLend’s new predictive model adjusted for internalisation and non-directional flows, pointing to a more modest decline that later proved closer to the exchange-reported figures. It is a useful reminder that in liquid names, borrow data alone can exaggerate activity.

Borrowing does not always mean shorting

Another challenge is separating short activity from borrows driven by other purposes which may include settlement coverage, financing trades, or balance sheet management.

WillScot Holdings is a clear example. Despite ongoing negative sentiment, borrowed shares consistently averaged well above the reported short interest. In October 2025, borrow balances fluctuated, while published short interest remained relatively flat.

Willscot Holdings Corp



While the lending market was active in WSC, not all new loans reflected new bearish conviction. Once non-directional lending flows were filtered out, a much steadier picture of short exposure emerged — one that lined up more closely with what ultimately appeared in public data.

What this means for investors

For those who live and breathe securities finance, none of the above should be surprising. Borrow data has always been an early

signal — it simply delivers the best value when viewed through the right lens.

“EquiLend’s Predicted Short Interest is designed to be easily integrated into workflows including trading algorithms and risk models to deliver clarity where traditional metrics fall short”

In tight names, shifts in borrow demand often tell the short interest story quickly. In liquid names, internalisation and routine lending flows need to be considered. And in names with heavy financing activity, borrow balances may say more about balance sheet strategy than directional positioning.

That is exactly where AI-derived short interest changes the game and distinguishes signal from noise. EquiLend’s Predicted Short Interest, now available via API, is designed to be easily integrated into workflows including trading algorithms and risk models to deliver clarity where traditional metrics fall short.

Predicted Short Interest elevates borrow data from a rough proxy to a precise, decision-ready metric. It reveals true positioning, adds essential context, and provides decision makers with a clearer, real-time analysis of market sentiment. In an environment where speed and accuracy drive performance, that level of insight is not just helpful — it is a meaningful competitive advantage. ■

2026

ESSENTIAL DATES FOR
SECURITIES FINANCE
PROFESSIONALS



DUBAI

23 April 2026



BOSTON

5 May 2026



LONDON

22 September 2026

SECURITIES FINANCE SYMPOSIUM

For more information contact
justinlawson@securitiesfinancetimes.com



The rise of UK retail

In the UK, securities lending is no longer just for institutional investors. As retail investing becomes increasingly popular, the lending side has stepped up the pace to match. Hansa Tote explores

The retail lending market is expanding globally, driven by digital innovation, increased consumer interest, and education. The UK is no exception in this respect.

According to Saul Dawes, head of sales, EMEA, at Sharegain, the UK is “in the early days of a seismic shift”. He explains that just three years ago, retail investors had no real access to securities lending — “the barriers to entry were high, and the infrastructure was not there”.

The UK securities lending market has grown “substantially”, highlights Gerry Perez, CEO of Interactive Brokers UK, with retail participation

and subsequent inventory outside the general collateral space becoming a meaningful component of the overall market.

In agreement, Dan Moczulski, UK managing director at eToro, says retail participation is still in the early stages compared to the institutional market. However, he believes it is “clearly” growing, as access has improved significantly over the last three years.

Described as “modest in scale and sophistication” in comparison with institutional programmes, Jordan Howie, buy side Trading Services sales at J.P. Morgan, attributes the size of the UK retail lending market



to its opt-in nature and that it is typically focused on equities with demonstrated borrow interest, while infrastructure for monitoring utilisation and recall risk is still evolving on broker platforms.

He describes the market as “under-penetrated”, before explaining how doors to entry are being created. Howie notes that an increasing number of digital brokers in 2025 rolled out fully paid stock lending programmes in the UK, enabling their underlying clients to earn passive income by making their holdings available for lending, something that had previously been primarily confined to institutional names.

In demand

According to data from Sharegain, currently, the most in-demand stocks across the UK market are ITM Power, Aston Martin Lagonda

Global Holdings, and ASOS, with the top earning UK ETFs being: iShares MSCI China A UCITS USD (Acc), iShares FTSE 250 UCITS GBP (Dist), and iShares UK Property UCITS GBP (Dist).

Exploring ITM Power’s growth, Dawes says shares gained nearly 95 per cent over the past year, and — for investors who held the stock and activated securities lending — the position generated an additional 33 per cent in lending income. He states: “It’s a strong example of how one stock can deliver two types of return, while maintaining intended exposure.”

Moczulski explains borrowing demand is primarily driven by short selling and hedging activity — something eToro saw during the ‘meme-stock’ period.

The trend of meme stocks began to gain traction in 2021, and refers

COUNTRY PROFILE

to publicly traded shares whose performance is strongly influenced by social media discussion and activity. This means they are extremely volatile based on the hype surrounding them and do not usually conform to wider market trends.

Moczulski highlights: “Typically, demand concentrates in hard-to-borrow stocks with limited supply, heavily traded large-caps during periods of heightened market activity, and names around corporate actions or index changes. Demand is highly dynamic, so it’s better understood as a pattern rather than a fixed list of securities.”

Commenting on factors that influence demand for retail-lendable assets in the UK market, Howie agrees that rising short selling and hedging activity underpin core demand for borrowed securities.

Discussing trends in demand, he states: “Retail platforms’ lendable inventory increasingly includes small and mid-cap names and ETF constituents favoured by retail investors. These segments can become attractive to borrowers when institutional inventories are thin, creating name-specific special demand conditions; increased retail ownership of ETF units ultimately expands access to underlying constituents that are in consistent borrow demand.

“Institutional borrowers are also seeking to diversify supply sources, complementing traditional inventory with retail-originated stock to bridge gaps in less liquid names. Retail programmes that aggregate fragmented holdings and distribute them through large institutional lending platforms are therefore best positioned to meet borrower demand efficiently.”

How it differs

How does UK retail securities lending compare to the US and Europe?

It appears that the main difference is the age, with the UK’s retail space being significantly younger than other more established markets. Howie expands upon this, stating: “Retail securities lending in the UK today is distinguished by its very recent

emergence and platform-specific rollout, compared with more mature or broader implementations in parts of Europe, and particularly the US, where securities lending is an established part of the product suite, often tied to broader programmes that also include margin and yield enhancement.”

Discussing continental Europe, Howie explains retail stock lending is gaining traction, however these rollouts tend to sit within pan-European broker models rather than being focused on a single national market. He notes that the rise of ETF lending is particularly relevant, highlighting: “UCITS ETFs increasingly engage in securities lending as a means of offsetting costs, and retail demand for ETFs across Europe has materially expanded the lendable universe. The UK’s platforms continue to advertise lending as a value-add feature, rather than as an established core part of the retail proposition.”

In contrast with US markets, where equities and stock-based income strategies are materially more embedded in investor culture, he says retail adoption of lending in the UK is tempered by a historically higher preference for cash and lower-risk holdings versus equity exposure.

Furthering the discussion, Moczulski notes that the UK is still playing catch-up compared to markets such as the US and Canada, both of which have had retail stock lending embedded into a larger broker platform for much longer while supporting it with broader product transactions.

He also highlights that recent sentiment surrounding short selling has become more balanced, and occasionally positive. There is no guarantee that the attitude towards short selling will remain positive Moczulski heeds, stating people’s opinions surrounding it are prone to changing, something stock lending is often tied to.

Commenting on differences within markets, Dawes notes that in the US and Europe, securities lending is the norm, with almost every major platform offering it to retail clients. As it is no longer a ‘nice to have’, it has become a core revenue engine for platforms while adding value for users. He states: “In the US, firms like Robinhood and Interactive

Brokers have made securities lending central to their business models. Securities lending delivers annuity-like revenues, over 85 per cent operating margins, and strong product differentiation — driving 20–30 times the earnings multiples and supporting higher share prices.”

In the UK, retail securities lending is not yet universally offered, he explains, however those who have launched it are seeing high rates of adoption and strong engagement creating the signal that investors are ready and the rest of the market will follow.

Barriers to participation

Despite the growing popularity of retail securities lending in the UK, Howie believes structural frictions remain. He explores: “One barrier is the UK stamp tax framework, fostering some hesitancy among large wealth managers and brokers. Securities lending transactions can trigger Stamp Duty Reserve Tax if stock lending relief conditions are not precisely met, particularly around timing of returns and manufactured dividends.

“For platforms managing sizeable retail positions, this introduces operational and tax complexity that must be carefully controlled, and in some cases has slowed rollout by more traditional private banks and wealth managers.”

Moczulski suggests that many of the barriers come down to education — or a lack thereof. “There’s still a mindset among some investors that stock lending is inherently bad, largely because it’s associated with short selling. In reality, stocks are being borrowed either way; the real question is whether investors are receiving a share of the benefit.” He reiterates that securities lending carries risk, and that brokers and regulators must ensure clients understand and consent to that risk.

He regards the meme stock period as worsening negative sentiment around retail lending, particularly in online communities such as Reddit and the subreddit ‘WallStreetBets’, where lending was seen as enabling short sellers and therefore putting the HODLers (hold-on-for-dear-life) on the back foot.

What next?

Commenting on the future of the UK retail market, Dawes notes: “Retail investors have changed capital markets, and they are about to change securities lending.”

For Howie, as participation grows, revenue-sharing models and investor education should become more standardised. He suggests retail investors may increasingly view lending as part of a broader yield-enhancement toolkit, especially as transparency improves. Institutionally, counterparties will begin to explicitly price retail-originated supply rather than treating it as incidental.

“Growth will depend on governance quality, operational resilience, and the ability to distribute inventory efficiently,” he continues. “In our view, this reinforces the role of established securities finance platforms as the natural conduit through which retail and broker-originated supply can be safely, compliantly, and effectively deployed into the global securities lending market.”

Moczulski states he expects to see broader retail access but in a more “standardised” and “transparent” form, meaning a clearer opt-in design, better client controls, and more consistent disclosures. “Transparency around what’s on loan, potential earnings, and key risks should continue to improve, while regulation is likely to focus on consent, conflicts, and fair client outcomes rather than restricting activity outright,” he adds.

He also states that increased automation and better integration across brokers, custodians, and lending platforms should also improve efficiency and scalability.

Dawes explains in 2025, the industry passed the US\$4 trillion mark in assets on loan and generated US\$15 billion in revenue, figures he believes can be doubled within the next five years. He states that, as the industry grows and more investors participate, the whole ecosystem benefits from deeper liquidity, better price discovery, and enhanced efficiency. He says: “The industry is becoming bigger, better, and fairer — and retail is the catalyst.” ■



From the ground up: The faces behind APAC's stock loan market

Following an impressive career spanning 40 years in finance, Tak Sugahara sits down with Carmella Haswell to uncover his journey in building Japan's domestic SBL market outside of the JSFC

Looking back on a 40-year-long career in financial services, Tak Sugahara shares his story and that of those who left their mark on the evolution of securities borrowing and lending (SBL) and the rise of modern trading infrastructures in Asia Pacific. From building the first global stock borrow system (JP Sharp's BLEND platform) to establishing Japan's domestic SBL market, Sugahara takes great pride in helping to build businesses that were "innovative, resilient, and safe — without shortcuts or compromises".

Where it all began

Morgan Stanley was a niche player in Japan when it opened its Tokyo office in 1970. But as Japan became a larger industrial force and global investor a decade later, the business there expanded.

In 1986, the firm became one of the first foreign investment banks to obtain the Tokyo Stock Exchange membership. This marked a turning

point, where the firm began to invest more heavily in developing the talent and expertise to compete in the domestic market.

One of these talents was Sugahara — an industry veteran who has held senior roles within Deutsche Bank, Bank of America Merrill Lynch, Mizuho Securities Co., and Nomura Securities, to name a few.

Sugahara was introduced to the SBL world in 1985, an experience which he calls “serendipitous”. His father had received a call from the business, which at the time was seeking new university graduates for its frontier offices. “Although I had already accepted a job elsewhere, my father volunteered me without asking. That led to a memorable phone call — where I mistakenly described Morgan Stanley as a ‘great power tool company’ — and ultimately to an interview that changed my career,” he recalls.

Through Morgan Stanley’s management training programme, Sugahara was assigned to the stock loan group, where he learnt the mechanics of securities lending in the US and internationally. He gained exposure to the operational, legal, and technological foundations that underpin modern SBL.

While at the firm, he met Hiro Ishitani. Having joined Morgan Stanley in 1987 as an entry-level clerk in the operations department, Ishitani remembers Sugahara as a “young and bright stock loan specialist” who was sent to establish a separate stock loan team in operations.

He continues: “Tak and I, together with other operational professionals, worked very closely to improve operational processes and establish new ones required for his key objective which was to establish a domestic stock loan business.”

Playing important roles in the building of Morgan Stanley’s stock loan market, both Sugahara and Ishitani toured the firm’s European offices in London, Frankfurt, and Geneva to educate foreign traders who were selling short against warrant, bond or depository receipt (DR) certificate.

Looking back: Revisiting 1980s Japan

Setting the scene, Sugahara explores the Japanese market in the mid-1980s — when he was spearheading the SBL desk for Morgan Stanley. Describing the environment as “extraordinary”, Sugahara says it was a time where Morgan Stanley, Lehman Brothers, and Salomon Brothers were battling to lead index, convertible bond, and warrant arbitrage in Japan. The Nikkei was approaching historic highs, Japanese capital was flowing globally, and inefficiencies in the trading markets — particularly across mid and small-cap equities — created abundant arbitrage opportunities.

“But the infrastructure was primitive. Settlement was entirely physical — stocks were counted, transported by bicycle couriers, and stored in vaults,” he explores. “The Japan Securities Finance Corporation offered limited supply at high cost, and domestic institutions had no lending programmes, no legal frameworks, and no familiarity with stock loan mechanics.”

According to Sugahara, regulatory constraints added complexity to this market, where foreign collateral was restricted, Japan government bonds (JGBs) transferred to foreign entities became “dirty”, and settlement mismatches were common. “Against this backdrop, developing a functional domestic stock loan market required rebuilding nearly every operational, legal, and technological foundation from scratch.”

Ishitani recalls that the market at the time was dominated by domestic securities companies and was purely a client-side business. Foreign companies were small but growing — Morgan Stanley was less than 200 when Ishitani joined — and it was these entities that started to implement such strategies as arbitrage, repos, and hedging.

“The market quickly caught up but it was the foreign companies that were dominant and Morgan Stanley then was one of the dominant players. The best way perhaps to describe the Japanese market at that time is physical and manual,” notes Ishitani.

Prior to Sugahara's domestic lending business, Ishitani says that the only form of a lending or borrow facility was via the Japan Securities Finance Corporation (JSFC) — a regulated and “expensive” stock borrow scheme primarily used to cover fails. Japan was a no fail market to the exchange so if a foreign client failed to deliver, it was the coordination between Sugahara's team and the core operational team to borrow securities to deliver to the exchange.

Building a foundation

Alongside operational and support professionals, Sugahara and Ishitani began the journey to help form a domestic stock loan market in Japan by creating the business architecture. Collaborating with legal, compliance, treasury, settlements, technology, and trading desks, they worked to define acceptable collateral, settlement workflows, reporting procedures, and contingency plans.

“Imagine hundreds and thousands of trades requiring settlement and for each one of those, physical securities had to be delivered to the client and to the exchange”

These plans were formally presented to the Ministry of Finance and the Bank of Japan and once approved, Sugahara says the team worked around the clock with the settlements group to operationalise the framework.

It was then important to build relationships with key domestic institutions which, according to Sugahara, were initially those associated with Mitsubishi Group companies across life insurers, fire and marine casualty companies, banks, and trust banks — to form the first lending partnerships.

“Systems had to be invented. I built Japanese-language confirmation tools and the TraderX inventory platform to track borrows, recalls, and trading desk activity across settlement cycles. These tools proved essential, particularly around dividend and record dates,” he explains.

However, it was not all smooth sailing. From Ishitani's perspective, there were several key challenges due to the physical delivery environment, no fail market, and client expectations. For instance — and specific to the stock loan market — Sugahara had to educate and convince large investors such as insurance companies to loan out their proprietary holdings. Ishitani explains that “no standards existed” and so a process had to be created which met the standards and expectations of both the clients and the market.

“Imagine hundreds and thousands of trades requiring settlement and for each one of those, physical securities had to be delivered to the client and to the exchange,” Ishitani explains. “Although the actual custody/safekeeping and delivery of physical certificates was done by a third party, the operational process at Morgan Stanley had to ensure this was all instructed and delivered on time.”

Another key challenge to tackle was the conservative nature of the decision makers of the equity owners. Ishitani says: “If you could imagine Tak's client seeking executive and/or board approval of an insurance company, primarily very grey-haired, this might help imagine the scene,” he adds.

The Japanese are very detail-oriented and mistakes are highly frowned upon. For example, not returning stocks to lenders for record dates would have caused material harm to lenders because those shares were often held for cross shareholding purposes. This would have cascaded to irreparable harm to Morgan Stanley's market reputation and ultimately damage the lending market itself. “I can report this never happened,” notes Sugahara. “Interestingly, Morgan Stanley built such a positive reputation that some lenders allowed it to borrow ‘mu-tampo’ — without collateral.”

Morgan Stanley launched its domestic stock borrow programme

in early 1987 and, as Sugahara put it, “quickly became the leading index, convertible bond, and warrant arbitrageur”. Through Sugahara’s efforts, Ishitani says the first ever stock loan transaction was concluded via a third party.

Sugahara adds: “Growth strained the physical settlement process and systems, prompting us to innovate using safekeeping receipts to replace actual stock movements. Rather than transferring thousands of stocks positions between lenders and Morgan Stanley and between Morgan Stanley and exchanges, we used a confirmation process to eliminate almost half the stock movements. This mechanism drastically reduced operational overhead and costs and ultimately enabled Morgan Stanley to successfully arbitrage the TOPIX futures contract when it launched.

“It was a foundational moment for Japan’s capital markets and a defining chapter in my career.”

Reviewing the impact of these events, Ishitani says the Japanese market was primarily long only and when stock loans became household, investors and traders began looking at the short-end of the market and became more creative. Through stock lending, investors were able to secure additional income via lending fees.

From Japan to Hong Kong

Following his move to Goldman Sachs in 1990, Sugahara worked to build the firm’s Japan SBL desk before taking on a new role at its Hong Kong office in 1991. Here, he was tasked with building Goldman Sachs’ APAC SBL desk.

“When joining Goldman Sachs, the market already existed, but building the business still required recreating the structure — this time in a more formalised environment,” notes Sugahara. “Within six months, we were live with most of the major domestic lenders. The desk grew rapidly and supported index, convertible bond, and warrant arbitrage, as well as the growing hedge fund community trading Japan.”

The move to Hong Kong, following five years in Japan, enabled Sugahara and his team to map, in detail, the legal, tax, and regulatory frameworks needed to expand financing and short selling across APAC. “This work laid a solid foundation for the firm’s later prime brokerage growth in the region.”

“At that time, Japan was the bellwether for financial market liberalisation, and the success of Japan’s robust derivatives markets left a legacy of similar modernisation across Asian markets going forward”

Prior to Sugahara’s relocation, Lawrence Komo worked under his leadership at Goldman Sachs’ Japan office. “Those were exciting times as it was still the early days of securities lending in Japan, and there were many internal battles with compliance and operations as we grew the business,” Komo recalls. “It took years of discussions to persuade the large holders of Japanese equities, mainly the insurance companies, to get comfortable with the benefits and safeguards around OTC lending.”

Despite these challenges, Sugahara and Komo partnered on various projects including one that established the ‘first-ever’ exclusive borrow arrangement with one of the largest regional sovereign funds. Not only was this unique, says Sugahara, but it expanded the trading opportunities and created resilience in supply.

For Komo, there are two critical components for a robust securities lending market — trading demand for shorting/hedging and supply of lenders in the market. He explains that, at the time, Japan’s financial markets were “exploding” with new exchange traded products —

futures, CB's, warrants — which drove “huge demand” for lending to support market makers and arbitrage desks.

“I built off the work Tak had successfully done with local institutional lenders, and continued to grow the pool of firms willing to lend,” he says. “The combination of these newly introduced exchange traded derivatives and ample supply of stock loan fed not only proprietary desks but hedge funds and the growth of Japan market focused hedge funds!”

Imitation is the highest form of flattery and broker-dealers are masters in that regard, according to Komo. He says the success of Goldman and Morgan Stanley pulled in most large Western brokers into establishing domestic desks, which ultimately legitimised the lending market in Japan.

“At that time, Japan was the bellwether for financial market liberalisation, and the success of Japan's robust derivatives markets left a legacy of similar modernisation across Asian markets going forward. Tak's success in introducing securities lending to the Hong

Kong market and regulators is a prime example of this knock on effect and impact!”

Reviewing the key highlights from his career, Sugahara says the most rewarding moments came from tackling projects that seemed impossible at first glance — building markets, creating systems, designing frameworks, and solving operational bottlenecks. Even more so, he highlights the significance of the people he worked with, noting that he worked alongside teams who took ownership, invested long hours, and consistently did things the “right way”.

“I take great pride in knowing we built businesses that were innovative, resilient, and safe — without shortcuts or compromises. That, more than anything, defines the legacy I hope we leave behind.”

He concludes: “After 40 years, I leave with the satisfaction of having contributed to businesses that grew from nothing into dominant market franchises. It feels like the right moment to step back and let the next generation carry the torch.” ■



“After 40 years, I leave with the satisfaction of having contributed to businesses that grew from nothing into dominant market franchises”

Tak Sugahara



Redefining Collateral Mobility

Frictionless, precise and
real-time transfer of
ownership of securities

www.hqla-x.com



Playing the long game

Ben Clissold of USS Investment Management Limited sits down with Carmella Haswell to review the importance of securities lending, tokenisation, and how the trustee supports the largest pension scheme for universities and higher education in the UK

What does the securities lending programme at USS offer to clients? How has the pension fund had to adapt its programme to keep up with the evolving securities lending sector?

We only have one client. USS Investment Management Limited (USSIM) is the principal investment manager and adviser for the largest pension scheme for universities and higher education institutions in the UK, and we manage a vast majority of the scheme's assets internally. We are a lender of securities to generate revenue as a return in order to pay pensions, but we also borrow money to provide liquidity for the

pension scheme over time. We have both sides of the engagement with securities lending.

On the cash management side of our business, we manage the UK's largest private pension scheme by assets and have a big in-house team. Relative to in-house investment managers of other defined benefit pension schemes in the UK, we are relatively sophisticated.

At USS we borrow in dollars and euros, as well as in sterling, so we can optimise our funding requirements for cash across those different currencies. This is quite different from a normal, standard defined

benefit (DB) pension scheme. USS also borrows in the equity space as well as against government bonds, providing diversification in terms of asset class.

On the other side of the balance sheet — where we lend securities to make money as a return for members — we run a relatively broad lending programme where we utilise both our custodians. Like many clients, they utilise their custodian to lend on their behalf. We do that in a number of ways.

For example, we will lend most things overnight, but we also term-lend for additional revenue. For instance, we will lend securities — particularly government bonds (US Treasuries) — for 35 days or 95 days to help banks with regulatory requirements such as net stable funding ratio (NSFR), leverage ratio, or supplementary leverage ratio. That can be relatively lucrative for us.

We work closely with our custodian for those services and have regular dialogue with them. They will come to us with ideas, and we will decide whether or not they are sensible for us to do in terms of risk versus reward. For instance, in 2025, securities lending in Saudi Arabia became more mainstream, so we took advantage of that to generate additional revenue for our client by lending Saudi Arabia equity.

From a beneficial owners perspective, what key trends in market activity have you noted over the past 12 months in securities lending and collateral management?

As our client is a pension scheme, we have a very long term investment horizon. While we have to consider market conditions and changes, we do not make knee-jerk reactions to anything. So I would not say there is anything particular over the last 12 months that has changed the way we work, apart from Saudi Arabia — that was not something you could lend historically, the market changed and it became lendable. The big focus on the horizon would be changes to US policy on things like repo and whether those things all become cleared.

In your experience, what are your thoughts on collateral tokenisation? How can firms manage their collateral more efficiently?

Collateral tokenisation is something that the industry is starting to adopt. It is not something that we have embraced at this point but we are watching with interest.

How to manage collateral efficiently is a very important topic of conversation, particularly around the liability-driven investment (LDI) crisis in 2022 or the dash for cash at the start of the pandemic in 2020. It is something we spend a lot of time thinking about, and how we manage those things efficiently is important. Part of that is how you set up your legal documents; the collateralisation eligibility on those legal documents under things like the Uncleared Margin Rules (UMR), but also in your bilateral agreements; being in touch with firms like LCH about what haircuts are and how you can be efficient with those. But also, having control of your demand side as well as your supply side of collateral is key.

We can use the pension scheme exemption from having to clear, and that means we can process transactions over-the-counter (OTC) or clear transactions as appropriate. There are some trade-offs there about liquidity versus flexibility of collateral management. It is very important to think about both sides of the balance sheet. We spend a lot of time making sure that we have good diversification there, so that we have requirements to post cash versus posting securities. I joined in 2020 and built a team to do that internally, working with the risk team and the asset allocation team so that they understand the constraints. So when things like 2022 happen, it is very easy to react, because everyone knows what to expect in those circumstances and what is going to be needed.

You put in place a whole series of things to manage those risks and it is not often that you get the opportunity to crash test them in such a dramatic way, so quickly after you have put them in place. It was personally rewarding — but also for the team and for our trustees — we were able to cope with those dramatic market moves relatively comfortably.

What benefits do securities lending programmes provide for beneficial owners? How have you seen these programmes change during your career in the industry?

The generation of return is useful. It is not a game changer, relative to how much we have in equities and how much we could make when equities go up, but it is a diversified source of return that is not correlated to any other asset class. And so from that point of view, it is very beneficial. The ability for us to borrow cash in multiple currencies and against multiple types of securities provides a significant diversification benefit and strengthens our risk management.

How has it evolved? At the margin, it has evolved a bit, but not that much really. If you look at what pension schemes were doing 10 or 15 years ago, it is not dramatically different to how it is now. Tokenisation would potentially be quite a change in the way these things work.

How integral are pension funds within the securities lending and collateral management industry? How has the role of pension funds evolved?

Speaking to peers, we all value securities lending as a revenue stream and our bit within the financial services framework or infrastructure is key. If nobody was lending securities and it did not exist, financial markets would be less efficient and less liquid, and consequently more risky in some senses. But it has not changed that much and I am not sure it will change a great deal over the next 10 or 15 years, apart from some things like tokenisation, which might be a game changer in the speed of which things move.

Looking ahead, what priorities will be core for USS over the next year?

In the context of securities lending, it is very steady as it goes and it works well for us. We will continue to review and respond, where

appropriate, to market conditions changing in a gradual way over the long term. Changes in US legislation would be a biggie, clearly, as will the evolution of tokenisation. ■

Ben Clissold
Head of fixed income and Treasury
USS Investment Management



Universities Superannuation Scheme (USS) is the pension scheme itself. It is set up under a trust and is governed by a trust deed and rules.

Universities Superannuation Scheme Limited — the trustee of USS. As the trustee, it ensures USS (the scheme) is run in line with the trust deed and rules, as well as all relevant law and regulations.

USS Investment Management Limited (USSIM) — a subsidiary of Universities Superannuation Scheme Limited. It is the principal investment manager and adviser to the scheme, looking after the investment and management of the scheme's assets.



How do we fix
a problem with
no boundaries

by pushing
our own?



HSBC

| Opening up a world of opportunity

Getting comfortable with change

Trent Killen, manager of Member Services at OCC, speaks with Carmella Haswell about his journey from public accounting to leading a team supporting the clearance of securities finance, options, and futures

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

I began my career as an auditor in public accounting, creating financial statements for clients. While the analytical work came naturally to me, I found myself drawn to the financial and operational aspects of the business rather than the audit function itself.

That realisation led me to the Options Clearing Corporation (OCC), where I started in a collateral services role where I could apply my operational background to improve our processes.

Since joining OCC, I have held various client-facing roles and ultimately grown into managing the Member Services department, supporting the clearance of securities finance, options, and futures. It has been a natural progression that has kept me constantly learning.

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

The pace and scale of change in this industry excites me most. Coming from the slower-paced world of public accounting, I was surprised by how quickly things can evolve within the clearing ecosystem.

In my current role, I sit at an intersection of operations and client relationships that allows me to see the direct impact of industry change firsthand. This constant evolution keeps me engaged and pushes me to keep learning.

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

I have had multiple passionate and experienced mentors at OCC who have been instrumental in my development. While classroom-style training has played a role, the direct relationships and interactions with my mentors have proven invaluable. They have shaped how I think and approach problems, teaching me to challenge assumptions rather than just follow processes. This mentorship is part of a broader culture where I feel supported asking questions and exploring new ideas, and that energises me daily.

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

Early in my career, I expected the financial industry to be more formal

and intimidating than it actually is. What I have found instead is that people in this space are genuinely welcoming and willing to share their knowledge.

I have addressed this by building relationships with experienced mentors and actively reaching out for help when I need it. The people I have worked with at OCC have been generous with their time and expertise, which has made navigating the complexity of this industry much more approachable than I initially expected.

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

Get comfortable with change early. This industry moves quickly, and the ability to adapt is more valuable than knowing everything upfront. Do not be afraid to ask questions or admit when you do not understand something. That willingness to learn has been more important to my growth than any specific knowledge I had coming in.

Seek out mentors who can help you navigate that complexity. There is no shortage of experienced individuals in this space who genuinely enjoy sharing their knowledge. Those relationships have been invaluable in helping me understand not just what we do, but why we do it.

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

I see my future at OCC. The unique role we play in clearing securities finance transactions is compelling to me. Over the next five years, I see myself continuing to grow as a leader and look forward to having a greater impact on the organisation. However that materialises, I want to look back and see that I made things better. I am focused on becoming the kind of leader who enables others to succeed and helps move the organisation forward in a meaningful way.



Trent Killen is a manager of Member Services at the Options Clearing Corporation (OCC). In this role, Trent oversees client-facing operations supporting the clearance of securities finance, options, and futures, ensuring seamless service delivery to OCC's diverse member base.

Prior to managing Member Services, Trent held various roles within OCC's business operations group, including collateral services, where he focused on streamlining workflows and improving operational efficiency. His experience at OCC has provided him with deep expertise in clearing operations and a comprehensive understanding of the securities finance ecosystem.

Before joining OCC, Trent began his career in public accounting as an auditor, where he created financial statements for clients and developed strong analytical and operational foundations that continue to inform his work today.

Trent holds a Master of Science in Accounting from the University of North Texas.

PASLA welcomes McCardle to board of directors

The Pan Asia Securities Lending Association (PASLA) has appointed Andrew McCardle, head of EquiLend, to its board of directors.

As the first non-bank to join the board, McCardle's appointment comes at a pivotal time in PASLA's governance evolution.

Over the past year, the association has streamlined its board from 16 to 12 directors,

introduced advisory roles, and integrated its first Solutions Provider membership sleeve into the board construct.

These changes reflect the rapid expansion of PASLA's membership, up more than 30 per cent year-over-year, and the association's commitment to ensuring broader and more diverse representation at the board level.

With EquiLend becoming the first Solutions Provider to hold a board seat, PASLA reinforces its dedication to incorporating perspectives from across the full spectrum of the regional securities finance ecosystem.

McCardle's transition to a full voting director brings technology-driven insight and infrastructure expertise — critical elements of the market's ongoing development.

Having spent almost 20 years with the firm, McCardle leads the EquiLend Asia office out of Hong Kong and is responsible for the APAC region.

His appointment further strengthens the board's ability to foster rich dialogue and informed debate, supported by deep franchise experience and a wide range of institutional viewpoints.

Kaizen promotes Leach to CEO

The Kaizen RegTech Group has announced new leadership responsibilities within its existing group structure.



HSBC appoints Mullins

Sean Mullins has been appointed by HSBC as global head of digital asset product for Securities Services, bringing over two decades of experience in global custody with him to the role.

Based in London, he will report to the global head of product solutions, Securities Services, Chris Adams.

Prior to the move, Mullins spent 19 years in different transformation and product

roles at Northern Trust, most recently holding the position of global head of digital assets product execution.

Commenting on the appointment, Adams says: "It's a pleasure to welcome Sean to HSBC, bringing with him over 20 years' experience in global custody."

He adds: "This is an exciting appointment in a hugely exciting segment for HSBC's Securities Services."

Unlock the potential of securities finance

Broadridge transforms the trade life cycle for capital markets with real-time, comprehensive solutions. Optimize securities lending with technology that enhances efficiency, transparency, and streamlined operations - from automation to risk management.

**Discover how our integrated platform
empowers you to stay ahead.**



Having founded Kaizen Reporting in 2013, Dario Crispini will continue in his role as group CEO, overseeing strategy and growth across the group, while also continuing to lead regulatory reporting product and innovation, and remaining closely involved with clients and broader market engagement.

Michael Leach has been promoted to CEO of Kaizen Reporting, the group's flagship regulatory reporting business.

Crispini states: "As Kaizen continues to grow, it's important that we align leadership focus with how the business is evolving.

"This change allows me to spend more time on group strategy, innovation, and client relationships, while Mike leads Kaizen Reporting through its next phase of growth.

"Mike has been a key part of shaping our commercial direction, and I know the business is in great hands."

Leach joined Kaizen Reporting as chief revenue officer in June 2025 from the London Stock Exchange Group (LSEG), where he played a pivotal role in building UnaVista (now LSEG Regulatory Reporting Solutions) into a global brand.

Commenting on his promotion, Leach states: "Kaizen Reporting has an incredibly strong foundation, a clear strategy, and a talented team.

"I'm excited to lead the business, support our clients, and drive the next phase of growth through continued investment in technology, innovation, and delivery excellence."

Kaizen Reporting has recently announced several senior hires including James Crow as chief technology officer, and Chris Childs and Tim Keady as strategic advisors.

Marex appoints Garofalo

Marex has welcomed Mark Garofalo as director of equity financing, Americas.

Based in New York, he will be working on new initiatives alongside Mario Venditti and Mack Dowdall.

He joins the firm after seven years at Curvature Securities, where he held positions within the company's equity finance team, most recently as vice president of equity finance.

Garofalo has also worked at Broadridge as an associate of stock loans where he supported client back office operations for the firm's domestic securities lending business.

Dominy retires

Nick Dominy has retired after 30 years in the fintech and software industry to pursue more meaningful interests.

He most recently worked at SmartStream

for more than three years as business development director, responsible for the global sales strategy and execution for the Transaction Lifecycle Management (TLM) solution at SmartStream.

Throughout his career, Dominy has worked at a number of firms including FIS as senior sales executive of post-trade solutions and in EMEA sales. ■

Publisher: Justin Lawson
justinlawson@securitiesfinancetimes.com
020 3667 3244

Associate publisher: Nicole Taylor
nicoletaylor@blackknightmedialtd.com
07780 008598

Group editor: Karl Loomes
karlloomes@blackknightmedialtd.com
020 3617 1722

Deputy editor: Carmella Haswell
carmellahaswell@securitiesfinancetimes.com
020 3617 1722

Reporter: Hansa Tote
hansatote@securitiesfinancetimes.com
020 3617 1722

Accounts: Chelsea Denyer
accounts@securitiesfinancetimes.com
020 3667 3979

Sales and events support: Vanessa Hayes
vanessahayes@blackknightmedialtd.com
020 3667 3979

Studio director: Steven Lafferty
design@securitiesfinancetimes.com

Published by Black Knight Media Ltd
Copyright © 2025 All rights reserved



Investor
Services

Optimizing portfolio performance

For nearly 40 years, RBC Investor Services' industry-leading securities finance program has been helping clients generate incremental returns through our trusted market expertise and established risk management framework.

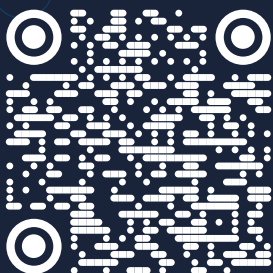
To find out how our team of specialists can deliver a securities finance program that meets your risk and return objectives, visit rbcis.com.

© Copyright Royal Bank of Canada 2025. RBC Investor Services™ is a global brand name operating primarily through the following companies: Royal Bank of Canada and RBC Investor Services Trust and their branches and affiliates. In the United Kingdom (UK), RBC Investor Services operates through RBC Investor Services Trust, UK Branch, authorized and regulated by the Office of the Superintendent of Financial Institutions of Canada. Authorized by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available on request. RBC Offshore Fund Managers Limited is regulated by the Guernsey Financial Services Commission in the conduct of investment business. Registered company number 8494. This material provides information on the services and capabilities of RBC Investor Services. It does not constitute an offer, invitation or inducement with respect to any service or financial instrument. RBC Investor Services' services are only offered in the jurisdictions where they may be lawfully offered and are subject to the terms of applicable agreements. This material is for general information only and does not constitute financial, tax, legal or accounting advice, and should not be relied upon in that regard. Links to external websites are for convenience only. RBC Investor Services does not review, endorse, approve, control or accept any responsibility for the content of those sites. Linking to external websites is at your own risk. ® / ™ Trademarks of Royal Bank of Canada. Used under licence.

Repo isn't what it used to be. That's the point.

On Tradeweb, we bring together efficiency, liquidity and lifecycle management in a single electronic environment. A deep, diverse liquidity network delivers a seamless trading experience across developed and emerging markets, while precision and transparency support each stage of the trade.

THE EVOLUTION OF REPO TRADING IS HERE.
ON TRADEWEB



www.tradeweb.com