SECURITIES FINANCE TIMES
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An exploration of Japan's repo market

Yuki Niimura of Japan Securities Finance Co. on recent trends, opportunities, and how the firm serves as a bridge for international capital flows

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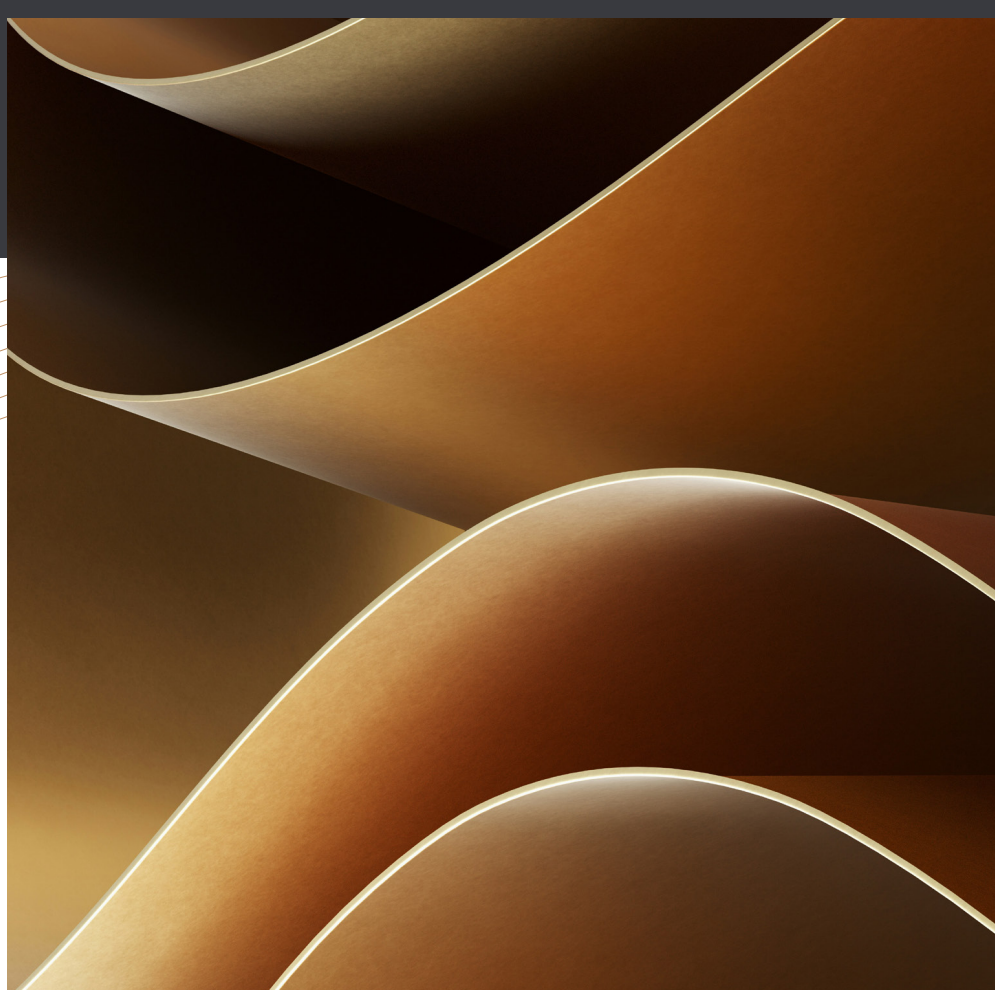


NBIM and Credit Benchmark partner

Norges Bank Investment Management (NBIM) has partnered with Credit Benchmark as it seeks deeper insight into unrated and opaque areas of the global credit market where traditional signals are limited or unavailable.

Using Credit Benchmark's credit consensus data via Snowflake, NBIM is embedding independent, consensus-driven credit intelligence into its counterparty selection, collateral assessment, and ongoing risk monitoring frameworks.

The expanded use supports disciplined, forward-looking decision making across credit cycles, aligning with NBIM's long-term investment horizon and responsibilities as a global financial market participant.

A key focus of the partnership is NBIM's securities finance activity, where traditional ratings often fail to provide adequate coverage.

NBIM will use Credit Benchmark data as a factor to assess the creditworthiness of counterparts including funds and associated collateral — focusing on segments of the market that are typically unrated and structurally opaque, yet systemically important.

Credit Benchmark's dataset aggregates and anonymises contributed credit risk views from over 40 global financial institutions, delivering a unique, real-world perspective on obligor creditworthiness.

With coverage spanning more than 120,000 entities worldwide — the vast majority of which are unrated — the data provides supplementary visibility into credit exposures that sit beyond the reach of traditional ratings frameworks.

The firms state that the multi-year collaboration between them reflects a shared commitment to resilience, transparency, and long-term risk management.

By leveraging Credit Benchmark's consensus dataset, NBIM says it is enhancing its preparedness for the next phase of the credit cycle and reinforcing its ability to manage risk across global portfolios.

CONTENTS

16
An exploration of Japan's repo market

Yuki Niimura, vice president at Japan Securities Finance Co., reviews the market, from new forms of repo trades in Japan and risk management, to the distinct role the firm plays in this space

20
Defining the repo market

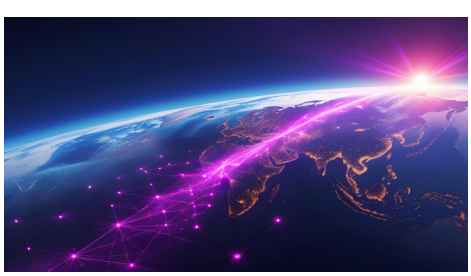
Ruth Ferris, head of secured financing in Asia at MUFG, provides a deep dive into the repo market, from Europe to Asia Pacific, and the firm's move to become a US primary dealer

26
Asia's markets: Poised for strength

Industry participants discuss the Asian securities finance market, from South Korea's reintroduction of short selling to how recent political changes are shaping Japan

36
T+1 in Asia

Roy Zimmerhansl, head of Capital Markets at WTS Hansuke, provides a deep dive into Asia's journey to T+1, what is required for success, and why the region's move to a shorter settlement cycle will stand separately to that of the US and Europe



40
Asia: A reference point for the rest of the world

Hansa Tote explores how digital assets are being used across Asia, discussing why the adoption rates are so high in the region, how utilisation compares to the US and Europe, and what the industry can expect to see next

44
By the members, for the members

Chris Benish and Charles Lesaux of the Global Peer Financing Association join Hansa Tote to discuss priorities, upcoming events, membership, and success stories of the organisation

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Caventor Capital joins Eurex Clearing

Caventor Capital has joined Eurex Clearing's OTC interest rate derivatives market as the first 'approved broker' of its kind in the programme.

According to Caventor Capital, the firm aims to empower clients such as hedge funds and asset managers with enhanced pricing through aggregated volume, broker enterprise that reveals unique trading opportunities, and greater discretion and privacy when executing strategies.

For Eurex, the move to join the programme further enriches their trading and clearing ecosystem, and underscores their commitment to providing diverse and efficient pathways to access their liquidity pool.

In an online statement, Danny Chart, global product lead for OTC interest rate derivatives at Eurex Clearing, says: "This step further enhances access for our joint clients — hedge funds and asset managers — developing our liquidity pool and unlocking new trading opportunities with enhanced pricing and execution discretion."

ESMA fines REGIS-TR

The European Securities and Markets Authority (ESMA) has fined the trade repository (TR) REGIS-TR, S.A. a total of €1.374 million for seven infringements under the European Market Infrastructure Regulation (EMIR) and the Securities Financing Transactions Regulation (SFTR).

While ESMA has sanctioned EMIR breaches in the past, this is the first enforcement case involving SFTR breaches and the highest ever fine imposed by ESMA on a TR.

ESMA has also issued a public notice and requires REGIS-TR to bring ongoing infringements to an end.

The financial markets regulator states it is important for TRs to comply with their obligations under EMIR and SFTR to ensure the quality of the TR data and protect the stability, integrity, and trustworthiness of EU financial markets.

The services offered by REGIS-TR under EMIR and SFTR were affected by the serious issues identified by ESMA, which in particular undermined the correct implementation of the new SFTR reporting regime and compromised the confidentiality of TR data.

Verena Ross, chair of ESMA, states: "Data on trades made available to public authorities is essential for market surveillance, enabling early detection of exposure concentrations, cross-border risks,

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and changes in liquidity and leverage.

"[This] decision highlights ESMA's commitment to enforcing essential requirements that ensure transparency and contribute to well-functioning markets.

"This case stems from long-lasting serious overarching issues identified at REGIS-TR.

"We will continue to foster a strong compliance culture, including by taking enforcement action, when appropriate."

ESMA found that REGIS-TR did not comply with key organisational obligations laid down in EMIR and SFTR relating to adequate policies and procedures, organisational structure, and operational risk, as well as specific requirements related to confidentiality and misuse of the information.

The seven breaches specifically relate to: deficiencies in REGIS-TR's policies and procedures under both EMIR and SFTR causing a lack of clarity regarding the roles and responsibilities of the governing bodies; the failure by REGIS-TR to identify sources of operational risk and minimise them through the development of appropriate systems, controls, and procedures both in relation to EMIR and SFTR; and the failure by REGIS-TR to prevent any misuse of information received and maintained in its systems under EMIR.

The breaches were found to have resulted from negligence on the part of REGIS-TR. In calculating the fine, ESMA considered aggravating and mitigating factors provided for in EMIR.

Wematch.live surpasses US$1.64 trillion

Wematch.live has surpassed US$1.64 trillion in ongoing notional volume.

This milestone represents a two per cent month-on-month growth and an 84 per cent increase year-on-year, reflecting a fundamental shift in how the global financial industry approaches multilateral trading and automated price discovery, according to the firm.

The record-breaking volume follows a period of rapid acceleration for the firm, which crossed the US$1.2 trillion mark in late 2025.

This growth is being driven by a convergence of structural market shifts, including heightened buy side participation, broader inventory accessibility across asset classes, and the continued maturation of platform-based workflows as the industry standard.

Commenting on the milestone, Joseph Seroussi, co-founder and CEO of Wematch.live, says: "Crossing the US$1.6 trillion threshold is more than just a milestone; it is a reflection of a fundamental change in how the market views liquidity and transparency.

"Our 84 per cent year-on-year growth demonstrates that the industry is moving

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decisively toward regulated, platform-based environments that offer better price discovery and streamlined workflows.

"The speed at which we have scaled from our earlier benchmarks to US$1.64 trillion is a testament to the increasing demand for our solutions. As we prepare for the official activation of the Wematch MTF in April 2026, we remain focused on pushing the boundaries of what's possible, constantly evolving our platform to meet the future needs of a digital-first securities finance industry."

Hang Seng Bank joins PASLA

Hang Seng Bank has joined the Pan Asia Securities Lending Association (PASLA) as a Prime Lite member.

The firm provides customer-centric banking, investment and wealth management services for individuals and businesses, and is a principal member of the HSBC Group.

The bank also combines its mobile app and digital capabilities with a network of more than 250 service outlets in Hong Kong to offer an omni-channel experience for customers to take care of their banking and financial needs.

Its wholly owned subsidiary, Hang Seng Bank (China), operates a network of outlets in major cities in Chinese Mainland to serve a growing base of mainland customers locally and those with cross-boundary banking needs.

The PASLA Prime Lite membership is tailored for securities houses, participating dealers, inter-dealer brokers, and physical and synthetic prime brokers that operate in

a single market within Asia Pacific that are involved with securities finance transactions.

Iberclear and LCH SA enhance collaboration

Iberclear, BME's (SIX) central securities depository, has expanded its collaboration with LCH SA to enable the settlement of Italian government bond transactions.

This initiative builds on the existing agreement between both entities, under which Iberclear already facilitates the settlement of Spanish, French, and German government bond transactions cleared through LCH SA.

With this new extension, clearing members will be able to settle in Iberclear transactions in Italian government bonds traded on the main trading platforms and cleared by LCH SA.

The new service is expected to go live during 2026.

Francisco Béjar, head of custody at SIX, and managing director of Iberclear, states: "This development represents a significant milestone towards greater operational efficiency and reduced fragmentation across the European post-trade landscape.

"It will also help foster enhanced collateral mobility and more effective liquidity management for market participants."

Michel Semaan, global head of RepoClear at the London Stock Exchange Group, adds: "We are pleased to partner with Iberclear to further enhance efficiency and expand choice for our members, strengthening the competitiveness of the European capital markets."

As a key value-add, Iberclear enables the ability to settle in T2S using central bank money, thereby strengthening the safety, efficiency, and robustness of the settlement process, the firms say.

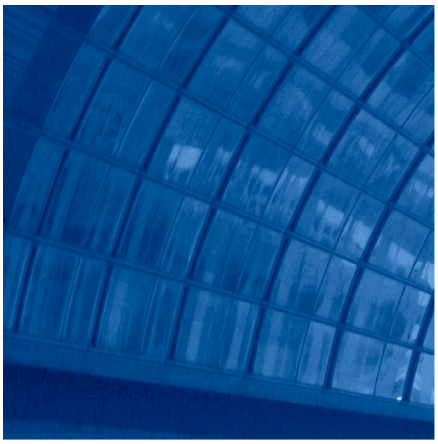
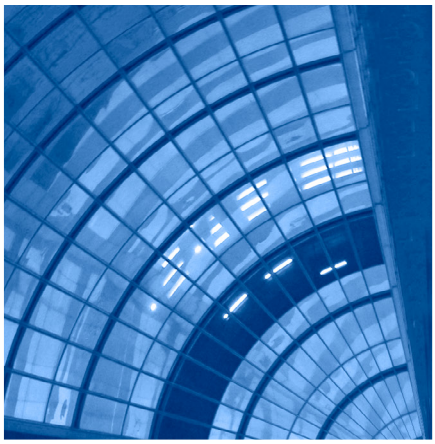
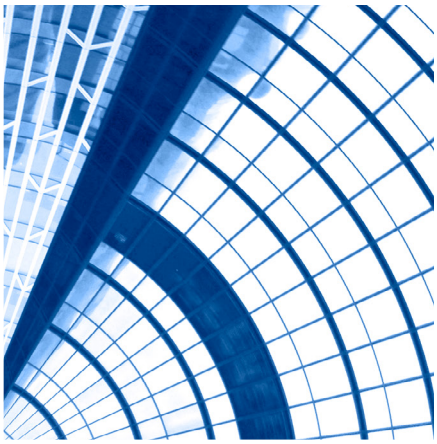
ECB enhances repo facility for central banks

The Governing Council of the European Central Bank (ECB) has enhanced the Eurosystem repo facility for central banks (EUREP) to increase its flexibility and effectiveness in supporting the smooth transmission of euro area monetary policy.

Under EUREP, the Eurosystem provides backstop euro liquidity to non-euro area central banks against high-quality euro-denominated collateral, with appropriate risk mitigants.

The updated framework introduces standing access, in principle, for all central banks, unless excluded on the grounds of, in particular, money laundering, terrorist financing, or international sanctions.

The framework will also enable central banks in jurisdictions outside the euro area to address risks of euro liquidity

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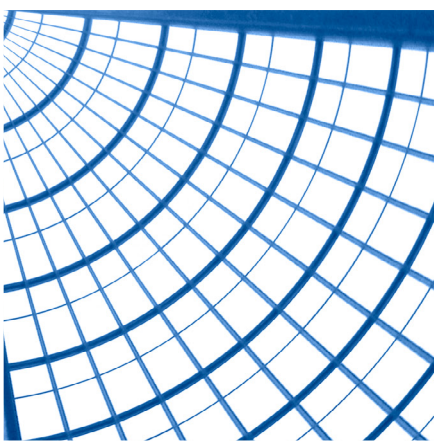
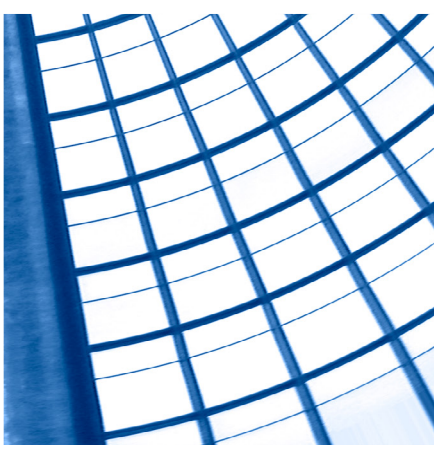

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CBA joins RepoClear at LCH

The Commonwealth Bank of Australia (CBA) has become a member of RepoClear at LCH, providing access to the deep pool of cleared UK gilt repo liquidity.

This builds on the bank's previous engagement with RepoClear after joining as the first Australian member of RepoClear at LCH.

Chris McLachlan, executive general manager, head of global markets, Commonwealth Bank of Australia, states: "As more of our clients in Australia and abroad seek access to liquid capital in the UK gilt repo market, we are delighted to join RepoClear at LCH, enhancing our ability to support repo markets while further strengthening market resilience."

LCH RepoClear is a central counterparty (CCP) clearing service for cash bond and repo trades, allowing members to manage risk efficiently and enhance liquidity across European government bond markets.

shortages swiftly — with these changes aiming to make the facility more flexible, broader in terms of its geographical reach, and more relevant for global holders of euro securities.

According to the ECB, since EUREP was first introduced in 2020, the world economy has undergone profound structural shifts related to geopolitics and changes in the international financial system.

These shifts have altered the dynamics of global trade and financial integration and suggest that the macroeconomic and financial environment will remain uncertain and potentially more volatile, with more frequent financial disruptions and possible knock-on effects on euro area financial markets having the potential to hamper the smooth transmission of monetary policy.

Liquidity lines such as EUREP help to support the smooth transmission of monetary policy in the euro area by helping to mitigate potential negative spillover effects on euro area financial market conditions, by addressing risks of disruptions in euro-denominated funding markets outside the euro area.

In the context of greater fragmentation and uncertainty, Eurosystem liquidity facilities like EUREP will continue to ensure the timely, consistent, and broad provision of backstop funding for central banks, says the ECB. ■

An exploration of Japan's repo market

Yuki Niimura, vice president at Japan Securities Finance Co., reviews the market, from new forms of repo trades in Japan and risk management, to the distinct role the firm plays in this space

Japan Securities Finance Co. (JSF) acts as an intermediary in the Japanese government bond (JGB) repo market, supporting the liquidity of this market. The JGB repo market, JGBs versus Japanese yen transactions, has continued to expand with a continuous increase in JGB issuance. The outstanding value of JGB repo transactions now reaches around ¥270 trillion (US$1.7 billion), making it an extremely large market.

Recent developments in Japanese JGB repo market

General Collateral (GC) repo

There continues to be robust demand for GC repo, a means of raising cash or collateral, and the overall market outstanding has been growing. In particular, with rising demand for term repos, the GC rate has remained stable at levels close to the uncollateralised overnight call rate.

Under the Bank of Japan's (BOJ's) Yield Curve Control (YCC) policy, tight JGB supply-demand had previously led to high rate volatility in the repo market. However, since the YCC policy was abolished, supply-demand conditions have shown improvements and repo rate stability has increased. Nonetheless, at fiscal year-end (end of March for many Japanese firms) or immediately after a BOJ monetary policy meeting, market participants tend to hold back on lending out JGBs, resulting in temporary scarcity of bonds and it pushes repo rates down briefly during those periods.

Special Collateral (SC) repo

Meanwhile, SC repo is driven by the need to build short positions in bonds for arbitrage or to cover those shorts. Although the total SC market balance last year fell compared to the previous year, it remains a substantial market. The SC repo rate is generally determined by taking the GC rate and adding a premium reflecting the individual security's supply and demand. Similar to GC, there are times when certain specific issues experience scarcity, leading to a rate difference between GC and SC.

Under the YCC policy, specific JGB names with high BOJ holding ratio often became exceptionally scarce, sometimes resulting in significantly deviating from the typical level of the repo rates. Currently, however, resulting from improved supply-demand balance, such irregular situations have been decreasing. With newly issued bonds and certain issues with low liquidity, supply-demand imbalances can still occasionally impact repo rates.

Arbitrage transactions utilising JGBs

There are many arbitrage opportunities in the JGB market. For example, an opportunity arises among the prices differences in the JGB market, the interest rate swap market, and the JGB futures market. Similarly, arbitrage trades targeting imbalances between supply and demand for specific JGB names are also possible.

As mentioned above, the supply and demand in the JGB repo market have been stable in recent years. JGBs could be procured or lent out fairly feasibly, turning out to be a major advantage for executing such arbitrage trades. On the other hand, during periods of extreme supply-demand tightness, obtaining the necessary bonds could be challenging. In such cases, JSF leverages its network with domestic and overseas financial institutions and institutional investors to swiftly procure and supply JGBs as needed. As a result, the JGB repos balance with non-residents at JSF has been increasing year by year.

JAPAN

Repo transactions beyond JGB vs JPY

The Japanese repo market is still predominantly composed of JGB versus Japanese yen transactions. In recent years, however, appetites for repo transactions using other assets or currencies has been increasing. For example, Japanese equities or foreign equities versus JGBs are conducted for purposes such as balance sheet reduction and collateral optimisation. These types of transactions have proven to be an effective tool for financial institutions seeking to meet regulatory requirements and improve capital efficiency.

Domestically, there is a growing trend of 'cross-currency repo' transactions where JGBs are used as collateral to obtain US dollars or other foreign currencies. By acting as an intermediary in these cross-currency repos, JSF enables overseas investors and asset managers to transact under attractive terms while significantly reducing operational burdens.

Other new forms of repo transactions are also drawing attention, such as those using government-guaranteed bonds or municipal bonds as collateral. Government-guaranteed bonds or municipal bonds are — though they tend to be illiquid — valued for their stable creditworthiness. In today's environment of rising funding cost, these assets indicate potential as alternative sources of financing for investors. JSF is actively promoting repo transactions collateralised by diverse types of assets, fostering a market where participants can efficiently access the funds or securities as they need.

Risk management in repo transactions

In the recent repo market, there has been a notable rise in spread trading that combine SC and GC to manage cash positions. When a market participant needs to obtain a special name, pairing an SC repo (to borrow the needed bond) with a GC repo (to invest excess bonds or cash) helps keep the overall cash position as neutral as possible. By conducting offsetting trades in this manner, participants can effectively offset interest rate risk and credit risk. This strategy has been gaining attention as market volatility increases.

From a risk management perspective, mechanisms such as margin calls and haircuts are utilised in cases where market fluctuations cause the depreciation in value of collateral. A margin call requires the additional cash or other assets as collateral, while a haircut involves deducting a certain percentage from the market value of the collateral, thereby lowering its evaluated value for collateral purposes. Among clearing participants, the Japan Securities Clearing Corporation (JSCC) acts as central counterparty to assume obligations, so in many cases such bilateral risk mitigants are not applied between those participants. However, for trades with non-clearing participants, it is common to employ these risk management measures to protect against counterparty and market risks.

JSF's role

As a leading company in the JGB repo market, JSF has established trading relationships with nearly all financial institutions and institutional investors in Japan, supporting liquidity across the entire market. Within this framework, we play a pivotal role in connecting the domestic market with overseas markets, serving as a bridge for international capital flows.

In the Japanese JGB repo market, we actively utilise a variety of transaction types including GC and SC trades, spread trades, and cross-currency repo trades. In particular, the practice of using JGBs as collateral to raise US dollars and other currencies through cross-currency repos has been expanding, and our intermediation in these trades has improved market efficiency and made trading conditions more attractive for participants.

Additionally, we are focusing on transactions using assets other than JGBs. Repo trades backed by government-guaranteed bonds or municipal bonds, although still limited in overall market size, are gaining attention in the current rising interest rate phase.

We leverage the experience that we have cultivated over the years to not only support domestic market liquidity, but also to provide a flexible and efficient trading environment that links domestic and foreign market participants. As a pioneer in the market, we will strive for further development of the JGB-related transactions and continue to challenge expanding new transaction fields. ■

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Defining the repo market

Ruth Ferris, head of secured financing in Asia at MUFG, provides a deep dive into the repo market, from Europe to Asia Pacific, and the firm's move to become a US primary dealer

If I had to summarise the last 12 months in repo in one sentence, it would be: volumes stayed steady, but everything underneath them changed.

This was not a year defined by peaks and troughs in activity — it was a year defined by the three p's: plumbing, policy, and platforms. The real story was structural: more flows migrating into clearing, more execution shifting onto electronic rails, more pressure to align settlement timelines with global peers, and more urgency around collateral mobility as central bank balance sheets continued to shrink.

In the US, the build-out towards mandatory Treasury clearing created a gravitational pull across the entire ecosystem. Sponsored models have rapidly grown in relevance, while the emergence of alternative central counterparty (CCP) capacity injected a new sense of competitiveness and optionality into what used to be a single-venue world. Add to this the push

to eliminate duplicated margins in sponsored repo and the rise of real-time delivery-versus-payment (DvP), and you get a market that is behaving more like a modern liquidity network than a 20th Century funding engine.

Europe told a different but complementary story: record notional outstanding, increasingly electronic workflows, and year-end turns that felt more like 'normal' scarcity rather than pandemic-era distortion. The key message was simple: collateral agility now matters more than abundant reserves.

A regional breakdown

Asia Pacific became the quiet powerhouse in 2025 — and not just because I am sitting in the region watching it unfold in real time.

Hong Kong's upgraded Northbound Repo Connect — now fully equipped with rehypothecation and multi-currency settlement — changed the economics of offshore renminbi funding almost overnight. Suddenly, collateral flowed with the kind of velocity global investors have wanted for years.

Mainland China complimented this by widening access to its onshore pledged repo market for overseas institutions, the region brought the world's second-largest bond market a step closer to global practice.

And Australia? It quietly cemented repo as the beating heart of its monetary policy framework, with full-allotment operations making repo the domestic anchor point of liquidity management. But that was only the headline layer. Dig deeper and 2025 delivered a far more dynamic regional story.

South Korea re-emerged as one of APAC's most important securities lending markets with the long-awaited lifting of its short selling ban in March. The moment the ban fell, demand snapped back — particularly in the technology and semiconductor names that had been stuck behind a regulatory wall for more than a year. Fees jumped, utilisation tightened, and Korea quickly reclaimed its spot on every lender's radar.

Taiwan, meanwhile, continued to be a standout performer. With global appetite for anything linked to semiconductors, AI hardware, or advanced manufacturing, Taiwan's lendable inventory simply could not keep up with demand. Borrowers chased names, lenders enjoyed premium revenues, and Taiwan once again emerged as one of APAC's most consistently lucrative securities borrowing and lending (SBL) markets.

Japan saw its own surge — a mix of seasonal rotation, index rebalancing, and the global investor shift away from China and into Japanese equities. That reallocation alone kept volumes healthy and recalls busier than usual.

Further south, the emerging ASEAN markets finally began to turn potential into actual traction. **Indonesia** and the **Philippines** — both long talked about and historically difficult to access — registered growing interest as onshore hedging solutions and updated intermediation models made SBL workflows more feasible. They are not mainstream yet, but they are no longer theoretical either.

And across the region, fixed income SBL quietly gained momentum. Government and corporate bond lending revenues rose as demand for high-quality collateral picked up during bouts of global uncertainty. Equity lending revenue globally dipped, but APAC bucked the trend with more stable fees, firmer utilisation, and more consistent borrowing behaviour than in the US or Europe.

In short: APAC did not just remain resilient — it accelerated, diversified, and cemented itself as a structural driver of global repo and SBL liquidity. It is still a quiet powerhouse… just a lot less quiet.

A strategic move

While APAC was stealing headlines, the Middle East quietly stepped onto the secured-financing stage with real intent. Saudi Arabia and the United Arab Emirates (UAE) continued their push to modernise capital markets, with regional regulators and exchanges making it increasingly clear that repo and securities lending are no longer 'nice-to-have' infrastructure — they are strategic.

Saudi Arabia's steady upgrades to its collateral and clearing framework are paving the way for deeper onshore liquidity and more genuine two-way flow, while the Kingdom's sovereign issuance has created a more credible benchmark curve for both repo and SBL usage.

Down in the UAE, Dubai and Abu Dhabi accelerated their ambitions. The Dubai International Financial Centre (DIFC) has been positioning itself as a regional liquidity hub, courting global institutions to bring their secured-financing expertise and balance sheets into the Gulf — and the response has been noticeably warmer than in previous years. On the SBL side, demand for high-quality Gulf equities have grown steadily, particularly as regional markets attract more global index weight and more international short-term hedgers. Even local asset owners — historically conservative with lending — have begun exploring agent-lending structures as they look to monetise portfolios more actively.

Put simply, the Middle East has moved from 'interesting' to strategic. The region now sits at the intersection of major issuance pipelines, rapid capital-market evolution, and a growing international client base hungry for liquidity options that do not rely solely on US or European pipes.

And for firms like ours, it opens a new chapter. APAC is already a powerhouse; the Gulf may be the next one.

Core lesson of the year: it is no longer just about rates. Where and how you clear, settle, and mobilise collateral determines your economics. The smartest desks treated clearing-model selection as a capital decision, not a processing decision — and they won.

Navigating the challenges

Looking at the current challenges facing market participants — is the industry doing enough? There is a lot to applaud, but also a long tail of structural frictions that still deserve attention.

The first of three biggest challenges is margin fragmentation — as portfolios stretch across multiple CCPs, margin models diverge, addons fluctuate, and netting becomes harder to optimise. Lienbased triparty constructs help, but they do not fix everything. A second consideration is T+1 operational compression. With the UK and EU both landing on 11 October 2027, the entire chain — allocations, confirmations, foreign exchange, SBL recalls, settlement standard instructions (SSIs) — must compress into a trade date. And yes, 'manual but fast' is no longer an acceptable plan.

Lastly, there is dualvenue complexity in Europe. Active account requirements force firms to show meaningful usage of EU CCPs for certain product categories. That means dual flows, dual risk, dual oversight — and occasionally dual headaches.

Are we doing enough as an industry? Broadly yes — the move to electronic, standardised, machinereadable messaging is accelerating. Clearing access models are more flexible than ever. And industry-led initiatives are dealing with the worst frictions around duplicated margin and settlement.

So how is MUFG supporting clients? We made early bets where we believe it matters:

- T+1 playbooks for UK/EU, complete with mapped cutoffs, automated allocation rails, SSI 'golden source' governance, and automatic FX prefunding.
- Clearing geography orchestration, helping clients optimise EU CCP versus UK/International routes with representativeness metrics where required.
- We are working on high-integrity data and reporting, with lifecycle-accurate content for Securities Financing Transactions Regulation (SFTR), Sustainable Disclosure Requirements (SDR), and the European Market Infrastructure Regulation (EMIR).
- And, importantly, deep support in Asia, where multicurrency repo, pledged models, and crossborder settlement have become central to liquidity planning.

One of the most important shifts we made in 2024 and 2025 was not market driven at all — it was internal. We stepped back and analysed every MUFG entity holistically through the lens of our product, asking

a simple question: are we using our own organisation as efficiently as the market deserves? And the honest answer was: not always. So we did the work. We identified the pockets where accounting treatment, regulatory constraints, or balance sheet nuances tilted the economics in one location versus another — and instead of living with that friction, we moved trades and clients across the group to where they could be booked most efficiently. That is real optimisation.

But the destination is even bigger: we want to eventually be entity agnostic. For clients, that means a stable, predictable balance sheet regardless of booking location. For us, it means deeper relationships, more flexibility around how we price and execute, and the ability to unlock the full trading opportunity set across the whole MUFG platform, not just the entity someone happened to walk through first.

In other words, we are building a secured financing business where clients experience one MUFG — consistent, scalable, and completely aligned behind their funding, investment, and liquidity needs.

Capturing opportunity

One of the most significant developments for our business going into 2026 is MUFG's elevation to the core of the US rates ecosystem: MUFG Securities Americas (MUSA) has been formally designated a US primary dealer by the Federal Reserve Bank of New York. This places MUFG inside the most exclusive circle of institutions responsible for supporting the world's deepest and most systemically important government bond market.

As a primary dealer, MUSA will act as a trading counterparty to the New York Fed, participate directly in US Treasury auctions, and provide market intelligence to the Open Market Trading Desk — a role that only a handful of global institutions are trusted to perform.

For MUFG, this is not simply a technical designation; it marks a strategic arrival. It validates years of investment in our US markets platform, our balance sheet strength, our settlement infrastructure, and our ability to make markets at scale across the global rates complex.

The New York Fed's decision reinforces MUFG's long-term commitment to the US, where we have been a major investor for over 140 years. This recognition underscores the combination of financial strength and global reach that now puts MUFG shoulder-to-shoulder with the largest international houses operating in the US Treasury market.

"Looking ahead to 2026 and beyond, primary dealer status accelerates everything we are trying to achieve: deeper client access, multi-CCP liquidity provision, and a strengthened role across the full US rates value chain"

Looking ahead to 2026 and beyond, primary dealer status accelerates everything we are trying to achieve: deeper client access, multi-CCP liquidity provision, expanded repo and securities-financing capacity, and a strengthened role across the full US rates value chain. It opens the door to greater participation in open-market operations, greater visibility with policymakers, and an entirely new level of relevance with real-money and macro clients who anchor their liquidity relationships around primary dealers.

For our markets franchise globally — from Tokyo to New York — it is a milestone. With Treasury clearing expanding, we have been investigating multi-CCP readiness and robust routing analytics. The objective is clear: help clients choose the best path based on economics, not plumbing.

A 2026 outlook for repo

If 2025 was structural, 2026 will be practical — and I am good at practical.

It is the year we stop designing and start proving: proving T+0 workflows actually work at scale; proving multi-CCP routing delivers real margin savings; proving that settlement performance can jump meaningfully; proving that data quality can finally meet the standards regulators have been threatening to enforce for years. The desks that show speed, certainty, and optimisation — not in a pitch, but in live flow — will be the ones the market rewards.

And layered onto that, MUFG has entered 2026 as a US primary dealer. That changes the shape of our opportunity set completely. It gives us deeper visibility into US rates flows, a bigger seat at the table in the largest sovereign market in the world, and crucially, the ability to tie global repo, SBL, and dollar funding directly into the heart of the Treasury complex. It amplifies everything we are trying to execute this year.

I anticipate three things:

1. Spread differentiation will widen between mono-CCP firms and those that can genuinely route, price, and optimise across multiple clearing venues.
2. Client segmentation will sharpen as investors demand portfolio-level transparency and meaningful evidence of settlement quality.
3. Technology will compound, turning repo/SBL into something closer to an always-on liquidity network rather than a set of disconnected workflows.

2026 is the execution year.

The firms that can orchestrate flexible clearing, analyse liquidity in real time, and settle at the pace T+1 demands, will not just set the price — they will win the client, the flow, and the future. And with our new US primary dealer platform now fully in play, as well as our APAC and MENA expansion, I expect MUFG to be right at the forefront of that shift — not following the market, but helping to define it. ■

"The firms that can orchestrate flexible clearing, analyse liquidity in real time, and settle at the pace T+1 demands, will not just set the price — they will win the client, the flow, and the future"

Ruth Ferris
Head of secured financing in Asia
MUFG

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T+1 is not a date. It is a transformation.

WTS Hansuke has been at the forefront of the UK and EU T+1 workstreams from day one.

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Asia's markets: Poised for strength

Industry participants discuss the Asian securities finance market, from South Korea's reintroduction of short selling to how recent political changes are shaping Japan

Panellists

Benoit Uhlen, Head of Market and Financing Services APAC, Securities Services, **BNP Paribas**

Serge Micallef, APAC Head of Trading Securities Finance, **BNY**

Adnan Hussain, Global Head of Agency Lending & Liquidity Services, **HSBC**

Shinsuke Yamamoto, Executive Director, Securities Finance Group, **Japan Securities Finance Co.**

Stephen Michael, Head of Buyside Trading Services Sales, APAC, **J.P. Morgan**

Marion Au, Vice President, Financing Solutions, Agency Trading, APAC, **State Street**

William Han, Managing Director, Financing Solutions, Head of Sales and Client Management, Asia-ex Japan, **State Street**


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PANEL DISCUSSION

How do you assess the performance of APAC securities finance markets during 2025? What key lessons have you learned from this period that will help guide your business through the next 12 months?

Shinsuke Yamamoto: The APAC securities finance markets in 2025 showed strong performance, driven by growth in AI and semiconductor-related stocks, with Japan, Taiwan, and South Korea at the centre. This bullish market created an active securities lending environment. However, the significant rise in specific stocks, which drove overall market growth, led to inefficiencies in the lending space, as certain stocks remained underutilised due to a focus on avoiding excessive concentration. We anticipate that rapid market growth driven by significant price increases in certain stocks may continue. Over the next 12 months, we plan to explore initiatives such as developing schemes to better utilise underused assets arising from stock concentration and providing securities finance services for underdeveloped regions with rapidly growing markets.

Adnan Hussain: Hong Kong, Korea, Japan, and Taiwan led the pack — achieving the largest year-on-year (YoY) revenue increases across the region in 2025, according to market data. Hong Kong benefited from robust activity in equity issuances, placements and IPOs, alongside evolving lock-up periods and shifting sentiment from mainland China towards technology firms. Japan profited from attractive opportunities in tenders and IPOs, while lending activity in Taiwan continued to be driven by growth across its IT, computer manufacturing, and semiconductor sectors — despite speculation around rapid technological advancements prompting temporary market stabilisation measures to be implemented from April to May 2025.

Benoit Uhlen: The APAC securities finance market so far in 2026 appears as both constructive and selective in its outlook, building on 2025's robust performance. Global revenues have been up in January 2026, with APAC up by over 50 per cent, led by Taiwan, Hong Kong, and Japan.

Serge Micallef: APAC delivered a standout year in 2025, with Hong Kong and South Korea leading the gains. Industry revenues rose markedly, lendable assets expanded, and sentiment finished the year on a constructive footing — an outcome that contrasts sharply with the uncertain start to 2025. Despite headline risks around tariffs and geopolitics, markets proved resilient, supply chains adapted rather than fractured, and several indices set new records. We enter 2026 with a clearer runway than a year ago.

Hong Kong's IPO revival was a defining theme: after a modest 2024, issuance accelerated in 2025 and the pipeline for 2026 is strong, supported by several hundred listing applications. That momentum underpins robust borrow and lend turnover across corporate events, new listings, and related hedging activity.

The core lesson is the importance of agility — remaining flexible and solution-oriented as conditions shift on both the supply and demand sides. For the year ahead, we are prioritising collateral optimisation and post-trade automation to deepen efficiency, strengthen controls, and scale capacity across the region. We will also expand our third-party lending programme and invest in our principal lending and cash collateral capabilities to support clients' financing needs, enhance balance sheet resilience, and improve funding optionality in key regional markets.

Stephen Michael: 2025 was a standout year for the APAC securities finance industry. Our lending programme delivered robust revenues across the region, with Hong Kong leading the way thanks to a strong local stock market that spurred capital raising and directional trading activity. Japan also experienced elevated specials trading and sustained demand for offshore inventory throughout the year. US trade restrictions and tariffs continued to drive heightened demand in sectors where supply was limited or volatility increased, notably technology, manufacturing, energy, and AI. These industries remained key growth drivers. Looking ahead to 2026, we anticipate ongoing deal flow and volatility, with APAC expected to again contribute a significant share of global balances and revenues.

William Han: Looking back at 2025 and our ongoing conversations with beneficial owners, I see clear value in a 'back to basics' approach that has stood the test of time, and which will shape how we guide our clients in the year ahead.

To begin with, diversification remains fundamental to lowering risk and return volatility. In 2025, industry benchmark data suggests performance for securities finance markets in Europe, the Middle East, and Africa grew only moderately, while the Americas experienced a YoY decline. In contrast, Asia Pacific markets outperformed these regions, generating outsized revenue and fee growth compared to the year before. Against that backdrop, it was clear that beneficial owners with broad geographical allocations in their asset pools (as well as asset class and segments), generally experienced more stable returns relative to single market allocations, when assessed on a YoY basis.

For investors, that value predictability is particularly important to forecast financial outcomes — such as a corporate looking to plan income streams for treasury management, or a fund manager seeking a more balanced Sharpe ratio (or risk-adjusted return). Maintaining a diversified lending portfolio continues to be an effective way to support those objectives.

Flexibility remains another critical differentiator. Beneficial owners with wide non-cash collateral guidelines and a variety of structures (central clearing counterparties, UK-style pledge, etc.) are expected to differentiate their supply and generate better returns than those who do not. However, it is important to note that flexibility is not an 'all-or-nothing' decision; it exists on a spectrum that should align to the investor's appetite and objectives.

Marion Au: APAC's equity trading performance in 2025 was truly unprecedented, defined not only by its scale, but also by the broad-based momentum seen across all markets in the region. Ongoing geopolitical uncertainty, a resurgence in corporate-action activity, AI-sector driven demand and heightened market volatility — all contributed to the year's record revenues.

Specifically, Hong Kong was a standout market, marked by exceptionally strong fundraising activity, be that IPOs or convertible bond issuance and robust stock price performance across sectors including real estate, financial services, consumer discretionary, and technology.

On reflection, the year moved quickly. Despite exceptional flow and continued product expansion, the core fundamentals of teamwork and experience remain the real differentiators. We are fortunate to have a trading team at State Street that consistently delivers meaningful value for clients while carefully managing risk. This strong foundation has made us resilient across market cycles and enables us to provide a customised, high-touch client experience. The performance of 2025 was a clear demonstration of those strengths, which will continue to guide our approach in the year ahead.

How has the reintroduction of short selling in South Korea in March 2025 impacted this particular market? And how do you evaluate attitudes towards short selling in other APAC markets?

Uhlen: The South Korean securities borrowing and lending (SBL) market has seen rapid expansion since the lifting of the short sell ban. It has been a very profitable market across the street with a few counterparties holding out on returning into the space and a number of participants not fully opening their pipes. The impact and interest on short selling in other markets has continued to grow, but as these markets may not necessarily be the main attraction anymore, Korea may move up the leader board.

Michael: The reintroduction of short selling in South Korea has reinvigorated trading demand in the market. While only a subset of participants have resumed active borrowing and lending, fee levels and revenues have been strong. Market participants remain cautious, mindful of regulatory scrutiny, but overall demand for both borrowing and lending is resilient.

Au: The steadfast commitment by South Korean authorities to the

resumption of covered short selling on 'Liberation Day' — despite heightened global market volatility — was commendable. At a time when peer markets moved quickly to contract their short sell quota (Taiwan) and suspended short selling (Thailand), the Governor of South Korea's Financial Supervisory Service (FSS) took a constructive approach by visiting Hong Kong in mid-April. During the visit, the Governor engaged directly with a wide range of market participants about stabilising their regulatory position on rules around short selling. This engagement helped reinforce confidence in policy continuity and regulatory intent.

Furthermore, the new South Korean administration has shown clear willingness to take necessary actions to reduce the 'Korea-discount' and strengthen the investment case for South Korea's capital market. Whether achieved through corporate governance initiatives or broader market reforms, the ability to deliver lower hedging costs for net long investors has provided substantial support for South Korean equities in 2025 and contributed meaningfully to the market's strong performance.

Peer markets would do well to view the Korean experience as a key learning opportunity and draw on this to understand how best to navigate the optics and perceptions of key stakeholders around short selling. Getting ahead of potential negative press, emotive social media, and political influence remain key challenges for authorities, especially in markets with high retail participation and outsized volatility. Ongoing investor education around short selling remains critical and should be proactive and continuous, rather than reactive.

Han: More generally, I think beneficial owners have maintained broadly consistent attitudes towards short selling over the years.

On one hand, to the extent that beneficial owners continue to see short selling supporting the price discovery process within a mature and efficient market — and as a driver for lending returns — it is probably fair to say that short selling is viewed neutrally at worst or positively as an enabler of liquidity and opportunity.

On the other hand, I recognise there are beneficial owners — especially retail investors and corporate executives — and policy makers, who remain philosophically conflicted about short selling. They may believe short selling drives prices down, particularly during periods of market stress, and contributes to excessive volatility and steep price declines, even though research shows mixed evidence about the correlation between short selling and market impact.

Micallef: South Korea's restart catalysed a sharp rebound in borrowing activity and revenues after an 18-month hiatus. While some participants returned cautiously as new rules bedded in, confidence has been rebuilding. We expect the market to normalise further, with elevated margins and healthy volumes sustained by hedging, relative-value strategies, and tactical shorts.

Across APAC, the tone toward short selling is generally supportive when transparency and compliance are clear. Regulators recognise its role in price discovery and market liquidity. China has announced a number of initiatives to increase cross-border financing for government bonds, and regional frameworks continue to evolve toward robust, transparent practices.

Which regulatory initiatives in APAC markets will consume most attention for your agency lending and collateral management teams over the coming 12 months? What is your firm doing to prepare clients for these movements?

Hussain: A range of regulatory initiatives are underway across the region, all of which require strategic attention from market participants. APAC is seeing a broader acceptance of collateral types, with eligible assets now including emerging market credit, equities, ETFs, corporate credit, agencies, and supranationals. This expansion is expected to continue through 2026 as demand grows for new forms of accepted collateral — including alternatives, tokenisation, digital assets, and gold. This is further illustrated by the Taiwan Stock Exchange's (TWSE's) upcoming induction of pledge collateral, taking effect in late-March 2026. At the same

time, platforms such as Bond Connect, Euroclear, and Clearstream are enabling a more prominent and coordinated role for offshore agent lenders in the financing of renminbi-denominated assets — unlocking new opportunities for international and domestic investors alike.

Another key change is the transition to T+1 settlement cycles across major exchanges, including the Australian Stock Exchange (ASX), the TWSE and the Hong Kong Stock Exchange (HKEX). This shift introduces new considerations around liquidity and the operation of buy-in market structures, particularly given the increased risk profile.

Au: APAC's progressive move to T+1 settlement is the major regulatory development. While the larger developed markets such as Japan, Hong Kong, and Australia are expected to face some potential liquidity hurdles, it is the more nuanced APAC markets that are likely to encounter greater challenges. The transition to T+1 will likely push borrowing rates higher and may reduce overall supply. In addition, South Korea has floated the ambition to move toward 24-hour trading, a concept that is also receiving increasing attention in the US. Both initiatives represent structural shifts that will require careful coordination across trading, settlement, and collateral management workflows.

Against this backdrop, scalable and automated solutions will be essential to mitigate any operational complexities, while also engaging closely with our peers and our clients to collectively respond to significant market changes and build aligned, common solutions.

Han: We take our roles as fiduciaries on behalf of our clients seriously. That means we proactively track and respond to regulatory changes, assess their implications for our programme and engage with our clients early on so that they can plan ahead. Depending on the specific regulatory matter, engagement can happen in various forms — a letter providing background and implications (and in some cases requiring a decision to maintain the status quo or change), a discussion as part of a scheduled service review, a deep-dive session with relevant subject matter experts, etc. Across the board, we lead with transparency and engagement in our outreach, qualities that help us establish credibility and trust with our clients.

Michael: The two main areas we see are accelerated settlement cycles and regulatory developments in the collateral market;

Accelerated settlement cycle: APAC markets are actively considering reductions in settlement timeframes to align with the T+1 cycles adopted or targeted globally. While implementation in APAC may take time, we are engaged with industry groups to ensure readiness and effective planning. J.P. Morgan continues to provide thought leadership for clients in this area.

Regulatory developments in the collateral market: In Taiwan, recent amendments to the "Operating Rules on the Use of Domestic Securities by Overseas Chinese and Foreign Nationals as Collaterals for Offshore Investment Activities" would permit Foreign Institutional Investors (FINIs) to pledge Taiwanese securities as collateral for offshore investment activities. These amendments will be effective 30 March 2026. J.P. Morgan is actively monitoring and engaging with these developments to support anticipated opportunities.

Micallef: Korea and Thailand will headline the regulatory focus.

Korea: Proposed extensions to trading hours (potentially to 20:00 by mid-2026) and the longer-term ambition for 24-hour trading add operational complexity. We are evaluating impacts on recalls for sales and corporate actions, late-day locates, and collateral timing, and building extended-hours service models with clear cut-offs and escalation paths.

Thailand: Authorities are reviewing short-selling and SBL frameworks, including tighter definitions, reinforced pre-borrow certification, and stronger broker risk systems. We are aligning order

flows with pre-borrow evidence, enhancing inventory controls, and coordinating with counterparties on standardisation.

T+1 discussions: Two years on from the US switch, APAC debate continues. Hong Kong appears closer to enabling T+1 subject to industry coordination; Australia's timeline is linked to the Clearing House Electronic Subregister System (CHESS) replacement. Regardless of dates, we are preparing for compressed settlement — earlier recalls, tighter pre-borrow gates, and accelerated collateral cycles.

BNY's collaboration with Cboe Clear Europe in centrally cleared SFTs — featuring a title-transfer model with pledge-back for UCITS — has elevated liquidity, collateral efficiency, and risk management across Europe. As adoption accelerates, APAC's scale, institutional depth, and cross-border connectivity make it the natural next frontier, where clearing can harmonise regional complexity into a competitive advantage — unlocking new liquidity, optimising balance sheets, and driving market innovation.

We continue to engage with peers and trade associations, including PASLA, and provide clients with market-specific playbooks, training, and operational dry-runs to ensure readiness.

What investments and adaptations to technology and working practices have you made during 2025 to sustain and grow your securities finance activity in the Asia Pacific region? What part has the use of digital assets played in this respect?

Micallef: AI sits at the centre of our investment agenda at BNY. We are not only embedding AI into existing workflows; we are rethinking operating models to unlock new solutions and decisioning capabilities for clients and counterparties.

Digital assets are already influencing our business. We have partnered across the ecosystem to develop tokenised collateral solutions in both bonds and cash, aiming to enhance settlement efficiency, collateral mobility, and transparency. These initiatives mark a forward path for how transactions could be processed and financed in the years ahead.

Michael: We have continued to invest in our front office trading tools to automate processes across trading, compliance, collateral management, and reporting. Our quantitative research teams leverage AI and machine learning to analyse large datasets, optimise security pricing, assess elasticity, and identify trading opportunities to deliver the best outcomes for clients. In 2025, we rolled out enhancements to our client portal, Securities Finance Central, offering clients advanced analytics, customisable reporting, and API access.

Tokenisation is gaining significant traction across the industry, particularly as a means to enhance collateral efficiency. However, adoption of securities finance solutions leveraging tokenised assets remains in its early stages, with market participants seeking greater regulatory clarity and legal certainty before scaling up. Achieving the full benefits of reduced risk and improved operational and capital efficiency will require broader industry collaboration and scale. At J.P. Morgan, we are actively involved in industry initiatives and driving standards and best practices through International Securities Lending Association (ISLA) working groups and participation in industry sandboxes, and we are advancing targeted connectivity to market infrastructure solutions that meet the risk, liquidity, and scalability standards needed to make tokenisation scalable. In parallel, we continue to invest in and develop our Tokenised Collateral Network and Collateral Token Agent solutions, expanding beyond the initial tokenised money market funds (MMF) collateral use case to encompass other asset types and transaction flows, with a particular focus on securities financing as part of our ongoing roadmap.

Han: At an overarching level, our capital expenditure in recent years reflects our multi-year growth strategy to continue strengthening our core products in securities financing — namely agency lending, prime services and secured financing — while driving greater synergies

across these products. We continue to invest in building on the unique positioning of our core products across the wholesale/supply and retail/demand ends of the value chain, further differentiating our offerings, and strengthening the integrated value across our platform.

I can point out a couple of examples that illustrate this approach. Firstly, we are expanding our suite of solutions with the objective of increasing capital efficiencies while providing our clients with greater access to securities lending opportunities. This ambition led us to a key milestone in December 2025. State Street became the first bank to become an Options Clearing Corporation (OCC) clearing member, with OCC providing central counterparty clearing and settlement through its stock loan programme for our prime services platform.

Strategically, the investment strengthens our prime services offering, benefits our beneficial owners within our agency lending programme, and reflects our commitment to expanding our core products and delivering greater value for our clients.

State Street's Financing Hub represents a multi-year commitment to strengthening our core franchises while unlocking integrated value for our clients. It consolidates financing operations, enhances liquidity and collateral management, integrates with repo and lending markets and equips clients with data-driven tools to optimise balance sheet usage and funding decisions. The platform also supports agency lending and secured financing workflows, leveraging modern interoperability standards to integrate all relevant systems and deliver a seamless client experience.

How have monetary conditions and political changes shaped securities finance opportunities in the Japanese market? How are you positioning yourself to maximise opportunities for lenders and borrowers in this environment?

Au: Corporate governance reforms and the Japanese government's pro-growth policies have been key drivers of robust corporate deal activity and a sustained market rally in Japan. This momentum has, in turn, supported steady borrower demand for Japanese equities. At the same time, rising Japanese yields and the end of negative interest rates have compressed basis point levels, tightening US Treasury-Japanese government bond (JGB) spreads. Although volatile, this spread has long underpinned one of the market's largest funding trades. Conversely, demand for JGBs has increased as yields have moved higher, fueling greater borrowing across a wide range of specific issues.

Looking ahead, a key question is whether a higher-yield environment and a steeper curve will create new opportunities for money market funds. We are also monitoring yen volatility closely for signs that rising hedging costs could prompt domestic investors to repatriate foreign assets, potentially putting a cap on long-term yields.

Michael: Monetary conditions and political changes have fueled increased activity in Japan's securities finance market since 2025, with momentum continuing into 2026. The Bank of Japan (BOJ) has remained cautious on rate hikes, but volatility in long-term JGB yields has risen amid fiscal expansion concerns. Japanese equities have outperformed regional peers, supported by stable policies that attract momentum-driven capital flows and boost stock borrowing and lending. Yen volatility, influenced by monetary policy divergence and potential Ministry of Finance intervention, has led to active two-way trading in USD/JPY, impacting stock lending demand.

As an agency lender, despite narrower USD/JPY spreads limiting cross-currency lending, we see opportunities in increased market-wide activity, special trades from heightened equity volatility, stronger JGB lending demand, and reinvestment/lending of JPY cash as rates rise. To maximise these opportunities, we are deepening relationships with existing borrowers, forging new partnerships, and expanding our localised business within the domestic market.

Hussain: Following the recent election in Japan, equity markets have responded positively to the government's pro-market and pro-economy stance, supported by fiscal stimulus and tax relief initiatives. However, investors remain cautious regarding Japan's long-term

fiscal sustainability, given the nation's elevated debt levels.

In terms of fixed income, the BOJ has scaled back its Bond Purchase Programme over the past year, resulting in higher JGB yields. There is ongoing discussion about potential foreign exchange market intervention in 2026, particularly in light of the weak yen. The BOJ's gradual balance sheet reduction is creating opportunities for lenders to provide liquidity in the JGB repo market. Additionally, the diversification of funding needs is expected to benefit Asian high-quality liquid assets (HQLA), including JGBs.

Yamamoto: The BOJ's gradual interest rate hikes, coupled with the strong performance of the Japanese equity market, have significantly invigorated Japan's securities finance market in recent years. The historic victory of the Liberal Democratic Party (LDP) in the February 2026 general election has further solidified political stability, boosting confidence in Japan's markets. This environment, reminiscent of the growth during the Abenomics era, has supported the expansion of the securities lending market and driven an increase in funding demand. To address the growing demand for yen funding, we are accommodating diverse collateral types, including foreign equities and both domestic and international bonds. Additionally, we are offering solutions like collateral swaps through upgrade and downgrade repos and schemes tailored to meet liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) requirements, aiming to contribute to the sustainable growth and dynamism of the securities finance sector.

Micallef: Japan's policy normalisation and yen volatility have periodically created specials in JGBs, particularly at the super-long end. That environment has opened opportunities for specific-name borrows, term trades, and collateral transformation. We are expanding inventory channels in JGBs and working closely with partners to support liquidity, manage haircuts dynamically, and capture revenue while maintaining robust risk and governance standards. On the equity side, governance-driven corporate actions continue to present event-led borrow demand that we are positioned to serve.

How do you assess the outlook for APAC securities finance markets for 2025? And what opportunities do you foresee for these markets?

Au: Looking ahead, APAC is well positioned to build on the strong momentum of 2025, as elevated market activity continues to drive demand for regional assets. We expect Hong Kong to remain a key revenue-generating market, with the IPO market likely to sustain its momentum. Taiwan, as a technology-heavy market, is expected to continue attracting substantial borrow demand. Supported by ongoing AI themes, we anticipate steady lending performance from this market.

Japan is also expected to remain a robust lending market, driven by the Japanese government's growth-focused policies, ongoing corporate governance reforms and investors' desire to diversify beyond the US. South Korea is likely to increase its share of regional market revenues as participants re-enter and scale up their activity following significant investments in risk management, compliance, and operational enhancements. Overall, APAC is set to remain one of the most diversified, resilient, and opportunity-rich regions for securities finance globally in the year ahead.

Micallef: APAC markets are poised for strength in 2026, extending the positive trajectory established in 2025. Continued progress in collateral optimisation, coupled with improving liquidity across key Asian venues, is set to drive meaningful gains across multiple product lines. Early-year activity already points to rising volumes and deeper client engagement, reinforcing a constructive outlook for the months ahead.

South Korea: With short-selling fully reinstated, borrow demand should remain firm in index heavyweights and tech/industrial names. Standardised processes and improved surveillance reduce friction and broaden participation. Term borrows and market-making inventory are likely to be in high demand.

Hong Kong: Expect policy calibration from the mainland to support stability, with Hong Kong driven by event-led specials (buybacks,

restructurings), IPO pipelines, and convertibles hedging. Tokenised instruments are poised to gain traction as infrastructure matures.

Australia: Policy is likely to remain comparatively restrictive, but this supports attractive collateral transformation trades. Corporate actions and placements will keep equity lending active, while term funding opportunities should remain.

Taiwan: Tech momentum (AI/semiconductors) continues to underpin elevated fees and frequent specials. Supply constraints persist in flagship names, but lendable inventory should keep expanding as more participants enter the market. Term supply and careful recall management will be key.

Yamamoto: The outlook for the APAC securities finance market in 2025 is highly positive, with sustained strong performance expected across equity markets in the region. This is likely to further increase the demand for securities as collateral, driving the growth of the securities finance market. As this trend continues, the need for solutions that enhance collateral utilisation and ensure liquidity will become even more critical. As a Japan-based institution, we aim to support the expanding APAC market by offering structured securities finance transactions. Specifically, we plan to accept emerging market securities as collateral and lend Japanese assets such as Japanese equities, yen, and government bonds.

Michael: We expect trading momentum to continue in 2026, building on the strong performance of 2025. Beyond Hong Kong and Japan, higher spread markets such as Taiwan and Korea will remain a key focus as borrowing demand stays robust. Geopolitical uncertainties will continue to shape the landscape, prompting beneficial owners to optimise their portfolios and potentially impacting trading inventories. From a trading perspective, we aim to expand our lending distribution channels across the region and focus on growing our product offering to meet evolving market needs.

Hussain: A range of trends will be impacting the APAC securities finance markets landscape in the year ahead, particularly collateral diversification, capital flows, and evolving portfolio management strategies. There is a clear shift towards diversification into non-USD denominated collateral as a means of managing risk. Historically, a weaker US dollar has benefited non-USD assets, leading to increased capital flows into Asia and emerging markets. This dynamic is resulting in higher asset valuations, more shorting opportunities, and a growing need for effective hedging strategies.

Asset owners are increasingly seeking holistic solutions that integrate securities lending, financing, and liquidity management to optimise portfolio performance. APAC is likely to be a beneficiary as markets across the region continue to maintain a strong emphasis on transparency, stability, and market fairness.

Uhlen: We remain cautiously optimistic about the APAC securities finance landscape in 2026. Market participants continue to focus on three pillars — access to liquidity, balance sheet efficiency, and cost discipline. This environment may drive noticeable increase in collateral-pledge structures that can involve both APAC-listed securities and regional participants.

Lending activity in the technology sector is expected to be dynamic and a key opportunity in 2026, driven by elevated valuations in that category.

Geopolitical uncertainties, including potential tensions or shifts in trade policies, could also trigger price swings and temporarily increase short-term borrowing demand. The combination of continuous demand for HQLA, particularly the Australian Commonwealth Government Bonds (ACGBs), a strong pipeline of IPOs, and rapid technological adoption positions the APAC securities-finance market for continued growth and innovation throughout 2026.

As an agent lender, we will need to continue to enhance collateral flexibility and structures around triparty so borrowers can obtain better liquidity ratios. We also need to embrace technology fast to enhance our offering. ■

REGULATION

T+1 in Asia: There is no one-size-fits-all – that's the advantage

Roy Zimmerhansl, head of Capital Markets at WTS Hansuke, provides a deep dive into Asia's journey to T+1, what is required for success, and why the region's move to a shorter settlement cycle will stand separately to that of the US and Europe

Asia's path to T+1 will not mirror the US cadence or Europe's planned 2027 transition. In Asia, markets move for their own reasons: national priorities, regulatory philosophy, market-structure legacies, and the practical realities of funding, FX, and settlement infrastructure. Having lived and worked in Hong Kong, I have seen that up close. What motivates Japan is not what motivates South Korea; what suits Singapore may not work for Thailand or Malaysia. The region's diversity is intentional.

That is why importing a universal playbook will fail. The right approach is to anchor a coherent framework in each market's imperatives, so lenders, borrowers, custodians, brokers, and asset owners can operate locally and cross-border without creating liquidity friction.

Our experience leading T+1 work across the UK and Europe is relevant, not because those initiatives are complete, but because the process works. Industry experts have been in the room from day one; securities finance has been part of the design, not an afterthought. The value lies in that precision, the specificity of the guidance, and the discipline of aligning recommendations with what firms can actually implement.

Why fragmentation bites harder in Asia

T+1 tightens every screw in the post-trade chain. When a portfolio manager trades US equities on T+1 and then turns to European and Asian allocations still on T+2, the costs of misalignment appear immediately. Funding windows narrow; intraday visibility becomes critical; collateral mobility slows if processes are not tuned for compressed returns and recalls. In Asia's varied environment, those frictions do not just add up — they compound.

For securities finance, the picture is even more textured. Differences in central securities depository (CSD) functionality, market holidays, settlement discipline, tax treatment, and attitudes to short selling shape what is possible on day one of any local T+1 shift. A single template will not survive contact with those constraints. The better approach is to recognise what is unique in each market, while introducing enough common practice to avoid unnecessary fails and funding drag across the region.

What Europe and the UK really teach us

The lesson from UK and European workstreams are not the plans themselves, it is how they were built. Practitioners led the process, pulling securities finance into the centre of the discussion early. That ensured recalls, returns, partial settlement, standard settlement instructions (SSIs), inventory views, and collateral flows were part of the core design. Many recommendations from the EU securities financing transaction (SFT) workstreams now sit inside other workstreams because SFTs are integral to market functioning.

Equally important, the guidance has been lifecycle-specific, not slogan-driven. Trading, allocation, affirmation, matching, settlement, and fail remediation have been treated as a single journey. Recommendations have been tied to existing best-practice frameworks, enabling firms to act without reinventing operating models.

Asia can adopt the method — industry-led, SFT-embedded, lifecycle-specific, standards-aligned — without repeating the full learning curve.

Technology is the deciding factor

T+1 is a data and automation challenge wrapped in process and culture. Every acceleration has coincided with meaningful automation; where automation lags, settlement friction rises. Where it advances, volumes scale and operational risk falls.

Four realities shape Asia's path: first, end-to-end automation is essential. Straight-through processing from execution through affirmation and settlement is foundational; for SFTs, automation must cover borrowing, returns, recalls, and reconciliations.

Second, automated partial settlement and shaping must be adopted, not just offered.

"Trade associations were not just helpful in the UK/EU effort; they were indispensable"

Third, real-time visibility into inventory, cash and collateral is critical. End-of-day reconciliation belongs to a T+2 world.

Finally — and uniquely for Asia — FX settlement cut-offs define the art of the possible. In markets with restricted convertibility or narrow windows, T+1 compresses timelines to the point where good SFT processes cannot compensate for challenging FX plumbing. A credible roadmap must place the securities-FX handshake at the centre. If the cash leg fails, the stock leg is irrelevant.

The overlooked risk: When core functions sit outside the lending ecosystem

Beneficial owners often access lending through fund managers outside the securities lending ecosystem. Portfolio managers, execution desks, FX teams, fund operations, agent lenders, and custodians may sit in different organisations, time zones, and incentive structures. Under T+1, that fragmentation magnifies risk.

A late-day Hong Kong trade executed by one team, allocated elsewhere, with FX handled under a separate policy, and recalls managed without visibility, creates timing conflicts that erode revenue and heighten settlement risk. The beneficial owner ends up asking the wrong question: 'Why did the loan fail?' instead of 'Where did the operating model create the break?'

The fix is coordination: portfolio managers need timely sight of loaned positions and expeditious order routing; lending desks need visibility into trading intent and automated recall capability; borrowers must automate returns and deliver them on a timely basis; FX must be integrated with securities flows. Firms solving these issues in the UK and Europe are best placed to assist as Asian markets evolve.

Where trade associations fit — and where they don't

Trade associations were not just helpful in the UK/EU effort; they were indispensable. The securities finance design would not have taken shape without the International Securities Lending Association (ISLA) and the International Capital Market Association's (ICMA's) ability to rally expertise and keep SFTs central. The Pan Asia Securities Lending Association (PASLA) can play the same crucial role in Asia, not by driving the change, but by creating the environment in which the industry's best ideas can surface, align, and be executed.

Associations convene, coordinate, and communicate. They give the

industry a voice and help convert technical insight into guidance. But they do not build operating models or resolve workflow conflicts. Their strength is elevating the signal and reducing duplication; the heavy lifting — sequencing change, wiring data, fixing recalls and returns, tuning FX hand-offs — belongs to practitioners.

What Asia needs next

A credible path to T+1 starts with market-specific diagnostics: what settles automatically today? Where do recalls and returns fail? Which CSD capabilities exist but are under-used? Which needs investment?

Next, cross-ecosystem alignment: portfolio managers, FX, fund operations, custodians, and agent lenders must share timing assumptions and map them out rather than hope everything will align on settlement date.

Then, market-by-market playbooks. Each market needs a practical sequence grounded in its own infrastructure and rules. That playbook must be technology-led: auto-partialling where available; harmonised SSIs; cleaner static data; real-time views; recall/return frameworks that work under compressed cut-offs; explicit solutions for the FX leg.

The goal is not to make Asia look like Europe, it is to let each market move at its own pace without creating friction for cross-border investors, and without sacrificing liquidity or lending revenue.

From compliance burden to commercial advantage

There is a tendency to treat T+1 as a compliance box to tick with people asking: 'what is the minimum I can do to comply?' In reality, firms that approach it as an operating-model upgrade will come out ahead. Automation and standardisation enable scale across markets and client segments. Better data and tighter integration across trading, lending, treasury, and collateral open the door to more sophisticated optimisation. Beneficial owners benefit twice: from more resilient settlement and, with the model tuned correctly, from stable — potentially enhanced — lending returns.

Asia does not need a lecture about the journey destination. It needs firms and people who understand the route — who know where the bottlenecks appear, which fixes compound, and how to knit together securities and FX so that the chain holds under pressure.

> ***"Asia is not a single market and should not pretend to be"***

Conclusion: Different by design, stronger by choice

Asia is not a single market and should not pretend to be. The move toward T+1 will reflect that: different starting points, different constraints, different policy drivers. The question is whether the region can turn those differences into a source of strength, delivering local solutions that fit, and regional coherence where it counts.

That is achievable if the transition is led by practitioners who have done this before; if securities finance is embedded from the start; if FX is treated as a core dependency rather than an afterthought; and if trade associations do what they do best — bring the community together and accelerate good ideas — while industry leaders design and deliver the change.

Asia does not need a one-size-fits-all plan. It needs a plan that fits, market by market, with the right standards and the right sequencing so liquidity keeps moving, risk stays managed, and clients get the outcomes they expect in a T+1 world. ■

Asia: A reference point for the rest of the world

Hansa Tote explores how digital assets are being used across Asia, discussing why the adoption rates are so high in the region, how utilisation compares to the US and Europe, and what the industry can expect to see next

Digital assets are being used increasingly in the world of securities finance. According to the latest State Street Digital Assets and Emerging Technology Study, the average portfolio allocation across a range of digital assets currently stands at seven per cent, while target allocations are expected to rise to 16 per cent within three years.

These assets are being used across Asia more than anywhere else globally, with the 'APAC Digital Asset Adoption 2025: Stablecoins, Tokenization & Integration' report from Consensus by CoinDesk, having found that 24.3 per cent of adults across the region use digital assets compared to the global average of 16.9 per cent.

But why does Asia lead the pack? What sets the region apart from the rest of the world? And how are they being used in securities finance?

Paving the way

Digital assets are opening doors to new opportunities, providing institutions with the option to use digital assets as collateral when conducting securities financing transactions (SFT).

This is a marked difference between traditional SFTs. Simon Kellaway, global head of sales, FSS and regional FSS head, Greater China and North Asia at Standard Chartered, explains that typically, clients pledge assets to secure funding, support trading, or reduce counterparty risk,

with the assets usually being cash, bonds, equities, or high-quality institutional securities.

Standard Chartered is currently facilitating this through a partnership with OKX, a cryptocurrency exchange and global onchain technology company. The firms aim to pilot a collateral mirroring programme in Dubai, in partnership with Franklin Templeton's BENJI token, to allow institutional clients to use tokenised money market funds (MMFs) and crypto-currencies as collateral for trading — something Standard Chartered is planning to expand into Asia in 2026.

From the perspective of regional portfolios, SFT foundations and primary markets are being built and broadened, according to Boon Hiong Chan, applied industry innovation lead, head of securities market and technology advocacy APAC at Deutsche Bank. He adds that, in the last two years, Asia's tokenisation moved from the proof of concept (PoC) stage to production across tokenised MMFs for institutional cash and collateral, digital cash equivalents, tokenised bonds, and onchain repo workflows.

There are a number of frameworks also being introduced to facilitate the use of digital assets in securities financing, such as Singapore's Project Guardian — an initiative between policymakers and the financial industry to enhance the liquidity and efficiency of financial markets via asset tokenisation. Chan says Project Guardian has moved tokenisation from pilots to repeatable practices, having also integrated delivery versus payment (DvP) and payment versus payment (PvP) controls on shared ledgers for production use.

There are also financial market infrastructures (FMIs) that are normalising digital issuance and settlement such as Hong Kong's Project Ensemble, which aims to shape the tokenisation ecosystem in the country by bringing together experts and industry pioneers to design, test, and implement a framework for tokenisation. In parallel, Chan highlights that the Hong Kong government's 2024–25 tokenised green bonds have integrated digital money settlement and widened access through the Central Moneymarkets Unit's (CMU) links with Euroclear and Clearstream.

Further, Chan says policy advancements are allowing pilots to be converted into live liquidity, explaining that in January of this year, Korea amended the Capital Markets and Electronic Securities Acts in order to recognise security tokens and onchain records, which opened the door for onchain repo/lending collateral over time.

Discussing Japan Securities Clearing Corporation's collaboration with the Depository Trust and Clearing Corporation's (DTCC) PoC, he explains that their mapping of tokenised collateral workflows through central counterparty clearing houses (CCPs) explored not only the efficiency and liquidity of collateral, but also sought to identify new potential business opportunities.

A reference point

With digital assets being so prevalent across Asia compared to the rest of the world, we must explore what sets it apart from everywhere else.

APAC is a "global reference point", according to Chan, especially for moving digital asset initiatives from controlled regulator-led pilots into operational, commercially, and compliance-aligned deployment. He describes the region's approach as "distinctive", highlighting the fact it is regulator-led, and brings industry participants together in order to build an ecosystem and ground digital assets in disciplined risk management.

Chan notes this is a stark contrast to the US, which draws upon its intrinsic strengths as the digitally native Web3 epicentre, with the region's entrepreneurial intensity being coupled with institutional collaboration to move innovation into scale and adoption, from the organic to the regulated space. He adds that in the US, FMIs such as DTCC and Nasdaq have taken leadership positions, aided by regulators, to steer all capital market structures towards tokenisation and modernised operating models. "Digital asset friendly legislations like CLARITY and GENIUS, without the overhang of strict Basel prudential treatment of crypto assets, amplify its depth and pace of adoption," he states.

He describes Europe as advancing through analytical, regulation-anchored precision to identify where digital assets can be incorporated with clarity and policy confidence.

Summarising the differences, Chan states: "APAC's regulator-FMI partnerships are producing operational rails in unique ways, solving for a lack of Web3 depth and ecosystem and a need to scale fast, be safe, and competitively cost effective.

"Asia is in a position to proactively shape global tokenisation standards, leveraging its regulatory leadership in growing together with the market, and insights from tackling inherent challenges of diverse legal and regulatory factors and cross-border depth. For global investors, APAC offers a fast-paced differentiated environment where different maturity stages mean different starting opportunities."

Across Asia, digital assets technology is increasingly being applied as financial market infrastructure, rather than purely as a speculative investment asset, explains Steven Hu, head of digital assets at OCBC. APAC is leading in applying digital assets to real-economy financial workflows, compared to the US leading in market liquidity and Europe being ahead regarding regulatory standardisation.

He adds: "At OCBC, we are seeing strong momentum in areas such as tokenisation of financial assets — including bonds, funds, and cash-equivalent instruments, onchain settlement, and collateral management, while regulated stablecoins and tokenised deposits are gaining traction for payments, treasury, and cross-border settlement."

Adoption rates

Digital asset adoption rates are the highest across APAC compared to the rest of the world — but why are they so far ahead?

For a region famed for forward-thinking technological innovations, it is no surprise that adoption rates are so high due to the technology addressing real financial infrastructure needs, argues Hu.

Many Asian economies are deeply trade connected and cross-border by nature, something Hu believes can be made easier by digital assets reducing frictions in payments, FX, and settlement — solving tangible business problems. He highlights that large parts of Asia "leapfrogged" typical banking interfaces into digital wallets and super-apps, making tokenised payment and blockchain-based rails more intuitive for users and businesses.

For Kellaway, the role of regulators is why adoption rates are so high across APAC, despite the fragmented nature of the region. He notes that Singapore has a clear licensing framework, Hong Kong's regulators are proactively fostering a robust and compliant digital assets ecosystem, and Japan has established early consumer protection and exchange oversight.

Hu also holds the region's regulators accountable for the level of participation, noting their role in shaping safe innovation in Singapore, Hong Kong, Malaysia, and Indonesia, with regulators having been active in launching industry pilots, sandbox programmes, and stablecoin frameworks in order to test institutional use cases.

What next?

For a region already miles ahead of the rest of the world, does the future hold anything other than an upward trajectory for digital assets in Asia? It appears not.

"The rapid adoption of digital assets in this region presents unprecedented opportunities for innovation and growth. It also attracts digital talent to the region and fosters creativity and innovation," says Kellaway.

He predicts that as regulations provide further clarity, institutional demand and adoption will further increase. Kellaway attributes this to key hubs such as Hong Kong and Singapore refining rules to make their jurisdictions friendly for digital assets service providers to establish their presence in their countries, as well as regulators in Malaysia, Indonesia, and Thailand also exploring frameworks

to enhance access and integrate digital assets into the broader financial ecosystem.

Hu states he expects to see three shifts that will shape the next phase of development for APAC's digital asset market.

"First, onchain cash becomes normal. That includes stablecoins, tokenised deposits, or even central bank digital currencies," he states, before highlighting that digital cash would become the payment leg of a digital finance system.

Secondly, he expects funds and fixed income products to go fully digital and onchain collateral and repo structures will become widely adopted, fitting the region's demand for yield, liquidity, transparency, and more dynamic ways to trade.

Third and finally, Hu predicts interoperability frameworks will begin to form across Singapore, Hong Kong, and Malaysia, something he describes as "simple but powerful" with onchain cash settling onchain assets — "that is where real efficiency happens".

Hu is under no illusions that the market is perfect, stating there remains gaps that need closing, particularly around cross-border standards and building the required level of talent. He notes that collaborations such as Project Guardian and the Monetary Authority of Singapore's (MAS's) BLOOM (borderless, liquid, open, online, multi-currency) initiative will play an important role in this respect. He insists that once regulation, infrastructure, and standards line up, digital assets will shift from pilots to true production scale.

"I'm also confident that Southeast Asia will not just be adopting digital assets. It will be leading the world in bringing them into mainstream finance."

Continuing the analysis into the future of Asia, Chan suggests that tokenised MMFs will progress from "investable" to financeable in treasury and early repo/lending pilots, supported by reusable funds/fixed-income playbooks from Singapore's Project Guardian, Hong Kong's Ensemble, ASEAN+3 Bond Market Forum work, and Japan's collateral PoCs.

"Live rails deepen as tokenised deposits and digital money take root while tokenised government and corporate bonds increase in issuance, trading, and custody, providing settlement and other benefits to create a positive loop," Chan adds. "Current rules continue to be updated for an optimal fit-for-purpose environment without onerous compliance burdens to drag progress."

"The rapid adoption of digital assets in this region presents unprecedented opportunities for innovation and growth. It also attracts digital talent to the region and fosters creativity and innovation"

Despite Asia being the frontrunner in the world of digital assets, there is always the risk that the region will become sidelined, warns Chan. He highlights the region's lack of inherent cross-border scalability remains a key drag, due to multiple legal regimes, data rules, and chain choices creating fragmentation that slows PvP/DvP across markets, while keeping interoperability bespoke, therefore thinning secondary-market depth and collateral portability. He also suggests the narrow, domestic pilots may entrench silos if shared corridors and FMI-grade interoperability are not agreed.

He concludes: "The foreseeable next level of success for Asia to unlock hinges on converting domestic progress into standardised, cross-border corridors for tokenised cash and securities, with consistent eligibility/control constructs and lifecycle servicing to facilitate modern digital securities financing to bolster Asia capital market dynamism and robustness." ■

By the members, for the members

Chris Benish and Charles Lesaux of the Global Peer Financing Association, join Hansa Tote to discuss priorities, upcoming events, membership, and success stories of the organisation

What have been key priorities for the GPFA over the past 12 months?

Chris Benish: We have found our members really appreciate the opportunities we have created to connect with each other — whether that is virtual or in person. Because of this, we have been expanding our in-person opportunities, working with a variety of industry events such as the International Securities Lending Association (ISLA), ISLA Americas, the Canadian Securities Lending Association (CASLA), and other conferences globally to hold chances to meet alongside the events.

If our members are gathered in a particular place, we will create a meeting or networking opportunity so they can get together and

discuss the industry among themselves. The topics discussed and the agendas vary, but we have received feedback that people like the beneficial owner-only opportunities to talk.

That feedback has led to discussions surrounding other ways we can build that connective tissue or networking infrastructure — whether it is having regional leads or working groups in different areas — it is all about getting more members involved and increasing connectivity.

We started as a securities finance focused organisation, but we have evolved to provide connections to a number of different parts within the association. For example, there is a working group of legal professionals among the members, another for technology and operations professionals, and there are others around risk and private debt.

Where the securities finance folk have been the primary point of contact for the GPFA, we are starting to find that there is a real interest in having other areas of the organisation connect with each other as well, and that has been really fruitful.

How is peer-to-peer beneficial owner lending reshaping access and efficiency in securities finance?

Benish: Peer-to-peer can mean a lot of different things to a lot of different people and can take a number of forms. It can be everything from two beneficial owners that have a bilateral agreement and directly trade with each other without any other intermediaries, but can also be as simple as one beneficial owner getting approved as a borrower on another person's securities approved borrowing list that runs through a traditional lending agent, just like any other trade would look.

This market, in particular, benefits from more participants, more liquidity, and more activity. Securities finance markets are structured so the more people that come to market and provide liquidity, collateral, and access, the more everybody benefits from that increased network effect. This means education really becomes critical to the work that the GPFA does, as well as to the work that industry leaders do — educating asset owners about their place in the ecosystem, and how these trades work and function is a key part in bringing more people and more assets to the table, therefore increasing liquidity for everyone.

Education is just as important as the networking opportunities provided by the GPFA — what do our members want to learn about? That is key to improving everybody's understanding, which makes them more willing to access these markets, more willing to participate, and more willing to bring their assets to the table.

Nearly half of GPFA membership is Canadian, what factors do you think have driven this concentration?

Charles Lesaux: When I think about our members across Canada: the public sector, asset management, and pension plans, they have been recognised for quite a long-term as pioneers in the modern pension fund management industry. It is the Canadian model, and has been referenced in academic literature; it is characterised by internal management of assets, globally diversified portfolios, and a strong emphasis on direct investing. The first iteration of this model was established more than 35 years ago, and has since become a global benchmark.

This translates well to the securities finance landscape and some of the trends and the themes that are emerging in the industry. It is an approach that really reflects a philosophy centred around active management and long-term value creation, and I think that speaks to a lot of what we are seeing in the securities finance industry.

We are committed to staying at the forefront of the industry's best practices, and the GPFA provides a platform and a forum for our members to share their experiences, best practices, and ideas.

When you think about the pace of change, the level of innovation, and the impact of technology, the GPFA occupies a valuable space,

and it is that role that the association plays around knowledge and thought leadership that informed BCI's decision to join and participate in the GPFA.

Benish: From a non-Canadian perspective, it seems as if there was already a very strong network effect among the Canadian plans — they know each other and communicate well, so it was a natural fit when something like the GPFA came along.

One of the first industry conferences the GPFA partnered with was CASLA, and it was really successful. We had a great meeting with a lot of the plans having attended specifically to hear the innovative things that the Canadians were working on.

I think it has been a really great, natural fit to have lots of the Canadian firms come to the table and share some of the innovative things that they are doing.

What innovations are emerging across platforms and digital marketplaces to support direct lending?

Benish: From my perspective, one of the hurdles is the operational burden of direct lending, whether you are building out a securities lending desk or just moving the pieces from point A to point B, and some of the digital marketplace innovations I have seen are a direct hit on reducing that operational burden.

This means the technology itself is becoming additive and supportive to organisations that want to move in that direction, where you do not have to build out a 50-person operations staff in order to do direct lending, you can rely more on technology and more systems to do some of the operational work.

Newer peer-to-peer activity as a result of technological advances is additive to existing activity. It is not replacing more traditional activities, it is trades that were not being done before. It is a net benefit to the whole industry in terms of bringing more liquidity to the table.

Lesaux: I agree with everything Chris said, and would simply add, at the front office level, or at the transactional level, there are economies of scale that can occur as these platforms that were introduced focus on execution, allowing beneficial owners and their partners to execute transactions, whereas now we are seeing an evolution towards the inclusion and adoption of direct lending or even peer-to-peer capabilities being introduced onto those platforms.

It is a natural extension of these execution-focused platforms to begin delivering that service between members, rather than between members and their partners. And it is definitely an emerging trend, in the last year and a half, and is something I know our members are watching closely, that also speaks to the diverse yet complementary needs that our members have in securities finance, particularly when you think about collateral management and liquidity management combined together.

It just allows you to scale and to grow in a much more efficient way.

What initiatives are you engaging in to advocate on behalf of your members and the broader asset owner community? Can you explore your success stories and some of the challenges you have faced?

Lesaux: GPFA Canada is a newly formed subgroup within the association that we launched with our inaugural kickoff call in January. It was really encouraging to see more than 35 people join the call from across Canada for a really productive discussion. The purpose of the call was to connect and launch GPFA Canada while discussing what we hope to accomplish, and more importantly, identify and prioritise some focus areas for the group. The high level of engagement across Canada was evident on the call, which we followed up with a survey to gather feedback to help shape the plans for the group in 2026. We believe that it is a member-led environment and it is their feedback that is really going to drive the agenda and the topics we focus on in the coming year.

Those topics include: sponsored clearing, central bank policy, and balance sheet management. No conversation in securities finance can be had without talking about distributed ledger technology (DLT), but even broader macro, economic, and geopolitical issues are all topics we would expect to unpack in 2026 with our members.

Our meetings are about creating a venue or a forum for our members to share ideas, themes, trends, and challenges that are emerging, and then taking those from GPFA Canada and bubbling them up, and communicating them to the broader GPFA global membership, creating an opportunity to have a seamless flow of information among all of our members, but starting at a regional level.

CASLA is an important date in the calendar for 2026, we will be hosting an in person meeting of the GPFA alongside the conference as an opportunity for our members to connect, network, and learn about new developments in the marketplace.

Benish: Canada is a microcosm of what we are seeing globally. It is about growth. It is about expansion and how we connect with all of our members.

We just had two new additions to our board of directors of GPFA — Amy Borgquist from ADIA and Cherie Jeffries from the Florida State Board of Administration. They have been really active members up to this point, and we are really excited for their energy and their enthusiasm to come and add to what we are doing and continue to push forward. Broadly speaking, the GPFA wants to be the place where asset owners can bring their questions, can bring their curiosity, and as the board, we work really hard to protect that grassroots and asset owner-focused ethos for all of our members, because that is really important to us.

It is our origin story. It is what we think our members appreciate about the GPFA, and so it is something that we hold very dear as we think about how to expand, how to bring in new entities, new members to the organisation.

Lesaux: The GPFA is truly a member created, member led organisation, and that is ingrained in our culture and something we want to continue to build on and protect.

"The GPFA is truly a member created, member led organisation, and that is ingrained in our culture and something we want to continue to build on and protect"

Benish: One of the main challenges is the complexity of everything, while we are still an entirely volunteer-run association — everyone who is working at the GPFA is doing it alongside their full-time job.

So, finding the time to move significant initiatives forward is something that we want to work on, and that is why having new energy come to help the board, such as Charles and his co-lead in Canada, Ivoneke Taylor of Ontario Teachers' Pension Plan, as well as Amy, and Cherie joining the board, these are really important folks that are going to help build the next few years of the GPFA.

Lesaux: To further ensure a sustainable structure, my co-lead Ivoneke Taylor and my leadership term has been staggered. I have committed to a four-year term while Ivoneke has two years remaining in her leadership position.

Looking ahead for the next 12 months, what are some of the milestones the GPFA is looking toward, and how do you see the landscape developing?

Benish: I am very much looking forward to our annual in person meeting. Last year, we held it in Montreal. It was a smashing success. We had nearly 100 attendees from across the globe. This year, we are

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going to be hosted by the Ohio Public Employees Retirement System in Columbus, Ohio.

We consistently hear that this event is one that our members look forward to each year, a chance to come together, have some dedicated time to have deep conversations about the work that they are doing, learn from each other and what our organisations are involved in.

That is something that we are really looking forward to, and we have seen incredible growth in that event each year that we have held it. Our technology working group is also exploring some different ways that our members might connect outside of regular in person or virtual events. They are thinking about ways that we can connect, not just the securities finance people, but also the other working groups, the other areas of our organisation that have connectivity with each other, and how we can best support and facilitate that in a more asynchronous way for our global buy side peers.

Lesaux: When I think about what we are looking to accomplish in Canada, it is the success around the adjacent meeting at the CASLA conference in Toronto, where we will be hosting all of our members from around the world.

We want to continue the high level of engagement that we saw in the inaugural call in January, and to sustain that throughout the year, but also as we look forward to the years ahead.

Finally, it is about working with our partners globally to refine the model that we think will lead to the best outcome for all of our members. We know we have leadership in Asia Pacific, looking to Europe, and then the US and Canada.

We want to create the energy and the momentum in each specific region to really maximise the potential and the opportunity that we have as asset owners to capitalise on opportunities, but also to tackle some of the challenges and some of the exciting new trends that are emerging in the securities finance space. ■

The Global Peer Financing Association (GPFA) was formed in 2020 and is a non-profit business association consisting of more than 40 global asset owners and representing over US$11 trillion in assets. The association represents all types of global asset owners, including pensions, sovereign wealth funds, insurance companies, and asset management businesses.

Chris Benish
Senior portfolio manager, State of Wisconsin Investment Board (SWIB), and treasurer of the GPFA board of directors
Global Peer Financing Association

Charles Lesaux
Head of funding at British Columbia Investment Management Corporation (BCI), and Canadian regional co-lead of the GPFA
Global Peer Financing Association

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Building safe and secure environments

Emma Thomas, associate director at the International Capital Market Association, sits down with Carmella Haswell to discuss how she became exposed to the world of repo and secondary markets, the adoption of technology, and the importance of values

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

My journey into capital markets started with a phone interview while in my second year studying history at the University of Exeter. I had been applying for internships and was determined to ensure I secured work experience in the finance industry for the coming summer. Following a formal selection process, I found my way into an Issuer Solutions internship in London, however the journey was not straightforward. The global Covid pandemic made for an unusual introduction to the world of work and my internship went fully online.

I count myself incredibly fortunate to have been given the experience at that time, and it is where I first truly appreciated the importance of resilience and adaptability in the corporate world — two values I aim to take forward into my day to day now. It is with this start that I was able to move into my first full-time role supporting primary bond market bookbuilding.

In 2024, I joined the International Capital Market Association (ICMA) in the FinTech and Digitalisation team. Although I had become well-versed in the primary market process, at ICMA our fintech work features across all aspects of the bond market, and I am now exposed to the world of repo and secondary markets, regulatory policy, sustainable finance, and more.

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

Since my career in the bond market began, my role has always been intrinsically linked to the technology underpinning its functioning. It genuinely excites me how, even in my short experience in the industry so far, I have already seen the bond market embrace new technologies and forward-thinking innovation.

For example, in the fourth quarter of 2025 and at the request of ICMA members, the FinTech and Digitalisation team began a new initiative on stablecoins. When I first started my career, my understanding of financial technology centred on fintech platforms and data communication, and while this remains a pressing topic in the industry today, I could never have imagined the new concepts I would be working on now.

At ICMA, I feel incredibly proud to work alongside our network of industry experts who are building safe and secure environments to support the adoption of technology like AI and distributed ledger technology (DLT). It is highly motivating to be a part of this journey with them, and I look forward to seeing where we are in the next five years.

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

At ICMA, I have been encouraged to step outside my comfort zone on many occasions. Since joining, I have participated in panels and spoken to audiences of over 200 industry peers at events, engaged in industry forums run by national central banks and regulators, and built a global network from across all sectors of the market.

I have also learnt from the best through participation in ICMA's Education courses on repo and collateral, sustainable finance, and more. At ICMA, employees are encouraged to enrol on at least one education course each year, also available to the industry, which

are recognised by top financial institutions and can contribute to accredited qualifications.

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

In the initial stages of my career, I was often asked why a history student would pursue a career in finance, two topics which were seemingly at odds with each other. Although I recognised there were some core differences, I found that, in reality, those in the capital market industry understood the value in hiring various types of skillsets. As I moved into my first full-time role in capital markets, it became clear to me that, in fact, the values you hold as an individual are far more important in your success than the subject of your degree.

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

I would encourage young professionals to read industry news and stay up to date on the pressing topics in the capital market, even if it is outside the scope of your role or specific interest, you never know when it may come in useful. I would also encourage people to stay true to themselves, stay open to opportunities, and talk to as many people as possible.

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

ICMA's FinTech and Digitalisation team has a busy future. With the new technologies that have broken onto the scene in recent years (AI and DLT to name a few), as well as the more recent emergence of stablecoins and quantum, it is more important than ever to be consolidated as an industry and aligned on our approach to these topics. I hope to still be a part of this wave, helping to grow and support the industry as it navigates these changes. There is still much learning to do, and so I hope to continue expanding both the breadth and depth of my knowledge, with the help and support of my team. ■

Emma Thomas is an associate director at the International Capital Market Association (ICMA). She is secretariat to the AI in Capital Markets working group and the Bond Data Taxonomy (BDT) working group.

As part of the FinTech and Digitalisation team, she plays a key role in supporting industry standards such as the BDT, advocating for the best market practices within innovation, and engaging with the regulators on the topics of AI, DLT, and data.

SASLA

south african securities lending and collateral management

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SASLA 2026 Securities Finance & Collateral Management Conference

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Venue: Nedbank Clocktower
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Please note that this will be a CPD accredited event and will earn you around 6 hours (CPD hours will be confirmed in due course)

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Griffiths leaves ISLA

Alistair Griffiths has left his position at the International Securities Lending Association (ISLA) after more than two years.

Based in London, he held the role of director of business development at the firm, responsible for growing value for existing members while uncovering new members in a range of locations.

Previously, Griffiths has worked at a number of firms, such as Baton Systems as sales director, FIS in post-trade solutions sales, and at BNY Mellon, where he acted as vice president, relationship manager for more than eight years.

Earlier in his career, he held a five-year tenure at BlackRock as production manager, in addition to a six-year tenure at Man Financial as operations manager.

CASLA appoints D'Eramo

The Canadian Securities Lending Association (CASLA) has appointed Samantha D'Eramo as coordinator on the executive team.

D'Eramo is assistant vice president at State Street Markets, and has been an active member of CASLA for more than six years.

Since joining State Street in 2015, D'Eramo has held progressive roles across alternative investment services, institutional investor services, and financing solutions, allowing her to develop broad expertise in client servicing, operational strategy, and growth initiatives.

Roanna Kim, president of CASLA, states: "Sam brings a wealth of industry knowledge and experience to our team of association member volunteers that manages CASLA's operations."

D'Eramo holds a bachelor of business and society from York University with a specialisation in global economics.

Saphyre appoints Handzy

Saphyre has appointed Damian Handzy as chief operating officer to lead global operations as the company scales its platform across the investment management and capital markets ecosystem.

Based in New York, Handzy will oversee Saphyre's day-to-day operations, client delivery, and cross-functional execution.

In addition, he will work closely with the leadership team, board of directors, and strategic growth investor FTV Capital, to support the company's global expansion.

Handzy brings more than 25 years of executive experience in financial technology to the role, having previously served as managing director of analytics at Confluence Technologies, where he led the performance, risk, and reporting businesses.

Previously, he held leadership roles in product, operations, marketing, and client services when


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a problem with
no boundaries
by pushing
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he served as founder and CEO of Investor Analytics, chief commercial officer of Style Analytics, and global head of risk at StatPro.

Liquidnet welcomes Gibbons

Liquidnet has appointed Michael Gibbons as global head of listed business development.

Based in New York, he will report to Marianna Rayetskyy, global head of listed derivatives at Liquidnet.

Gibbons will lead the firm's global expansion strategy for listed derivatives, focusing on deepening client relationships across geographies and asset classes while identifying emerging trading opportunities in futures and options.

Commenting on the appointment, Rayetskyy states: "Michael's track record of building and scaling listed derivatives businesses makes him the ideal leader for this next phase of growth.

"This appointment represents a significant step forward in accelerating our market expansion and implementing our global strategy."

Gibbons brings nearly two decades of listed derivatives and multi-asset execution experience, most recently serving as a senior leader in Morgan Stanley's global cross-asset futures business, where he led the US listed derivatives electronic sales efforts and drove adoption of algorithmic execution and transaction cost analysis (TCA) tools.

Previously, he served as vice president of electronic futures sales and coverage at Goldman Sachs, where he built client relationships and execution strategies across electronic derivatives markets.

BBVA welcomes Shepherd

Banco Bilbao Vizcaya Argentaria (BBVA) has welcomed Chloe Shepherd as vice president repo trader, based in London.

Shepherd most recently worked at Citi as vice president and credit repo trade. Prior to this, she held positions at RBC Capital Markets as a repo trader and as a credit trading analyst.

She was also previously a summer analyst in the global markets sales and trading division at RBC Capital Markets.

Shepherd is a development board member at upReach, a social mobility charity providing support for students from low socio-economic backgrounds, applying for internships and graduate jobs.

Oegerli nominated as Leonteq's chairman

Leonteq has nominated Felix Oegerli as chairman.

Oegerli brings more than 30 years of leadership experience in the financial industry, with a strong focus on capital markets, sales, and trading.

He retired from Zürcher Kantonalbank (ZKB) in May 2025 after more than 11 years as head of trading, sales, and capital markets.

From 2009 to 2014, he was head of cash collateral trading and management and oversaw the cantonal bank's liquidity management, short-term interest rates, and prime finance.

Prior to his tenure at ZKB, Felix Oegerli was the CEO of International Financial Business Solutions, a securities finance and collateral management software company he founded in 1999.

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