



Can all roads lead to the same end?

Thomas Wu of Ledn examines how banks are approaching Bitcoin as collateral and why risk considerations are shaping how institutions choose to hold the asset



Connecting Securities Finance

equilend.com

AGENCY SECURITIES FINANCE SOLUTIONS

UNLOCK YOUR PORTFOLIO'S FULL POTENTIAL

47

years of lending
services

38

lending markets
globally





Capitolis completes US\$220m financing round ahead of eSecLending acquisition

Capitolis has completed US\$220 million in financing, comprising a US\$120 million Series E equity financing round at a US\$1.9 billion valuation alongside concurrent debt financing.

Gil Mandelzis, founder and CEO of Capitolis, says: “This Series E financing is a great milestone for Capitolis and a strong endorsement of our vision and ability to execute on it.”

The equity financing was led by Citi, an existing investor, with participation from new strategic backers Bank of America, Nomura, and Tradeweb Markets, alongside existing investors Barclays, BNP Paribas, J.P. Morgan, State Street, and UBS.

Debt financing will be provided by First Citizens Innovation Banking (formerly Silicon Valley Bank), Hercules Capital, and Pinegrove Venture Partners.

The funding will support Capitolis’ acquisition of eSecLending, integrating securities lending capabilities into its financial resource optimisation platform and expanding institutional access to asset owners.

Siris Singh, global head of markets strategic investments at Citi, says: “We are pleased to have led this financing round, bringing together a group of strategic investors in support of Capitolis’ next phase.

“The transaction reflects our continued focus on investing selectively in businesses shaping the infrastructure and evolution of global capital markets.”

Serene Murphy, global head of corporate development at Tradeweb, comments: “Securities lending represents the next frontier in the electrification we’ve seen across our markets, and Capitolis’ acquisition of eSecLending will be an important step in that evolution.”

03

Capitolis completes US\$220m financing round ahead of eSecLending acquisition

Capitolis has completed US\$220 million in financing, comprising a US\$120 million Series E equity financing round at a US\$1.9 billion valuation alongside concurrent debt financing

06

Chainlink launches cross-chain repo and collateral platform

Chainlink has introduced its end-to-end solution for institutional financing and collateral management across public and private blockchains, Chainlink Fulcrum

16

Eyes on the prize: The direction of travel for Bitcoin

Thomas Wu of Ledn examines how banks are approaching Bitcoin as collateral and why risk considerations are shaping how institutions choose to hold the asset

20

The regulatory race to scale cross-border tokenised collateral

As tokenised collateral moves beyond pilot programmes and into institutional markets, attention is shifting from technology to regulation. Theodore Law reports

24

Exploring an evolving market

London's Securities Finance Symposium played host to intriguing market conversations and debate. Touching on T+1 readiness, beneficial owner insights, as well as tokenised securities and the collateral frontier

34

From London to New York: Experiencing a changing market

Declan Swinburne, assistant vice president, AiEX product manager at Tradeweb, speaks to Carmella Haswell about his entrance into the securities finance market, remaining open-minded as he explores opportunities, and breaking the 'exclusive' appearance of the financial industry



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

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

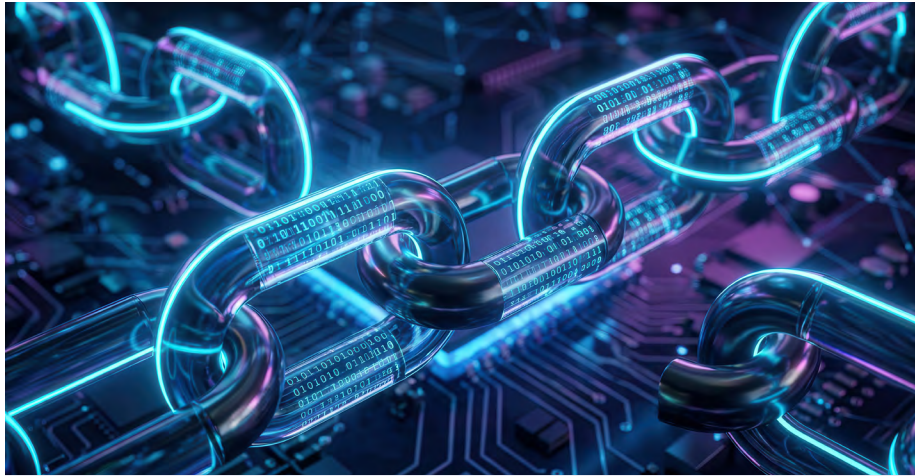
From Agency Lending to Prime Services and Secured Financing — all integrated through our Financing Hub and supported by a global team of experts — our solutions work harder for you, to help you excel in a fast-paced market.

Scan to learn more



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

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



Chainlink launches cross-chain repo and collateral platform

Chainlink has introduced its end-to-end solution for institutional financing and collateral management across public and private blockchains, Chainlink Fulcrum.

According to Chainlink, Fulcrum is the first cross-chain repo flow separating the management of a financing agreement from cash and collateral settlement networks.

The separation allows for more flexible funding, 24/7 risk management, enhanced capital efficiency, and reduced operational complexity, enabling cross-chain delivery-versus-delivery across multiple blockchains, Chainlink says.

Fulcrum combines aspects of the Chainlink platform into a single solution: Chainlink Runtime Environment, Cross-Chain Interoperability Protocol, and

Chainlink Data Streams, along with other functionalities such as compliance, privacy, and AI.

Counterparties will be able to choose eligible assets, set financing terms, and coordinate settlement across supported chains through a single avenue.

The firm says Fulcrum also comes with 24/7 operational support.

The solution is in the process of being integrated with TradFi environments and existing values, allowing participants to compare financing terms across them and route transactions to a chosen venue, where the agreement is then executed and governed.

Fulcrum does not custody assets, act as a counterparty, or operate a trading venue.

South Street Securities expands into UK

South Street Securities Holdings has announced the expansion of its UK and wider EMEA capabilities through South Street Global (SSG), a new wholly owned subsidiary.

SSG has received authorisation from the UK Financial Conduct Authority (FCA) as a MiFID investment firm to conduct a range of regulated activities.

The subsidiary will be led by Habiba Greenland as CEO, who brings more than 20 years of industry experience to her new role.

“We are proud to have developed a sustainable business model in the UK that provides valuable technology-driven services to our clients,” she says. “We look forward to building on this.”

Greenland has spent a decade with South Street Securities, most recently as managing director, head of EMEA and UK.

She first joined the firm in 2016 to manage the growing UK repo financing business relationships and newly founded representative office.

Prior to this, Greenland spent 11 years at BNY, where she ran the EMEA relationship management teams of BNY’s broker-dealer services and global product and communications strategy for Global Collateral Services.

Around the clock, around the globe



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

That's frog power!

caceis
INVESTOR SERVICES

A company of Crédit Agricole

www.caceis.com



Commenting on the news, James Tabacchi, president and CEO of South Street Securities Holdings, says: “After a decade of successfully growing our institutional client business in the UK, it is the right time to use that solid base and expand our capabilities.

“The UK is a mature and well-regarded financial services hub that acts as a natural link to wider geographical regions. The UK’s regulatory pedigree ensures that we can confidently build our regional presence in a robust and compliant manner.”

South Street Securities is a specialist in capital markets and a Financial Industry Regulatory Authority (FINRA)-regulated US broker-dealer. It is also a Tier 1 member of the Fixed Income Clearing Corporation (FICC).

It also provides principal US Treasury and mortgage repo financing through its TradeBlazer technology platform, and offers algorithmic execution through GX2 Systems.

HSBC adopts Nasdaq Calypso’s exchange traded derivatives platform

HSBC has adopted Nasdaq Calypso for the bank’s exchange traded derivatives (ETD) clearing platform, providing a fully integrated set of clearing capabilities.

According to HSBC, its Derivatives Clearing Services already executes ETD transactions for institutional clients across 40 global futures exchanges, and clears ETDs and

over-the-counter (OTC) derivatives.

Since 2011, HSBC has used Nasdaq Calypso to clear clients’ OTC derivatives, including interest rate, inflation, and credit default swaps.

HSBC also uses Nasdaq Calypso for repo clearing and, by year-end, will extend its use to US Treasury cash transactions in preparation for mandatory clearing.

Najib Lamhaouar, global head of OTC clearing and ETDs, HSBC, says: “Using Nasdaq Calypso on a multi-product basis is an enabler for cross-margining that enhances our clients’ ability to manage their collateral and market risk within the HSBC Real Clear product suite.

“With real-time visibility of clearing activity, margin, collateral and risk exposure, HSBC Real Clear helps clients make more informed funding and risk decisions to operate more efficiently.

“Our partnership with Nasdaq positions us well for changes in the clearing space, including the move to always-on markets and the increasing demand we are seeing from market participants for tokenised assets and collateral.”

Nasdaq Calypso is a capital markets and treasury platform used by banks, brokers, asset managers, central banks, and other financial institutions to support capital markets and treasury workflows.

Magnus Haglind, head of capital markets technology, Nasdaq, adds: “The pace of market evolution and technology innovation is placing new demands on clearing infrastructure.

“As markets move toward an always-on model, firms are seeking modern, streamlined systems that can support always-on risk management, AI adoption, and ever greater ecosystem connectivity.

“With that foundation in place, Nasdaq Calypso offers the flexibility to adapt to new asset classes, markets, and client requirements, without adding operational complexity.”

OCC welcomes IEX as exchange participant

The Options Clearing Corporation (OCC) will provide central counterparty clearing and settlement services for IEX Options, a new options exchange from Investors’ Exchange.

The addition marks the OCC’s first clearing relationship with IEX and brings the OCC’s total participant venues to 20 options exchanges, two futures exchanges, and one stock loan exchange.

Andrej Bolkovic, CEO of OCC, says: “IEX brings a well-established track record and a different approach to options market structure.

“We’re glad to extend the same clearing and risk management standards our participants rely on every day to this new venue.”



All Your Securities Finance Needs

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

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



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

IEX has operated its equities exchange since 2016, maintaining a market share above four per cent of overall US equity trading volume and approximately 8.5 per cent of exchange-traded volume as of Q3 2026.

IEX Options launched on 2 October 2026, marking the platform's initial entry into listed options trading.

Ivan Brown, head of options at IEX, adds: "We appreciate the OCC and our work together as we bring IEX Options to market. We look forward to our continued

collaboration into the future."

Ripple and Brevan Howard extend partnership for prime brokerage services

Ripple has expanded its partnership with Brevan Howard to provide multi-asset prime brokerage, clearing, and financing services to the firm's funds.

Under the terms of the expanded agreement, Brevan Howard will access these services through Ripple Prime, Ripple's

institutional prime brokerage platform.

The mandate builds on an existing financial relationship between the two entities as funds managed by affiliates of Brevan Howard previously participated in Ripple's US\$500 million strategic investment round in 2025.

Noel Kimmel, president of Ripple Prime, states: "There are few firms equipped to provide the next generation of prime services that sophisticated investors expect, and Brevan Howard's trust in Ripple Prime is recognition of our strong competitive



BMO



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

BMOCMPPrimeBrokerageSales@bmo.com



Redefining Collateral Mobility

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

www.hqla-x.com

position and cross-asset capabilities.

“Brevan Howard continues to be at the forefront of innovation across increasingly intertwined traditional and digital markets, and we are excited to partner with a firm that shares our vision for the future of global finance.”

Alan McGroarty, group chief operating officer at Brevan Howard, adds: “As digital and traditional markets become more interconnected, the need for institutional-quality digital asset infrastructure that enables a seamless experience for investors is only growing.

“Ripple has built a differentiated platform that we expect will provide our investment teams with increased operational ease and capital efficiency.”

Bloomberg automates JGB Market-on-Close trading

Bloomberg has completed its first fully automated Japanese government bond

(JGB) Market-on-Close trade following the launch of a new automated workflow.

Aligned with the BB3P (Hikene Trading) Market-on-Close reference rate for JGBs, the functionality is designed to minimise tracking error and provide certainty of execution at the market close.

Available through Bloomberg Electronic Markets, the workflow combines Bloomberg's Bid and Offer List Trading functionality with Rule Builder, the firm's trade automation tool.

The integration enables clients to automate order routing and define execution criteria within a single order and execution management workflow through TSOX, Bloomberg's execution management system.

Yudhveer Chaudhry, head of emerging markets, FX, commodities, and digital assets at BlackRock, states: “The ability to combine Market-on-Close execution with rule-based automation is a significant step forward for the JGB markets.

“By accelerating time to market and enabling more systematic execution at the BB3P market reference, this workflow will help minimise transaction costs, reduce manual intervention, and deliver more consistent, optimised outcomes for investors, particularly during high-volume periods.

“It is an exciting development for one of the highest volume bond markets in Asia, and we were pleased to collaborate with Bloomberg on introducing the protocol.”

Norman Tweekboom, Japan enterprise sales head at Bloomberg, adds: “The powerful combination of Bloomberg Electronic Markets capabilities enables clients to more efficiently negotiate pricing while reducing operational complexity in a critical market.”

The JGB workflow expands Bloomberg's Market-on-Close capabilities across global fixed income, which also supports US Treasuries, Canadian government bonds, UK gilts, and European government bonds.

COMYNNO
C-ONE | One-Stop-Shop for Securities Finance
WWW.COMYNNO.COM



Clear purpose. *Clear resolve.*

Behind every trade is a promise kept. All made possible by people who show up not for the recognition, but because they believe in the work.

theocc.com/clearpurpose

OCC

®

OCC average daily loan value jumps 16.8%

The Options Clearing Corporation (OCC) has reported a 16.8 per cent year-on-year (YoY) increase in average daily loan value for securities lending trades, generating US\$230.9 billion for September.

Total securities lending transactions cleared on the OCC platform for the same month decreased 1.43 per cent YoY to 337,652.

With regards to all futures and options cleared through the organisation, the total volume was up 6.1 per cent YoY to 1.49 billion contracts for September.

OCC also experienced a 37.9 per cent YoY jump in ETF options contracts for the month to 642 million, and saw a 21.9 per cent YoY rise in index options contracts to 137 million.

Equity options volumes fell 13.9 per cent YoY to 706.9 million for the month, while cleared futures contracts dropped 6.8 per cent YoY to 4 million.

Global securities lending revenue reaches US\$1.74bn for September

Global securities lending revenue increased 23 per cent year-on-year (YoY) to US\$1.74 billion in September, according to S&P Global Market Intelligence data.

The increase has helped to complete a

strong third quarter in which revenue rose 20 per cent to US\$5.35 billion.

Year-to-date revenue, which reached US\$14.16 billion, was supported primarily by borrowing activity.

During the third quarter, average balances increased 33 per cent while utilisation rose 11 per cent. Average fees declined 9 per cent over the same period.

Asian equities remained the primary driver of growth, with revenue increasing 90 per cent during Q3.

September revenues rose 79 per cent to US\$659 million as higher balances, fees, and utilisation reflected elevated activity across AI and semiconductor-related securities.

Borrowing demand also remained supported by uneven economic growth in China and changing expectations for Bank of Japan policy.

EMEA equities delivered another strong quarter, with revenue increasing 61 per cent in Q3 and 47 per cent in September.

Growth was supported by rising balances and stronger fees across the region, reflecting broad-based borrowing activity.

Americas equities were the notable exception, with revenue declining 38 per cent during Q3 and 39 per cent in September.

Although balances and utilisation increased, average fees fell 57 per cent in the quarter, suggesting ample supply and fewer scarcity-driven opportunities.

Exchange traded product revenues increased 85 per cent during Q3 and 104 per cent in September, with higher fees indicating concentrated borrowing activity in leveraged and thematic products.

Government bond revenues rose 46 per cent during the quarter and 49 per cent in September, while corporate bond revenues increased 19 per cent and 24 per cent respectively.

The gains coincided with greater volatility in the fixed income market, higher yields, persistent inflation concerns, and uncertainty around monetary policy, supporting hedging, relative-value and collateral-related activity.

Matt Chessum, executive director of equity and analytic products at S&P Global Market Intelligence, says: "With almost US\$56 trillion of lendable assets and borrowing activity remaining high, securities lending is on course for another record year.

"Volatility across the AI supply chain has been a major driver of Asian revenues, while growing instability in fixed income markets is creating further demand.

"With valuations remaining at all-time highs and policy and geopolitical risks elevated, Q4 looks increasingly uncertain for investors." ■

When growth is a priority



A solid foundation is a necessity

Our Prime Finance business provides the stability and scale you need to implement your global cross-asset financing strategy, for whatever is next.

Corporate & Institutional Banking



SCAN TO
KNOW MORE



HSBC

Opening up a world of opportunity



Eyes on the prize: The direction of travel for Bitcoin

Thomas Wu, chief financial officer at Ledn, examines how banks are approaching Bitcoin as collateral and why risk considerations, from capital treatment and custody to liquidity and liquidation, are shaping how institutions choose to hold the asset

Ask a bank's financing desk whether it would lend against Bitcoin and, increasingly, the answer is yes. Ask the credit and risk desk whether Bitcoin clears the collateral bar, and the conversation gets longer. That split, the financing side ready and the risk side as the gate, is the real story of digital assets entering secured funding. The question is no longer whether an institution will take Bitcoin as collateral. It is who inside the institution decides what to accept, and on what terms.

When institutions decide to underwrite an asset class, the tell is not the headlines about banks warming to crypto. It is the structures they are choosing to hold it through. When you look at how the largest institutions are actually accepting Bitcoin today, almost none of them are holding the asset directly. They are routing around it, and the route they pick tells you which desk is still apprehensive.

Two banks, two workarounds

Take the two most visible moves. In June, Morgan Stanley began letting wealth clients convert their Bitcoin in-kind into shares of a spot Bitcoin exchange traded product (ETP), then borrow against those shares through a referral arrangement with a digital asset firm. Read that carefully: the collateral the bank is ultimately lending against is not Bitcoin. It is a security, the ETP wrapper, that happens to track Bitcoin. The native asset has to be turned into a familiar container before the balance sheet will touch it.

J.P. Morgan has taken a different route to the same destination. Late last year, its reported programme aimed at institutional clients was to accept the native token as collateral, but it is built so the bank never owns the underlying asset, not even on default.

The pledged asset sits with a third-party custodian, and if a borrower defaults, third-party partners handle the liquidations. In ordinary asset-based lending, a bank will temporarily hold the defaulted asset to sell, whereas this programme is specifically engineered to never hold Bitcoin directly, because under the banking capital rules, owning digital assets is an expensive event. The bank gets exposure to the

collateral without ever holding the asset itself, managing counterparty and operational risk by keeping it at arm's length.

Two of the most sophisticated institutions in the world, two different answers to the same eligibility question, and both engineered to avoid holding Bitcoin directly. That is not indecision, and it is not simply internal nerves. It is two firms solving for the same underlying constraint, which is largely a regulatory one: the punitive capital treatment that still attaches to holding Bitcoin outright, on top of balance sheet and custody considerations. The risk desk is where that rulebook meets the asset, and its job is to find a structure the rules will bless. The wrapper and the third-party custodian are not conveniences. They are the price of getting the collateral past it.

What the risk officer is actually testing for

It is worth being precise about what that desk is assessing, because it is not the thing most crypto commentary assumes. A credit officer is not debating whether Bitcoin will go up or down. They are testing whether the collateral can be valued continuously, controlled legally, and liquidated under stress without the recovery evaporating. Those are the questions a collateral schedule is built to answer, and the frameworks that answer them were written for equities, receivables, and real estate. Applied to Bitcoin, those frameworks can misread what is in front of them. The instinct to wrap Bitcoin in a security, or perfect it at a distance across jurisdictions, is partly a way of making an unfamiliar asset legible to a familiar model, even when that model is miscalibrated on the liquidity dimension, where Bitcoin is genuinely strong.

Here is the point that tends to surprise a finance audience. On the measures a collateral desk actually cares about — continuous market depth, tight spreads, and the ability to liquidate size under stress — Bitcoin now ranks among the most liquid assets available to pledge.

On any 24-hour view, it sits behind foreign exchange, US Treasuries, and the largest index ETFs, and on par with individual mega-cap equities that many of the same desks accept without a second thought.

The global asset trades every hour of every day, which means the global asset trades at all hours somewhere in the world, so any overnight gap in which a position cannot be defended is minimal.

This is not a promotional claim. It is a collateral-quality argument, and it is one that institutional credit investors have made themselves when they have looked closely.

The relevant question for a risk desk is not Bitcoin's price volatility in isolation, since every collateral type has volatility, which is what haircuts exist to absorb. It is whether, when a liquidation is triggered, the asset can be sold quickly enough and deep enough to make the lender whole.

Bitcoin has now been tested on exactly that, through market liquidation cascades that would have gapped a thinner asset: roughly US\$19 billion of forced liquidations on 10 October 2025, and some US\$2.5 billion in February 2026. In both, the market absorbed the selling pressure and cleared, and secured lenders margining against Bitcoin came through with principals intact.

What changes if you hold it directly

There is a third route, and it is the one that most closely resembles how the finance world already manages collateral: hold the native asset and margin it in-house continuously.

Firms that operate this way monitor loan-to-value in real time, issue margin calls automatically as thresholds approach, and liquidate against the collateral directly rather than through a wrapper.

That model carries its own demands. It requires collateral management capability, real-time risk systems, and a liquidation record that can be shown rather than asserted.

That record is now being tested by parties whose job is scepticism. When a book of Bitcoin-backed consumer loans run on this model was brought to the asset-backed securities (ABS) market this year,

it carried an investment-grade rating from S&P — a first for a digital asset company.

The instructive part is not the rating itself but what the analysis rewarded. In a conventional securitisation, forced asset sales are a distress signal, the thing the structure is built to avoid. Here, rule-based margining and automated liquidation were the credit protection: the mechanism that turns collateral into cash and caps losses before they compound, rather than leaving the decision to discretion at the worst possible moment. The behaviour that reads as alarming in a headline — price swings triggering liquidations — is precisely what the noteholder is relying on. Borrowers top up, or they repay, and the exposure de-risks itself.

But it removes the layers that the wrapper adds, and with them the cost, the basis risk between the asset and its container, and the operational dependency on a chain of intermediaries. As more institutions cross the line from evaluating Bitcoin collateral to holding it, the question they will face is the one banks have always faced with any new asset class: not whether to take it, but how close to it they are willing to sit.

Where this goes

The trajectory is familiar to anyone who has watched a collateral type mature. The first movers accept it through the most conservative structure available, because that is what gets it past risk. As the empirical liquidation evidence accumulates and the custody question is answered, the structures simplify, and the desks move closer to the asset. Bitcoin is early in that arc for banks, held today mostly through wrappers and intermediaries. But the direction of travel, from routing around the asset to holding and margining it directly, is the one every previous form of collateral has taken.

The trading desk decided it would take Bitcoin some time ago. The interesting work now sits on the risk desk, deciding not whether it counts, but how to hold it. ■

Unlock the potential of securities finance

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

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





The regulatory race to scale cross-border tokenised collateral

As tokenised collateral moves beyond pilot programmes and into institutional markets, attention is shifting from technology to regulation. While digital assets promise greater collateral mobility and operational efficiency, divergent regulatory approaches risk creating new barriers to global liquidity. Theodore Law speaks with industry experts to investigate the regulatory risks and operational hurdles ahead

The debate around digital collateral is no longer centred on whether tokenisation works. Instead, market participants are increasingly focused on whether regulatory and legal frameworks can support cross-border collateral mobility at scale.

As tokenised government bonds, Treasuries, and money market funds (MMFs) move closer to real-world adoption, firms across securities finance, repo, and collateral management are exploring how digital assets could improve liquidity, reduce settlement friction, and enable collateral to move more efficiently between counterparties.

For funding desks, the potential benefits are significant. Assets that currently take hours, or even days, to transfer between institutions could potentially be mobilised atomically, improving balance sheet efficiency and reducing operational constraints.

Yvonne Deane Harte, director at UK Finance, says the conversation around tokenisation is “moving beyond questions of technical feasibility towards questions of scale, liquidity, and market structure.”

According to UK Finance's report, ‘Building Digital Markets of the

Future', industry support for wholesale digital markets remains particularly strong in areas such as collateral management, securities financing transactions, repo, and liquidity management.

"Firms also see a strong business case for tokenised collateral and margin management, but further progress on the supporting rules and infrastructure will be needed to support wider adoption," she says.

Sam Edwards, head of Alpha Collateral at State Street, agrees that the benefits extend beyond simply converting traditional assets into digital representations.

"Tokenisation should not simply digitise existing collateral movements; it should create a more connected and programmable ecosystem in which assets move faster, collateral is mobilised more efficiently, and operational friction is materially reduced," he notes.

A fragmented regulatory landscape

While capital markets remain structurally globalised, national regulatory bodies are executing digital asset frameworks asynchronously, creating localised policy environments that complicate cross-border execution.

The European Union's DLT Pilot Regime has been operational since 2023, while the UK's Digital Securities Sandbox (DSS) has progressed beyond its initial launch phase to process subsequent mature cohorts of institutional applicants.

Elsewhere, jurisdictions including Switzerland and Singapore have already codified mature legal frameworks supporting live, production-level digital asset issuance and financing. In contrast, the United States continues to calibrate its federal policy framework regarding digital asset custody, market structure, and bank-led stablecoin issuance.

For institutions operating across multiple jurisdictions, this creates a complex environment in which digital assets may be subject to different legal treatments, settlement models, and eligibility requirements.

Edwards argues that measuring success through the number of tokenisation pilots misses the more important question of whether assets can actually be deployed at scale. "The winners will be the jurisdictions that successfully combine legal certainty, regulatory clarity, and market infrastructure interoperability," he says.

The challenge is particularly significant for collateral management. If tokenised assets cannot move efficiently across borders, firms risk creating digital equivalents of the very silos that tokenisation was intended to eliminate.

However, not everyone believes complete regulatory harmonisation is necessary. Yuval Rooz, CEO and co-founder of Digital Asset, argues: "Financial markets have always operated across different legal, regulatory, and market structures. The opportunity is to build infrastructure that can accommodate those differences rather than requiring every jurisdiction to harmonise before markets can connect."

According to Rooz, the objective should be interoperability rather than uniformity, allowing assets and liquidity to move across borders while individual jurisdictions maintain control over local rules and supervision.

This focus on safe coexistence over absolute uniformity is mirrored by regulators. Jamie Bell, head of capital markets, supervision, policy, and competition at the Financial Conduct Authority, agrees that "the goal isn't necessarily one single liquidity pool".

"Different currencies, settlement processes, and market infrastructure can fragment markets as much as regulatory approach. We're aiming for an ecosystem where different systems can work together safely and efficiently."

To achieve this, international regulatory coordination remains vital. "Interoperability is key to tokenised collateral markets working at scale, and regulators coordinating with each other matters, especially as countries move at different speeds," Bell adds.

Legal certainty remains essential

Technical interoperability alone cannot resolve foundational discrepancies in private property law. Institutional capital flight into digital assets remains restricted by ambiguities surrounding collateral perfection and asset ownership rights under insolvency frameworks.

Financial institutions need certainty regarding how tokenised assets are owned, transferred, pledged as collateral, and treated in the event of a default. Without clear legal frameworks, the benefits of atomic settlement and automated collateral management could be undermined by uncertainty during periods of market stress.

For participants in securities lending and repo markets, these questions have direct operational implications. Uncertainty around the legal treatment of tokenised collateral could affect collateral substitution, rehypothecation, default management, and the broader mobility of assets across jurisdictions.

Edwards notes that international efforts are already under way to address some of these challenges.

He points to initiatives such as the International Institute for the Unification of Private Law (UNIDROIT) Principles on Digital Assets and Private Law, which seek to create a common framework for issues including custody, secured transactions, applicable law, and insolvency treatment.

At the same time, cross-border initiatives are beginning to move beyond theory. “BIS Project Agorá has brought together major central banks and regulated institutions to test tokenised cross-border settlement, demonstrating that settlement finality can be achieved across participating legal systems,” Edwards explains.

Such projects are helping regulators and market participants assess how digital assets may function across multiple jurisdictions while maintaining legal certainty around ownership and settlement.

For institutions considering tokenised collateral, that certainty may

ultimately prove just as important as technological innovation.

Can technology bridge the gap?

As regulatory divergence continues, many market participants are looking towards technology to bridge the gaps between different jurisdictions.

Networks designed for institutional digital assets are increasingly being developed with interoperability in mind, allowing participants to operate under different regulatory and operational frameworks while remaining connected to a broader market.

Roos believes this approach reflects the realities of modern financial markets. “Canton was specifically built for today’s realities, where financial markets remain governed by different rules.

“This allows institutions in different jurisdictions to connect and transact across the same network while each market maintains its own sovereign operating model, regulations, and requirements.”

Rather than requiring regulators to adopt identical frameworks, Roos argues that infrastructure should enable firms to navigate local requirements while maintaining access to global pools of assets and liquidity.

Bell warns that speed does not inherently eliminate systemic friction, “it can just move it faster”.

“Operational, legal, and liquidity risks still need managing, and in a crisis, faster movement could mean faster contagion too. That’s why we’re clear: innovation has to come with strong risk management, whatever the technology,” he explains.

Harte emphasises that interoperability will be critical if tokenised markets are to achieve institutional-scale adoption.

“Our report highlights the broad industry consensus that legal, regulatory, and operational frameworks that work effectively across

jurisdictions, infrastructures, and settlement assets are a vital factor in delivering efficient collateral mobility, deeper liquidity, and wider institutional adoption,” she says.

Edwards explains that technology can only address part of the challenge and notes that “digitising an asset does not remove the capital, liquidity, or collateral-treatment constraints that already apply to it”.

As a result, regulators must consider not only the infrastructure supporting digital assets, but also how existing regulatory frameworks interact with tokenised financial instruments.

From experimentation to implementation

First-generation digital market protocols suffered from highly restrictive operational boundaries, capping counterparty eligibility and aggregate transaction volumes to the detriment of institutional adoption rates.

Recent regulatory developments suggest policymakers are beginning to recognise those limitations.

The European Union has proposed reforms to expand the scope of its DLT Pilot Regime, including removing certain asset-specific restrictions and increasing aggregate volume thresholds. Meanwhile, the UK’s DSS is seeking to provide firms with an environment in which tokenised assets and digital forms of money can be tested together.

Harte believes these developments are helping move the market towards practical implementation. “Initiatives such as the UK’s Digital Securities Sandbox, alongside work on digital money, collateral frameworks, and the regulators’ wider tokenisation agenda, are helping move the market from experimentation towards practical implementation,” she says.

For the UK, she argues, the opportunity “is to build on existing strengths in wholesale markets, post-trade services, collateral, and liquidity management, helping to create digital markets that are internationally connected, support efficient capital flows, and reinforce the UK’s position as a leading global financial centre”.

At the same time, Edwards notes that institutional investors are becoming increasingly comfortable incorporating tokenised assets into margin and collateral workflows.

The emergence of production activity from organisations such as the Depository Trust & Clearing Corporation (DTCC), alongside growing investment in digital custody and wallet infrastructure, suggests the market is gradually moving beyond pilot programmes.

“The conversation has shifted decisively from whether tokenisation matters to how quickly it can be integrated into day-to-day investment, treasury, and collateral processes,” he says.

The next phase

While significant challenges remain, the debate has clearly transitioned. The focus has shifted towards questions of interoperability, legal certainty, regulatory alignment, and market scale.

For Rooz, the long-term implications could be transformative, noting that “the biggest change will be that collateral stops being something institutions periodically move between disconnected systems and becomes continuously available, programmable capital”.

Firms could mobilise assets in real time, finance positions intraday, and access a broader range of funding opportunities using the same pool of collateral across multiple transactions.

Whether that vision ultimately materialises may depend less on technological capability and more on the industry’s ability to create frameworks that support connectivity across markets.

The technology underpinning digital collateral is maturing rapidly and so the question now facing regulators, market infrastructures, custodians, and market participants is whether the legal and regulatory frameworks surrounding it can evolve quickly enough to support truly global collateral mobility. ■



Exploring an evolving market

London's Securities Finance Symposium played host to intriguing market conversations and debate. Touching on T+1 readiness, beneficial owner insights, as well as tokenised securities and the collateral frontier

T+1 readiness gaps persist as firms confront tighter recall and return timelines

Many firms remain unfamiliar with key requirements of T+1 despite years of discussion, said Roy Zimmerhansl, head of Capital Markets at WTS Hansuke, at the opening panel at this year's Securities Finance Symposium in London.

Moderating the 'T+1: Thirteen Months Out and Still Asking the Hard Questions' panel, Zimmerhansl explained: "We still hear people say they didn't know about certain impacts." He added that even regulators have admitted in the past they cannot reach their entire

regulated base, leaving many buy side firms reliant on service providers for information.

Zimmerhansl highlighted the compressed timeline ahead of the 11 October 2027 go-live. With 274 working days remaining, he said securities finance faces heightened pressure because its workflows sit inside cash market cut-off windows. "We have to comply with all of the changes — but in even less time."

Turning to readiness, Tony Holland, director of Market Practice at ISLA, shared findings from the EU T+1 Industry Committee latest readiness survey, which suggested that 83 per cent of firms are actively preparing, though

notable gaps remain. 41 per cent of firms involved in fund share dealings have not yet developed their implementation plan, and more than half of all firms have not received guidance from their IT or service providers, creating a potential third-party dependency and implementation risk.

Holland reminded participants that UK and EU recommendations have been available for over 16 months. In the UK, they are underpinned by “the code of conduct” supported by the Bank of England, the Financial Conduct Authority (FCA), and HM Treasury. In the EU, the mantra is “adhere or explain”. He noted that while 2025 was focused on assessment and planning, “2026 is about development, build execution, and delivery”.

The panel then examined sale notifications, recalls, and returns. Rickie Smith, head of EMEA agency securities finance product at J.P. Morgan, said compressed timelines make early client notifications critical. “Getting the recall out is one thing, but the return is just as critical,” he said. He warned that behavioural patterns and custody-chain constraints continue to create friction.

Smith said tighter T+1 windows increase the risk of settlement failures, buy-ins, penalty exposure, and entitlement breaks. He added that firms need documented operating agreements and service level agreements covering cut-off times, late-recall handling, partial returns, and exception ownership. “The quicker clients can get instructions to the agent lender, the higher the likelihood the recall can support underlying cash-market settlement.”

Turning to trading and liquidity, Olivier Zemb, head of equity finance and collateral management at Caceis, said firms should expect timing mismatches. “The first thing I see is the persistence of mismatches and the increased repercussions of those in the context of T+1. The misalignment of DVP and FOP cutoffs is not new but we may see a higher number of recalls settling between the two windows due to shorter settlement cycles.

“As a consequence, CSDR penalties could be higher. The question then is who is liable for these penalties. Some rewording of the GMSLA may be needed to clarify this.”

He also stated that he does not anticipate higher buffers or over-recalls but rather a reallocation of traded volume from less efficient participants to more reliable counterparts. “The likelihood of execution will probably become a more important parameter to assess best execution than it is today.”

Zemb said partial settlement and partial returns may improve efficiency, but only if lending chains and cash market settlement teams are aligned. He highlighted the need for clearer specifications and more standardised processes across the chain.

The panel then looked at operational accuracy. Matthew Neville, managing director and head of agency lending trading, EMEA, at State Street, explained that agent lenders must ensure inventory positions published from their lending systems are “as accurate as possible” so borrowers have certainty when they execute orders on T+0. Although most lending activity is conducted for T+1 today, we expect more same-day demand from borrowers since they will likely not see their net demand requirements from their clients until the following morning.

He highlighted that increased activity at the close will require all parties in the value-chain to expedite trade instructions to their providers to ensure borrows and recalls can be executed timely. He emphasised the use of vendor tools to automate post-trade workflows, including pre-matching, regular refreshing of required collateral values (RQVs), and automated loan-release post-collateralisation at the triparty agents, to minimise the manual touchpoints and expedite settlement given we will have less time to solve mismatches.

According to Neville, lenders are already co-ordinating with borrowers on a bilateral basis to ensure trading parameters, including prepays and electronic execution cut offs are suitable per borrower entity, as demand and collateral distribution capabilities may differ depending on location.

Gabi Mantle, global head of client success and solutions engineering at Equilend, highlighted lessons from the US and Canadian transitions. She reported a 183 per cent rise in recall volume and a 27 per cent increase in recall relationships since January 2025 – already seven

months after the US/CAD move to T+1 which had already seen significant uptake. “You don’t have time for manual processing.”

Mantle described efforts to improve efficiency higher up the chain, including a complete revamp of standard settlement instruction (SSI) repositories. Logins and data extraction have risen by 1,000 per cent, with SSIs “finally getting a seat at the table”. She added that pre-matching is too late under T+1, and firms need short selling regulation SSIs and place of settlement data embedded at the point of execution.

A panellist noted that future market models, including same-day repo funding, tokenised collateral, and delivery-versus-delivery concepts, will shape the longer-term move toward T+0.

In closing, panellists urged firms to coordinate across the full lifecycle and strengthen communication with clients, service providers, and counterparties. “You can’t just prepare for yourself — you need to bring your client base with you,” one panellist said. They encouraged firms to review processes, align trading and settlement teams, and verify counterparties’ plans ahead of the accelerated settlement cycle.

Agility of liquidity and centralisation are key for repo market

The ‘Repo in the Spotlight: Liquidity, Margin, and the Race for Smarter Infrastructure’ panel revealed what is top of mind for participants in the repo market, and how a focus on agility of liquidity and centralisation will play an important role as the market moves towards digital assets.

Having moderated a repo-focused panel at the symposium three years prior, industry expert Gabriele Frediani asked the session’s speakers how the landscape has changed in the last few years.

For Charlie Badran, head of AXA Financing at BNPP Asset Management, the repo market has been “cheapening”, especially on the euro-denominated side.

“We have seen repo levels tightening between core/semi-core, and

peripheral countries, including sovereign, supranational, and agency bonds (SSAs) like European Union debt. We see less bonds trading specials, especially in the German market. There is quantitative tiering which implies less demand for collateral, and less trading of specials,” Badran explained.

Other aspects of change in the repo market revolve around client expectations. At MarketAxess, clients on the buy and sell side come to the firm for trade matching and confirmation to ensure accurate books and records. But these client conversations are turning to focus on the value add of additional connectivity.

Neelan Pavan, product manager, MarketAxess Match & Repo, said: “When we’re looking at regulation around T+1 settlement and especially mandatory clearing in the US for Treasury repo, there’s going to be more connectivity points required in clearing and settling transactions.

“Firms are looking to us to access that connectivity point for the wider market and become that key infrastructure.”

While the market is seeing growth in all aspects of repo, it is still a demanding environment, noted Georgia Whilock, product manager, CollateralOne at BNY, who drives the conversation towards optimisation.

She highlighted that optimisation for the buy side is changing because the relationships between the buy side and their liquidity providers are changing and expanding as they diversify.

“As the complexity of that market is evolving, we’re seeing more demand for access to and for changes to technology, such that it becomes a holistic operating system,” she added. “Clients want to be able to traverse between bilateral and triparty, cleared and uncleared, self-directed and agent financing, as their portfolios and their networks change.”

Travelling all the way from New York for the event, Tony Tutrone, director, repo product manager at Broadridge, brought intraday repo to

the forefront of conversation, naming it the biggest advancement the market has seen in the last few years.

“We’re seeing heavy focus in terms of reducing costs. It’s hard enough to generate revenue, so preserving it should be a primary focus as well,” he noted. “The benefits of reducing daylight overdraft — Liquidity Coverage Ratio and supplementary leverage ratio — are being addressed in intraday trading.”

Tutrone believes intraday repo is an elegant solution in terms of its ability to mobilise otherwise trapped collateral and put it to use. He added: “The atomic settlement of it allows for immediate unwind after the trade is completed, and it’s significant in that the velocity in which the unwind occurs allows you to continue to reuse that collateral.”

Discussing how the role of the fixed income prime broker could change in terms of centralisation of connectivity, Pavan said through conversations with buy side clients, the firm has been working to provide one source of truth of a transaction for firms.

He explains: “With our prime broker connectivity, we’re allowing our clients to permission their prime brokers to view that transaction from MarketAxess. Ultimately, you’ve got the buy side, the executing broker, and now the fixed income prime broker on the same version of that transaction.”

The panel went on to discuss the importance of high-quality data at the point of execution in regards to intraday repo. Where firms have “standardised messaging at that level”, settlement and triparty systems have been able to innovate and scale quickly from that point onwards, noted Whilock.

In turn, she believes this messaging can drive other innovations on the buy side, such as digital assets and AI transformations — which she said all stems from good data and the visibility of that data.

Pavan followed this line of thought, suggesting that “it all starts with data” and that automation depends on clean, standardised information.

“Counterparties should be able to describe a lifecycle event of a trade in the same way as each other. That is what SFTR was aiming to standardise but we still see discrepancies between the buy and sell side,” he explored. “Data is the key for any automation; the standards that are out, such as the Common Domain Model, matters for the next wave of automation.”

Bringing the panel to a close, the panellists discussed collateral optimisation. It is a theme which has been ongoing for some time, especially in respect of the ability to screen for eligibility, the ability to implement institutions, and continuous allocations.

The panellists suggested that while improvements are needed, collateral optimisation has been achieved. Tutrone named it an “open-ended subject” and suggested that the market may not ever “get to the finish line”.

Whilock added: “Optimisation is enabling the flexibility that the buy side are demanding. So the ability to optimise over all repo types, all security lending types, margin types, and bringing in as many of the different cash deployment trade types into that optimisation as possible. That, again, all comes down to having interoperability across the board.”

Looking ahead over the next 12 months to two years, it seems the agility of liquidity and centralisation is going to be key for the market.

Linking closely with this, Whilock suggested new digital asset markets are going to require financing, being able to “tie those in” with traditional rails is going to be even more important.

Further, she explained that buy side firms and asset owners will have funds that have traditional assets, infrastructure assets, as well as crypto and “all kinds of” digital tokens.

“Being able to finance them all in a central place using interoperable infrastructure and a single ecosystem is going to be something that has real importance as we move into the next 12 months to 2 years,” she remarked.

Beneficial owners in 2026

The beneficial owner of 2026 is asking more of securities lending than incremental revenue.

From liquidity and collateral optimisation to tailored analytics, emerging-market access, and increasingly complex approaches to indemnification, beneficial owners are taking a far more active role in determining how their lending programmes operate.

Speaking during 'The beneficial owner in 2026: smarter, more demanding, and harder to retain' panel, industry participants agreed that this shift is changing both the construction of lending programmes and the relationship between beneficial owners and their providers.

For Cassie von Sprecher, managing director and global head of agency lending sales at Deutsche Bank, one of the most significant changes has been the growing sophistication with which owners view different financing opportunities. "It's much more about bucketing the assets that are long in the portfolio so that we can maximise return," she explained.

Becky Turner, relationship manager for securities finance at BNY, added that clients are interrogating programme data in increasingly sophisticated ways, particularly as more organisations combine direct and agent lending. "They want to be able to see a holistic view of total risk, total exposure, etc," she informed.

Similarly, Ann Marie Dilworth, buy side trading services relationship manager at J.P. Morgan, sees a widening spectrum of approaches among beneficial owners. "We're seeing a lot more complexity and active participation from some of those more complex and, dare I say, sophisticated lenders who really want to be engaged on the strategy of their programme," she observed.

That greater engagement extends to one of securities lending's longstanding risk questions — indemnification.

Simon Heath, chief strategy officer at Equilend, argued that indemnification should no longer be viewed as a static decision. "Indemnification is not necessarily the only game in town," he stated. "It's not disappearing, and nobody expects it to."

Discussing Basel 3.1 and balance sheet constraints, Turner argued that beneficial owners increasingly need to understand the structures available to make their programmes more capital efficient. "Programme design is going to become a competitive lever here," Turner said.

"Basel 3 and Basel Endgame doesn't necessarily mean fewer opportunities," she continued. "It does mean that lending programmes need to be more flexible, more deliberate, and more strategically designed if beneficial owners want to compete for increasingly scarce borrower balance sheets."

Europe's transition to T+1 settlement in October 2027 represents another test of how prepared beneficial owners are to scrutinise their existing operating models.

For Dilworth, the issue is not simply making current processes move faster. Early sales notification will be critical as settlement timelines compress, while straight-through processing needs to extend across the beneficial owner's end-to-end workflow.

"The key thing here... is it's really the exceptions where the risk is," she points out, particularly where manual intervention remains necessary. "The market doesn't care what your contractual guidelines are," Dilworth warned. "There may be costs associated with those fails."

Her central message was: "It's not about doing the manual processes more quickly or faster. It's trying to remove those manual steps."

Remy Ferraretto, head of securities finance and repo sales at CACEIS, argued volatility is not necessarily negative for securities lending. In many cases, it actually creates additional demand, higher utilisation and attractive revenue opportunities. "The first point is not to stop

securities lending, but to accompany your clients in order to capture these benefits,” he said.

“The changes in those periods are the intensity and the speed of risk management. We increase the monitoring of counterparty exposures, collateral quality, concentration, and liquidity. Also on the collateral management we apply a conservative eligibility framework, with appropriate haircuts depending on the asset type and risk profile.

“You need the ability to reassess exposures intraday and, where necessary, issue additional margin calls and I think this is where the discussion becomes particularly interesting for the future and tokenisation could become an important part of that evolution. The client is not looking for just a single agent, but a partner, and a partner who knows how to interpret the data.”

The balance between opportunity and operational complexity is especially visible in emerging lending markets. Saudi Arabia, Taiwan, and South Korea were highlighted as markets capable of generating strong lending returns, but where beneficial owners also have to understand operational and recall risks.

For von Sprecher, the potential value makes those challenges worth addressing. “The opportunity cost is too great to not be in these markets if you hold Saudi, Taiwan, South Korean assets,” she said.

Heath said Saudi Arabia presents a somewhat different challenge from more established lending markets, with securities lending infrastructure and knowledge still developing. “The appetite to lend and the want to be active in the market is perhaps going ahead of where the market education and understanding is,” he observed.

As programmes become more tailored, the way beneficial owners assess performance is changing with them.

Traditional benchmarking frequently relied on comparisons with peer institutions. But Dilworth argued that those comparisons can be misleading when portfolios, risk tolerances, and programme guidelines

differ. “Clients want to measure basically the performance of their portfolio against their own portfolio,” she highlighted.

The more useful questions are therefore becoming what opportunity exists within a beneficial owner's assets, how much has been captured, and what restrictions are preventing the remainder from being realised.

Greater access to technology and data inevitably raises another question: if beneficial owners are becoming more sophisticated, why not simply run securities lending themselves?

The panel's answer was that technology has lowered barriers to entry, but executing a trade is only one component of operating a lending programme.

Turner pointed to market access, borrower relationships, documentation, collateral management, recalls, settlement, tax, and counterparty oversight as areas where agents continue to provide infrastructure that can be difficult to recreate internally.

“I think beneficial owners underestimate that running a direct model is not just putting in place a trading platform,” she suggests. “Technology is changing how securities lending is delivered, but it doesn't eliminate the value of scale, expertise, market access, and risk management.”

As a result, the industry's future may be less a choice between agency and direct lending than a combination of the two.

Heath described the hybrid model as a “natural evolution”. “I think agents provide operational heft that is way above and beyond what a beneficial owner can affordably do.”

Ultimately, that may be the defining feature of the beneficial owner in 2026.

Greater sophistication does not necessarily mean removing intermediaries. Instead, beneficial owners are becoming more selective about what they want to control themselves, what they expect their agents to provide, and how closely securities lending

should be integrated into the broader management of their portfolios.

As Turner put it during the audience discussion, securities lending is increasingly moving beyond an operational function and becoming “a proper liquidity management tool, treasury function, cash optimisation”.

For agent lenders, retaining those clients will therefore increasingly depend on whether they can evolve from service providers into partners capable of supporting a much broader set of objectives.

Tokenised securities and the new collateral frontier

The Symposium’s fourth panel of the day centred on the impact of tokenisation on the securities finance market. With the technology enabling the real-time mobility of assets — irrespective of custodian time zone — and a new suite of intraday liquidity services, the securities industry is met with a host of exciting possibilities and looming regulatory and market hurdles.

Tokenised assets, particularly tokenised bonds, currently dominate the tokenisation landscape, according to the panel’s moderator — Steven Czarnota, head of digital at Tonic — which is “natural” given the high-volume, “backbone” nature of the instrument. To adopt the technology at scale, Czarnota believes that changing the settlement rails first, before looking to adopt the more “nascent” assets afterwards, “makes sense”, and the current approach to tokenisation is on the right path.

But what “locked” assets would benefit from tokenisation, exactly? Which securities could be turned into financing collateral, and what is the main thing holding them back right now?

There are a few key reasons why these nascent assets are “locked up”, in the view of Mike Lambert, securities lending product director at Broadridge. ETFs, for example, can be difficult to move as settlement can end up in the wrong place. Location is another important factor; time zones continuously pose problems for collateral managers on opposite sides of the world. Tokenisation, he says, can “solve a lot

of those problems”. And, while there is still work to be done, freeing these instruments would make them reusable.

Another important facet to ensure the successful implementation of tokenisation is optimisation. For instance, a portfolio position does not need to be redeemed when tokenising a money market fund (MMF), which circumvents cash drag, according to Jennifer Keser, head of market structure and regulation for EMEA and APAC at Tradeweb. Avoiding what is a notable concern in TradFi infrastructure is demonstrable proof of its potential advantages.

Sabine Farhat, head of securities financing, lending, and repo product management at Murex, highlighted the fact that tokenisation opens up access to pools of liquidity that would have instead been sitting idly. The technology, she says, allows collateral managers to gain better risk assessment and valuation insights by letting them see the asset onchain.

Furthermore, Sam Edwards, managing director, Alpha Collateral Services at State Street, explained that the growing acceptance of tokenised MMFs as collateral signals a shift towards a more efficient digital collateral ecosystem where assets can move more seamlessly between market participants. As friction is reduced and accessibility improves, new investors and counterparties are drawn into the market, expanding liquidity and increasing utility.

Edwards added that the key question is how these benefits can be extended to a broader range of collateral assets and short-duration instruments. By improving collateral mobility and reducing operational friction, tokenisation helps create a “liquidity flywheel”: broader distribution creates utility, utility attracts participants, and increased participation deepens liquidity. This, in turn, makes the market more valuable and efficient for all participants, bringing more investors to the proverbial table.

The technology raises an interesting question: if collateral settles in minutes, how, then, does collateral optimisation evolve for tokenised assets, and how is more frequent optimisation balanced with factors like net settlement?

Fast settlement is “the most material change to the collateral framework”, in the eyes of Wassel Dammak, strategic account director for capital markets, Europe and the UK at Vermeg. In today’s markets, optimisation cycles are predictable. Obligations and inventory are collected, eligibility and concentration rules are applied, and funding and opportunity costs are considered. With the advent of tokenisation, the processing cycle has moved to realtime, which, according to Dammak, puts “more pressure on the decision-making”, as allocation and optimisation need to be as fast as settlement. Dammak emphasised the importance of striking a balance between the bases of the whole collateral process, and warned that phases running at different speeds will result in more buffers being held.

Looking further ahead, Edwards argued that a truly onchain environment could deliver the industry a “golden source of truth” for assets and liabilities. Greater transparency would give firms a real-time view of available inventory alongside their funding and collateral obligations, making it easier to determine how best to deploy, mobilise, and source assets. This enhanced visibility has the potential to improve collateral sourcing, liquidity management, and overall market efficiency.

But all of this becomes difficult to attain if regulators are unclear in their frameworks, and authoritative certainty is not consolidated across jurisdictions.

Czarnota emphasised the importance of regulatory readiness in unlocking the scale necessary to reap tokenisation’s rewards, reflected in the surge in activity over the last 12 months. For example, the US Securities and Exchange Commission (SEC) clarified rules around crypto assets; the European Central Bank (ECB) accepted distributed ledger technology (DLT)-issued securities; and the Bank of England (BoE) and the UK Financial Conduct Authority (FCA) published feedback on wholesale tokenisation.

However, he noted that there was more work to be done in terms of unlocking scale in securities finance.

Keser echoed this view. She believes that regulatory certainty is the obvious next step in ensuring the market continues to scale and take

full advantage of tokenisation. The speed at which jurisdictions are moving — particularly the US — is, on one hand, very encouraging, she said. On the other hand, each regulatory authority appears to be moving in a different direction, and subsequently heading towards a more fragmented global market.

Another potential pitfall permeating the prospect of tokenisation is the premise of hybrid regulatory environments, where digital and traditional assets are subject to different legislation. This can be “very messy”, Lambert argued. The obvious way to get past this hurdle, he said, is to have one set of regulations to cover everything, which he believes is “unlikely to happen”.

Instead, the potential ramifications could have regulators scratching their heads, trying to work out what exactly an asset is, where in the hybrid environment it belongs, where it needs to be to get reported, and whether it needs to be reported to the Securities Financing Transactions Regulation (SFTR), or somewhere else because it is digital.

What, then, does the securities market need to avoid fragmentation?

The panel agreed that this is no small order. “Fragmentation is the biggest practical hurdle to overcome,” Dammak responded. Trying to fix each instance of DLT individually would result in “a less efficient overall system” and siloed collateral — the exact problems already plaguing TradFi venues.

If the market wants to avoid repeating today’s fragmented structure, Farhat argued that trusted IDs and orchestration layers are key enablers of interoperability at scale.

Without standardised asset identifiers across onchain environments and TradFi systems, she warned that firms run the risk of operating in silos, resulting in operational bottlenecks and potential double-dipping. Orchestration layers, Farhat explained, act as a bridge across disparate platforms, establishing a common set of books and records, and ensuring fluid, end-to-end collateral management and real-time data flow.

Edwards made the point that interoperability requires more than just connecting blockchains. Key enablers include a multi-chain wallet architecture, enterprisewide visibility of assets and liabilities, and operational workflows that can support both TradFi assets and tokenised representations.

He emphasised the importance of selecting both the correct account and wallet structure for an institution's operating model, all while maintaining a holistic view of inventory, obligations, and liquidity across the enterprise.

The industry's need for interoperability, not isolated networks, was further highlighted by Keser. Tokenised securities must connect across platforms with existing market infrastructure, supported by common standards. Crucially, she said, the ecosystem needs an interoperable digital cash leg to enable true delivery-versus-payment. For Keser, the goal is clear: move from electronic to digital, not create a parallel market. Unfortunately, according to Lambert, institutions are not taking advantage of the tools that would allow for interoperability.

The Common Domain Model (CDM) — a digital blueprint for how financial products are traded and managed across their entire lifecycle — is not being utilised enough. He added that there is a “certain competitive advantage in not being interoperable”, particularly for triparty agents and other types of vendors. However, he believes that if the market forces enterprises to become interoperable, then they would do so.

If the securities industry is serious about moving forward, the panel concluded that common standards, such as the CDM, trusted IDs, and orchestration layers, would be crucial if the market is to adopt tokenisation at scale. But until that happens, institutions run the risk of repeating the fragmented, siloed architecture they already rely on.

AI adoption in securities finance hinges on data foundations and human accountability

The panel, moderated by Martin Walker, senior product manager at FIS, provided an insight into the practical uses, governance requirements,

and adoption challenges for AI in financial market processes.

Andy Pardoe, professor of AI, started off the discussion by explaining the greater picture looking back on the evolution of AI. “The technologies and techniques we have today are very different to what AI was considered in the 90s or the 70s.”

He suggested that there are two main categories of AI. Symbolic AI — “the old-school expert systems and rule engines” — and the more modern connectionist approaches, “which are neural networks, deep learning and LLM-type tools”. They have strengths in different areas, he said.

Pardoe explained that model selection should reflect task complexity. “You can often solve something with a simple AI method, and that's usually the best option. Mapping the complexity of the problem to the complexity of the solution — you don't need to use the biggest LLM for every problem.”

Walker then asked how AI relates to securities lending. Richard Colvill, project manager at Reg-X, said AI is often seen as “a solution to a problem we don't yet know we have”, but its operational value is clear. “Traders seldom see all the components that get a transaction to market.

“Most firms focus on the headline P&L, but there are many operational costs underneath — multiple custodians, platform fees, SWIFT costs, and post-trade regulatory reporting charges.” He said AI could “help define and analyse” those costs.

Ernst Dolce, CEO and co-founder of Banqora, highlighted that client demand is focused on lifecycle management, collateral management and optimisation, visibility, and data capture. “Clients want to bring actionable insights from their data, including from intelligence from their middle and back-office operations.

“In securities finance, booking the trade was never the challenge — most of the information is already there: accessing all the info from your email, your chats, internal, and service provider systems is the hard part. AI is very good at capturing information that is stored everywhere and exploiting it.”

He said firms want to understand the true cost of their transactions. “If you have three counterparties with the same credit risk and credit limit, all giving you the same fee rate, they are not equivalent in terms of P&L once you factor in settlement-fail penalties, funding costs, balance sheet and capital treatment, and operational overhead. You can use the power of AI to see that.”

Pierre Khemdoudi, CEO and co-founder of Gentek AI, expressed that mapping remains one of the biggest barriers to adoption. “The main challenge remains having systems connected to each other.

“Putting everything into a single data lake costs a lot of money and requires huge resources. Smaller organisations cannot do that.”

He said firms need a connective layer before automation. “Whatever you do afterwards — transaction reporting, collateral management, decision-making — you need to do that first.”

Khemdoudi also highlighted the need for model orchestration. “Some models are very expensive, some are very cheap. Some are good at text, some at pictures, some at numbers. You need a layer that not only connects systems but orchestrates which model you use to be efficient in terms of cost and capability.”

In terms of risks, Pardoe stated that most firms’ data is “an absolute mess”, and AI agents require guardrails. “AI can map the data today, but it can also look at how the data evolves and remap based on what it sees.

“We need the infrastructure underneath that guides, governs, and controls the agents. We’ve already seen cases where agents go out of their sandbox.”

Dolce said mistakes are inevitable but scale changes the risk. “Human beings make mistakes. What changes with AI is the scale. There is a risk, but the way you deploy it matters. You will always have human interaction with AI.”

Colvill stated that oversight does not require large teams. “You don’t need very many people sitting on top of a bot. Fair-allocation algorithms are an area that needs to be looked at with AI. I can’t honestly say they are fair for many smaller beneficial owners. AI could offer much-needed transparency.”

The panel agreed that AI is not a “magic” solution. It requires data foundations, governance, critical thinking and domain expertise. Adoption is expected to grow, but firms must choose the right models, apply them to the right problems, and understand the workflows they are trying to improve. ■



From London to New York: Experiencing a changing market

Declan Swinburne, assistant vice president, AiEX product manager at Tradeweb, speaks to Carmella Haswell about his entrance into the securities finance market, remaining open-minded as he explores opportunities, and breaking the 'exclusive' appearance of the financial industry

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

I started out doing an internship at Aquis Exchange, where I worked mostly on data analysis within the sales team. When I started thinking about what I wanted to do next, I knew I wanted to stay within financial markets but broaden my exposure beyond equities and work across different asset classes.

Joining Tradeweb's Automated Intelligent Execution (AiEX) team gave me exactly that opportunity, working across products to explore how automation can enhance clients' trading strategies. Today, my role spans many different aspects of the AiEX business, from working with clients and supporting the day-to-day service to identifying opportunities for growth and helping shape new enhancements and functionalities. It gives me the variety I was looking for at the start of my career, while allowing me to stay close to both the technology and the clients using it.

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

It is a very fast-moving, continuously evolving industry, and I am in a pretty unique position to be close to that change. The way people trade, and the role technology plays in that process, looks significantly different today compared with just a few years ago.

AiEX has evolved from a rule-based auto-execution efficiency tool into an increasingly important part of clients' trading workflows, and we are

continuing to explore new use cases, products, and ways automation can support traders. Being able not only to see that evolution first-hand, but also to play a part in shaping it, is one of the most exciting aspects of my role.

My recent move from London to New York has given me another perspective on that evolution, because automation adoption is at a very different stage in the US than it is in parts of Europe. I now have the opportunity to take what I learnt working with clients and products in Europe and think about how those experiences can translate to the US market. Understanding those differences and helping support the next stage of adoption here is something I find particularly exciting.

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

When I started in London, I was part of one of the early cohorts of Tradeweb's Analyst Programme, which helped build my broader financial markets knowledge while also covering some of the practical skills you need when starting your career.

Beyond formal training, one of the things I have valued most is how accessible people across the company have been. My role means I work with colleagues across sales, product, and technology, and there has always been an open-door culture when I have wanted to learn more. Early in my career, that could mean sitting down with a more experienced colleague to understand how to approach a client conversation; at other times, it has meant going directly to product

specialists to deepen my understanding of a particular market or workflow. Being surrounded by people who are willing to share their expertise has been invaluable.

The move to New York has been its own huge growth opportunity too. Tradeweb has been really supportive in making that happen and it has given me a chance to experience a completely different market.

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

I think there is still a strong stereotype around the type of person who works in financial services, and that can make the industry seem more exclusive than it actually is. My experience could not have been more different. I have found it incredibly welcoming and have worked alongside people from a huge range of academic and professional backgrounds.

I come from an engineering background, while colleagues around me have studied non-STEM subjects or even started their careers in completely different industries. What matters much more is the perspective and skills you can bring to the role, alongside a willingness to learn.

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

I would say stay open-minded. The job I am doing now is not what I would have predicted a couple of years ago. When you first enter the industry, you might think you want to work in a particular area without having had the opportunity to experience what the alternatives actually involve. Look for an environment that will give you room to learn, expose you to different areas, and allow you to discover what genuinely interests you.

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

I am just a few months into my new role in New York, so right now I am enjoying the opportunity to get to know a new market, work with a different set of clients, and understand how their needs and workflows differ from what I was used to in Europe. I would like to keep building on that experience and continue putting myself in situations where I am learning and being challenged.

It is also a very interesting time to be doing that. The proliferation of data and the pace of advances in AI are creating new possibilities for how we analyse markets and automate workflows. I am excited to see how that evolves over the next five years and hopefully play a part in turning some of those developments into capabilities that genuinely make a difference for clients. ■



"Look for an environment that will give you room to learn, expose you to different areas, and allow you to discover what genuinely interests you"



Simcorp hires Watson

Simcorp, a Denmark headquartered provider of multi-asset investment management software, has appointed Emma Watson as senior principal sales manager.

Based in London, she will report to Oliver Neumann, vice president of Global Commercial.

Watson brings almost 30 years of industry experience to her new role, where she will cover collateral management and securities finance.

She joins the firm from capital markets consultancy Tonic, where she was a director during her more than two years with the company.

For 17 years of her career, she took on

numerous positions within J.P. Morgan. Most recently, she took on the role of executive director and markets post-trade transformation programme manager.

In this role, she was responsible for the end-to-end management of business analysis, execution of transformational change management initiatives, and operating model design.

She also spent some time at Australian Securities Exchange (ASX), where she was collateral business development and product manager.

Earlier in her career, she was an asset servicing analyst and supervisor at Credit Suisse and new business analyst at Chase Manhattan.

Maloney departs Davies

Ricky Maloney has departed from his position as Qatar country executive, SEO and head of Gulf Cooperation Council (GCC) region at Davies, a specialist professional services and technology business serving insurance, financial services, and highly regulated markets.

Operating between Doha and London, Maloney spent more than three years with the firm where he led Davies Consulting and Technology for the region.

In his most recent role, he carried responsibility for management of the Doha office as the registered SEO, development of client relationships, and raising awareness of Davies specialisms within the client community.

He joined Davies as global relationship manager before being appointed to lead the company's operations across Qatar and the wider GCC region.

Abuhaimed departs Riyadh Capital

Sarah Abuhaimed has left her position as senior analyst, securities services officer at Riyadh Capital.

Based in Saudi Arabia, she spent two years with the investment manager and custodian.

Commenting on her departure in an



Analyze. Monitor. Understand.

The global leader in securities finance solutions.

Enhance investment decisions. Optimize performance. Improve transparency.

**Global Securities Lending
Market Coverage**

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

A Range of Diverse Signals

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

Onboarding Accelerator

Online platform to accelerate approvals between lenders and borrowers.

Repo Data Analytics

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

Performance Measurement Tools

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

Oversight Management Solutions

Independent performance and risk management governance tools.

S&P Global
Market Intelligence

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

online statement, Abuhaimed says: “I’m truly grateful for the experiences, growth, and opportunities I’ve had throughout this journey. It has been a privilege to work alongside such a talented and supportive team.

“A special thanks to Sarah Alothman and Haitham M Al Jomaiah for their guidance, support, and leadership, and to everyone who made this journey so memorable, especially my colleagues who provided endless support.”

Abuhaimed joined the firm in 2024 from financial investment company Sanabil Investments.

Euroclear names De Rycke as Chief Information Officer

Euroclear has appointed Marc De Rycke as chief information officer, with Claus Norup taking on the role of deputy chief information officer.

Reporting directly to CEO Valérie Urbain, De Rycke will join the group executive committee.

Bringing over 30 years of experience within Euroclear, having first joined the firm in 1992, he most recently served as head of strategic initiatives.

Norup will report to both De Rycke and Urbain, leading the firm’s cyber defence strategy.

Together De Rycke and Norup will maintain

a clear focus on production stability, cyber security, and resilience, while accelerating the technology contribution to Euroclear’s business and innovation agenda.

Speaking on the appointments, Urbain says: “Marc and Claus bring complementary experience and a strong understanding of Euroclear’s business, technology, and resilience priorities.

“Together they will provide continuity and accelerate progress as we develop the next generation of financial market infrastructure.”

OCBC hires Ng as Head of Securities Finance Trading

OCBC, a Singapore-based bank, has appointed Yin Yin Ng as head of securities finance trading.

Based in Singapore, Ng brings almost 20 years of experience in securities finance to the role.

Reporting to Jansen Chua, OCBC’s head of securities finance, she will be responsible for overseeing trading, collateral optimisation, counterparty relationship management, and financial resource management activities.

Ng joins OCBC from GIC where she served as portfolio manager and senior vice president within the Balance Sheet Management Group, responsible for balance sheet optimisation and revenue generation initiatives through cash, inventory and collateral optimisation,

securities lending, synthetic financing, and repo/reverse repo activities.

She previously worked within Clearstream’s Global Securities Finance sales team and was head of securities lending at PhillipCapital.

Speaking on her new role, Yin Ng says she is grateful for the opportunity and expresses excitement for the next chapter of her journey. ■

Publisher: Justin Lawson

justinlawson@securitiesfinancetimes.com
020 3667 3244

Associate publisher: Nicole Taylor

nicoletaylor@blackknightmedialtd.com
07780 008598

Group editor: Karl Loomes

karlloomes@blackknightmedialtd.com
020 3617 1722

Deputy editor: Carmella Haswell

carmellahaswell@securitiesfinancetimes.com
020 3617 1722

Reporter: Theodore Law

theodorelaw@securitiesfinancetimes.com
020 3617 1722

Accounts: Chelsea Denyer

accounts@securitiesfinancetimes.com
020 3667 3979

Sales and events support: Vanessa Hayes

vanessahayes@blackknightmedialtd.com
020 3667 3979

Studio director: Steven Lafferty

design@securitiesfinancetimes.com

Published by Black Knight Media Ltd
Copyright © 2026 All rights reserved



Investor
Services

Optimizing portfolio performance

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

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

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