SECURITIES FINANCE TIMES
The primary source of global securities finance news and analysis
Issue 415 10 November 2026



Connecting Canada to the world

RBC Investor Services' follow-the-sun team across London, Singapore, and Toronto gathers for a roundtable discussion on the developments reshaping the Canadian market

EQUILEND™
Connecting Securities Finance
equilend.com

J.P.Morgan

AGENCY SECURITIES FINANCE SOLUTIONS

UNLOCK YOUR PORTFOLIO'S FULL POTENTIAL

47

years of lending services

38

lending markets globally

SFT INDUSTRY EXCELLENCE AWARDS 2026

Asian Lender of the Year

JPMorgan Chase & Co. All rights Reserved. FOR INSTITUTIONAL & PROFESSIONAL CLIENTS ONLY. www.jpmorgan.com/disclosures 3719551



SEC grants Treasury repo clearing exemptions

The US Securities and Exchange Commission (SEC) has issued exemptive relief from certain Treasury clearing requirements for inter-affiliate repo transactions and non-US repo transactions.

The move is intended to support broker-dealers and other market participants as the industry prepares for the implementation of mandatory central clearing for US Treasury securities.

The SEC adopted its Treasury clearing rules in December 2023 and has since engaged with market participants on compliance, operational, and interpretive issues linked to implementation.

Earlier, the Commission extended the original compliance deadlines to provide additional time for engagement with industry participants and to support an orderly transition to the new framework.

The SEC highlighted ongoing efforts to support implementation of the Treasury clearing regime, including the launch of a dedicated webpage in September 2025 containing regulatory updates, frequently asked questions, Commission and staff statements, and other resources for market participants.

The relief follows extensive public engagement regarding the scope of the Treasury clearing rules and how they apply to inter-affiliate and non-US repo transactions, including requests for relief submitted on behalf of market participants and published by the SEC for comment.

Paul S. Atkins, SEC Chairman, has designated Mark T. Uyeda, Commissioner at the SEC, to lead the agency's initiative to oversee the transition to central clearing of US Treasury security transactions.

Uyeda states: "The Commission has listened carefully to market participants about the challenges of implementing our Treasury clearing rules.

"Successful implementation requires a thoughtful approach that must account for the realities of cross-border transactions.

"Today's targeted relief addresses practical concerns while preserving the important benefits of central clearing."

CONTENTS



03

SEC grants Treasury repo clearing exemptions

The US Securities and Exchange Commission has issued exemptive relief from certain Treasury clearing requirements for inter-affiliate repo transactions and non-US repo transactions



08

Equilend's 1Source platform adds Goldman Sachs

Goldman Sachs has now joined Equilend's 1Source, a distributed ledger technology platform that aims to increase efficiency, reduce breaks, and eliminate reconciliations in securities finance



10

Eurex Clearing to become hybrid CCP

Eurex Clearing will integrate native digital instruments into its established ecosystem, becoming the first hybrid central counterparty, says the firm



18

Connecting Canada to the world

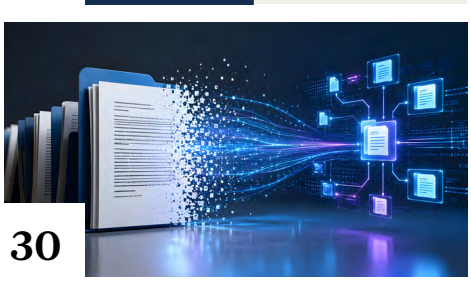
RBC Investor Services' follow-the-sun team across London, Singapore, and Toronto gathers for a roundtable discussion on the developments reshaping the Canadian market, how they balance centralised governance with local execution, emerging lending opportunities, and the operational and technology priorities driving the business forward



26

Beyond lending revenue: Rethinking securities finance for asset owners

As asset owners balance lending income with collateral obligations and liquidity demands, BNY's John Templeton and Nick Kurzel consider a more connected approach to securities finance



30

Paving the way: Extending proven digital financing into intraday markets

Broadridge's Paul Chiappetta examines how intraday repo can provide a practical proving ground for digital ledger technology and how establishing DLT through a use case like intraday repo can help lay the legal, operational, and technological foundations for broader adoption

STATE STREET

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.

CONTENTS



34

Building a deeper and more flexible market

Market participants explore the current state of the Canadian repo market and the factors influencing its development towards modernisation and central clearing. Carmella Haswell reports



40

Digital collateral mobility: Unlocking non-cash variation margin

Martin O'Connell, solutions architect at HQLA^X, explores the importance of digital collateral mobility, noting that the objective is not to create a new market structure, but to make non-cash collateral usable in a workflow that is frequent, time-sensitive, and operationally repetitive



44

The end of the inbox era: Leveraging AI to solve the collateral communication crisis

Neil Murphy, product owner, OSTTRA triResolve Margin, reviews the fundamental shift toward a more resilient and optimised financial ecosystem



48

Securities services prepare for a faster, more complex future

TSSAG's latest London conference examined how T+1, AI, tokenisation, geopolitical risk, and legacy infrastructure are converging to reshape the securities services industry



52

Learning from the ground up: A journey to the trading floor

Jean-François Dionne, analyst securities lending trader at National Bank of Canada, speaks to Carmella Haswell about his move from Montreal to New York, reaching the trading floor, and building deeper expertise in a specialised market



56

BNP Paribas appoints Citrini to lead Securities Services Switzerland

BNP Paribas has appointed Marco Citrini as head of Securities Services Switzerland, as part of the bank's long-term succession planning



CRÉDIT AGRICOLE
CACEIS

A NEW LOGO.
A NEW ERA.

CACEIS' visual identity is evolving.
We are further strengthening our leadership by building on Crédit Agricole's international brand and reputation.
More than ever, CACEIS is the leading European asset servicing partner for institutional investors and asset managers.



Equilend's 1Source platform adds Goldman Sachs

Goldman Sachs has now joined Equilend's 1Source, a distributed ledger technology (DLT) platform that aims to increase efficiency, reduce breaks, and eliminate reconciliations in securities finance.

The firm joins BNY and National Bank of Canada on the platform — of which began transmitting live transactions onto the 1Source ledger in October 2025.

1Source is transforming global securities finance workflows by establishing a single, golden source of truth for securities lending and financing transactions, says Equilend.

The DLT-based platform was developed by Equilend with input and collaboration from a group of market participants to improve costs, automation, and overall efficiency in the market.

1Source aims to directly improve users' P&L by eliminating accrual errors, reducing third-party comparison fees, and improving settlement rates.

Rich Grossi, CEO of Equilend, says: "We are excited to welcome Goldman Sachs, one of the industry's largest borrowers, onto the 1Source platform.

"Their involvement will drive greater platform benefit by reducing costs and increasing operational efficiency across the community of participants."

Additional counterparties are also in the process of adopting Equilend's 1Source.

Northern Trust reappointed by People's Pension

Northern Trust has been reappointed by People's Pension, a UK workplace pension scheme, to provide fund administration, global custody, securities lending, and performance measurement.

The agreement extends a relationship which began in 2018, and the firms say Northern Trust has worked closely with People's Pension over the last eight years through an evolution of its investment operating model, including transition to direct asset ownership and a multi-asset class structure.

Ian Hamilton, head of asset owners, EMEA, Northern Trust, says: "This reappointment reflects the strength of our longstanding relationship with People's Pension and our shared commitment to delivering positive outcomes for millions of UK savers."

Chris Fagan, trustee and chair of the Investment Committee for People's Pension, comments: "We are pleased to continue our longstanding relationship with Northern Trust, whose team has developed a deep understanding of our operations and objectives over many years.

"Together, we are focused on strengthening our capabilities and ensuring we continue to deliver the best possible outcomes for our 7.2 million hardworking members."

The Securities Finance Directory



Every key player in securities finance. One directory.

The Securities Finance Directory is the industry's dedicated guide to the firms behind securities lending, repo, collateral and prime services. Search by country, region or category to find each firm's offices, services, key contacts and website, all in one place.

Online, all year round
Searchable by country, region and category

10+ In print, in the room
Distributed at 10+ industry conferences

FEATURED LISTINGS

Tap or click any listing to view the full profile

Fidelity Agency Lending
Boston, USA

Securities Lending

The world's largest third-party agent lender, with a digital platform, custom programmes and benchmarking.

View profile →

CIBC Mellon
Toronto, Canada

Securities Lending

Custody, fund administration and lending for investors in Canada, with over C$3 trillion under administration.

View profile →

Wealthsimple
Toronto, Canada

Securities Lending

Investing, trading and saving for more than 4 million Canadians, with over $125 billion under administration.

View profile →

Clearstream
Luxembourg

Funding & Collateral · Repo · Securities Lending

Cross-border securities depository serving clients in 100+ countries, with triparty collateral and lending services.

View profile →

Comyno
Frankfurt, Germany

Advisory Services · Technology

Securities finance software and consulting for 20+ years, with its C-ONE platform and a DLT Hub for settlement.

View profile →

Matrix Applications
New York, USA

Technology

Collateral management, margining and clearing technology for fixed income and equity securities lending since 2000.

View profile →

Find a partner, or be found.

Search the directory or get your firm listed at **thesecuritiesfinancedirectory.com**

FRA approves model short selling contracts

Egypt's Financial Regulatory Authority (FRA) has issued a decision approving model short selling contracts for brokerage firms and securities borrowers.

Enacted under the new regulatory framework introduced by FRA Board Decision No. 155 of 2026, the resolution establishes a clear contractual structure governing transactions that brokerages execute on behalf of short sellers, utilising the centralised lending platform at Misr for Central Clearing, Depository and Registry (MCDR).

The template defines the procedural roles, rights, and obligations of both firms and borrowers, while regulating fees, commissions, and the distribution of yields that invested cash collateral generates.

To control operational and market risk, the framework requires borrowers to post initial margin collateral that meets or exceeds minimum FRA thresholds before trade execution, while brokerage firms must isolate cash collateral into dedicated, segregated accounts restricted to short selling transactions.

To minimise counterparty risk, brokerages must mark borrowed securities to market using real-time intraday closing prices, monitoring the collateral-to-borrowed-securities ratio against regulatory and contractual minimums.

The contract sets clear protocols for defaults or delays in returning borrowed shares, requires the brokerage to execute mandatory buy-ins subject to standard settlement timeframes, and enforces mandatory position closures if a security loses eligibility or if corporate actions trigger regulatory thresholds.

Regarding financial terms and yield management, the regulations require brokers to invest cash collateral exclusively in FRA-approved instruments throughout the duration of the lending period, notify clients of active investment channels and yields, and credit returns directly to the client's account.

The contract mandates that brokerage firms specify all expenses, commissions, and cash charges alongside their underlying calculation basis, while explicitly prohibiting subsequent fee modifications without the client's explicit written consent.

Furthermore, the framework guarantees the client's right to execute buy and sell orders, and to fully or partially close open positions during the borrowing term.

Dr Islam Azzam, Chairman of the FRA, stated that the model contract represents a significant development toward fully enabling short selling across Egyptian capital markets.

The authority is currently finalising technical guidelines and practical manuals while fine-tuning the MCDR Central Securities Lending (CSL) system through live trials to ensure real-time operational integration, complete end-to-end transaction logging, and full market visibility.

Azzam added that the standardised contract unifies market practices, establishes clear operational boundaries for collateral administration, enforces position monitoring, and outlines strict remedies for margin calls or delayed share returns to protect all market participants.

Eurex Clearing to become hybrid CCP

Eurex Clearing will integrate native digital instruments into its established ecosystem, becoming the first hybrid central counterparty (CCP), says the firm.

The firm reports it is the first hybrid CCP to integrate traditional and digital business under one clearing framework, rulebook, and risk model.

Under the hybrid model, native digital instruments — including issuances by the European Stability Mechanism (ESM) — become tradable on Eurex Repo in its GC Pooling segment, cleared by Eurex Clearing, and accepted as eligible margin collateral.

Digital assets will become eligible collateral of the ECB GC Pooling basket, ensuring benefit from Eurex's highly liquid secondary market with no disadvantage compared to their traditional equivalents, says the firm.

Further, it states the move bridges traditional to

SPONSORED

BNY

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.

digital finance under one clearing framework, allowing market participants to access the full digital ecosystem through existing clearing relationships and infrastructure.

Laura Bayley, CEO of Eurex Clearing, says: "The future of financial markets is hybrid. Instead of creating isolated digital islands that fragment liquidity and trap capital, Eurex Clearing is building a bridge between both ecosystems.

"Our clients can seamlessly trade, clear, and finance native digital assets through the clearing relationship they already have; backed by one set of rules, one risk model, and one deep liquidity pool."

Rather than treat digital assets as a separate market that splits liquidity pools, Eurex Clearing says it will concentrate liquidity for both traditional and digital instruments.

Additionally, the firm says the initiative connects directly with Clearstream, also part of Deutsche Börse Group, and allows clients to move securities and cash across traditional and blockchain ecosystems including via the Eurosystem's Pontes solution.

Societe Generale completes tokenised US Treasury transaction on Canton

Societe Generale has completed a transaction involving US$10 million in tokenised US Treasuries as eligible collateral on Canton Network, through its Prime Services and Clearing division.

The trade used tokenised assets as part of the soft launch of the Depository Trust & Clearing Corporation's (DTCC's) Tokenisation Service.



GLMX

Capitalize on convergence

One platform to execute with nuance and scale with confidence.

Securities Lending

TRS

Money Markets

Repo

connect@glmx.com

Copyright © 2026 GLMX, LLC. All rights reserved.
This advertisement is for institutional use only and subject to the disclosures and disclaimers at GLMX.com/disclosures.

According to the firm, the transaction represents an important step in its roadmap to connect tokenised securities with established institutional collateral and financing processes.

Following its first US tokenised bond issuance on Canton in November 2025, Societe Generale was made Super Validator of the network in May 2026.

Salim Nemouchi, global head of Prime Services at Societe Generale, says: "This transaction moves tokenisation beyond issuance and begins to connect tokenised securities with the financing markets where clients can derive tangible value.

"By combining Societe Generale's expertise in prime brokerage, financing, and risk management with the group's broader digital asset capabilities, our ambition is to contribute to the development of a robust institutional market for tokenised assets."

Yuval Rooz, CEO and co-founder of Digital Asset, creator of Canton Network, comments: "Tokenising assets is only the first step. The real transformation comes when assets can be used across financial markets for a range of transactions.

"As more institutions connect these workflows on Canton, they're laying the foundation for capital to move continuously across markets, institutions, and borders."

Advent acquires Vermeg

Advent, a Boston-headquartered global private equity investor, has signed an agreement to acquire Vermeg from Charterhouse Capital Partners and Vermeg founder Badreddine Ouali.

A wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA) is participating in the transaction as a minority co-investor.

Ouali will remain a shareholder and continue to support the firm's strategic and client priorities as vice chairman.

Vermeg's capital markets business provides post-trade processing and collateral management technology, serving clients including central banks, clearing houses, central securities depositories, custodians, as well as both buy and sell side firms.

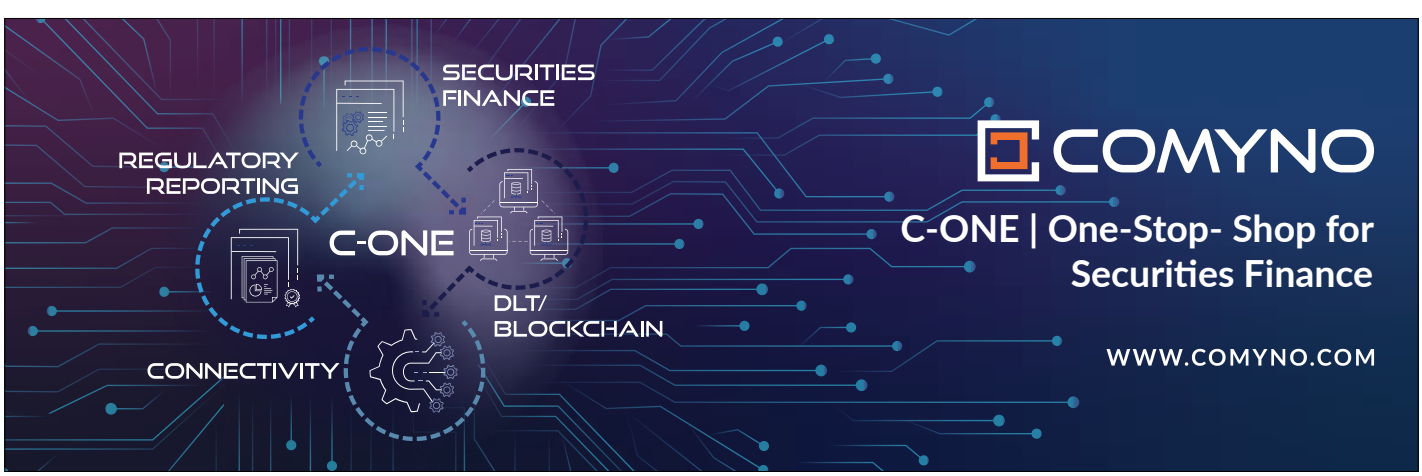
The firm's life insurance division provides core policy administration technology to life and health insurers, primarily in France and the Benelux.

According to Advent, the transaction will support further investment in Vermeg's products, AI capabilities, and client relationships globally.

LCH RepoClear goes live with European covered bonds

LCH RepoClear has announced a new addition to its European fixed income offering, enabling members to clear euro-denominated covered bonds.

This can be done from more than 80 issuers through a dedicated new market.





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®

©2026 The Options Clearing Corporation. All Rights Reserved.

The move aims to bring a wider pool of high-quality collateral into central clearing, creating additional liquidity opportunities and supporting more efficient collateral management.

DTCC launches tokenisation service

The Depository Trust Company (DTC), a subsidiary of The Depository Trust & Clearing Corporation (DTCC), has launched the DTCC Tokenisation Service (DTS).

The service enables tokenised securities to be issued and managed within a regulated market infrastructure framework, allowing investors to move assets, access liquidity pools, and mobilise collateral.

Eligible users can access DTC-tokenised securities entitlements, which can be converted between traditional and tokenised forms and delivered to digital wallets.

Tokenised securities — or digital twins — retain the ownership rights, investor protections, and economic entitlements associated with their traditional counterparts.

DTS enables the minting of tokenised representations of real-world assets held at DTC, which holds more than US$114 trillion in assets under custody.

Frank La Salla, president and CEO of DTCC, says: “Today marks the culmination of years of work to bring tokenised securities into a regulated framework supported by trusted market infrastructure.

“By extending DTC's resiliency, governance, and operational standards into digital markets, we are establishing the foundation for responsible institutional adoption at scale.”

Brian Steele, managing director and president of clearing and securities services at DTCC, adds: “The breadth of engagement across traditional finance and digital asset markets demonstrates that the industry is ready to move beyond experimentation and toward practical adoption.

“Working with more than 150 firms in our Industry Working Group, we built a service designed to support institutional use of tokenised securities at scale within a trusted operational framework.”

According to DTCC, 20 DTC clients have signed agreements to access DTS, including Bank of America, BNP Paribas, Brown Brothers Harriman, Citadel Securities, Citi, Clear Street, J.P. Morgan, and Marex.

ISDA launches repo market indicators for September

The International Swaps and Derivatives Association (ISDA) has published the latest ISDA-Actrix US Treasury Repo Market Clearing Indicators for September 2026. According to the report, total cleared repo average daily volume reached US$7.7 trillion in September 2026, representing a 1.8 per cent increase from August 2026.

Total sponsored cleared repo activity increased by 2.4 per cent month-on-month to US$2.4 trillion. Sponsored activity accounted for 31 per cent of total cleared repo activity during September.

The report also reveals that sponsored cleared bilateral repo volumes totalled US$1.6 trillion in September 2026, up 1.5 per cent from the previous month.

Meanwhile, sponsored cleared triparty repo volumes reached US$0.8 trillion, marking a 4.3 per cent increase compared with August 2026.

Direct cleared repo activity, which typically represents dealers that are direct clearing members, rose by 1.5 per cent month-on-month to US$5.3 trillion.

The reports are published monthly and are designed to provide visibility into the adoption of central clearing in the US Treasury repo market.

Sponsored cleared repo volumes are used as an indicator of client participation in central clearing, a key objective of the US Securities and Exchange Commission's (SEC’s) Treasury clearing mandate.

The report provides ongoing insight into clearing adoption ahead of the SEC's US Treasury repo clearing requirements, which are due to take effect from 30 June 2027. ■

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

Issued by HSBC Bank PLC, 2026. ALL RIGHTS RESERVED



Connecting Canada to the world

RBC Investor Services' follow-the-sun team across London, Singapore, and Toronto gathers for a roundtable discussion on the developments reshaping the Canadian market, how they balance centralised governance with local execution, emerging lending opportunities, and the operational and technology priorities driving the business forward

What are some of the exciting developments you are seeing in Canada?

Arthur Kolodziejczyk: The Canadian market is going through an exciting period of change, particularly in securities finance and repo. Improvements in market infrastructure, a greater focus on collateral optimisation, and advances in technology are creating opportunities to make the market more efficient and accessible.

One of the most important developments is the modernisation of the

Canadian repo market. Initiatives such as the Canadian Collateral Management Service (CCMS) are set to improve operational efficiency, standardise processes, provide greater access, and support greater liquidity in the domestic market. The Bank of Canada has confirmed it will start using CCMS for its own repo operations in the first quarter of 2027, signaling central bank endorsement that should encourage broader market adoption.

Separately, the introduction of the fail fee framework for Government of Canada debt instruments, which commenced in September 2026, marks a structural shift in Canadian market discipline. The trial runs for a minimum of 18 months, during which fails are calculated but not charged, giving participants time to prepare before payment exchange is activated. Combined with CCMS, these changes should help strengthen market discipline and support continued market development. We are also seeing broader participation across the market, creating opportunities to expand repo beyond traditional institutional channels.

Another key theme is the growing importance of balance sheet and collateral optimisation. With T+1 settlement in North America now in place and Basel III liquidity requirements continuing to influence how institutions manage their balance sheets, firms are increasingly focused on funding efficiency and maximising the value of their assets. This is driving demand for term lending, particularly in the 35-to-185-day space, as well as greater flexibility in collateral eligibility.

For beneficial owners, the growing acceptance of non-cash collateral, including equities and corporate debt, means greater optionality in how they deploy idle assets: non-cash collateral unlocks lending capacity without tying up cash, which is increasingly valuable as balance sheet costs rise.

On the technology front, tokenisation and distributed ledger technology (DLT) could help streamline collateral movements, improve intraday liquidity management, and create greater efficiencies across markets. In March 2026, RBC Capital Markets and RBC Investor Services, alongside the Bank of Canada, TD Bank Group, and Export Development Canada, successfully completed Project Samara: Canada's first tokenised bond issuance on a distributed ledger platform operated by RBC.

The regulatory conversation is also evolving: the European Securities and Markets Authority (ESMA) recently launched a consultation on tokenised collateral for EU central counterparties, signaling that supervisors are beginning to grapple with the same questions market participants are already working through. While adoption is still evolving, these developments could meaningfully change how market participants manage collateral.

The most exciting opportunity is seeing how these developments come together for our clients. For beneficial owners, the combination of better infrastructure, more flexible collateral, and continued technological innovation means a more efficient and competitive Canadian securities finance market in which to deploy their assets.

RBC Investor Services has team members in multiple jurisdictions to optimise coverage, cross-border flows, and local demand. How do you balance centralised decision-making with local market expertise?

Chris Barrand: Balancing centralised decision-making with local market expertise in a global, follow-the-sun agency lending programme requires a 'federated' governance framework. If the model is too centralised, regional desks can miss out on local market nuances and alpha generation. If it becomes too decentralised, the global book can become too fragmented, creating regulatory, credit, and operational risks. It is important to achieve equilibrium through a highly structured matrix of technology, risk parameters, and regional autonomy.

To protect the firm from systemic risk, centralised decision-makers maintain strict, non-negotiable control over the operational and technical foundation. Global risk and credit parameters are established centrally, while a unified global inventory and trading platform ensures all regional desks lend on a single, shared ledger. This prevents duplicate

bookings, ensures real-time global position visibility, and allows for automated cross-border optimisation and exposure management. It also standardises handoff processes between the regions.

While the framework is centralised, trade execution is hyper-local. Our traders possess the relationships and market insights required to maximise our lending revenues. When it comes to pricing specials and capturing intrinsic value, local desks are granted pricing autonomy to negotiate the highest possible lending fees based on local supply and demand dynamics. Demand for specific securities across local desks can vary, as both market drivers and regulations differ region to region. This can extend to market nuances such as withholding tax treatments, stamp duties, and regional short selling restrictions, coupled with added complexity when issuing market recalls. Our traders also develop and maintain borrower relationships locally and are best equipped to deal with these local market nuances.

Which new markets do you believe would be ready for foreign-to-foreign securities borrowing and lending across the various regions?

Juhi Chikhlia: We continue to see Indonesia and the Philippines as two of the more promising emerging lending markets in APAC, as both markets progress reforms aimed at developing their domestic securities borrowing and lending (SBL) frameworks.

Indonesia has taken a meaningful step forward with the phased reinstatement of short selling transactions from October 2026, while maintaining a focus on infrastructure readiness, risk mitigation, and supervisory effectiveness. In the Philippines, the Philippine Stock Exchange has continued to engage market participants on proposed enhancements to its SBL rules, including collateral management and reporting requirements.

Vietnam is another market worth watching closely in the long term. Its reclassification to FTSE Russell Secondary Emerging Market status in September 2026 follows broader reforms designed to improve access for international investors. India and China also remain significant longer-term opportunities given the size of their capital markets, albeit with more distinct domestic market structures.

Beyond APAC, Brazil is shaping up to be the next significant frontier for foreign-to-foreign lending. The International Securities Lending Association (ISLA) Americas has been collaborating with B3 for over



“Our approach is not simply to follow headline demand, but to optimise inventory based on market liquidity, regulatory certainty, collateral requirements, and our underlying clients’ risk appetite”

Juhi Chikhlia
Associate director, Securities Finance

two years on a proposed bilateral lending model that would allow collateral to be exchanged offshore while securities settle locally — a structure that would unlock international capital currently shut out by Brazil's central-counterparty-only framework.

Ultimately, scalable foreign-to-foreign SBL will depend on continued progress around collateral flexibility, documentation, settlement infrastructure, regulatory certainty, and active industry coordination.

How is the team managing expanding collateral acceptability parameters for different regions?

Imran Sheri: The collateral ecosystem is constantly evolving. Collateral acceptability cannot stay constant while the general market moves forward. Both have to work hand in hand. In Canada and Europe, non-cash collateral is overwhelmingly used for transactions, and with the cost of raising cash and balance sheet constraints, expanding non-cash collateral comes into greater focus. Lenders have to be in constant contact with brokers to understand how collateral can be expanded and potentially add new asset classes.

RBC uses a collaborative, risk-first framework to expand collateral acceptability. The process begins with RBC Investor Services conducting rigorous feasibility analysis on proposed asset classes to identify limitations, restrictions, and margin requirements while brokers provide market insights on collateral opportunities. Beneficial owners then conduct their own due diligence before new asset classes are added to service-level agreements and collateral schedules. Asset safety remains paramount, since beneficial owners grant RBC the privilege to lend their assets.

An example is Canadian pension plans, where RBC Investor Services coordinated with brokers, beneficial owners, and pension plans before adding Pension Paper as a standalone collateral entity, creating a new market outlet for their paper. This collaborative approach reflects how the Canadian collateral landscape is being transformed. With CCMS, general collateral baskets and secured general collateral (SGC), the Canadian collateral landscape is going through a structural change that will enhance and standardise collateral in the future.

There is an increased industry focus on capital-efficient lending structures. Where are you seeing increased uptake of various solutions like Pledge GMSLA and CCP to manage real-world assets?



> "The Canadian collateral landscape is going through a structural change that will enhance and standardise collateral in the future"

Imran Sheri
Director, Securities Finance

MARKET VIEW

Dexter Gall: While industry conversations increasingly centre on capital-efficient lending structures, market adoption remains measured. Our competitive positioning and organisational strength have insulated us from pressure to adopt these solutions in a wholesale way.

Take Pledge Global Master Securities Lending Agreement (GMSLA) structures as an example. Despite their theoretical appeal, uptake remains limited on both sides of the Atlantic. A meaningful shift could materialise if European undertakings for collective investment in transferable securities (UCITS) regulators and North American banking authorities provide stronger supervisory backing — but the timing and scale of such a shift remain uncertain.

Conversely, central counterparty (CCP) solutions have not yet gained traction with our trading counterparty base. This reflects current market realities: as infrastructure providers embed CCPs into standard workflows and securities financing transactions (SFT) regulatory frameworks become more CCP-friendly, we anticipate gradual migration. But this evolution will likely proceed incrementally rather than all at once.

Market solutions exist, but adoption hinges on regulatory clarity and operational integration — not just product innovation. Our focus remains on ensuring that whatever structures we adopt, they translate into tangible benefits for beneficial owners.

Which regions are showing the strongest lending demand right now, and how are you allocating inventory accordingly? How are regulatory changes impacting your strategy in different regions?

Chikhlia: Hong Kong, Taiwan, South Korea, and Japan continue to be standout markets, driving strong activity across the region. Asian equity lending revenues have remained robust through 2026, supported by demand across technology, semiconductor, and AI-related securities.

Against this backdrop, we remain focused on allocating inventory where borrower demand, utilisation, and lending spread provide the strongest risk-adjusted returns. Taiwan remains an important market, with foreign investors consistently accounting for more than 90 per cent of securities lending transaction values while Japan continues to provide depth and scale.

South Korea has also become increasingly relevant following the



> “Market solutions exist, but adoption hinges on regulatory clarity and operational integration – not just product innovation”

Dexter Gall
Director, Securities Finance

resumption of short selling in March 2025. The revised framework introduced enhanced requirements around institutional controls, naked short selling detection, and stock loan repayment periods. As a result, strong borrower demand needs to be considered alongside the operational and regulatory requirements associated with supporting that activity.

More broadly, APAC remains relatively fragmented, with significant differences in regulation, market infrastructure, and operating models. Our approach is therefore not simply to follow headline demand, but to optimise inventory based on market liquidity, regulatory certainty, collateral requirements, operational complexity, and our underlying clients' risk appetite.

What were the top operational challenges you faced with T+1 adoption in North America, and which lessons are you now applying to APAC and Europe as they move toward shorter settlement cycles?

Kolodziejczyk: When navigating the move to T+1 in North America, our primary operational challenge within securities lending centred on two issues: the compression of the recall-to-settlement lifecycle and the behaviour change from clients and counterparties who require better infrastructure to act more quickly. Shorter settlement windows constrained the timeframe between cash market trade execution and loan recall deadlines, requiring alignment across agent lenders, clients, and counterparties to avoid underlying trade fails. Cross-border friction was further compounded by time zone mismatches and delayed trade allocations.

As Europe and APAC move toward accelerated settlement cycles, we are applying several critical operational lessons learned. Europe and the UK are targeting October 2027 for their aligned move to T+1, with detailed implementation, testing, and regulatory work already underway, giving us a deadline to prepare against. Recall processing must be near-fully automated end-to-end to meet tight T+0 notification cutoffs and remove batch-processing delays. To bridge geographic time gaps effectively, we are leveraging our global coverage model and multi-region operational footprint through follow-the-sun models, allowing regional teams to manage late-day trading activity, recall processing, and settlement seamlessly across time zones. The follow-the-sun model turns a time zone disadvantage into a structural strength.

In Asia, the transition will be market-by-market rather than region-wide

> "Improvements in market infrastructure, a greater focus on collateral optimisation, and advances in technology are creating opportunities to make the market more efficient and accessible"
>
> **Arthur Kolodziejczyk**
> Co-head, Securities Finance



as each jurisdiction has its own regulatory philosophy and FX realities. Our experience navigating T+1 in North America gives us a practical template, but the lesson we carry forward is that the template must adapt to each market's imperatives.

A successful lending business requires synergy across teams. How do you foster collaboration across Toronto, London, and Singapore?

Barrand: Fostering collaboration across Toronto, London, and Singapore requires bridging massive geographic and cultural gaps. When the London desk opens, Singapore is winding down its day, and Toronto is asleep. To prevent these desks from operating as isolated silos, or worse, competing against one another, we focus on three core pillars: technological integration, financial alignment, and cultural connectivity.

With minimal time zone overlap, the handover of the global trading book must be flawless. Through synchronising the book handoff, we ensure the closing desk briefs the opening desk on any critical items, including pending locates, push lists, distressed fails, and borrower recalls that require round-the-clock attention. This includes utilising shared communication channels to ensure all team members have transparency to the same information.

A potential pitfall in a global securities lending programme is a flawed revenue attribution model. If each region is judged purely on its regional P&L, desks could potentially hoard special securities rather than transferring them to the region where they can capture the highest lending fee. Having access to a global inventory pool and a P&L structure centred around global business performance rather than regional desk revenue, ensures there is a collective and unified incentive to work as a team.

We create a virtual rotation of leadership and strategy meetings to ensure no single region feels isolated or disconnected from the global strategy. In recent years, we have sent traders to other regions, either on short-term assignments or as long-term permanent moves. This builds familiarity with local market nuances and exposes them to different regulatory and cultural environments.

What is your biggest technology opportunity today – is it integration, scalability, data, or something else?



"Fostering collaboration across Toronto, London, and Singapore requires bridging massive geographic and cultural gaps"

Chris Barrand
Co-head, Securities Finance

Robert Instone: The area where we see the most opportunity is integration. Our business relies on a combination of internal and external platforms — such as triparty agents, data vendors, and post-trade reconciliation tools, among others — and it is vital to have seamless connectivity to fully utilise the benefits these platforms provide. We are continuously investing in tightening that connectivity, because every manual step we can automate translates directly into faster execution for our clients.

This pressure has been amplified by the move to T+1 settlement. With the reduced margin of error, there is a need to reduce operational friction. When a beneficial owner sells a security that is currently on loan, the lending desk must be notified (to the extent it cannot be reallocated) as early as possible to initiate a recall and avoid a settlement fail. Under T+1, the tolerance for late or missed notifications has effectively been eliminated. Without seamless and automated integration between our custody platforms and lending systems, these notifications can arrive too late to act upon and result in failed settlements, buy-in exposure, and potential reputational risk with counterparties and clients.

Whether it is internal or external, the ability to integrate seamlessly is more important than ever. Being able to bolt on tried-and-tested solutions to reduce manual workflows is a great advantage.

Looking ahead over the next 12 to 24 months, what is the single biggest ambition for the team?

Kolodziejczyk: Over the next 12 to 24 months, we are focused on achieving complete end-to-end automation of our securities lending lifecycle as we migrate to a new core securities lending platform. This modernisation initiative will replace our legacy systems and represents the next critical step in our platform evolution. By leveraging our technology capabilities alongside strategic vendor partnerships, we will eliminate operational bottlenecks and create a streamlined, integrated trading environment.

Barrand: Ultimately, this enables us to capture higher-margin opportunities, improve performance for our beneficial owners, and future-proof our operational infrastructure for emerging intraday and T+0 market trends. This positions us to expand into the new markets and client segments that our modernised infrastructure and follow-the-sun coverage now make more accessible. ■

“Whether it is internal or external, the ability to integrate seamlessly is more important than ever. Being able to bolt on tried-and-tested solutions to reduce manual workflows is a great advantage”

Robert Instone
Director, Securities Finance



Beyond lending revenue: Rethinking securities finance for asset owners

As asset owners balance lending income with collateral obligations and liquidity demands, BNY's John Templeton, global head of securities finance sales and relationship management, and Nick Kurzel, global head of CollateralONE, consider a more connected approach to securities finance



An asset can be attractive to a securities borrower, eligible to meet a collateral obligation, and valuable as a liquidity reserve. But it cannot necessarily serve all three purposes at once. Who decides which use takes priority, and on what information?

For asset owners, that question brings securities finance into a broader conversation about investment implementation, liquidity preparedness, and governance. Incremental lending income remains important. The opportunity is to evaluate that income alongside the flexibility an institution needs to meet obligations and maintain its investment strategy.

The objective is not simply to lend more or hold less cash; it is to understand how portfolio assets can support different needs, what each choice costs, and whether the operating model can respond when priorities change.

When a good lending decision is not the whole answer

Consider a hypothetical pension fund holding government bonds while using derivatives to manage investment exposures. Some bonds may generate lending income, while others may be needed as collateral or retained against potential liquidity demands.

These competing demands can lead to different views of the same pool of assets. The lending team might favour additional utilisation, while the treasury team prefers a larger reserve. Neither perspective is necessarily wrong. The challenge is to compare the lending opportunity with the value of keeping assets available, and to understand how quickly lent securities could be recalled.

The result is a balancing exercise, rather than a simple effort to maximise utilisation. A higher lending balance does not, by itself, establish a better portfolio outcome. Equally, keeping every potentially useful asset idle can carry an opportunity cost. The appropriate balance depends on investment objectives, contractual obligations, risk appetite, and operational readiness.

That balance is at the heart of asset utility: making deliberate choices about competing uses within investment objectives and risk limits. The same principle applies equally to insurers balancing investment income and collateral needs, or sovereign institutions prioritising control and resilience.

Collateral from inventory to usable capacity

Inventory intelligence connects these choices because a security's usefulness depends on more than its market value. Location, eligibility, encumbrance, settlement timing, and the terms of an agreement determine whether it can meet a particular obligation.

An asset may be liquid in the market yet unavailable for immediate delivery. A security accepted by one counterparty may be ineligible with another. And where cash is required, holding eligible securities elsewhere does not automatically solve the problem.

The distinction matters during stress. The Financial Stability Board's work on liquidity preparedness highlights how sudden margin and collateral calls can amplify liquidity demands. The lesson is not that collateral removes risk, but that institutions need to understand both of their obligations and their ability to meet them.

Triparty can support allocation, valuation, and substitution under agreed rules, and facilitates execution of a client's liquidity planning. Technology makes decisions easier to implement, while governance determines which decisions are appropriate.

Fragmentation has an opportunity cost

Assets distributed across custodians, accounts, and legal entities are a familiar feature of institutional portfolios. Multiple providers can serve legitimate investment and governance objectives. The problem is not diversity itself, but insufficient connectivity between assets, obligations, and decisions.

> **"A connected model does not need to consolidate every service with one provider. It needs reliable information, clear responsibilities, and effective workflows across existing arrangements"**

Without a shared view, teams may reserve assets that could be deployed elsewhere, overlook eligibility constraints, or rely on manual transfers close to a deadline. The resulting friction can raise operating costs and reduce confidence in asset availability.

A connected model does not need to consolidate every service with one provider. It needs reliable information, clear responsibilities, and effective workflows across existing arrangements. Visibility is valuable only if it supports timely action, and if restrictions remain visible rather than being obscured by a consolidated view.

Third-party lending through a wider lens

Third-party lending allows an asset owner to appoint a specialist lending agent independently of its custodian, potentially supporting assets across multiple custody locations while preserving existing servicing relationships.

That broader perspective changes what asset owners should look for. It cannot be just borrower access and lending performance, but a provider that connects a broad range of financing options with collateral intelligence and liquidity capabilities. Can it help clients assess and access different routes as needs change, rather than viewing every requirement through a lending-only lens?

“At BNY, we see lending, collateral, and liquidity as connected elements of asset deployment”

Look for visibility into available assets and competing obligations, efficient collateral allocation and movement, and reporting that clarifies trade-offs between income, funding costs, and liquidity.

Connecting capability without losing control

At BNY, we see lending, collateral, and liquidity as connected elements of asset deployment. Agency lending expertise, inventory management, principal financing capabilities, and custodial connectivity can support a more coordinated approach, tailored to a client’s requirements.

CollateralONE illustrates that direction by connecting collateral workflows with securities finance and liquidity capabilities. The broader value proposition is not simply access to more products. It is helping institutions understand available options and implement approved decisions with greater visibility and operational consistency.

For asset owners, the starting point is simpler: when priorities change, can the institution see its options, assess the trade-offs and act within its controls? That may be a more revealing measure of securities finance effectiveness than lending revenue alone. ■

John Templeton
Global head of securities finance sales and relationship management
BNY



Nick Kurzel
Global head of CollateralONE
BNY



Broadridge

Unlock the potential of securities finance

Broadridge transforms the trade life cycle for capital markets with real-time, comphrehensive 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.



© 2024 Broadridge Financial Solutions, Inc. All rights reserved. Broadridge and the Broadridge logo are registered trademarks of Broadridge Financial Solutions, Inc.



Paving the way: Extending proven digital financing into intraday markets

Broadridge's Paul Chiappetta, managing director of digital innovation, Capital Markets, examines how intraday repo can provide a practical proving ground for digital ledger technology and how establishing DLT through a use case like intraday repo can help lay the legal, operational, and technological foundations for broader adoption

Many Wall Street institutions are already unlocking value by adopting distributed ledger technology (DLT) to digitise collateral and financing workflows like mobilising assets across entities, pledging and substituting collateral, and supporting overnight financing. There is significant potential to build on this progress, improving global interoperability and extending digital financing into intraday markets.

Broadridge supports approximately US$350 billion in daily tokenised repo activity, providing experience and expertise that can help inform what comes next.

The global repo market provides trillions of dollars of secured short-term financing each day, yet its infrastructure remains largely designed around overnight and end-of-day settlement cycles, creating a growing disconnect as modern liquidity needs are increasingly measured in minutes and hours. Building on the

momentum in the market, intraday repo is a natural next step in extending digital collateral and financing workflows.

Liquidity is needed within the day, but markets are built around overnight funding

DLT-enabled overnight financing and collateral workflows are available to the market today. But when a liquidity need lasts only part of a day, DLT can also be used to better align the economics with the actual required duration.

In a traditional repo transaction, a borrower exchanges securities for cash and pays a financing charge for the period during which the cash is outstanding. A bank may need additional liquidity for two hours to manage a temporary cash flow mismatch. An asset manager may have excess cash available for several hours before it is required elsewhere. A hedge fund may need liquidity to meet an intraday margin requirement. A dealer may need to mobilise high-quality liquid assets (HQLA) temporarily between entities or jurisdictions.

In practice, market infrastructure, operational processes, and settlement conventions can make short-duration financing difficult to execute. Institutions may have to fund an intraday need with overnight liquidity, or leave cash and collateral idle when putting them to work is too slow or operationally complex.

DLT offers the potential to make existing financial activity faster, more transparent, and more efficient. Applied to intraday repo, it can help institutions make more timely use of liquidity and collateral throughout the day.

Reduce the cost of short-term liquidity

If liquidity is required for only a few hours, paying for an overnight funding period can create unnecessary financing expenses. By digitising the transaction lifecycle and enabling synchronised execution, collateral movement, cash movement, and settlement, DLT can compress the traditional repo workflow and enable transactions to occur within much shorter timeframes.

For example, a bank experiences a temporary US$500 million liquidity shortfall from 08:30 until noon. Under a conventional funding model, it may need to raise overnight liquidity even though the underlying requirement lasts only 3.5 hours. Using DLT-enabled intraday repo, that bank could potentially:

- 08:30: Execute a secured intraday repo transaction
- 08:30: Transfer collateral and receive cash
- 08:30–12:00: Utilise the liquidity
- 12:00: Return the cash and receive the collateral back

For institutions managing billions of dollars of liquidity, even small improvements in funding efficiency can translate into meaningful financial benefits.

Bank balance sheet benefits

By aligning the funding period more closely with the economic need, intraday repo can support more efficient use of capital and liquidity, contributing to stronger liquidity risk management. An analysis earlier this year by Broadridge and Finadium found that substituting DLT-enabled intraday repo for 15 per cent of liquidity needs could reduce HQLA requirements by 8–17 per cent.

For one large European bank that reserves 264 basis points of its CET1 ratio for intraday liquidity needs, or around €1.1 billion, a 15 per cent reduction in this figure would free up €175 million in capital that could be used for other purposes or to reduce external funding needs.

Put idle cash to work

One institution may have a temporary liquidity deficit while another simultaneously holds cash that will remain idle until later in the day. Intraday repo can connect these complementary needs.

For institutions like asset managers, money market funds, and insurance companies, intraday repo creates an opportunity to put otherwise idle cash to work for a portion of the trading day and

generate incremental, secured income without materially changing the underlying investment strategy. The result is a more efficient use of liquidity across the market.

Improve collateral mobility

As collateral grows scarcer and more valuable, financial institutions frequently need to transfer HQLA across trading desks, legal entities, custodians, and jurisdictions to meet funding, margin, and regulatory requirements. Traditional workflows complicate these transfers with fragmented systems, multiple approvals, and manual intervention.

DLT can provide a common, synchronised record of transactions and collateral positions while enabling faster movement of assets. For institutions managing large pools of HQLA, this can improve collateral visibility, mobility, and utilisation.

Institutions can move beyond the static question, 'where is my collateral?' to a more dynamic approach: 'Where is my collateral, where does it need to be, and how quickly can I deploy it?'

Reduce counterparty and settlement exposure, operational costs and reconciliations

The shorter the period between execution and settlement (and ultimately between the exchange of cash and collateral), the less time there is for settlement risk and counterparty exposure to accumulate.

Intraday repo can compress these intervals and provide greater certainty around the status of both cash and collateral. For market participants, that can translate into lower operational and counterparty risk while improving confidence in available liquidity.

Traditional repo workflows rely on multiple systems, messaging protocols, manual checks, approvals, reconciliations, and exception management. Every additional handoff introduces the potential for delay or error.

Digitally native workflows can synchronise information across



> “For financial institutions, DLT adoption ultimately needs to be justified commercially. Technology for technology's sake will not transform the financial markets”

Paul Chiappetta
Managing director of digital innovation
Capital Markets
Broadridge

participants, reducing the number of manual interventions required to complete a transaction.

The value extends beyond faster settlement: fewer operational touchpoints, fewer reconciliation breaks, and lower cost per transaction. At scale, these efficiencies can deliver substantial savings.

What it takes to scale intraday repo

DLT-powered intraday repo has the potential to unlock meaningful value beyond the use cases in practice today across collateral and financing workflows. But to scale intraday repo, firms need infrastructure that supports intraday activity and reliable, timely data to inform algorithms and other decision-making processes. They also need confidence in the use of onchain money, onchain data sources such as oracles, and the settlement methods used for the activity.

Broadridge's experience settling approximately US$350 billion in repo activity daily demonstrates the scale already achievable in tokenised repo.

Progress will depend on firms adopting the right technology, operational processes, and legal and governance frameworks. The foundations already established through collateral mobility, pledging, substitution, and financing use cases can help firms advance toward intraday use cases with greater confidence.

The business case comes first

For financial institutions, DLT adoption ultimately needs to be justified commercially. Technology for technology's sake will not transform the financial markets. The strongest case for DLT is therefore that it can improve the economics of finance today. Collateral and financing workflows provide a logical starting point and intraday repo presents a compelling opportunity to build on that foundation. Quantifiable benefits include:

- funding-cost savings
- incremental revenue from putting idle cash to work
- improved collateral utilisation
- reduced operational costs
- fewer settlement and reconciliation exceptions
- reduced counterparty exposure
- faster access to liquidity
- improved balance sheet and liquidity management

These are tangible metrics that can be evaluated against the cost of implementation, making broader adoption across other workflows and use cases easier to justify.

The institutions that successfully demonstrate faster settlement, more efficient collateral utilisation, lower funding costs, and greater liquidity efficiency can establish technological, operational, legal, and governance foundations for applying DLT elsewhere.

The bridge between TradFi and DeFi

The financial system is moving toward a model in which assets, cash, and financial contracts increasingly exist in digital form and can move with greater speed and programmability. This does not mean that traditional finance will disappear overnight. Instead, where it makes commercial sense, TradFi will increasingly adopt the infrastructure characteristics that have made DeFi compelling: digital assets, programmable transactions, faster settlement, continuous availability, and real-time transparency.

Intraday repo sits directly at this intersection. It retains the familiar legal and economic structure of a repo transaction while introducing digital infrastructure capable of making the transaction substantially more efficient.

The long-term opportunity is a financial market in which cash, collateral, and securities can move as quickly as information, liquidity can be deployed precisely when and where it is needed, and financial assets can increasingly operate on programmable digital infrastructure. The migration from TradFi toward this digital model is likely to be evolutionary rather than instantaneous. Firms can begin with practical, commercially grounded collateral and financing use cases, then build toward intraday repo to unlock value now and help accelerate the next phase of market innovation. ■



Building a deeper and more flexible market

Market participants explore the current state of the Canadian repo market and the factors influencing its development towards modernisation and central clearing. Carmella Haswell reports

Central to the health of Canada's financial system is a stable and efficient repo market, however, key factors such as central clearing and infrastructure are impacting this.

The significant role of the repo market means stress in this space could spread quickly, according to the Bank of Canada. As a result, governments, central banks, and market participants are focused on ensuring that repo markets are resilient.

Recent remarks by Bank of Canada Deputy Governor Toni Gravelle suggest that governments around the world have been increasing sovereign debt issuance, including to fund infrastructure and defence spending. Some of the biggest buyers of this debt are hedge funds and other investors that use leverage — including money borrowed in repo markets — to fund their purchases.

In his speech at the Bloomberg Canadian Finance Conference,



Gravelle noted that the growing role of leveraged investors in repo and government bond markets has improved liquidity, but their reliance on leverage can become a vulnerability in times of stress. If repo funding suddenly became constrained, leveraged investors could be forced to sell their bond holdings, which, in the extreme, could lead to a liquidity spiral.

Taking a step back, it is first important to evaluate this Canadian repo market in its current state, a market of which is the fifth largest in the world — as stated in a 2017 report by the Committee on the Global Financial System.

Speaking to Securities Finance Times, Steve Everett, managing director, Post-Trade relationship management and business development, says Canada has a “fundamentally sound” repo market, supported by strong financial institutions, established risk management practices, and robust market infrastructure. However, he highlights that resilience is not simply about how well the market functions under normal conditions; it is about how effective liquidity and collateral can move when markets come under stress.

He continues: “Historically, Canada's secured funding market has been relatively fragmented, with bilateral relationships, operational complexity, and limited collateral mobility creating potential friction during periods of volatility. This is precisely where infrastructure modernisation becomes critical.”

While across securities finance, firms are using rigorous credit

assessment, collateralisation, daily monitoring, stress testing, and scenario analysis to manage counterparty, liquidity, and market risks, Lisa Tomada, vice president, securities lending, CIBC Mellon, not only highlights the need for collateral to move efficiently when conditions change, but for participants to receive timely information to understand their exposures and respond to heightened volatility.

She believes continued investment in automation, collateral mobility, data quality, and scenario analysis will be essential, in this respect. In addition, broad participation across buy side institutions, dealers, custodians, and market infrastructure providers will also help to build a deeper and more flexible market.

“The objective should not be to eliminate volatility, but to ensure the market can absorb it without creating unnecessary operational friction or liquidity pressure,” she adds. “That requires robust individual risk management practices as well as resilient, connected market infrastructure.”

A transition to central clearing

The move to accommodate central clearing comes as no surprise. The securities finance market faces upcoming regulatory changes and challenges from the US Securities and Exchange Commission’s (SEC’s) US Treasury central clearing mandate.

Data from the Canadian Derivatives Clearing Corporation (CDCC) and Canadian Investment Regulatory Organization (CIRO) suggests that 15 per cent of the Canadian outstanding repo market is cleared centrally, compared to approximately 50 per cent in the UK and Japan.

Participants in the market have already taken steps to prepare for the transition to increased central clearing. For example, TMX and Clearstream's Canadian Collateral Management Service (CCMS) — a platform providing domestic triparty repo capabilities — aims to introduce greater automation, standardised collateral management, and improved connectivity across market participants.

Tomada says the platform addresses a longstanding opportunity within the Canadian market. While triparty arrangements have been established in some areas, a significant portion of fixed income collateral activity has historically been managed bilaterally, she highlights.

“Greater connectivity among dealers, buy side firms, custodians, clearing organisations, and market infrastructure providers should reduce manual intervention and support a more standardised operating model.”

While the market is already preparing, it would appear that developments in the US are adding urgency to this work. The compliance date for centrally clearing eligible repo transactions is fixed for 30 June 2027, and so Tomada says Canadian institutions active in US markets will need to assess the mandate’s implications for clearing access, documentation, collateral, operations, and cross-border activity.

“The priority here should be to build infrastructure suited to the Canadian market while maintaining interoperability with major global markets,” she advises. “Continued industry coordination will be critical as participants adopt triparty services and consider the next phase of repo clearing.”

It was in March this year that the Bank of Canada announced it would join the CCMS platform for its domestic repo operations come early 2027. In addition, the Bank intends to join the CDCC to centrally clear its repo operations. The decision to join the CDCC will follow the completion of TMX’s investments to modernise its central clearing services to facilitate broader adoption by a wider range of participants.

“The Bank of Canada's decision to expand access to its repo operations is another important development, broadening participation and strengthening the market's liquidity framework and access,” says Everett.

“Looking ahead, combining these capabilities with greater central clearing through Repo 2.0 will be essential to improving market

resilience, reducing counterparty exposures, and ensuring collateral can be mobilised efficiently when it matters most."

TMX's Repo 2.0 strategy focuses on bringing together the Canadian Depository for Securities' settlement and collateral infrastructure, the CDCC's central clearing capabilities, and CCMS's triparty collateral management services.

Providing her perspective on the market, Olivia Russell, vice president of sales at GLMX, expresses that it is an exciting time as Canada moves to modernise the repo market.

From her market view, Russell identifies rapid electronification with average balances topping CA$190 billion (US$136 billion). Similar to the push GLMX is seeing for US Treasury clearing, the firm identifies more relationship enablements leveraging CDCC as a central counterparty across repo and buy-sell backs workflows, as well as the integration of CCMS triparty infrastructure.

She comments: "Being able to automate these workflows on a platform ensures both counterparties know similar trade and relationship details and limits possible mismatches when submitting trades."

Everett is seeing a significant structural shift in global repo markets, particularly with the US Treasury clearing mandate accelerating the move towards centrally cleared secured funding. He believes Canada has an opportunity to build on these developments while designing a solution that reflects the specific characteristics of the domestic market.

"The introduction of standardised Government of Canada general collateral baskets is an important foundational step, providing a more efficient and scalable mechanism for repo transactions," he suggests.

The next phase, according to Everett, is to extend these capabilities into centrally cleared triparty repo, allowing participants to benefit from central counterparty risk management, potential netting efficiencies, and more effective collateral utilisation.

He continues: "Importantly, we see this as an evolution of the existing market structure rather than a wholesale replacement, creating a pathway towards greater clearing adoption, broader participation, and a more integrated Canadian secured funding ecosystem."

Capturing opportunities in a developing space

As the market shifts, market participants are finding key pockets of opportunity in broader investment, the credit space, execution, and tokenisation.

Canadian beneficial owners are becoming more active in evaluating how their assets can support broader investment and liquidity objectives. At the same time, Tomada says borrowers are seeking greater collateral flexibility as they respond to changing funding needs, regulatory capital requirements, and balance sheet constraints.

Term transactions, collateral transformation, and liquidity-related trades have been important areas of activity across securities finance. Tomada says the development of domestic triparty infrastructure could further expand the range of institutions able to participate and make repo more accessible as an investment and liquidity-management tool.

From a GLMX perspective, Russell is seeing growth in the credit space across many of the firm's Canadian clients and continues to build support to manage these flows.

"Having functionality to allow our clients to rerate, substitute collateral, and resize their positions efficiently on GLMX, and have these lifecycle events flow downstream into their internal system, mitigates trade errors and frequent manual booking mistakes.

"Following the Bank of Canada rate hike, we saw an increase in trade lifecycle events on the system, rerating open positions."

Tokenisation is a topic being shown much attention in a number of jurisdictions, let alone the Canadian market. This technology

"adds another dimension" to opportunities in the market by improving how collateral moves between settlement and financing, says Tomada.

In October, BNY completed a triparty repo workflow with Citadel Securities using a tokenised representation of a two-year US Treasury note. The security was recorded on BNY's private digital ledger, settled within minutes, and then used as collateral in an overnight triparty repo.

Tomada says this provides a practical example of how digital infrastructure can connect securities settlement with short-term financing and support faster access to liquidity.

There is a lesson to be learnt here. Tomada explains: "As global market activity becomes more continuous, the infrastructure supporting funding and collateral needs to keep pace.

"BNY's work illustrates how tokenisation and extended operating hours can develop together: alongside this transaction, BNY outlined plans to extend operating hours for its traditional US Treasury settlement and triparty platforms, with a view to reaching European and Asian trading hours. These developments point toward the movement to more continuous markets."

For CIBC Mellon, the opportunity lies in helping institutional clients navigate these developments while supporting the optimisation of their operating models, collateral management, and liquidity needs. The firm's focus remains on strong operational discipline and collaboration with clients and market participants.

Last but not least, Russell identifies opportunity in the convergence of execution alongside clearing and collateral management, from a securities financing and electronic trading perspective. "The more these functions are integrated into a seamless workflow, the greater the potential to improve client outcomes while strengthening the performance resilience of Canada's core funding markets," she explains.

Forever moving forward

There is much optimism for the Canadian repo market going forward, with expectations of a more electronic, automated, and connected market, which is anticipated to become more accessible to a broader range of institutional participants and become increasingly intertwined with the global securities finance ecosystem.

The adoption of triparty infrastructure, central clearing, and tokenisation will improve mobility of assets and reduce reliance on manual, bilateral processes, says Tomada. While Russell hopes to see a larger portion of the Canadian market automated in not only the repo market but also across buy-sell backs.

GLMX clients in Canada are frequently looking for more ways to automate that help not only their workflows, but also their peers. "We hope to continue to see market convergence, across the buy and sell side, with one common goal of growing the Canadian repo market and pushing towards an efficient marketplace," notes Russell.

Regulatory and capital considerations will remain important. Participants will continue to evaluate how repo transactions affect balance sheets, liquidity requirements, and counterparty exposures. At the same time, Tomada says improvements in data, automation, and collateral management should make it easier to identify opportunities and manage those exposures effectively.

Tomada concludes: "Our hope is for a market that combines Canada's traditional strengths in governance and stability with greater efficiency and flexibility.

"That means a market in which collateral can move more easily, buy side institutions have clear and practical routes to participation, and infrastructure remains aligned with developments in major global markets."

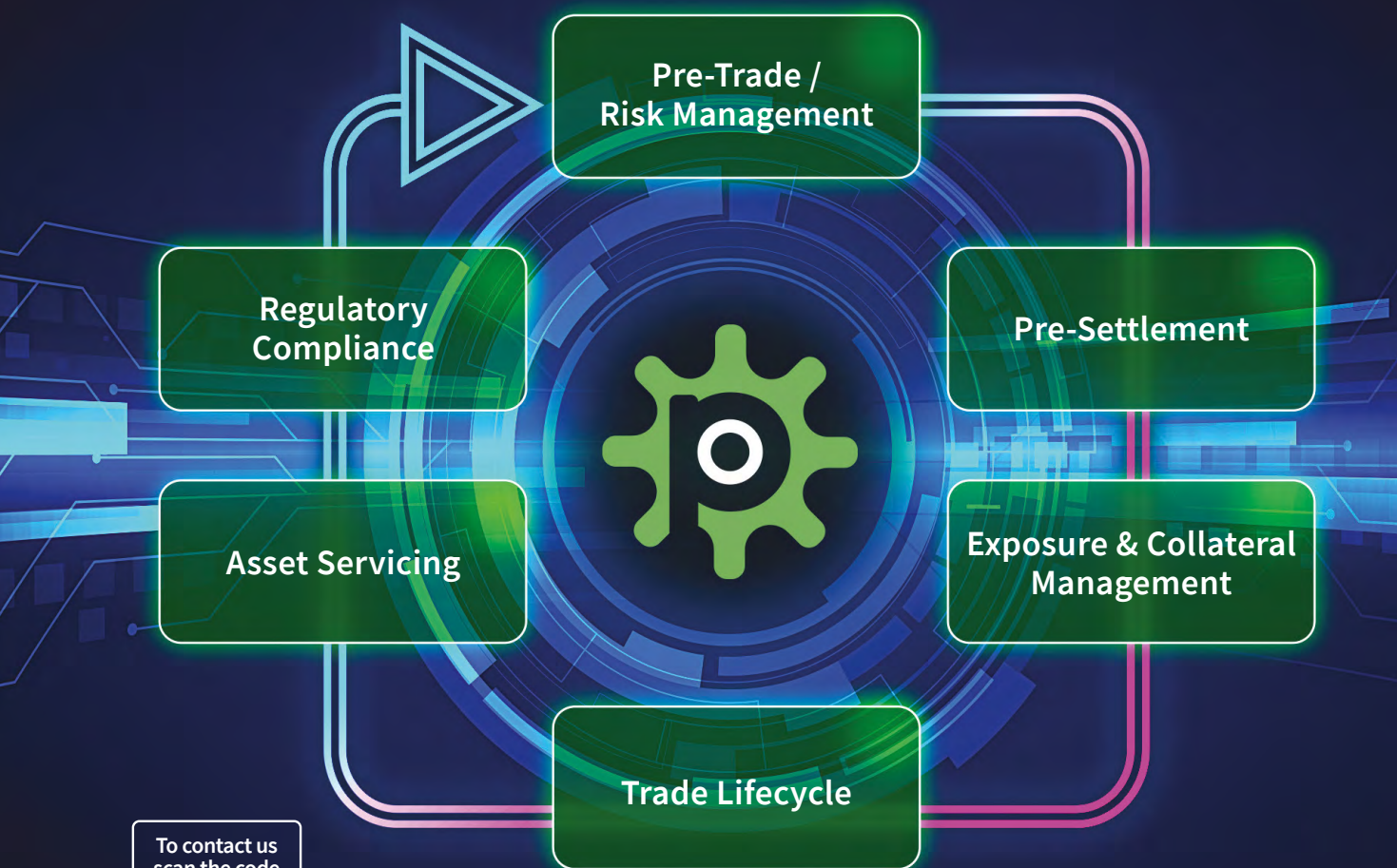
Industry participants of all calibers will be integral in shaping the future of Canada's repo market, from its continued growth to its ability to handle stress events. ■

pirum 25 YEARS
INNOVATION & EXCELLENCE

The Complete, Connected Lifecycle

Founded in 2000, Pirum has become the global gold-standard for automation and connectivity solutions in Securities Finance and Collateral Management. Our Complete, Connected Lifecycle platform covers pre-trade, post-trade, and collateral management functionality through a modular Software as a Service (SaaS) technology stack.

Today, over 150 leading financial institutions worldwide – across both buy-side and sell-side – trust Pirum to connect, communicate, and process their trades, while managing and optimizing collateral in global financial markets. The platform delivers automation, operational efficiency, resilience, reduced costs, and streamlined regulatory compliance.



To contact us scan the code

2025 Securities Finance Times Industry Excellence Awards WINNER Post Trade Technology Provider of the Year

2024 securitiesfinancetimes Industry Excellence Awards WINNER Collateral Solution of the Year

Global Custodian Leaders in Custody Awards 2025 WINNER Securities Finance Collateral Initiative of the Year

The content within this document is provided “as is” without warranties or representations of any kind, either express or implied, and subject to change without notice. If you have any questions, please contact us.



Digital collateral mobility: Unlocking non-cash variation margin

Martin O'Connell, solutions architect at HQLA^X, explores the importance of digital collateral mobility, noting that the objective is not to create a new market structure, but to make non-cash collateral usable in a workflow that is frequent, time-sensitive, and operationally repetitive

The International Swaps and Derivatives Association's (ISDA's) recent work on eligible variation margin collateral highlights a familiar conclusion: firms may hold suitable high-quality securities, but operational friction still prevents those assets from being used efficiently for non-cleared derivatives. Digital collateral mobility can close that gap by making non-cash variation margin (VM) faster to settle, easier to substitute, and more reliable to recall.

Variation margin is a simple concept with demanding operational requirements. When market prices move, collateral should move quickly enough to protect both counterparties. In practice, the collateral that moves fastest is not always the collateral that is most efficient to deliver. Cash is familiar and easy to process, but it can be scarce, expensive, and poorly aligned with the available asset profile of many buy side firms. High-quality securities are often available, but they remain difficult to mobilise quickly across different custodians.

ISDA's August 2026 paper frames this as both an eligibility and an operating model question. Expanding the range of eligible VM collateral matters, but eligibility alone is not enough if onboarding,



optimisation, substitution, servicing, and settlement remain slow or uncertain. Recent industry discussion has also tested whether instruments such as tokenised money-market funds could broaden the eligible collateral set.

For the time being, however, many of these instruments remain beyond the scope of what receiving banks can typically refinance, limiting near-term uptake. The more immediate opportunity is therefore to make securities that are already eligible easier to move, reuse, and recall.

From collateral eligibility to collateral mobility

For many firms, the operational model for securities collateral still reflects a fragmented market structure. Assets may be held at a preferred custodian, in a domestic central securities depository (CSD), through a global custodian, or at a triparty agent. Moving those assets to satisfy an OTC margin call generally requires cross-custodian settlement which must take account of cut-off times, multiple custodian chains, and sequencing across several parties. The process works eventually, but it is often too slow or too uncertain for a market that increasingly requires real-time exposure management.

Digital collateral mobility addresses this problem by changing what has to move. Securities can remain within existing custody and safekeeping arrangements, while ownership is transferred on a digital collateral ledger. The underlying asset does not need to move across custodians each time a margin obligation is settled. Instead, the ownership record changes at a precise moment in time, with a digital collateral record acting as the operational link between the asset, the giver, and the receiver.

The objective is not to create a new market structure for its own sake. The objective is to make non-cash collateral usable in a workflow that is frequent, time-sensitive, and operationally repetitive. Variation margin is a natural use case because the settlement requirement is clear, the timing pressure is real, and the benefits of reducing friction are immediate.

Faster settlement without forced cash usage

The first benefit is faster settlement. If ownership can transfer on-ledger in near real time, participants can satisfy VM calls using securities that would otherwise be operationally trapped. This reduces the need to fall-back to cash simply because cash is easier to move.

For dealers, faster settlement improves access to securities collateral and supports more efficient reuse where permitted. Collateral received on-platform can be reused in approved triparty or other collateral workflows without leaving the digital collateral environment. For the buy side, the benefit is the ability to meet VM obligations without unnecessary cash drag.

Faster settlement also improves certainty. Traditional settlement chains create timing mismatches, settlement fails, and give-before-you-get exposures. Delivery-versus-delivery substitution can remove much of

this uncertainty. If one security is being recalled and another is being delivered, both ownership transfers can be synchronised. Participants do not need to over-collateralise while waiting for one leg of the substitution to complete.

Why recall confidence is essential for the buy side

For buy side firms, recall confidence is essential. Fast delivery is not enough if the asset cannot be returned when the portfolio manager or collateral team needs it. Funds cannot treat securities as an efficient source of VM if recall depends on external settlement chains, manual intervention, or a long onward reuse chain outside their control.

A controlled on-platform reuse model can address this concern. The receiver may be able to reuse the securities, but only through agreed platform workflows. That keeps the asset within a short reuse chain and avoids unnecessary external settlement. When the giver needs to recall the security, the return and replacement delivery can be coordinated through the same digital rails used for the original VM transfer.

This is the key alignment point. Dealers want collateral that can be reused efficiently. Buy side firms want predictable recall and operational control. A platform model that supports reuse, but constrains it to transparent and controlled workflows, can satisfy both requirements. The receiver can make productive use of the collateral, while the giver can be confident that recalls and substitutions will not be delayed by avoidable market-level settlement.

Integration with existing market practice

Adoption will depend on whether digital collateral mobility feels like an extension of existing collateral operations rather than a parallel market structure. Many buy side firms do not want to build a digital asset operating model from scratch simply to post securities for VM. They want their custodians, advisers, and collateral platforms to connect using familiar instruction flows, reporting standards, and account structures.

That is why standard messaging and custody-chain preservation are important. A fund may instruct through its existing custodian or adviser.



“Firms that solve the mobility problem will be better placed to reduce cash drag, improve collateral velocity, lower operational risk, and respond to margin calls with greater precision”

Martin O’Connell
Solutions architect
HQLA^{X}

The custodian may hold assets in fund-specific accounts, support the creation of digital collateral records, and provide reporting back to the fund or depositary. The underlying securities remain within a regulated custody structure, while the digital layer provides the ownership transfer and orchestration needed to settle VM more efficiently. Buy side financial institutions exploring how this model could apply to their own VM workflows should engage with HQLA^X to understand how digital collateral mobility can be integrated with existing custody, advisory, and collateral management arrangements.

For the sell side, the same principle applies. A dealer should be able to receive securities collateral in a form that satisfies the relevant documentation, supports title transfer where required, and can be reused within agreed constraints. The model should not weaken legal certainty or collateral eligibility; it should improve the speed and precision with which eligible collateral is delivered and managed.

From operational efficiency to strategic advantage

The commercial case becomes stronger when VM is considered alongside broader collateral requirements. Firms are under pressure from shorter settlement cycles, intraday liquidity demands, real-time risk monitoring, and the need to optimise collateral across multiple counterparties. A digital collateral mobility layer can help address these pressures by reducing unnecessary settlement movements, lowering operational risk, and making collateral available when and where it is needed.

For buy side firms, the strategic benefit is optionality. A fund can continue to hold high-quality assets with its preferred custodian, but still use those assets more dynamically to meet margin calls. It can reduce reliance on cash, avoid unnecessary collateral transformation, and maintain better control over security-level inventory. For dealers, the benefit is a more predictable source of eligible collateral, received with clear ownership and capable of being channelled into reuse workflows where permitted.

There is also a resilience argument. If securities can be mobilised outside traditional custodian cut-off times then firms can reduce the buffers they hold against settlement uncertainty. In stressed markets, that can be the difference between using collateral efficiently and being forced into costly liquidity actions at short notice.

The next phase of collateral infrastructure

Digital collateral mobility should not be seen as a replacement for custodians, CSDs, triparty agents, or existing legal frameworks. Its value lies in connecting those structures more effectively. Tokenisation or digital representation is only one part of the story.

The more important capability is orchestration: coordinating ownership transfer, settlement conditions, substitutions, recall controls, and reporting across multiple participants while preserving the integrity of the underlying custody model. HQLA^X operates at the centre of this operating model, enabling participants to achieve the benefits of a digital collateral operating model without re-building their existing business processes. That is the opportunity for non-cash VM. Market participants do not need a more complex collateral process; they need a faster and more reliable one.

By decoupling ownership transfer from unnecessary cross-custodian movement, digital collateral mobility can make securities a more practical alternative to cash for OTC VM. By supporting controlled reuse and atomic substitution, it can also give the buy side confidence that securities delivered today can be recalled tomorrow.

The industry discussion on eligible VM collateral is therefore only the starting point. The more important question is how collateral will move. Firms that solve the mobility problem will be better placed to reduce cash drag, improve collateral velocity, lower operational risk, and respond to margin calls with greater precision.

In a market moving towards real-time settlement and more intensive liquidity management, digital collateral mobility is likely to become a core market infrastructure capability. ■



The end of the inbox era: Leveraging AI to solve the collateral communication crisis

Neil Murphy, product owner, OSTTRA triResolve Margin, reviews the fundamental shift toward a more resilient and optimised financial ecosystem

For over 20 years, the collateral management industry has chased the holy grail of 100 per cent straight-through processing (STP). We have connected upstream and downstream systems and built automated calculation engines. Yet, for a significant portion of the market, a persistent bottleneck remains: the manual email inbox.

Despite the rise of structured margin call messaging via Acadia, a vast volume of tasks — margin call negotiations, dispute resolutions, and collateral proposals — are still live within fragmented email chains.

This ‘inbox era’ of collateral management is characterised by manual

data entry and extraction, the constant toggling between systems, and the inherent operational risk of human error.

To truly deliver business-optimised workflows, we must bridge the gap between unstructured communication and structured data. The solution lies in the strategic integration of artificial intelligence directly into the margin workflow.

The friction of fragmented workflows

The current burden on collateral teams is not just the volume of calls, but the medium of communication. When a margin call is sent, the 'truth' of that transaction immediately splits.

The financial data sits within a platform, while the negotiation — the 'why' behind a dispute or the 'what' of a collateral pledge or substitution — resides in a trader's or analyst's inbox.

This fragmentation creates a hidden manual workflow. Analysts spend hours each day performing what is essentially high-stakes data entry: reviewing their inbox queue, searching for a specific thread or update, opening attachments and reading through email chains to identify counterparty intent, and then manually typing those figures back into their margin system. This process is not only inefficient, it is a breeding ground for settlement failures and operational risk.

Bridging the gap with AI-driven automation

Business optimisation is about more than just speed; it is about cognitive offloading. By integrating AI to deliver automated email analysis, we can transform the collateral platform from a mere recording tool into an intelligent co-pilot.

The evolution of this workflow begins with contextual integration. Rather than forcing a user to leave the margin platform to check their email for margin call updates, the OSTTRA triResolve Margin system can now pull the relevant email correspondence directly into the margin dashboard.

Using intelligent mapping, the system matches counterparty emails to specific workflow events (such as margin calls or interest calculations) with surgical precision.

Once the data is centralised, the system uses AI to perform the heavy lifting through intent recognition. It analyses the body of an email to determine if a counterparty has agreed or disputed a call, providing a plain-English summary.

More importantly, it utilises smart pre-population where AI extracts key data points — such as agreed amount, notional, ISIN/CUSIP, currency, and settlement dates — to automatically update the required workflow fields.

This shifts the user focus from manual data entry to monitoring an exceptions-based workflow, effectively adding value. Instead of building the transaction from scratch, the user simply verifies the AI-generated suggestions against the displayed email thread. This expert approval approach ensures that while the machine provides the speed, the human retains the final authority.

Optimising the client experience: Why it matters

How does this make life better for the client? The benefits are reflected in four core pillars:

1. **Reduced operational drag.** By eliminating the inbox shuffle, teams can handle higher volumes of margin calls without increasing headcount. This allows firms to scale their operations efficiently during periods of market volatility.
2. **Mitigation of human error.** Manual data entry is inherently risky. Automating the extraction of margin calls/responses directly from the source text significantly reduces the likelihood of fat-finger errors and subsequent settlement breaks.
3. **Enhanced audit trail.** When the entire history of a negotiation is captured within the platform, the audit trail is seamless. There is no longer a need to reconstruct what happened from archived emails months after the fact.

4. **Cost.** Increased scalability and reduced risk of human error benefit the bottom line directly.

Who stands to gain?

While automation is a universal goal, certain market participants will find this AI-driven capability particularly transformative. Regional banks who face a large number of smaller, non-automated counterparties are obvious beneficiaries. Furthermore, investment managers and hedge funds often cite a lack of automation when trading with major brokers and futures commission merchants for products including repo, OTC cleared, and exchange traded derivatives — which traditionally reside outside of automated messaging networks, including Acadia.

In these cases, firms often face a diverse range of counterparties, or find their broker is not onboarded to industry messaging utilities and still rely on email for margin negotiations.

Furthermore, firms managing complex collateral portfolios — where substitutions and interest statements are high-volume — will see the greatest reduction in manual labour and the most significant improvement in their daily operational cycle.

A foundation of trust and governance

It must be acknowledged that AI is only as valuable as the trust placed in it. A business-optimised workflow must be a secure one. This necessitates an AI framework built on strict governance: ensuring no client data is exposed to external vendors for training and adhering to international standards like ISO 42001.

The goal is not to replace the human element of collateral management, but to liberate it. By removing the friction of manual email processing, we allow collateral professionals to focus on what truly matters: managing risk, optimising liquidity, and strengthening counterparty relationships.

The transition from the ‘inbox era’ to the ‘intelligence era’ is not just a technological upgrade; it is a fundamental shift toward a more resilient and optimised financial ecosystem. ■



> “The goal is not to replace the human element of collateral management, but to liberate it”

Neil Murphy
Product owner
OSTTRA triResolve Margin



© 2026 Citigroup Inc. Citi, Citi and Arc Design and other marks used herein are service marks of Citigroup Inc. or its affiliates, used and registered throughout the world. Member of the Federal Deposit Insurance Corporation.

Recipients should not rely solely on this material and are strongly advised to consult independent professional advisors for tax, legal, financial, and/or other matters. Past performance is not indicative of future results. Citi expressly disclaims any liability for any loss or damage arising from reliance on the information contained herein. Client experiences and results may vary.



Securities services prepare for a faster, more complex future

TSSAG's latest London conference examined how T+1, AI, tokenisation, geopolitical risk, and legacy infrastructure are converging to reshape the securities services industry

The preparation

The Securities Services Advisory Group (TSSAG) brought together securities services professionals in London on 15 October to examine how the post-trade industry is responding to a market environment that is becoming faster, more interconnected, and increasingly complex. Held at The Eight Club in Moorgate, the event covered geopolitical risk, the UK and European transition to T+1 settlement, the future of securities services through to 2035, risk and resilience, digital assets, artificial intelligence, and the challenges posed by legacy systems and fragmented data.

Across the sessions, one theme remained consistent: shorter settlement cycles, new technologies, geopolitical fragmentation, and changing client expectations are no longer separate transformation agendas, but increasingly interconnected pressures forcing firms to rethink the infrastructure and operating models underpinning securities services.



Geopolitical volatility becomes part of the operating environment

The opening discussion placed the industry's transformation within a wider geopolitical context.

Rather than expecting a return to the relatively stable environment associated with previous decades of globalisation, attendees heard that geopolitical volatility increasingly needs to be treated as a persistent feature of the operating environment.

Attention was drawn to several areas capable of affecting financial institutions and investment flows over the coming years, including the direction of US policy, continuing uncertainty in the Middle East, Russia, and Ukraine, political developments across Europe, and strategic competition between the US and China.

For financial institutions, the significance extends beyond headline political events. Geopolitical developments can feed through into sanctions, regulation, energy prices, inflation, supply chains, and investment decisions, while increasing scrutiny of areas such as data and critical infrastructure.

The discussion also considered the opportunities emerging from a more fragmented global landscape. Shifts in trade relationships, supply chains, and investment patterns are creating new corridors and partnerships as governments and businesses seek greater diversification.

The implication for financial services is that geopolitical analysis is increasingly becoming part of longer-term business planning rather than an exercise undertaken only in response to a crisis.

T+1 moves from planning to execution

That emphasis on preparation continued into the discussion of the UK's and Europe's transition to T+1 settlement.

With the implementation date approaching, the conversation indicated that awareness of the transition has increased significantly. However, the focus is now moving away from whether firms understand T+1 towards whether their processes, counterparties, and wider operating networks will be capable of meeting the compressed timetable.

A central theme was interdependency. A firm may complete its own technology and operational preparations, but successful settlement still depends on brokers, custodians, asset managers, market infrastructures, and other counterparties completing their respective processes on time.

This makes T+1 an industry-wide exercise rather than an internal implementation programme.

Readiness is also uneven between different sections of the market. Larger banks and infrastructure providers may have greater experience of running major transformation programmes, while other participants can face different resource, technology, and operational constraints.

Regional differences add another layer of complexity. European markets do not operate according to a single timetable, while firms in the Asia Pacific region will face particularly compressed windows for processing European transactions.

Cross-border securities, FX requirements, and different market deadlines mean that simply moving existing processes several hours earlier will not necessarily be sufficient.

The discussion also reinforced that settlement itself is only the final stage of a much broader chain. Corporate actions, tax processes, securities lending, funding, FX, and other post-trade activities must also operate within the shortened timeframe.

Testing, data, and communication will therefore become increasingly important as implementation approaches.

Firms need visibility not only over their own performance, but over where instructions are arriving late, which asset classes generate difficulties, and where weaknesses exist among counterparties.

Securities services looks towards 2035

The conversation then widened from the immediate challenge of T+1 to how securities services could develop over the coming decade.

Technology inevitably dominated much of the discussion, but the future outlined was not simply one of replacing old systems with new ones. Instead, the industry faces the challenge of managing growing complexity as traditional securities, private markets, and digital assets increasingly sit alongside one another.

At the same time, settlement cycles are shortening, markets are moving towards longer trading hours, and clients increasingly expect faster access to information and more seamless services.

Data was repeatedly identified as central to this transition.

Historically treated largely as an output of processing activity, data is increasingly becoming a product and a source of differentiation in its own right.

Better organised and accessible information can support analytics, risk management, client reporting, and more automated decision-making.

This is particularly important as firms expand their use of AI.

AI moves from experimentation towards operations

The discussion suggested that AI is already moving beyond proof-of-concept projects within securities services.

Current applications include document processing, reconciliation, exception management, research, operational support, and client servicing. Firms are also exploring how AI can identify patterns and potential problems before they require human intervention.

The next stage could see AI move from assisting individual tasks towards orchestrating more complex processes.

Rather than simply responding to an exception or client query, systems could increasingly anticipate when intervention will be required, and surface relevant information proactively.

However, the quality and governance of underlying data remain critical.

AI systems require structured, accessible, and appropriately controlled information, placing renewed importance on data architecture and entitlements.

Human accountability also remains important. While AI can support analysis and recommend actions, the discussion indicated that responsibility for significant decisions cannot simply be transferred to a machine.

Another emerging use case is institutional knowledge.

Securities services organisations often rely on experienced employees holding years of operational knowledge that may not exist in structured documentation.

AI offers the possibility of capturing and making that expertise more widely accessible.

Digital assets search for practical utility

Digital assets and tokenisation formed another major part of the discussion about the industry's direction to 2035.

While experimentation has been extensive, the next phase is expected to depend increasingly on practical use cases rather than tokenisation for its own sake.

Collateral mobility, funding, repo, money market funds (MMF), and private markets were among the areas identified as having potential to benefit from digital infrastructure.

Interoperability will be crucial. Traditional and tokenised securities are likely to coexist for a considerable period, requiring providers to support both without creating entirely separate operating environments.

The cash side of transactions presents a similar challenge. Future markets could incorporate conventional cash alongside tokenised deposits, stablecoins, central bank digital currencies, and other settlement assets.

This also complicates assumptions around instant settlement.

While technology may make faster settlement possible, liquidity, and netting benefits mean that real-time gross settlement will not necessarily be appropriate for every transaction.

Modernisation becomes an industry imperative

Across the afternoon, discussions repeatedly returned to the infrastructure supporting the securities services industry.

Legacy platforms, fragmented data, and manual processes become increasingly difficult to sustain as markets accelerate. T+1 provides the most immediate demonstration of that pressure, but the same issue applies to AI, digital assets, growing transaction volumes, and changing client expectations.

Modernisation, therefore, cannot be viewed solely as a technology replacement exercise.

Firms must consider how processes interact across organisations and markets, where automation delivers genuine benefits and where human intervention remains necessary.

Cyber security and operational resilience will also become more significant as the industry grows increasingly dependent on interconnected technology.

Taken together, the discussions presented an industry entering a period in which several previously separate transformation agendas are beginning to converge.

T+1 is accelerating the need for automation. AI is increasing the value of well-governed data.

Digital assets are creating new requirements for interoperability, while geopolitical fragmentation is adding complexity to regulation, market access, and risk management.

The challenge for securities services firms will be to manage those developments simultaneously.

By 2035, the industry's infrastructure may look considerably different. The more immediate question raised throughout the TSSAG discussions, however, was how quickly firms can adapt the processes, technology, and relationships they already have to a market that is moving faster around them. ■



Learning from the ground up: A journey to the trading floor

Jean-François Dionne, analyst securities lending trader at National Bank of Canada, speaks to Carmella Haswell about his move from Montreal to New York, reaching the trading floor, and building deeper expertise in a specialised market

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

My journey into securities finance started at the operational level in 2021, working in collateral management out of our Montreal office. I like to think of it as learning the business from the ground up. While it may not have been the most direct path to the trading floor, it gave me a strong foundation and helped me to understand the mechanics of the business beyond just the trade itself.

In 2022, I moved into settlement operations, supporting the New York office from Montreal. The following year, I was offered the opportunity to relocate to New York while continuing in the same role, and I decided to take it. Being physically closer to the trading desk gave me a much better understanding of the traders' day-to-day responsibilities and the front-end side of the business.

In 2024 and 2025, I began working more closely with the traders on buy-ins, taking on responsibilities that were closer to a middle office function. That experience gave me additional exposure to trading decisions, market dynamics, and the importance of communication between the front and back offices.

In October 2025, I made the move to the front office as a securities lending trader. Looking back, each step helped prepare me for the next. My path may have been less traditional than some, but I believe having worked across different areas of the business gives me a broader perspective today. I understand not only what happens when a trade is executed, but also everything that needs to happen behind the scenes to make it successful.

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

What excites me most about securities finance is that it is a specialised industry with a lot of depth and room to grow. It plays an important role in market liquidity and the efficient functioning of financial markets, yet it remains relatively unknown to people outside of the industry. There is still so much to learn, whether it is understanding the economics behind different securities, identifying new market opportunities, or adapting to changes in technology and regulation.

The market's recent growth is another reason I find the industry exciting. According to S&P Global Market Intelligence, global securities finance revenues reached approximately US$14.9 billion in 2025, an increase of 27 per cent from the previous year. To me, that highlights the scale of the business and the opportunities available to those willing to develop a deep understanding of it.

I am also interested in how artificial intelligence and new technologies could shape our industry. I believe there is an opportunity for younger professionals to bring a fresh perspective by using these tools to improve data analysis, identify patterns, and make workflows more efficient.

On a more personal level, one of the most rewarding aspects of my role is the opportunity to interact directly with different banks and clients, including meeting them in person. As technology continues to change the way we work, I think the human side of the business becomes even more valuable. Building relationships, understanding a counterparty's needs, and being able to coordinate future activities are still important parts of what makes this business work.

Finally, I feel fortunate to have earned the trust of my managers and colleagues early in my career. I have been given the opportunity to gain exposure to different products, including exchange traded funds (ETFs), corporate bonds, and hard-to-borrow securities. Working across these areas allows me to better understand their individual dynamics and discover where my strengths and interests lie. I see that variety as a valuable part of my development as a trader.

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

I have learnt that securities lending is not necessarily something you can fully understand in a classroom. Technical knowledge is important,

but much of the learning comes from being hands-on, seeing how the market operates in real time, and understanding how decisions affect the different parts of the business.

One of the most important opportunities my company gave me was the chance to relocate from Montreal to New York while remaining in my operations role. Being physically closer to the trading desk allowed me to see the business from a different perspective. I could observe how traders assessed opportunities, managed relationships, and responded to changing market conditions, rather than seeing only the operational side of each transaction.

Over time, I was given additional responsibilities that brought me closer to the middle office and the front office. Those opportunities gradually expanded my knowledge and ultimately helped me discover that trading was something I wanted to pursue as a long-term career. Without that exposure, I am not sure I would have identified that path as early as I did.

My company has also supported my development by allowing me to attend industry events where I could meet traders and operations professionals from other firms, including people I had previously dealt with through day-to-day operations. Those interactions helped me to build my network, exchange ideas, and gain a broader understanding of the industry.

Overall, I would say that the most valuable support has been the combination of trust, exposure, and responsibility. Being given the opportunity to learn by doing, take on new challenges, and work alongside experienced professionals has played a major role in my progression.

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

One misconception I have encountered is that success in finance requires being extremely aggressive or constantly trying to outperform everyone around you. In reality, I believe there is no single personality type or approach that guarantees success. Even within the same company, you can find successful professionals with very different styles. What matters is understanding your strengths, being consistent, and knowing how to adapt to the situation.

Another misconception is that every transaction needs to produce a winner and a loser. In securities lending, I see it differently. The strongest relationships are often built around finding mutually beneficial opportunities. Both sides need to understand what the other is trying to achieve and find a way to create value while managing their own risks and obligations.

That also means understanding the regulatory and operational frameworks in which we operate. In the US, for example, rules such as SEC Rule 15c3-3, which addresses the protection of customer funds and securities, form part of the broader regulatory environment that broker-dealers must navigate.

Understanding the applicable requirements in both the US and Canada helps us assess opportunities appropriately, structure transactions within the relevant constraints, and provide solutions that work for our counterparties as well as our own firm.

Ultimately, I believe long-term success in this industry comes from combining commercial awareness with technical knowledge, sound judgment, and strong relationships. You can be competitive without treating every interaction as a zero-sum game. In my experience, being someone others trust and want to do business with is just as important as being able to identify a good trading opportunity.

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

My first piece of advice would be not to be discouraged if your path to the front office is not immediate. Some of my friends moved directly into front office roles after graduating, while my journey started in

operations. Instead of seeing that as a disadvantage, I focused on learning as much as I could, working hard, and making the most of the opportunities that came my way.

Having an operational background has been valuable to me. It helped me understand settlement processes, collateral management, and the importance of getting the details right. It also allowed me to build relationships across different teams and develop a broader view of how the business works. Those are skills I continue to rely on as a trader today.

A mentor once told me: “Be small enough long enough, and you'll be big enough soon enough.” That advice has stayed with me because it reminds me that there is value in being patient, staying humble, and taking the time to build a solid foundation. You do not need to rush every step of your career; you need to make sure you are learning something valuable along the way.

My second piece of advice would be to take the initiative and reach out to people. Do not be afraid to knock on someone's door, ask questions or seek guidance from someone whose career you admire. You may be surprised by how willing experienced professionals are to share their knowledge and help the next generation. Many of them benefited from mentorship themselves and are happy to give back.

You still have to put in the work and earn people's trust, but you do not have to figure everything out on your own. Stay curious, build relationships, be reliable, and make yourself available when opportunities arise. Sometimes, one conversation or one opportunity can change the direction of your career.

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

Over the next five years, my main goal is to develop deeper expertise in a particular product or area of the securities lending market. At this stage of my career, I am fortunate to have exposure to a variety of products, including ETFs, equities, corporate bonds, and hard-to-borrow securities. That breadth is valuable because it allows me to understand the different drivers of demand, pricing, and risk across the market.

As I gain more experience, I would like to identify where I can add the most value and build a strong specialisation. I want to develop the market knowledge, technical skills, and client relationships necessary to become someone people can rely on for insight and execution in that area.

At the same time, I want to maintain a broad understanding of the industry and continue learning from colleagues, clients, and counterparties. I do not see specialisation as a reason to stop exploring other areas of the business; rather, I see it as an opportunity to build deeper expertise on top of the foundation I have developed so far.

Ultimately, I want to become a well-rounded trader who combines strong product knowledge with sound judgment, a long-term approach to relationships, and the ability to adapt as the industry evolves. I am still early in my journey, and I see the next five years as an opportunity to keep learning, take on greater responsibility, and establish myself as a trusted professional in securities finance. ■

Born and raised in Montreal, Jean-François Dionne holds a Bachelor’s degree in Business Administration from HEC Montréal (2019) and a Master’s degree in Financial Markets from the Université de Sherbrooke (2021). He is currently a Level III CFA candidate and works as an analyst securities lending trader in New York, having progressed through several operational and middle office roles since starting his career in 2021. Outside of finance, he has always been passionate about sports, including tennis, skiing, soccer, and hockey. More recently, he has taken up table tennis, where his colleagues have become his favourite competition. He also enjoys board games, trivia, and spending time with friends.



BNP Paribas appoints Citrini to lead Securities Services Switzerland

BNP Paribas has appointed Marco Citrini as head of Securities Services Switzerland, as part of the bank's long-term succession planning.

Citrini succeeds Garrick Dean Smith, who will move into the role of managing director, client coverage, Securities Services Switzerland.

In his new position, Smith will focus on expanding the firm's relationships with key Swiss institutional clients.

Citrini will be responsible for leading BNP Paribas' Securities Services business in Switzerland, with a focus on strengthening the firm's position across custody and fund services.

He brings more than three decades of financial services experience, having held senior positions at American Express, Bank Leu, and ABN AMRO.

Citrini joined BNP Paribas in 2001, when Securities Services Switzerland was established, as its second permanent employee.

Since then, he has held a number of roles within the business and contributed to the development of its Swiss operations.

Most recently, Citrini served as head of client line for financial intermediaries and corporates and deputy branch manager for Securities Services Switzerland.

Amundi Intermediation selects Boyer-Manzi

Amundi Intermediation, an investment firm and intermediary of Amundi, has onboarded Chloe Boyer-Manzi as sales and relationship manager for securities lending and repo.

Based in Paris, Boyer-Manzi brings 17 years of industry experience, having most recently served as vice president of securities lending and financing sales at J.P. Morgan.

Previously, Boyer-Manzi spent more than six years within Societe Generale's Corporate and Investment Banking division, where she held roles across prime services, financing sales, and cash reinvestment.

Prior to that, she served as a fixed income trader at global financial services provider VTB, and as an equity capital market syndicate desk associate at Standard Chartered.

NeoClear onboards Salmona

NeoClear has appointed Loïc Salmona as chief technology officer of NeoClear Europe.

Based in London, Salmona brings more than 20 years of experience, having previously held roles at ENGIE (formerly GDF SUEZ Trading), Gaselys, and TeamTrade.

In his new role, Salmona will lead the technology architecture and delivery of NeoClear Europe's clearing platform as the firm progresses towards authorisation and launch.


30
CIBC MELLON
THIRTY YEARS IN,
AND STILL FOCUSED ON
WHAT COMES NEXT
A Canadian asset servicer built for a changing investment landscape.
CIBC Mellon was founded to bring global asset servicing standards to the Canadian market. Thirty years later, that mission matters more than ever.
We are Canada's leading digital-first asset servicer delivering differentiated client experiences through exceptional service and modern, innovative technology.
Our clients face rising complexity, faster settlement cycles, evolving regulation, and increasing demands for data, transparency, and operational resilience.
We bring deep Canadian market expertise, advanced technology, and the strength of a global platform, helping them operate with confidence today while preparing for tomorrow.
Learn more, contact:
Nick Petruccelli
VP, Head of Business Development
+1 416 643 5000
www.cibcmellon.com
Subscribe to CIBC Mellon Industry Perspectives podcast on any major podcast platform or listen here.
©2026 CIBC Mellon. A BNY and CIBC Joint Venture Company.
CIBC Mellon is a licensed user of the CIBC trade-mark and certain BNY trade-marks, and is the corporate brand of CIBC Mellon Trust Company.
CIBC MELLON

He joins NeoClear after serving seven years as chief information officer at EquityClear at LCH, where he led technology initiatives supporting regulated clearing across equities, commodities, and digital assets.

Tradeweb appoints Goss

Tradeweb has appointed Andy Goss as head of international institutionalised repo.

Based in London, he will lead Tradeweb's international institutional repo business, with responsibility for product strategy, relationship management, and the expansion of electronic trading solutions across developed and emerging markets.

Goss brings buy and sell side experience across global repo, rates, market infrastructure, and balance sheet optimisation.

He joins from Capula, where he served as head of financing, and previously held senior roles at UBS and Barclays.

Over the course of his 25-year career, Goss has navigated several periods of market stress, including the global financial crisis, the 2019 US dollar funding squeeze, and the Covid-driven liquidity shock.

Enrico Bruni, managing director and co-head of global markets at Tradeweb, says: "His deep understanding of market infrastructure, combined with his experience building and scaling global financing platforms, makes him well placed to further reinforce Tradeweb's market leadership in electronic repo trading."

MUFG adds Kirschner

MUFG Investor Services has appointed McAllister Kirschner as CEO.

John Sergides has stepped down as CEO of MUFG Investor Services due to health-related reasons.

Kirschner has served as chief operating officer of MUFG Investor Services since 2018, overseeing business and banking operations across public and private markets.

He joined MUFG Investor Services in 2016 and previously served as global head of relationship management, bringing extensive knowledge of the business, its clients, and operations.

Before joining MUFG Investor Services, Kirschner was a managing director in BlackRock's Global Fund Services business, where he led teams responsible for shareholder servicing, fund administration, and trade operations supporting BlackRock's alternative investments business.

Prior to BlackRock, he led the Investor Relations team at Quellos Group, whose private funds business was subsequently acquired by BlackRock.

Under Kirschner's leadership, the firm will continue to strengthen its capabilities and expand its solutions to meet the evolving needs of clients.

Commenting on his appointment, Kirschner says: "I am honoured to take on the role of chief executive officer of MUFG Investor Services. Having played a central role in the growth and evolution of this business over the past decade, I have tremendous confidence in our people, the strength of our client relationships, and the opportunities ahead." ■

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

Designer: Lucas Cefai
lucascefai@blackknightmedialtd.com

Studio director: Steven Lafferty
design@securitiesfinancetimes.com

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



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-equitysalesspecialists@spglobal.com

www.spglobal.com/securitiesfinance



© 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.