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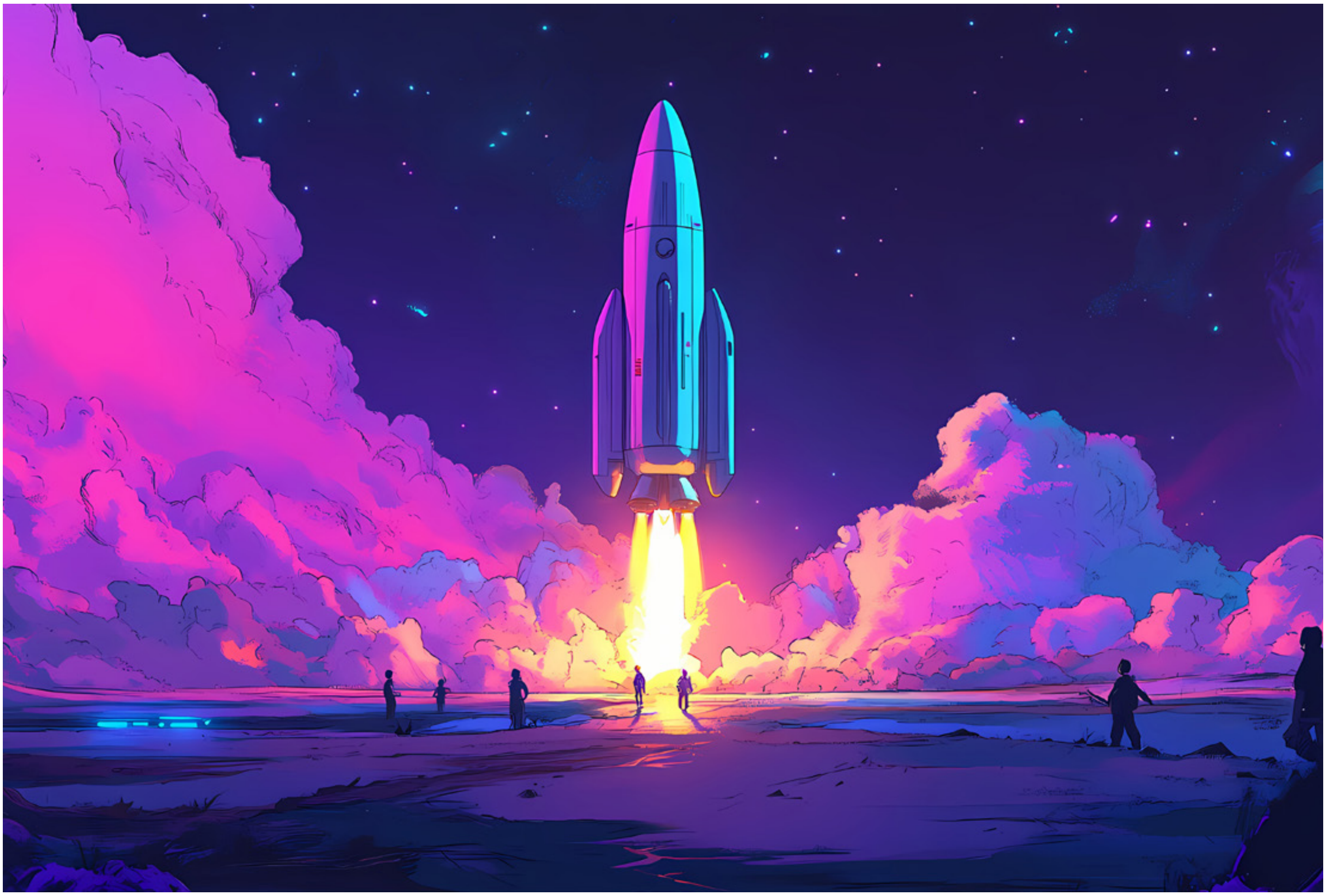
Future-proofing the business

Hitesh Harduth speaks about his 19-year career at Standard Bank, and how the firm is working to develop African markets



EquiLend launches Short Squeeze Score

EquiLend has launched its Short Squeeze Score, a trading signal designed to provide an early warning of potential short squeezes.

The Short Squeeze Score provides a risk signal derived from three critical dimensions: market dynamics, securities finance data, and social sentiment.

According to the data and technology firm, the signal enables traders, portfolio managers, and risk teams to mitigate risk in their portfolios by identifying the likelihood that a given security may be vulnerable to a short squeeze.

A short squeeze occurs when a heavily shorted security experiences a rapid price increase, forcing short sellers to cover positions and accelerating upward price pressure.

Nancy Allen, head of Data & Analytics Solutions at EquiLend, says: "With today's market volatility and uncertainty, the ability to proactively identify the risk of a short squeeze is more valuable than ever.

"Built on our transaction-based securities finance data, our score brings greater transparency to the global short sale market — and we're excited to share it."

The Short Squeeze Score is available across more than 50,000 unique equities in EquiLend's suite of Data & Analytics Solutions, including DataLend, Orbisa and the Orbisa app on Bloomberg.

By combining these datasets, the Short Squeeze Score not only reflects current conditions but anticipates potential emerging risks for market participants, says EquiLend.

In back-testing, the score has shown "strong historical correlation" with prior squeeze events, such as the January 2021 GameStop short squeeze.

Inside this issue

Davies expands operations and increases investment in Middle East

Davies has opened its first office in Qatar, as the fintech firm further expands its operations into the Middle East.

The new office in Doha will become the company's second hub in the region, joining a forensic accounting office based in Dubai.

Ashley Sheen, chief strategy officer at Davies, comments: "The new office in Doha, Qatar, cements our presence in the Middle East as we continue to invest in the region to provide local, nuanced expertise for our global and regional clients."

Clients will now have access to Davies' consulting and technology solutions with local experts based in Doha, applying global market knowledge across insurance, capital markets, asset and wealth management, as well as retail finance and corporate banking.

Ricky Maloney, Qatar country executive and head of the Gulf Cooperation Council (GCC) region at Davies, will head the new office.

ISLA publishes 2025 netting opinions for GMSLA

The International Securities Lending Association (ISLA) has published the 2025 netting opinions that support the title transfer versions of the Global Master Securities Lending Agreement (GMSLA).

The document includes additions for Andorra and Northern Ireland, increasing ISLA's netting coverage to 67 jurisdictions.

For the first time, the Digital Assets Annex is also included, which will cover six jurisdictions — Belgium, England, France, Germany, Luxembourg, and Switzerland. The opinion coverage has also been extended to cover the Australian annex to the GMSLA 2010.

ISLA obtains legal opinions, in a joint exercise with the International Capital Markets Association to ensure the enforceability of the netting provision of the GMSLA.

All opinions cover, as a minimum, companies, banks, and securities dealers, while most jurisdictions also cover insurance companies, hedge funds, mutual funds, and pension funds as parties to the GMSLAs.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GLEIF and QCC partner on LEI mapping project

The Global Legal Entity Identifier Foundation (GLEIF) has launched a new LEI mapping initiative with Qichacha (QCC), a Chinese business information platform.

By increasing the visibility and discoverability of Chinese companies internationally, the collaboration aims to promote trusted trading relationships and further strengthen the role of the LEI as a comprehensive global data connector.

The new initiative establishes a link between the LEI and the QCC Code. GLEIF will publish open-source relationship files monthly, in CSV format, mapping both identifiers.

Jing Yang, CEO at QCC, comments: “This partnership with GLEIF underscores our commitment to enhancing the international visibility of Chinese businesses.

“Additionally, by aligning with the Global LEI System, we are providing our customers seamless cross-border connectivity and trust to foster new trade and growth opportunities.”

Established in 2014, QCC has a database of over 500 million legal entities and acts as a source for businesses, investors, and individuals seeking real-time information about Chinese companies.

The announcement builds on QCC’s inclusion in the GLEIF’s Vendor and Services Providers Relationship Group in February 2024.

According to GLEIF, certified mapping allows Chinese businesses listed on QCC’s platform to realise greater identifiability and discoverability beyond China’s borders.

It will also benefit data users by streamlining regulatory reporting, compliance activities, and due diligence processes.

S&P Global and CME Group to sell OSTTRA

S&P Global and CME Group are to sign a definitive agreement to sell OSTTRA to investment funds managed by KKR.

Established in 2021 as a joint venture between CME Group and S&P Global, OSTTRA serves the global financial ecosystem with a suite of post-trade

offerings across interest rates, foreign exchange, credit and equity asset classes.

The terms of the deal for OSTTRA equalled a total enterprise value of US$3.1 billion, which will be divided evenly between S&P Global and CME Group, pursuant to their 50-50 joint venture.

"OSTTRA has generated significant growth over the past several years, and we are pleased with the role our joint venture played in driving the company forward," says CME Group chairman and CEO, Terry Duffy.

"Looking ahead, as the post-trade marketplace continues to evolve, we are confident that KKR will further scale this business and extend the important efficiencies that OSTTRA delivers to clients."

The OSTTRA management team, led by co-CEOs Guy Rowcliffe and John Stewart, will continue to lead the company in their current roles.

Rowcliffe and Stewart comment: “We are incredibly grateful for our partnership with CME Group and S&P Global over the past several years and delighted to have KKR's backing as we embark on this exciting new chapter for OSTTRA.

“With KKR's support, we will further accelerate our strategic initiatives to enhance our post-trade solutions, drive innovation, and expand our global footprint. Together, we look forward to delivering even greater value to our customers and helping them navigate the ever-evolving OTC landscape.”

Global investment firm KKR will support OSTTRA's growth by increasing OSTTRA's investments in technology and innovation across its post-trade solutions platform.

Hidden Road receives FINRA approval

Hidden Road Partners has secured approval from the Financial Industry Regulatory Authority (FINRA) to operate as a broker-dealer. This approval enables Hidden Road to expand its recently launched fixed income prime

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brokerage platform, which currently includes Fixed Income Repo & Global Funding services.

As a broker-dealer, the global credit network will now be able to provide new and existing institutional clients with a full suite of regulatory-compliant prime brokerage, clearing, and financing services in fixed income assets.

Noel Kimmel, president at Hidden Road, comments: "As a FINRA member, we will be able to bring our technology-driven fixed income service offering to an expanded universe of institutional clients.

"Our business has tremendous momentum, and we look forward to continuing to provide execution and support to our clients amid today's exceptionally dynamic market environment."

On 8 April, Hidden Road entered into a definitive agreement to be acquired by Ripple, a provider of digital asset infrastructure for financial institutions, for US$1.25 billion.

With the backing of Ripple's balance sheet, Hidden Road is looking to expand its capacity to service its pipeline and become one of the largest non-bank prime brokers globally.

The deal is expected to close in the coming months, subject to regulatory approvals.

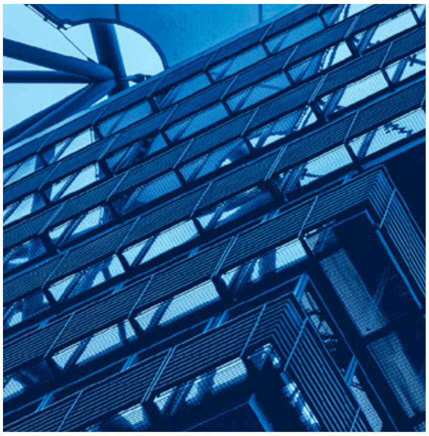
Goldman Sachs joins Trading Apps' TA.Link

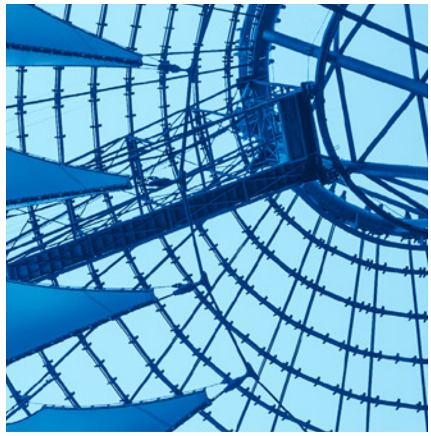
Goldman Sachs has signed with Trading App's TA.Link with the aim to enhance messaging and trading efficiency across its securities financing trading workflows.

TA.Link is a messaging service designed to integrate with existing trading systems, and provide a communication channel for buy and sell side participants.

The service also aims to provide the securities lending market with regulatory compliance support, scalability and flexibility, as well as increased operational efficiency.

Commenting on the news, Trading Apps CEO Matthew Harrison says: "TA.Link offers a next-generation messaging infrastructure that enhances speed, security, and interoperability in the trading ecosystem.






"This collaboration underscores our commitment to delivering innovative solutions that drive efficiency and market connectivity."

Short sellers reduce tech exposure, Hazeltree reports

There has been a notable rotation out of technology, as the number of names among the top 10 most crowded shorted large-cap securities fell from eight in February to five in March, according to a recent Hazeltree report.

The Shortside Crowdedness Report is a monthly listing of the top 10 shorted securities in the Americas, EMEA, and APAC, split into large, mid, and small-cap categories.

Tim Smith, managing director of data insights at Hazeltree, says: "We observed signs of the threat of tariffs being telegraphed to the markets during March.

"Our analysis of shorting activity in the Americas suggests that short sellers began reducing their tech exposure in anticipation of the full implementation of tariffs — a potential sign of early repositioning. We also saw short interest broaden beyond technology into sectors like financial services, retail, energy, semiconductors, and telecom."

In the large-cap category, Super Micro Computer emerged as the most crowded security in the Americas with the highest institutional supply utilisation.

Chevron Corporation, on the other hand, dropped to second place after holding the title of the most crowded security for two consecutive months.

In EMEA, Kering kept the position for the third month, while H&M had the highest institutional supply utilisation for the ninth month.

Disco Corporation was one of the most crowded securities in APAC for the third consecutive month, with Nongfu Spring having the highest institutional supply utilisation.

J.P. Morgan mandated by Income Insurance

Income Insurance, a Singapore-based composite insurer, has selected J.P. Morgan as the custodian bank for the firm's assets.

J.P. Morgan has been mandated to provide a suite of services including global custody, fund accounting, collateral management, and securities lending.

"Our appointment reflects the growing demand from exceptional companies with growth plans for enhanced custodian support. It also highlights J.P. Morgan's commitment to providing dedicated local coverage and impactful solutions in Singapore," says Wai Mei Hong, senior country officer, Singapore at J.P. Morgan.

In addition to this securities services mandate, Income Insurance has collaborated with J.P. Morgan Asset Management since 2019 to launch its Global Sustainable Income Investment-Linked Policy, along with liquidity management and investment management strategies.

David Chua, chief investment officer at Income Insurance, adds: "J.P. Morgan's solutions-based approach and experience in managing complex transitions, integration of platforms will bring considerable value to our partnership.

"We have also appreciated the opportunity to collaborate with J.P. Morgan on people development and leadership mentoring that fosters knowledge exchange and development for our people."

Income Insurance has served more than 1.4 million customers in Singapore and is one of the country's composite insurers offering life, health and general insurance.

Shift4 Payments ascended to the top of the mid-cap category in the Americas, while JetBlue Airways Corporation succeeded Wolfspeed following seven months at the top of the small-cap category.

In EMEA, the mid-cap category was dominated by Kingfisher, while APAC saw a tie between Lasertec Corporation and Kokusai Electric Corporation in the same category.

Alphawave IP Group topped the list in the small-cap category in EMEA for the fourth consecutive month.

The same category saw a tie between Hisense Home Appliances Group Co., Osaka Soda Co., and Money Forward in APAC.

Hazeltree Crowdedness Score is a metric that grades securities on a scale of 1 to 99, highlighting those most targeted and reflecting key demand and supply dynamics.

Standard Chartered and OKX create collateral programme

Standard Chartered and OKX have launched a collateral mirroring programme.

The companies say that the new programme will allow institutions to utilise cryptocurrencies and tokenised money market funds as off-exchange collateral for trading.

The initiative also aims to enhance security and capital efficiency through the use of a globally systemically important bank (G-SIB) as the collateral custodian.

The programme has been launched within the Dubai virtual asset regulatory authority's (VARA) framework as a pilot, where Standard

Chartered will act as the independent, regulated custodian.

SmartStream launches RegRegistry Service

SmartStream has launched RegRegistry Service as part of its Reference Data Services (RDS) business.

The new offering consolidates multiple regulatory indicators, including counterparty and venue classifications from institutions such as the European Securities and Markets Authority (ESMA), the Financial Conduct Authority (FCA), the Global Legal Entity Identifier Foundation (GLEIF), and the Commodity Futures Trading Commission (CFTC).

The service aims to identify counterparty and trading venues as required by each regulation across post-trade and transaction reporting, ensuring firms stay compliant across various global jurisdictions. Linda Coffman, executive vice president at SmartStream RDS, comments: “With evolving regulatory requirements, our clients needed a solution that simplifies compliance, while ensuring data accuracy.

“The RegRegistry Service answers this demand by automating the collection and tracking of regulatory registry updates daily — reducing the burden on firms.”

By automating data collection and validation, the service aims to reduce risk and deliver accurate classifications for venues and legal entities in the financial regulatory space.

The service highlights changes and cross-references data sets using legal entity identifiers (LEIs), market identifier codes (MICs), and ISINs to allow for fast and accurate integration.

The Regulatory Register includes more than 20 reportable attributes across major regulatory frameworks, such as the Markets in Financial Instruments Directive (MiFID), the European Market Infrastructure Regulation (EMIR), the Securities Financing Transactions Regulation (SFTR), as well as the Dodd-Frank Act.

Furthermore, the service offers a range of integration options, available via REST API, a file-based service, and a user interface.

By using best practices in data sourcing, validation, and cross-referencing, SmartStream says the service will enhance a firm's ability to comply with evolving regulations, while reducing operational complexity.

CSD Prague joins Czech Fintech Association

The Central Securities Depository (CSD) Prague has become an associate member of the Czech Fintech Association.

According to the CEO of CSD Prague, Ondřej Dusílek, cooperation between the capital market and the fintech sector is key to the modernisation and openness of financial markets.

He adds: “By joining the association, we look forward to new partnerships and sharing know-how — for example, in the area of digital assets.”

With a focus on enhancing local projects, such as Czech securities and bonds, CSD Prague aims to modernise its infrastructure and increase efficiency, while ensuring compliance with European financial regulations.

In October 2023, the CSD launched a distributed ledger technology (DLT) settlement system, as the first institution in the world to receive permission under the European DLT Pilot Regime.

The Czech Fintech Association brings together more than 80 entities operating in the field of digital finance, including startups, established companies, banks, and investors.

It aims to support innovation, connect market actors, and actively participate in the creation of financial legislation and regulation in the Czech Republic and the EU.

Clearstream GSF volume outstanding declines

Clearstream’s global securities financing (GSF) business has faced a 1 per cent decline in volume outstanding year-to-date to €715.73 billion for 2025, according to recent monthly figures.

The business also saw a 3 per cent decrease in volume outstanding year-on-year (YoY) to €709.79 billion for March.

On the other hand, assets under custody held in Clearstream increased 9 per cent YoY to €20,180 billion for the month. Year-to-date, assets under custody have also grown, with a 10 per cent increase to €20,135 billion for 2025.

For Clearstream’s investment funds services (IFS), securities deposits climbed 14 per cent YoY for March to €4,069 billion. The volume of transactions through the funds division was up 37 per cent YoY to 6.17 million.

International business securities deposits through the Clearstream ICSD grew 8 per cent YoY for March to €9,299 billion. The number of transactions through this service rose 23 per cent YoY to 9.46 million for the month.

Future-proofing the business

Hitesh Harduth, head of securities lending, speaks to Carmella Haswell about his 19-year career at Standard Bank, and how the firm is working to develop African markets

With almost two decades of experience in financial services, Hitesh Harduth has worked his way up the ladder to lead securities lending for Standard Bank. Here, he has learnt to navigate the twists and turns of the industry, and has his eyes set on expanding the bank's remit.

His career at Standard Bank began in 2006 when he took on the role of contractor. But it was not until a trader on the securities lending desk, Jennifer Apple, introduced the concepts of the practice that Harduth felt a spark of inspiration and drive to join this niche market.

Within a year, he moved from the settlement offices into the securities lending back office, where he worked on settlement returns. An opportunity later presented itself which allowed for Harduth to move into the collateral space — where he later became a manager. Moving to the front office in 2010, Harduth worked his way up from junior trader to head trader. In 2021, he took over as head of securities lending.

Speaking of his time in the securities lending market, Harduth says: “In terms of experience, every day brings something new. I've built long-standing relationships with some of my clients who have also moved from operations into front office trading. I’m a bit of a people's person, so that does help. Over time, you build relationships.”

From knowing next to nothing of the financial industry, to leading the bank’s securities lending department, Harduth highlights the importance of investment in courses such as Plumb Line — where he achieved a Masters in Introduction to Financial Markets. The course helped Harduth achieve a good concept of the capital markets and a view into the investor services space, as well as custody, trustees, securities lending, and futures clearing.

In addition, he praises the support of mentors. “I was also quite fortunate to have good mentors during my career at the bank — Maria Jenner, Juanita Taylor, and Llewellyn Ford were very good mentors who saw my talent and helped me to grow into who I am today.”

He continues: “I've got a great team that works with me. I hired some of them in the collateral space back in 2008-09, and they've been with me up until today. They speak ‘me’, so it does help to have a good team that works with you, it lightens the load.”

Adapting to the current climate

Financial markets are facing a number of challenges including regulatory changes and impacts from a new US administration — in particular, the set of tariffs imposed in early April by President Trump, which has affected a number of countries, including the UK, China, and Canada.

According to Harduth, it has been a rough time of late. He notes: “When it happened, there was mass progression in the markets globally. The product is positioned in such a way that it takes advantage of these volatilities in the market.

“We saw a massive amount of shorting happening across our client base. So activity ramped up quite substantially in the equities market, and still is at the moment. That volatility drove growth in our business. We're seeing a similar spike in our utilisation — which is likely to be short-term until this stabilises.”

This trend was also seen during the Covid-19 pandemic in March, April, and May, and then again during the African Bank crisis. These major market events are where securities lending thrives. Harduth says here is where Standard Bank has been able to provide liquidity into the market so clients can execute their strategies.

“Being the largest lending desk, it does help, because we've got a lot of inventory to be able to facilitate these shorts.” He adds: “Also, within the South African political climate, the Government of National Unity instability happened. With the timing of the two, it caused massive volatility in the South African market specifically.”

Helping to tackle other challenges within the market, Standard Bank joined the International Securities Lending Association (ISLA) in August 2024. The driver of the decision to become a member was to align with global standards when implementing new agreements, schedules, as well as negotiating — especially now that the bank is moving to open its mandates to trade more in foreign assets.

“My colleague Juanita was the key to getting the ISLA membership. With this new regulation coming through, in terms of initial margin and variation margin, we wanted to understand from our partnership with ISLA what's happening overseas, to get the legal insights from the team,” Harduth explains.

In addition, the way in which banks are currently optimising collateral became another driver to join the association. Collateral has been a buzzword in the industry — something that Harduth says is evolving out of securities lending. “It's not just a securities lending function — it's bigger than securities lending.”

Expanding in Africa

As a product owner, Harduth says his mandate is to expand into Africa and be in step with Standard Bank’s commitment to the region: “Africa is our home, and we drive her growth”.

The bank is focused on three core markets: Nigeria, Kenya, and Botswana. Harduth and the team have been working relentlessly to get the countries to meet a global standard — something that he says can be achieved through a partnership with ISLA.

Nigeria

Securities lending is live in Nigeria. According to Harduth, six agents are licensed in the country, with Stanbic IBTC Nigeria being the only firm to actively pursue the practice. “The head of Investor Services in Nigeria has done a lot of work with education, working with regulators on what needs to be changed,” he notes.

Within the Standard Bank team, Juanita Taylor was key to securing the launch of the securities lending product in Nigeria in 2015. Much regulation needed to be changed, but now the bank says it has almost received the “green light” to begin trading again.

Feeling confident, Harduth says: “There's been a lot of demand on the bond market. We're waiting for approval from the pension fund committee to allow pension funds to do lending — that will unlock a lot of liquidity, because the pension funds hold a lot of the bond liquidity at the moment. Once that is released, we see the market ramping up quite rapidly in Nigeria."

Kenya

In Kenya, the securities lending product is also live. However, Harduth indicates that it does not yet align with South Africa in terms of its model. The country has an on-screen-based model. When that went live, Standard Bank opted not to go live with them, as the bank prefers a bilateral model, which is more in keeping with the Global Master Securities Lending Agreement (GMSLA). This agreement may be used as a standard master agreement for securities lending transactions in the cross-border market, according to ISLA.

A few years following the go-live of Kenya's on-screen-based model, the country was "not seeing a lot of activity" and therefore inquired about a bilateral, GMSLA-style model.

"We did a lot of education with the market, explained to them how it works, the benefits, and so forth," Harduth explains. "And then last year, around October, the regulator set up a taskforce to go through the two models, in terms of what regulations need to change and what needs to happen."

So far, the country has made ground in aligning with a global standard. Harduth highlights that Kenya will be able to adopt the GMSLA, have both models (bilateral and on-screen), and can use one agreement under those two models.

He continues: "We've asked the regulator to get a legal opinion that says, with adopting GMSLA, the GMSLA is then recognised as the master netting in the event of default, and that provides comfort to our offshore lenders and to ourselves — we're doing the same in Botswana."

Botswana

In Botswana, the stock exchange has securities lending approved. The priorities now are to ensure regulations are in place to facilitate this; attain approval from the authority to allow for pension funds to do lending; and to recognise GMSLA.

"It's moving a little bit faster in Botswana, because we've learned lessons between Kenya and Nigeria, and they're a lot more open to getting this product rolling because they made some regulation changes in terms of getting investments back into Botswana," he confirms.

"There's only so much liquidity in the country, so they see securities learning as a gateway to unlock a lot more liquidity."

At the core

Looking forward, Harduth reviews the core priorities for Standard Bank over the next 12 months — at the top of the list is the bank's work to future-proof the business.

Currently, the bank is focused on getting its platform replacement project up and running. Harduth predicts that in the next few weeks, the bank will have a new vendor selected, following which, it will begin the implementation project to onboard a new platform.

"We need to future-proof the business. We're the last business of Investor Services at Standard Bank to modernise our platform," he comments.

"The last platform upgrade was in 2010, and we're still sitting on the same code — so now we want to replace the platform with a new vendor, and that's going to help us tap into global securities lending, giving our clients access to global markets trading in Europe, London, or in the US. At the moment, we're very limited in terms of what we can do because of system constraints."

As mentioned previously, Standard Bank is working to expand to other African countries, and so Harduth is eager to "switch on" Kenya and Botswana, and to start trading and recognising revenue there. He hopes that in the next year, the bank will be able to book a trade in Kenya.

"Our other focus is to drum up the hype for these countries and interest in these countries — so, in Nigeria, once PENCOM approves regulation to allow pension funds to participate in securities lending, we will be able to unlock the much-needed liquidity," he explains.

The bank is also focused on holding its market share in South Africa. He concludes: "Being the largest desk comes with the challenge of client retention. There's always someone knocking on the door to take your share. We're currently in a client retention mode and making sure that we satisfy our clients to the best of our ability."

To exempt, or not to exempt

Leading the transition to T+1 for Europe and the UK, Giovanni Sabatini and Andrew Douglas sit down with Carmella Haswell to discuss the possible exemption of SFTs from the shorter settlement cycle

On the mind of many in the financial markets, the shortening of the settlement cycle to a T+1 timeframe will see Europe, the UK, and Switzerland settle securities transactions one business day after the trade date. While respective taskforces prepare for its implementation, a key question remains — will securities financing transactions (SFTs) be exempt?

The debate goes back to 2014 when the first action to shorten the settlement cycle from T+3 to T+2 was implemented. At the time, the issue was raised about the need to exclude this type of transaction — repo, reverse repo, and securities lending.

Speaking to Securities Finance Times, Giovanni Sabatini says this type of transaction is not always connected to a specific settlement process. Repo and reverse repos are mainly used by the treasurer to adjust their liquidity position, meaning that they need sufficient flexibility.

"If firms trade a repo today, they have to set up the first leg of the transaction on T+1. They may add rigidity to the process of cash management of the treasurer that is inconsistent with the real nature of this transaction," he confirms.

As the independent industry chair, Sabatini is leading the EU's work to facilitate the migration to a shorter settlement cycle. He acts as a link between the industry and the public sector.

Earlier this year, Sabatini sent a letter to the European Securities and Markets Authority (ESMA) to argue for an exemption of SFTs. In his words: "These transactions are like the oil in the settlement process. If you make this oil too sticky, it doesn't work in the settlement process, and it makes the settlement process more complex.”

The T+1 regime is needed for outright transactions (the buying and selling of securities). This is clear in the US environment, where Sabatini says this issue is “not relevant” because, by definition, repo transactions are out of the scope of the T+1 rule.

In Europe and in the UK however, this is not the case. The Central Securities Depository Regulation (CSDR) has a wider breadth, with only OTC transactions out of scope for T+1.

“Today, there is a trend of moving repos, including forward repos, on to trading platforms. If regulators impose the T+1 discipline to this transaction, the only result is that firms will move away from trading platforms and toward OTC for this type of transaction, therefore reducing the transparency of this market, which is not beneficial,” warns Sabatini.

In alignment

Fully aligned on the issue, Andrew Douglas, chair of the UK Accelerated Settlement Task Force, says “you cannot get cigarette paper between the UK and EU” when it comes to the topic of the SFT exemption. The UK is working with regulators on both sides of the channel to ensure it has a similar, if not identical, outcome — a full exemption.

“SFTs are the oil in the engine of finance, and if we don’t want that engine to grind to a halt, we have to ensure the smooth flow of oil,” notes Douglas. Although the process to achieve a full exemption will take time, those leading the transition to T+1 are determined.

The European Commission has already put forward its proposal to amend the CSDR in preparation for the shorter settlement cycle. For the time being, the proposal has not included an explicit exclusion of SFT transactions. The process for finalising the amendments of a European directive is quite complex and long, indicates Sabatini, who hopes to find agreement with the Commission on the first proposal amendments.

For Douglas, it is imperative that market participants, and regulators, are of the same understanding. In the UK, the taskforce was built on three principles.

One is inclusivity — everybody has a voice in agreeing the result to any problem. The second is transparency, so that everybody sees what is going on. And the third is independence, so that there is zero chance that one participant constituency will be favoured over another. Those same three principles are being applied here, for the SFT exemption.

Douglas continues: “The reality is, it addresses something that is missing from the original legislation, way back when nobody explicitly considered the impact of settlement timeframes on SFTs. So the market assumed that they were exempt although that is not stated, and essentially this is an attempt to clear that up.”

According to Sabatini, the regulator’s main argument against the exemption is that, up until now, the industry has been able to manage this type of transaction — and so they are also questioning why the industry was not more vocal in 2014 with the transition to T+2.

> “Giovanni and I are both optimistic that this will be resolved ASAP because, from my perspective, this is a distraction from the real issue, which is: are people getting ready for T+1?”

However, in 2014, the amount of repo and other SFTs executed on the trading platform was minimal, he highlights, therefore most of these transactions were executed over-the-counter — OTC transactions were out of the scope of T+2.

He highlights a current trend which “should be favoured”, which is the move from OTC transactions to trading platform transactions, as this “increases transparency and allows for more monitoring of this activity”. This presents as a core reason to now ask for a clear exemption of SFTs, so as to avoid putting a stop to this “positive trend”.

In addition, Sabatini notes that reducing the settlement cycle reduces the flexibility of the instrument — a second reason for these T+1 leaders to opt for a full exemption.

Concluding his thoughts on the possible exemption, Douglas says: "Giovanni and I are both optimistic that this will be resolved ASAP because, from my perspective, this is a distraction from the real issue, which is: are people getting ready for T+1? But I'm hopeful that, certainly by the middle of this year, this will be done and dusted."

The race to T+1

The starting gun has been fired and market participants appear enthusiastic to start the race to T+1. While firms are at different points in their journey — with some having read the implementation plan, or have allocated a budget for future work — there are those that are yet to begin. For Douglas, his role is to ensure companies jump on the bandwagon and move at pace for the 11 October 2027 deadline.

He warns that while the deadline to implement the shorter settlement cycle is two-and-a-half years away, this project began in January 2023 — the endeavour is already at the halfway point.

If firms stick to the deadlines identified in the transition plan, Douglas believes it will get them into a good place to start the fine-tuning and the testing that will allow firms to get over the line in October 2027.

He explains: "I'm encouraging folks to get on with their transitions as soon as possible which I realise is a slightly different way than the way we typically operate in this industry — we tend to work right up to the deadline and then do everything at the last minute. I'm hoping we can move the industry into a different mindset as to how it addresses this particular change."

Unlike the US and UK, Europe has an additional layer of complexity, due to the market fragmentation caused by multiple jurisdictions. All member states are covered by the European legislative umbrella — CSDR. However, there are a number of specific national laws, market practices and local requirements that may have to be taken into account in the process of moving to T+1. For this, a robust framework is required.

In January this year, a new governance structure to support the EU transition to T+1 was announced.

"We have set up this governance arrangement to ensure that the process to T+1 will be sufficiently inclusive and that all the relevant parties have the opportunity to participate in the industry committee and in the technical workstream," says Sabatini.

He adds: "We are also open to the participation of non-EU associations to be sure that we will receive inputs, comments, and suggestions from market participants, particularly those located in different time zones, because in the end, they will be most impacted by the shortening of the settlement cycle."

The technical workstreams are working at maximum speed because, as Sabatini describes, "an ambitious deadline" has been set for the release of the first set of high-level recommendations — otherwise known as the EU implementation roadmap to T+1. The roadmap is set to be delivered by the end of June 2025.

Leading the EU, Sabatini suggests that this date was selected to provide time for market participants to plan the investment needed to upgrade their systems and to increase automation — firms are planning their budgets for 2026. Furthermore, the European Central Bank, which is managing the settlement system T2S, is requesting inputs or proposals to amend timetables or operations in T2S be entered as soon as possible, due to its "complex internal decision-making process".

Following the release of the implementation roadmap for the EU, there will be a public consultation (through July and August). In the meantime, Sabatini and his team will work on the second set of documents, namely a more detailed implementation rulebook, which will dictate the best practices that are needed to comply with the recommendations.

Sabatini explains: "Here we have an issue. We have to strike the right balance between being prescriptive in order to ensure certainty of behaviour, at the same time we have to be sufficiently flexible to accommodate all of the different starting points of the different participants in the market."

CSDs in different jurisdictions have different levels of automation or complexities, and the EU taskforce will need to take into account the different dimensions of market participants.

2027 will be the year to start testing the implementation. The EU task force will draft the transition playbook to identify all the needed steps to ensure that on 11 October 2027, everything will run smoothly, and then it will monitor the result of the transition.

"While in the UK the approach is more market practice based, in the EU we are used to a more regulatory-based approach, and that requires more coordination between the industry and public authorities to be sure that we are progressing hand in hand," states Sabatini.

Hope on the horizon

As the UK, EU, and Switzerland continue on this journey, it will be imperative that each region aligns with one another to cross the finish line.

Douglas states: "I'm very confident that we will move together. In the film 'Le Mans '66', Ford had a plan that all three cars should cross the line at the same time. And that's our plan, to have the three jurisdictions all cross the line at the same time. There is no benefit to the industry if we do not all move together."

In his 30 years in the industry, and 25 years operating in the European environment, Douglas says he has never seen such a united opinion that the Europeans as a continent will move on the 11 October 2027.

Important to note however, is while some recommendations that were made in the British report are specific to the UK — such as the time by which you have to submit an instruction to CREST — the majority of recommendations such as the automation of stock lending, corporate actions, and settlement instructions (SSIs) are not UK specific recommendations, they are applicable market wide.

Douglas is hopeful that there will be an element of transfer between the two plans, with some of the work from the UK being reused in Europe, and vice versa. "The UK and EU are moving forward in lockstep and each supporting the other in their journey to the finish line."

Without the alignment of market practices, as well as legal and regulatory frameworks, Sabatini warns that this could create cost, frictions, and reduced market efficiency.

"We should offer a settlement system that favours the participation of non-EU, non-UK participants on the same footing. If you have to start identifying which are the differences in terms of different regulations or market practices, this would reduce the attractiveness of our respective market compared to other markets, like the US," he explains.

Looking ahead, Douglas anticipates that keeping firms moving and avoiding complacency as the largest challenge in the next three years. While some find confidence in moving to T+1 following their own preparation for the transition to the shorter settlement cycle in the US, Douglas warns that this could be indicative of complacency.

"The only similarity between the move to T+1 in the US and the UK is the letter 'U' — everything else could be different until you prove to yourself that it is not," he explains.

He recommends firms go through the analytical work to satisfy themselves that what they have done is appropriate. For example, the UK does not use affirmations, therefore any work on this for the US transition is deemed to have "no relevance" for the UK.

However, he adds: "We are bigger users of collateral, so firms need to be looking at their collateral processes. Firms need to be satisfied that what they've done for the US implementation can be reused for the UK and European environment."

Key for Sabatini is to keep an open dialogue with all national associations. Expanding on this, he indicates that most member states have set up national taskforces to have a single view on the national specificities — which should be brought to the attention of the industry committee.

Although taking into account multiple national specificities and differences in market practice makes the process complex, Sabatini and the industry committee have set up arrangements to ensure all of the issues are identified, that they are addressed, and that the committee can provide solutions that can be flexible enough for all market participants to comply with.

In his concluding remarks, he adds: "It's a complex journey. It will be a bumpy road. But at the same time, we are working to make the process move along with the governance structure and the technical workstream, working together to ensure a wide participation, which should remove the risk of last minute surprises."

Post-trade reporting: Regulators call time on poor practice

A recent fine shows that regulators are losing patience with failures in post-trade transaction reporting. Linda Coffman, Reference Data Services SmartStream, suggests that specialist data services can help firms improve their ability to comply

January 2025 saw the UK's Financial Conduct Authority (FCA) impose a fine of £99,200 on a global brokerage firm for breaching Article 26(1) of the Markets in Financial Instruments Regulation (MiFIR) — the FCA's first enforcement action for transaction reporting failures under the UK regulation.

Between 1 October 2022 and 31 March 2023, the broker failed to submit any transaction reports to the FCA by close of the following working day, or at all, in relation to transactions undertaken by its single-stock contracts for difference (CFD) desk through one of its corporate brokerage accounts. Ultimately, this resulted in the firm not submitting a total of 46,053 reports.

In an accompanying press announcement, the FCA emphasised that it required complete and accurate information from firms under its supervision about the types of instruments traded, when and how they were traded, and by whom.

As this data played a key role in its ability to conduct effective market oversight, the Authority considered the broker's failure to submit any transaction reports for approximately 60 per cent of its single-stock CFD business line by close of the following day particularly serious. The fact that the firm had identified the discrepancies, but not proactively reported them, further exacerbated the case.

The recent Market Watch 81 newsletter, published in November 2024, also underscores the FCA's desire to tackle poor transaction reporting. Discussing its supervision of the UK Markets in Financial Instruments Directive (MiFID) transaction reporting regime, the regulator commented that it continued to identify incomplete and inaccurate transaction reports.

Worse still, it had seen data quality issues persist and reoccur even after they had been identified and allegedly remediated. The FCA expected firms to note its findings and make enhancements to their transaction reporting environment to comply with relevant requirements.

So why do data quality issues continue to persist and what can organisations do to remediate them?

One headache is the constantly-evolving nature of the regulatory landscape. Consider recent changes to the MiFIR post-trade transparency (PTT) rules that determine which counterparty to an OTC trade must undertake PTT reporting. In the wake of the EU MiFIR Review and the UK Wholesale Market Review, the EU introduced its Designated Publishing Entity (DPE) regime in February 2025, while the UK brought in the Designated Reporter (DR) system in April 2024.

Following these changes, firms firstly need to be aware that the connection between systematic internalisers and PTT reporting has been removed. Secondly, when engaging in an OTC trade, firms must determine if their counterparty is a DR or a DPE. Correctly identifying the status of a counterparty is vital, especially if financial institutions want to avoid under or over-reporting, thereby potentially finding themselves in the crosshairs of the regulator. Achieving this goal promptly and efficiently, however, hinges on having easy access to reliable data.

More generally, post-trade transaction reporting can involve gathering information from multiple sources. For firms carrying out PTT reporting across MiFID II, MIFIR, the European Market

"In response to the growing industry need, SmartStream's Reference Data Services unit has launched its RegRegistry service."

Linda Coffman
Executive vice president
SmartStream

Infrastructure Regulation (EMIR) Refit, the Securities Financing Transactions Regulation (SFTR), and Dodd-Frank, this may mean accessing more than 20 regulatory registers.

These sources can be inconsistent, are not updated at the same time, and do not necessarily follow a set schedule. Other trouble spots include missing or incorrect information, and ambiguity. Typically, registers also lack a means that allows users to distinguish between additions, updates and deleted material.

Typically, much of the data-sourcing activity required to complete PTT reporting is simply diverted towards operations staff, who are obliged to search laboriously through regulatory registers for the relevant information. Not only is this time-consuming but a lack of automation increases the risk that errors occur, with mistakes in relation to the venue of execution being some of the most frequently made.

Turning to RDS

In response to the growing industry need, SmartStream's Reference Data Services (RDS) unit has launched its RegRegistry service. This amenity consolidates multiple regulatory indicators, including counterparty and venue classifications, and draws on sources such as the European Securities Markets Authority (ESMA), the Global Legal Entity Identifier Foundation (GLEIF), the Commodity Futures Trading Commission (CFTC), the FCA, and ISO market identifier codes (MICs), across numerous jurisdictions.

It contains over 20 reportable attributes, relating to a variety of regulations, such as MiFID II, MIFIR, EMIR Refit, SFTR and the Dodd-Frank Act.

Initially, the RDS developed the RegRegistry to meet its internal needs. Several factors led the RDS to consider the storage, accessibility, and updating of information from regulatory registers: post-Brexit divergences between EU ESMA and UK FCA regulatory data; adjustments following the EMIR Refit; the transition from the Systematic Internaliser to the DPE/DR regime; the varied formats in which different regulators published data.

At the same time, clients — who faced similar challenges and were seeking reliable, workable solutions — began to turn to the RDS. The RDS RegRegistry, which is manned by small to medium-sized enterprises (SMEs) with deep industry experience, monitors registers daily, automating data collection and validation. It highlights changes and cross-references data sets using LEIs, MICs, and ISINs, offering users accurate and continuously updated information. To promote flexibility, output is customisable so clients can receive and pay for only the fields they are specifically interested in.

The newly introduced service reduces counterparty risk by delivering standardised, up-to-date data about venue classifications and legal entity types. It offers multiple search combinations such as ISIN, LE, ISO MIC, and asset class. For example, it allows retrieval of DPE entities by ISIN, creating a useful tool for financial institutions looking to determine whether they, or their counterparty, are responsible for reporting. Conveniently, it can evaluate whether LEIs are active or inactive, offering firms a means of validating LEIs.

Typically, regulatory registers are quite skeletal, which makes them difficult to work with. The RegRegistry interprets this missing information, filling the gaps using a standardised format, which also helps prevent the patchy nature of regulators' lists from having a negative impact on firms' automation.

The RDS RegRegistry acts as a convenient aid where, for example, a transaction report has failed because of an error and must be corrected. Operations staff can tap into the service while they check back over the report, allowing inaccuracies to be cleared up more quickly and effectively. Importantly, the service also retains a record of changes to regulatory lists, which can be helpful for firms looking to carry out back reporting.

Easing sourcing, change management and integration for customers, the RDS enables financial sector companies to meet reporting requirements, as well as simplifying and reducing their compliance burden. It also reduces manual effort, potentially lowering the associated risk and cost.

In conclusion, authorities are beginning to tire of failures in post-trade transaction reporting and so financial institutions need to raise their game if they want to avoid falling foul of regulators. Even where they can delegate reporting, firms remain legally responsible for reports filed on their behalf, meaning it is even more important to keep a close watch on these activities.

SIU: A light at the end of the tunnel

As the EU's Savings and Investments Union strategy is beginning to take shape, Daniel Tison examines its impact on the securities finance sector

The current geopolitical uncertainty is a driver for policymakers to prioritise economic stability and resilience, and to strengthen financial markets, according to Farrah Mahmood, director of regulatory and government affairs at the International Securities Lending Association (ISLA). As a result of the recent events, a new strategy has emerged in the European Union to make the market more robust in the face of external shocks.

In December 2024, the European Commission (EC) shifted its focus from the Capital Markets Union (CMU) to the Savings and Investment

Union (SIU), marked by the appointment of Maria Luís Albuquerque as the European Commissioner for Financial Services and the SIU. Building on progress made under the CMU and the parallel efforts to develop the Banking Union, the SIU offers to take a holistic approach to encompass the entire EU financial system, including capital markets and the banking sector.

The transition from the CMU to the SIU was influenced by recommendations from the Draghi report, published in September 2024, which highlighted the need for a comprehensive approach to enhance Europe's competitiveness. The report emphasised the importance of mobilising private savings for long-term investments to address challenges like climate change and technological advancements.

The new strategy was officially communicated on 19 March 2025, when the EC published its plans to channel savings into investments. By financing defence, technology, and green initiatives, the SIU aims to boost market competitiveness and increase Europe’s resilience.

In the announcement, President of the EC, Ursula von der Leyen, stated that the new strategy represents a “double win”.

“Households will have more and safer opportunities to invest in capital markets and increase their wealth,” she said. “At the same time, businesses will have easier access to capital to innovate, grow, and create good jobs in Europe.”

Mahmood confirms that much of ISLA’s 2024 manifesto is fully aligned with the SIU objectives.

She says: “The emphasis on reducing reliance on external funding and deepening EU capital markets is partly a response to current geopolitical tensions, and ISLA can use this opportunity to advocate for policies that enhance market liquidity and efficiency, such as securities financing.”

Over the coming months, the association aims to engage with the EC, EU policymakers, and other stakeholders to ensure the important role of securities lending in the European market’s future developments is recognised.

The Managed Funds Association (MFA) and the Alternative Investment Management Association (AIMA) both welcome the proposal.

Rob Hailey, head of EMEA government affairs at MFA, comments: “Reducing fragmentation, boosting liquidity, and enhancing the securitisation framework for investors will attract investment and strengthen EU capital markets.”

Jack Inglis, CEO of AIMA, adds: "[The] strategy announcement sets a high bar, and policymakers should maintain this ambition as they develop the SIU’s key components. A crucial early step will be the upcoming proposal on securitisation reform, which is essential for strengthening capital market investment and supporting lending to businesses."

For the Deutsche Börse Group, the SIU has become the top priority, which the firm addressed in its recent policy paper 'Towards an EU Savings and Investments Union'.

In the foreword, Stephan Leithner, CEO of Deutsche Börse, says: “An extensive list of game-changing ideas is on the table that can make a real difference and truly move the needle — notably by putting citizens and investors stronger into the focus to foster participation, with mobilising private capital as a key leverage for success.”

Over the past few weeks, EU leaders have met to discuss how to implement this strategy in practice. On 16 April, the EC launched a consultation seeking feedback from market participants on possible legislative and non-legislative measures to target financial market infrastructure, asset management operations, and common supervision.

Building a risk-reward culture

Among other objectives, the SIU is particularly focused on encouraging retail participation in capital markets to create a more dynamic and efficient financial ecosystem, utilising the role of securities lending in enhancing market liquidity.

As of March 2025, approximately €10 trillion of EU retail savings are currently held as bank deposits, according to Eurostat, generating a relatively low return compared to investments in capital market instruments. The SIU, therefore, aims to provide a wider range of efficient investment and financing opportunities for EU citizens and businesses.

“Greater trust in financial products is an important precondition for citizens to participate in capital markets, implying the need for easy, simple, and low-cost access to investment opportunities," the document reads.

To further incentivise retail participation in capital markets, the EC proposes to extend access to saving and investment accounts across the EU. This includes reduced tax and fees, as well as an "attractive" digital interface.

In its Eurobarometer survey from July 2023, the EC found that only 18 per cent of EU citizens possess a high level of financial literacy, with women, young people, and older adults being the least educated in this sector.

Therefore, raising awareness about investment products and associated risks is a central theme of the SIU, with securities lending seen as an area requiring enhanced education. According to the EC, higher levels of financial literacy will be essential in developing a retail investment culture within the EU.

"By channelling more savings and investments into the EU economy, the SIU can boost economic growth and innovation."

Sam Riley, CEO of Clearstream Securities Services, believes that increased financial literacy will see more investments through different channels, including cryptoassets.

"As financial literacy increases in Europe, we will see more investments through different channels," he says. "We're also seeing a generational change, including the use of technology and how we invest as individuals."

As part of the SIU, the EC has also committed to reducing inefficiencies stemming from fragmentation as well as the removal of barriers to cross-border operations. This includes a review of taxation, post-trade processing, and collateral legislation.

According to Leithner, the European capital market remains underdeveloped, and a steady decline is strongly observable, especially in equities.

In the above-mentioned policy paper, he notes: "The EU has the most fragmented market among developed countries. The market capitalisation of listed companies is only about 50 per cent of GDP. And the EU is only home to around 10 per cent of global IPOs."

Financial instruments are traded on 116 regulated markets and 148 multilateral trading facilities in the EU. Moreover, there are currently 26 central securities depositories (CSDs) and 14 CCPs authorised to provide settlement and clearing services.

For financial services alone, the International Monetary Fund (IMF) estimates that internal barriers to the single market are equivalent to a tariff of more than 100 per cent, implying a significant cost to the EU economy.

To address these barriers to more integrated trading and post-trade infrastructure, the EC is preparing a package of legislative proposals, including rules on CSDs, financial collateral, settlement, and the trading market infrastructure. Furthermore, the Commission will take action to remove differences in national taxation procedures creating administrative burden and barriers to cross-border investment.

This aligns with ISLA's policy proposal in its manifesto to promote clear, unambiguous, and forward-looking legislation, including a harmonised EU-wide definition of beneficial ownership, taking into account widely accepted international standards, such as the Organisation for Economic Co-operation and Development (OECD) guidelines, and ensure consistency of interpretation between member states to reduce the operational and regulatory burden for member firms conducting cross-border activity.

On that note, Mahmood adds: "The SIU aims to create a more integrated and efficient financial ecosystem. This is a fundamental benefit for securities finance, as it relies on and contributes to market liquidity. A deeper market means more available securities for lending and borrowing, potentially increasing activity and efficiency.

"By channelling more savings and investments into the EU economy, the SIU can boost economic growth and innovation.

This can lead to increased issuance of securities and therefore greater demand for securities finance to facilitate trading, hedging, and settlement."

To Nandini Sukumar, CEO of the World Federation of Exchanges, the SIU presents an opportunity to strengthen European capital markets by encouraging equity investment and a risk-reward culture.

She says: "Market fragmentation is a barrier to the development of deeper and more integrated capital markets, but rather than looking at forcing consolidation in any part of the market, the Commission should consider a careful balance between different types of trading venues — including regulated markets, multilateral trading facilities, and systematic internalisers.

"This should ensure fair competition, market integrity, and investor protection. Any regulatory changes in this area should be guided by a commitment to maintaining high standards of transparency, resilience, and investor trust."

Cutting the red tape

Examining potential hurdles to the widespread adoption of the SIU, Riley classifies them into two main categories — legislative and technical.

"You've got things like securities law, tax law, and solvability law, which are harder to change because they are based at a country level, not a European level," explains Riley.

Mahmood does not expect any major regulatory overhauls, as the SIU is more focused on creating a supportive ecosystem and addressing specific barriers rather than fundamentally restructuring existing regulations like the Securities Financing Transactions Regulation (SFTR).

"The emphasis is on improving efficiency and integration within the existing frameworks," says Mahmood. "The SIU's push for greater harmonisation and standardisation could, however, lead to some adjustments in how existing regulations are applied across different member states — for example, the SIU's Market Infrastructure Package could bring changes to clearing, settlement, and other post-trade processes, which are critical for securities finance."

However, she acknowledges that differences in legal and regulatory frameworks, as well as market practices, can create operational challenges for securities finance, hindering cross-border activity. Additionally, tax barriers to cross-border investment can also impede the efficient flow of securities and act as a significant barrier to entry for future investment.

> "Geopolitical risks can accelerate the push for strategic autonomy, where the EU seeks to reduce its dependence on other regions for critical resources."

"While the SIU aims for harmonisation, the existing regulatory landscape is complex, with several pieces of legislation differing between jurisdictions," says Mahmood. "Ensuring that new initiatives do not add to this complexity, and that they are implemented consistently, will be a challenge."

ISLA's plan is to promote policy proposals around the move to T+1, where the association requested an exclusion of securities financing transactions, other developments to the Central Securities Depositaries Regulation (CSDR) settlement discipline regime, the uptake of the Common Domain Model to reduce the regulatory burden and cost for firms and regulators, as well as a level of standardisation across markets for lifecycle events.

In contrast, technical challenges are easier to accomplish, according to Riley. As an example, he mentions Clearstream's lending and collateral platform, bringing together assets held on the ICSD and CSD, as well as in commercial and central bank money, which has removed some of the barriers.

Leithner writes that a flourishing private data economy is a key ingredient for successful capital markets, with data being the backbone to any comprehensive investment decision.

Mahmood argues that disparities in technological infrastructure across member states can create operational inefficiencies.

"The need for digitisation and interoperability is crucial to remain competitive on a global stage and act as a single trading bloc versus its peers," she exclaims.

On behalf of the MFA, Hailey points out that critical elements are missing in the SIU strategy. In a letter submitted to the EC shortly after the announcement, the association recommends the Commission to implement targeted securitisation reforms to meet its economic growth and capital market integration goals.

"A right-sized securitisation framework is essential for building stronger European capital markets and achieving the goals of the EU Savings and Investments Union," says Jillien Flores, chief advocacy officer at the MFA. "Targeted reforms will enhance market participation, help banks manage their risks and free up capital, improve capital formation, and help connect global capital with European businesses and investors, including pensions."

MFA's primary recommendations include narrowing the definition of securitisation within the US framework, as well as removing duplicative and burdensome due diligence requirements under the EU Securitisation Regulation.

Mahmood adds that the prevailing geopolitical uncertainty has led to a discernible shift towards increased national focus within EU member states, which is impeding the momentum for broader, EU-wide policy development.

"Loss of member state sovereignty, versus EU cooperation to achieve these goals, has been discussed extensively at a political level," she says. "To successfully advance the aims of the SIU, enhanced cooperation among EU member states is going to be crucial. However, there has already been opposition from certain political groups around unnecessarily exposing savings to risk and a lack of public trust."

A sense of urgency in 'reglobalisation'

Riley notes that there is a sense of urgency in the Commission's proposal: "There are clear timelines which are within a year, and that is not normally something that we would see from the European Commission, which we should read as positive, and that will require a quick turnaround by market participants."

In the second quarter of 2025, the EC will set up a dedicated channel for all market participants to report on encountered barriers within the single market and will act on accelerating their removal.

Consequently, a package of legislative proposals — including rules on CSDs, collateral, and settlement — will be introduced in Q4 2025. This aims to modernise the legislative framework and ensure a better quality of execution on EU trading venues, while reducing administrative burden.

Meanwhile, ISLA recommends that market participants prepare for cross-border activity by ensuring their systems and processes can handle these transactions efficiently. While no major overhauls are expected, market participants should also stay informed about changes to existing regulations and any new initiatives that may impact securities finance.

Additionally, the emphasis on digitisation and market infrastructure improvements will require market participants to invest in technology and adapt to new platforms and standards, according to ISLA. Increased focus on transparency and reporting may also lead to evolving data requirements, so market participants should ensure they have robust data management systems.

Looking ahead, Mahmood anticipates: "Geopolitical risks can accelerate the push for strategic autonomy, where the EU seeks to reduce its dependence on other regions for critical resources, including financial services.

"The heightened awareness of potential risks has certainly created a greater willingness to take decisive action, with a sense of urgency, and as a result, ISLA is ready to play a role in shaping the narrative for the years ahead."

Along with an additional sense of urgency due to the current tariff situation under the new US administration, Riley also sees an opportunity in the SIU, especially following the recent completion of the European Central Bank's exploratory work on distributed ledger technology (DLT) and tokenisation.

He concludes: "Under the deglobalisation that's currently happening through this tariff uncertainty, there is at least a bit of light at the end of the tunnel in terms of how we 'reglobalise' the securities finance industry."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The connector between finance and innovation

Laura Castellanos, securities finance coverage at Wematch.live, speaks with Daniel Tison about the excitement behind anticipating clients' needs and behaviours based on industry-related and macroeconomic factors

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

I began my career as an intern at Wematch in the summer of 2021. At the time, I was in the final year of my master's at IESEG School of Management in Lille, France. When I came across the job opportunity, I was highly motivated to work at a fintech firm and embrace the chance to be part of the transformation of the financial industry, especially during those challenging times when technology and automation were driving change — something I wanted to be part of.

Joining the securities financing industry was another pivotal step in my journey. Unlike many others, my background was in corporate finance, but over time, I developed a deep passion for understanding the markets as well as the various types of products and their complexity.

A couple of months later, I decided to move to London and join Wematch. Since then, I have grown alongside the company, transitioning from an analyst role to a client coverage position, and having the chance to collaborate with colleagues from diverse backgrounds who have shared their extensive knowledge with me.

Last but not least, the leadership and mentorship I have received since my early days at Wematch have been crucial in shaping the professional I am today.

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

As part of the client coverage team with a background in data analysis, I am passionate about understanding the changing dynamics of the market and how I can help clients — primarily traders from financial institutions — optimise their books within the tight regulatory framework we operate in.

What I find most exciting is anticipating their needs and behaviours based on industry-related and macroeconomic factors, which motivates me to enhance market transparency and efficiency through technology and automation. Working as the connector between finance and innovation allows me to contribute to reducing market inefficiencies while building connections that will endure over time.

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

The training and development opportunities at my company have been both exciting and highly rewarding. Unlike in large financial institutions, working in a startup environment means learning on an empirical basis — learning by doing, bringing fresh ideas to the team, and developing problem-solving skills as new challenges constantly arise.

This dynamic approach, combined with the great support of my experienced colleagues whom I have had the opportunity to work with, has allowed me to grow and adapt quickly. On top of that, as the company continues to expand, structured training programmes and courses have become more accessible, covering both technical and personal development skills.

Additionally, regular cross-team meetings provide valuable insights into the organisation at all levels, from juniors to senior leadership. This combination of practical experience, continuous learning, and a strong support network has been key in shaping my professional growth.

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

For me, the most common misconception is that when you are working in the financial industry, you do not have a work-life balance. Despite the fast-paced environment, I have found that regardless of the industry you are in, setting boundaries and finding the right balance depends on each of us.

It is not only about the financial industry — pressure affects every sector — but it is a joint effort between us and our companies to create a better workplace by promoting healthy initiatives, open discussions, forums, and fostering diversity.

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

As I look ahead, I am eager to embrace new challenges, further develop my expertise, and continue contributing to the dynamic evolution of the industry.

Five years may seem far away, but in reality, it is just around the corner. I see myself growing within my company and playing a key role in expanding our business into new regions.

As a native Spanish speaker, I am particularly eager to explore opportunities in Spanish-speaking markets and beyond, helping to drive our global presence. In terms of skill development, I have recognised the increasing need for cross-training across multiple desks and products within financial institutions.

To stay ahead, I am eager to master products such as total return swaps and repo, as this will allow me to bring efficient solutions to clients and stay up to speed with the industry's evolving demands.

Additionally, I want to further develop my soft skills. Networking is not only about the people you meet, but about building meaningful, long-term connections based on trust and time. Strengthening these relationships will be crucial as I continue to grow in my career.

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

First and foremost, be prepared. This industry is challenging, but persistence is key. Stay proactive and take ownership of your growth. As one of my colleagues says, "always keep the front foot forward". Keep learning, developing new skills, and seeking opportunities to expand your knowledge.

If you ever feel stuck, do not hesitate to communicate with your team or manager. Be open to constructive feedback and embrace it as a tool for growth.

Most importantly, be yourself — authenticity will always set you apart. Trying to fit into a mould or impress others by being someone you are not will never be as valuable as letting your unique strengths speak for you.

Success is built through small, consistent steps, so do not let fear or difficult moments dictate your future. And remember, if one door closes, another will open. No matter where you start, make the most of every role, stay adaptable, and never lose sight of where you came from. Your journey is yours to shape!

Laura Castellanos

Laura Castellanos joined Wematch as an intern in 2021 — initially set for six months, it soon evolved into a full-time role, progressing from an analyst to client coverage. Over the past four years, Castellanos worked alongside a team of founders, developers, product managers, sales, and coverage professionals.

During her undergraduate studies at Universidad Externado in Colombia, where Castellanos pursued a degree in finance and international affairs, she set a goal to move abroad. She was passionate about sharing new experiences and knowledge with different cultures, and although it was a big leap — the first one in her family — Castellanos was determined to keep growing and seeking enriching experiences, even if it meant moving 8,000 kilometres away from home.

In terms of hobbies, Castellanos has always been a sporty person. She was part of the athletics team in high school and has continued to stay active by going to the gym regularly.

Kim selected President

The Canadian Securities Lending Association (CASLA) has selected Roanna Kim as its new president, with Mathilda Yared taking on the position of vice president.

Following the association's recent annual general meeting, former president Mary Jane Schuessler stepped down after four years in the role.

Succeeding Schuessler in the role, Kim brings over 20 years of experience in the financial services industry, where she is currently managing director, head of Prime Brokerage at RBC Capital Markets.

In addition, Kim leads diversity and inclusion initiatives as part of the global leadership team of Women in Securities Finance, where she is also co-lead for the Toronto chapter.

Yared is a managing director on the global securities finance desk at National Bank Financial, where she is responsible for co-leading the securities borrowing and lending team.

She started her career at National Bank of Canada in 2007 and has held various positions within the firm in Montreal, New York, and Toronto.

LRH welcomes Frediani

London Reporting House (LRH) has appointed Gabriele Frediani as head of business growth.

In this strategic leadership role, Frediani will spearhead the company's global revenue operations and drive business growth across all markets.

Frediani currently serves at the Liquidity and Sustainability Facility as head of development and market infrastructure coverage for Europe, as well as head of European expansion strategy and execution at BondCliQ.

In addition, he is also a business development advisor at Absolute Collateral.

He says: "Throughout my career, I've been passionate about market structure innovation and delivering solutions that create real value for financial institutions.

“London Reporting House has built a platform that brings huge benefits to the repo markets and its users, and I look forward to working with the talented team here to accelerate growth and enhance our offering to clients."

TD Securities adds Lang

TD Securities has hired Jaclyn Lang as vice president of business development within its prime brokerage team in Toronto.

Lang, who is a Chartered Financial Analyst (CFA), brings nearly seven years of experience in the financial services industry to her new role.

She joins from Scotiabank, where she served as an equity trader on the Global Equities team for more than four years, and a corporate banking analyst for more than a year.

Between 2022 and 2024, she also volunteered as a secretary for the board of directors at the Institutional Equity Traders Association of Toronto.

Lang holds two bachelor’s degrees, in Economics and Mechanical Engineering, from Queen’s University in Kingston, Ontario.

Bunn departs HSBC

Greg Bunn has departed HSBC after two years, where he served as head of securities financing, Americas.

He joined the bank's New York office in February 2023 to lead securities finance for the region after heading institutional markets at Blockchain.com.

Bunn has more than 25 years of experience in the financial sector, holding a number of senior investment and hedge fund positions during his career.

Prior to Blockchain.com, he was global head of counterparty strategy and central funding at Citadel for a year.

He spent almost two decades with Deutsche Bank, taking on several senior roles, including global co-head of prime finance and global head of financial resource management.

Levene joins Clear Street

Clear Street has appointed John Levene as head of its Prime Brokerage business.

Based in New York, Levene brings more than three decades of experience in financial services to his new role.

He joins from Goldman Sachs, where he spent more than 25 years, most recently as a partner, managing director, and head of global banking and markets client experience.

Prior to that, he was a vice president at Salomon Brothers for more than four years.

In the announcement, Clear Street says: "John's longstanding presence in our industry, at the forefront of client service, is an exciting addition to our team as we deliver partnership, support, and technology to institutional clients all over the world."

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