

# Welcome to the Silver Anniversary ISITC Europe Annual General Meeting of 2017

*Digitisation, Regulation, Market  
Change and Efficiency  
- What Next?*

**Gold Sponsors:**

**DTCC**

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**Volanté** The logo for Volanté, featuring the word "Volanté" in a blue sans-serif font, followed by a stylized icon of three orange and blue arrows pointing to the right.

Business Information Agility

**Media Partner:**

**banking  
technology**

# Welcome

Nigel D Solkhon, CEO ISITC Europe

# Interactive App Test #1



- Wi-Fi code **htb17** - BT Openzone network
- Go to [www.menti.com](https://www.menti.com)
- Use code 78 90 15
- Vote!

# Interactive App Test #2

- [www.menti.com](https://www.menti.com)
- Code 78 90 15

# 2015 Financials



	2012	2013	2014	2015
<b>Income</b>	<b>£36,680.00</b>	<b>£30,493.00</b>	<b>£18,390.00</b>	<b>£21,315.00</b>
Membership Fees	£33,500.00	£28,300.00	£18,200.00	£13,800.00
Annual Conference Sponsorship	£3,000.00	£2,000.00	£0.00	£7,405.00
Interest	£180.00	£193.00	£190.00	£110.00
<b>Expense</b>	<b>£36,734.00</b>	<b>£26,605.00</b>	<b>£11,678.00</b>	<b>£20,595.00</b>
<b>Conferences</b>	<b>£12,124.00</b>	<b>£7,926.00</b>	<b>£1,546.00</b>	<b>£12,436.00</b>
Annual Conference Expenses	£7,058.00	£5,944.00	£0.00	£10,144.00
Quarterly Conference Expenses	£666.00	£387.00	£0.00	£0.00
US ISITC Conference Attendance of CEO	£4,400.00	£1,595.00	£1,546.00	£2,292.00
<b>Support</b>	<b>£24,610.00</b>	<b>£18,679.00</b>	<b>£10,132.00</b>	<b>£8,159.00</b>
Administration	£15,000.00	£13,451.00	£4,034.00	£3,798.00
Treasurer	£1,800.00	£1,800.00	£1,800.00	£1,800.00
Insurance	£762.00	£605.00	£605.00	£605.00
Executive Committee Meeting Expenses	£0.00	£180.00	£377.00	£0.00
Working Group Expenses	£3,862.00	£218.00	£1,333.00	£42.00
Accountancy Fees	£1,420.00	£1,630.00	£1,525.00	£1,525.00
Legal	£1,000.00	£0.00	£0.00	£0.00
Digital Fees (Website, email)	£672.00	£231.00	£210.00	£237.00
Sundry Expenses	£69.00	£309.00	£104.00	£27.00
Marketing	£0.00	£200.00	£0.00	£0.00
Postage, stationery etc.	£25.00	£55.00	£144.00	£125.00

2015

Graeme moved careers  
New Agenda started

2016

Year of rediscovery and investment  
Membership numbers increased 100%  
Working Groups well attended  
2 successful General Meetings

# ISITC Europe - Delivering



- ***Industry Dialogue***
  - ISITC Europe responded to **IOSCO** and **ESMA** questionnaires on DLT
  - **DLT** workgroup issued an approach to **Standards/benchmarking** of existing technologies
  - All workstreams have met this year with **Regulation, DLT** and **Industry engagement** meeting most
- ***Exciting Partnerships***
  - **Banking Technology** – Agreement to work together on media and conference facilitation
  - **Oasis-Open** – Agreed an MOU to advance technical DLT standards
  - **Academia** – Formation of the ISITC Europe Academia Forum under Dr Hermann Rapp
- ***General Meetings and AGM***
  - Two **General Meetings** successfully delivered in 2016
  - 2017 is the **25<sup>th</sup> Anniversary of ISITC Europe**
  - **Next General Meeting** already booked for **11<sup>th</sup> May** at **Standard Chartered** – Agenda TBC
- ***Governance***
  - Paul Baybutt replaces Matt Johnson as lead for Industry engagement workgroup
  - Richard Gale to replace David Ewings as lead for Cybersecurity workgroup
  - Richard Young leading Standards
- ***Membership***
  - Over **30 members** of which over **one third** are new members
  - Representation across **Asset Management, Custody, FinTech, Standards bodies and Infrastructures**

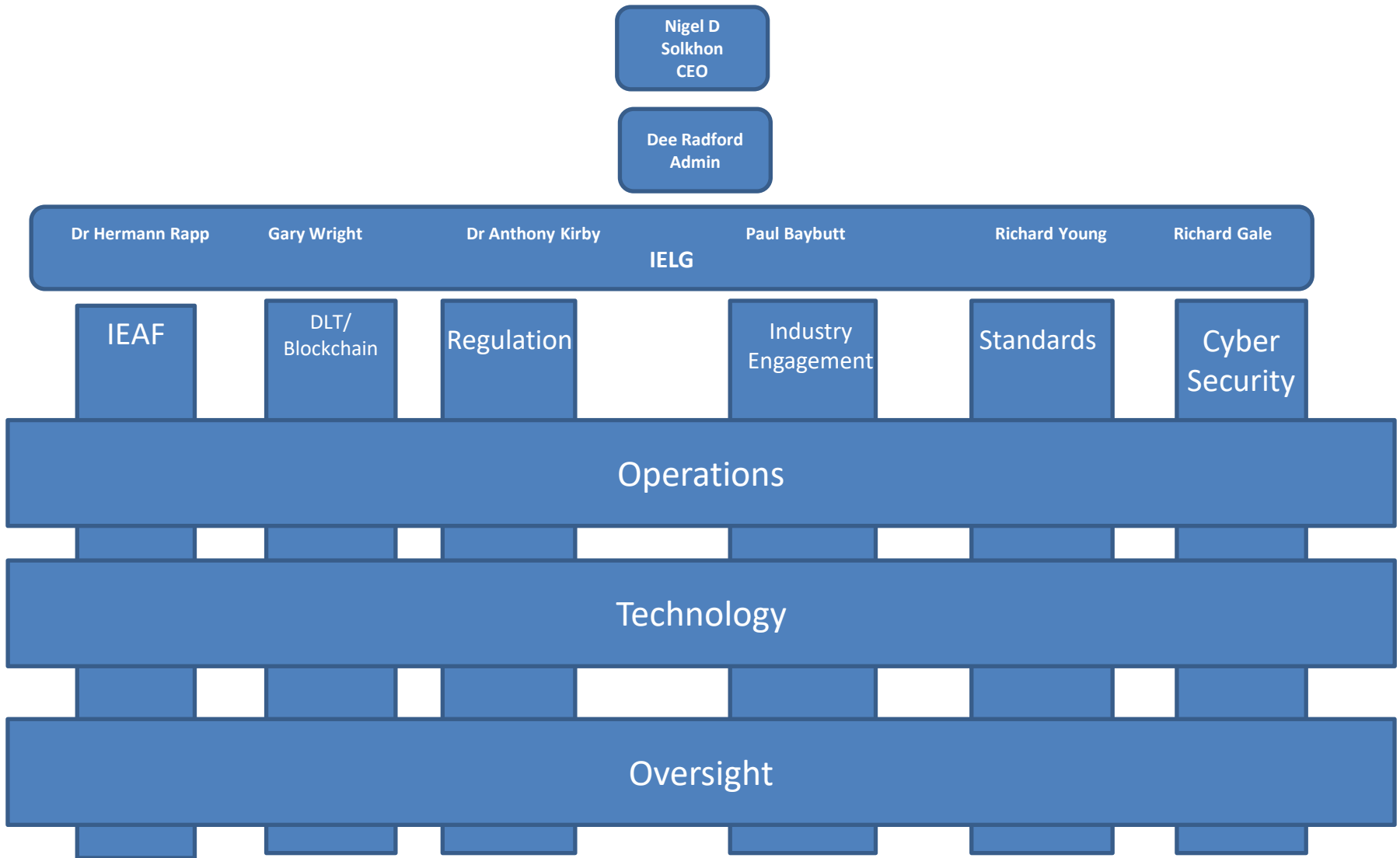
# Members in 2016 – Thank You!



# Governance



*Members have access to all workgroups or can partner with colleagues  
Leaders will look to partner ISITC NAM colleagues to share intelligence*



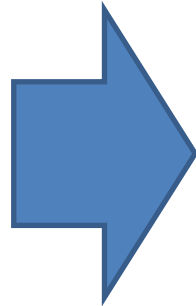


# 1992 - 2017 The Beginning Of The Evolution



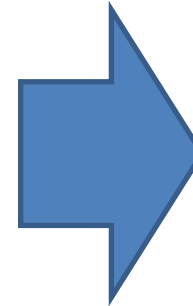
## Past

- Investment Manager/Custodian world dominated by proprietary data delivery systems
- Reconciliation quarterly or even semi-annually
- Settlement periods T+5 and beyond
- No Investment Managers on SWIFT
- Lack of standards
- Increasing x-border trading
- 100's of "Global" Custodians
- No inclusive industry forum
- ETC starting to evolve



## 90's and 00's

- SWIFT (ISO 7775 and 15022/2022 later) messaging enhanced with ISITC codewords/requirements started the automation revolution
- Reconciliation of positions and cash now weekly or even daily through new reconciliation products
- Fund Managers joining SWIFT and also involved in standards development alongside Custodians and Brokers
- ETC becoming automated and complementary standards issued by SWIFT
- Fix being introduced for IOIs and eventually Orders
- Fund standards to the fore
- ISITC in all Continents



## The Promise

- DLT
- Real Time Settlement
- Regulators accessing reports as and when required from DLT
- No ETC as all trades are allocated and accepted on the DLT
- Asset servicing end to end via digitised assets
- New products based on digital currency
- Access to all fragmented DLTs through common standard interfaces
- DLT for trading?
- Fx?

*Without ISITC STP would still be an oil brand!*



# Annual General Meeting Agenda 2017



08:30-09:30	<b><i>Registration with tea &amp; coffee</i></b>
09:30-10:00	<b><i>Welcome and Introduction - Nigel D Solkhon, Citi and CEO ISITC Europe</i></b>
10:00-10.30	<b><i>Keynote - Dr Kay Swinburne, MEP Member of Economic and Monetary Affairs</i></b>
10:30-11:00	<b><i>Coffee and Networking</i></b>
11.00 -11:40	<b><i>Super-convergence and cognitive technology – a new ecosystem which will challenge us all</i></b> <b>Markus Ruetimann, Chief Executive - Global Advisory Practice, Hardy London Limited</b>
11:40 -12.30	<b><i>Industry Panel Debate</i></b> - Led by Dr Anthony Kirby, Head of Regulatory Reform at Ernst & Young <b>Pinar Emirdag, Technologies &amp; Market Structures and Ex LSE</b> <b>David Williams, Partner, Banking &amp; Capital Markets Advisory at Ernst &amp; Young</b> <b>Targ Patience, Director at Tesseract Consulting</b> <b>Tony Freeman, Industry Relations at DTCC</b>
12:30 -13:00	<b><i>ISITC US update</i></b> - Erica Choinski, Vice President at Brown Brothers Harriman & Chair of ISITC US
13:00 -14:00	<b><i>Lunch and Networking</i></b>
14:00-14.45	<b><i>Current state of Distributed Ledger Activity from the Suppliers</i></b> - Led by Antony Peyton, Deputy Editor at Banking Technology <b>Keith Bear, VP Financial Markets at IBM</b> <b>Jason Nabi, Global Head of Business Development &amp; Head of EMEA at Paxos</b> <b>Gavin Wells, Head of Europe at Digital Asset</b>
14:45-15.20	<b><i>Political and regulatory challenges Panel Debate</i></b> - Led by Gary Wright, B.I.S.S Research <b>Dr Kay Swinburne, MEP Member of Economic and Monetary Affairs</b> <b>Mark Yeandle, Associate Director at Z/YEN</b> <b>Paul Symons, Director Industry Relations at Euroclear</b> <b>Gergely Polner, Head of Europe Public Affairs at Standard Chartered</b>
15:20-15.45	<b><i>Coffee and Networking</i></b>
15:45-16.30	<b><i>Leadership Panel Debate</i></b> - Led by Dr Hermann Rapp, Chair, ISITC Europe Academic Forum <b>Fiona Hamilton, Vice President Europe and Asia at Volante Technologies</b> <b>Nigel D Solkhon, Citi and CEO ISITC Europe</b> <b>Chris Smith, Head of Post Trade Services at Trax</b> <b>Tony Freeman, Industry Relations at DTCC</b>
16:30 -16.45	<b><i>ISITC Recognition Awards 2017 and Raffle draw (iPhone 7)</i></b>
16:45-17.00	<b><i>Closing remarks</i></b>

# Keynote

Dr Kay Swinburne  
MEP Member of Economic  
and Monetary Affairs

# Coffee And Networking

Please be back for 11:00

# **Super-convergence and cognitive technology - A new ecosystem which will challenge us all**

Markus Ruetimann, Former Group  
Chief Operating Officer at  
Schroders plc



## ISITC Europe

### Super convergence and cognitive technology

Markus H Ruetimann, Chief Executive  
London, 26<sup>th</sup> January 2017

# Asset Management - disruptive opportunities

- **RoboWealth**
  - Website providing access to holistic financial/investment solutions
  - On-line goal-orientated and risk-calibrated questionnaire
  - Use of standard investment models and/or investment vehicles
- **RoboAdvisor**
  - Online service to provide financial planning
  - Offer low cost investment advice
- **Peer-to-peer lending**
- **Crowd Investing**



# Asset Management – emerging trends

- **Smart-Beta** and **factor ETFs** blurring the lines between active and passive
- An emerging “**new active**” investment proposition
- **Investment outcomes** and **solutions** prevailing over building blocks
- “**Quantopia**” for investment strategies and business decisions
- **Technology** enhancing investment and operational alpha





- **Predictive machine learning**
  - Stock selection
  - Asset allocation
  - Portfolio construction
  - Risk analytics
- **Multiple forms of AI**
  - Super-algo (algorithms that learn)
  - Data curation (internet of things, social media, global search engine, electronic commerce)
  - Probabilistic logic
  - Genetic evolution
- **Quantopia**



# Asset Management – coming of age

- **Leadership**
  - Inclusive and agile leadership structures
  - Employees as shareholders (equity not bonus)
  - Global mobility of highly-specialised talent
  - Quantitative decision making (data insights)
- **Operating Model**
  - Client-centric ubiquity
  - Platform “as a fortress” in a mobile and digital world
  - New distribution models
    - Digital platforms (shared, exclusive)
    - RoboChannels
  - Digital enterprise
    - Digital client interface
    - Digital enterprise knowledge sharing
    - Digital employee workplace



- **Digital Client Experience**

- On-line, real-time access to portfolio data via mobile devices
- On-demand customised data

- **Client Demands**

- More warranties from asset managers and service providers
- Transparent rate cards (including 3<sup>rd</sup> parties)
- Fees based on “value sharing”

- **Client Data Curation**

- Digital profiling
- Insights from multiple-sources
- Targeted product development

- **Client Communication**

- clear, relevant, simple
- no jargon



# Industry jargon – a bit of fun...



# Global Securities Services – ready or not

- **Client demands**
  - services, data, technology and liability management (depository)
- **Client engagement**
  - digital, real-time, customised data, activity tracking
  - shared learning (operational inefficiencies)
- **Human vs. machines**
  - technology spend for process/data augmentation and automation
- **Competition vs. collaboration**
  - compete with USP
  - collaborate for anything else





# Financial Services – key trends

- **Client engagement models** need to evolve to accommodate investment-, market- and technology savvy investors
- **Investment solutions** becoming more risk-aware to portfolio construction and asset allocation (the new active)
- **Artificial intelligence and robotic solutions** requiring the reskilling of large parts of our current talent pools

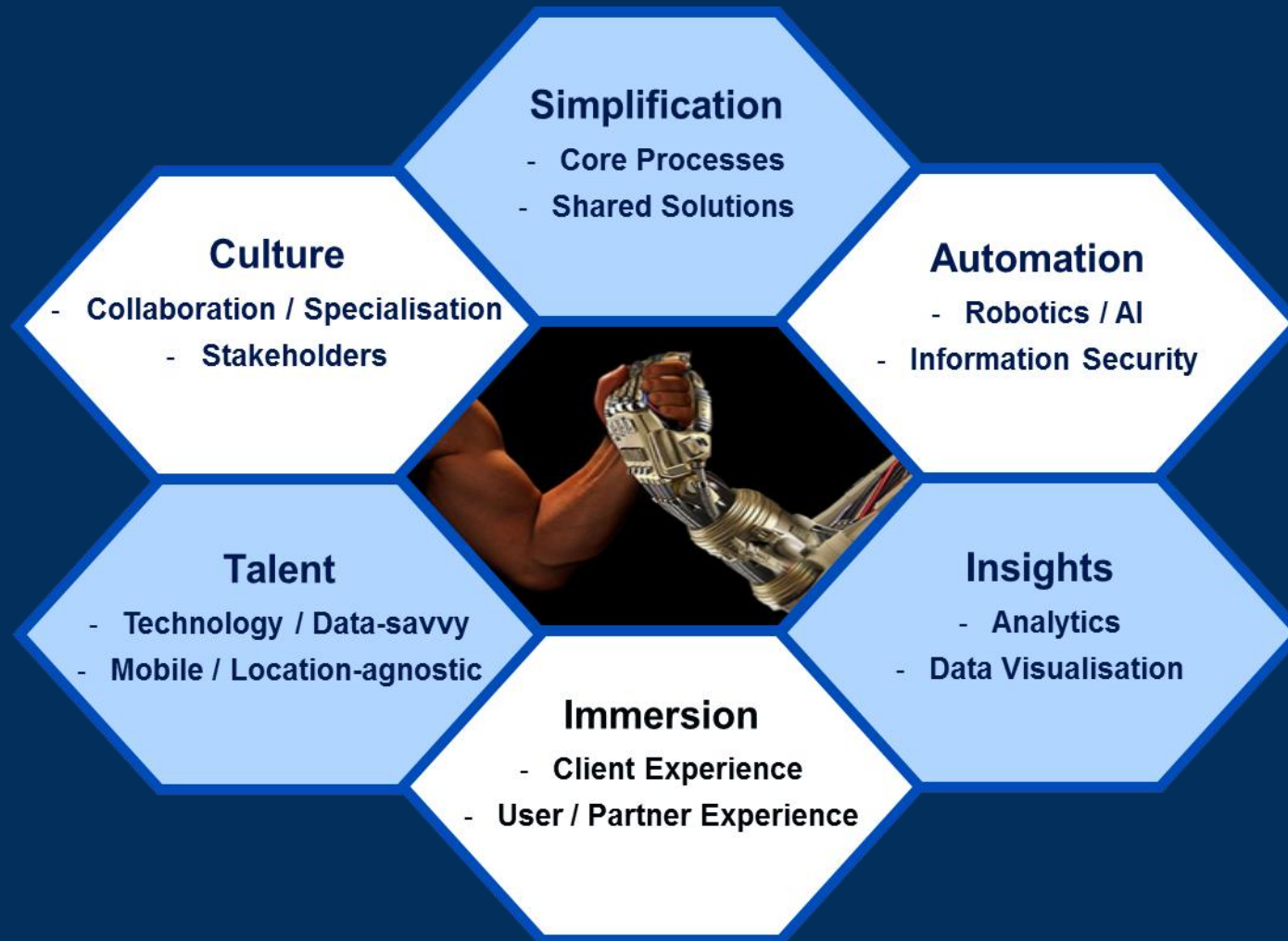


## Financial Services – key trends (cont.)

- **Cybercrime** and **cyber terrorism** representing the biggest threat to our industry (and potentially to the world-wide-web)
- **Declining profitability** emphasising the need for collaborative market infrastructure developments / improvements (super convergence)
- **Success** still based on talent, technology and team (culture)



# Strategic priorities for success





**A prosperous, but unpredictable future...**



**“Due to recent cutbacks, the light at the end of the tunnel has been temporarily turned off...”**





## Q & A Session

# Super convergence and cognitive technology

Markus H Ruetimann, Chief Executive  
[www.hardylondon.com](http://www.hardylondon.com)

# Industry Panel Debate

Moderated by Dr Anthony Kirby, Head of Regulatory Reform at Ernst & Young

- Pinar Emirdag, Technologies & Market Structures and Ex LSE
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# ISITC US Update

Erica Choinski, Vice President at  
Brown Brothers Harriman & Chair  
of ISITC US



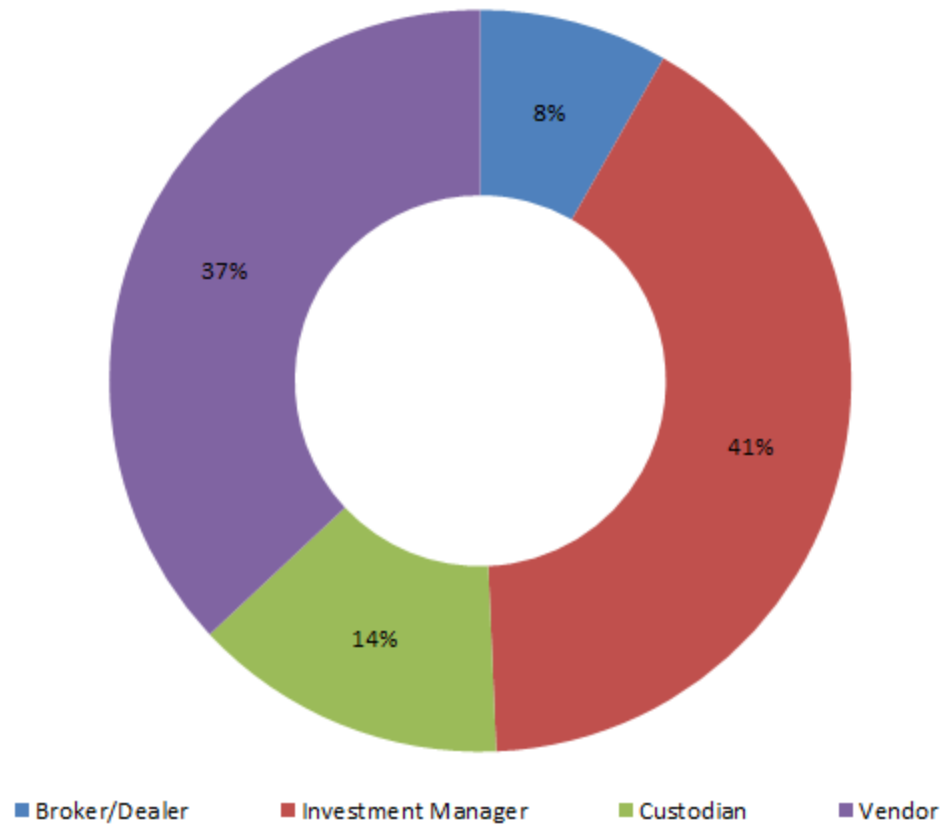
# ISITC NA Update

Erica Choinski, Chair



# Membership

2016 Membership – 73 Firms





# 2017 Board of Directors

Chair:	Erica Choinski, Brown Brothers Harriman & Co.
Vice Chair:	Malene McMahon
Secretary:	Salome Winge, Northern Trust Co.
Treasurer:	Lisa Iagatta, Fiserv

## General Members

### Broker/Dealer:

Evelyn Galeano, Standard Chartered Bank  
Paul McSherry, Liquidnet  
Carissa Warner, Morgan Stanley

### Custodian:

Jason Brasile, State Street  
Erica Choinski, Brown Brothers Harriman & Co.  
Lori Givens, BNY Mellon  
Krista Scharfenberger, BNY Mellon  
Salome Winge, Northern Trust Co.

### Investment Manager:

Louis Rosato, BlackRock  
Jason Ward, Fidelity Investments

### Vendor/Utility:

Paul Fullam, FIS Global  
Kirstin Hochstein, Thomson Reuters  
Lisa Iagatta, Fiserv  
Ana Lotharius, DTCC  
Malene McMahon



# Organizational Structure

## Forums

Broker/Dealer

Global Custodian

Investment Manager

Middle Office

Regulatory

Vendor/Utility

## Working Groups

Corporate Actions

Derivatives

Margin & Collateral

Reconciliation & Reporting

Reference Data & Standards

Securities Lending

Settlements





# 2017 Goals

## Content

- Regulatory Initiatives
- Technology Changes

## Membership

- Increase by 5%
- Global Collaboration

## Leadership

- Strategic Plan
- Meeting Structure



# Calendar of Events

23rd Annual Vendor  
Show

March 26, 2017

Boston, MA

June 2017 Industry  
Forum & Working Group

June 4, 2017

Coronado, CA

September 2017 Industry  
Forum & Working Group

September 17, 2017

Baltimore, MD

December 2017 Industry  
Forum & Working Group

December 3, 2017

Palm Beach, FL



# For More Information

Please Visit

[www.isitc.org](http://www.isitc.org)

## **Lunch and Networking**

Please be back for 14:00 sharp

# **Current state of Distributed Ledger Activity from the suppliers**

Moderated by Antony Peyton, Deputy Editor, Banking Technology

- Keith Bear, VP Financial Markets at IBM
- Jason Nabi, Global Head of Business Development & Head of EMEA at Paxos
- Gavin Wells, Head of Europe at Digital Asset

# Audience Question



- [www.menti.com](https://www.menti.com)
- Code 78 90 15

# **Political and Regulatory challenges panel debate**

Moderated by Gary Wright, B.I.S.S Research

- Dr Kay Swinburne, MEP Member of Economic and Monetary Affairs
- Mark Yeandle Co-founder of ZYEN
- Paul Symons, Director Industry Relations at Euroclear
- Gergely Polner, Head of Europe Public Affairs at Standard Chartered

# Audience Question



- [www.menti.com](https://www.menti.com)
- Code 78 90 15



# Coffee And Networking

Please be back for 15:45

# Leadership panel debate

Moderated by Dr Hermann Rapp, IEAF Working Group Leader –  
ISITC Europe

- Fiona Hamilton, Vice President Europe and Asia at Volante Technologies
- Nigel D Solkhon, Citi and CEO ISITC Europe
- Chris Smith, Head of Post Trade Services at Trax
- Tony Freeman, Industry Relations at DTCC

# **ISITC Europe Recognition Awards 2017**

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**Graeme Austin  
CEO ISITC Europe 2010 - 2015**

# **ISITC Europe Recognition Awards 2017**

**David Ewings**  
**IELG Member 2003 - Present**

## **Wrap up and Close**

Nigel D Solkhon, CEO ISITC Europe

# Today



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# Future



- [www.menti.com](https://www.menti.com)
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**Thank You &**

**Drinks Reception  
Sponsored by ISITC Europe**

**Contact us:**

**[admin@isitc-europe.com](mailto:admin@isitc-europe.com)**

**[www.isitc-europe.com](http://www.isitc-europe.com)**