SLT SECURITIESLENDINGTIMES

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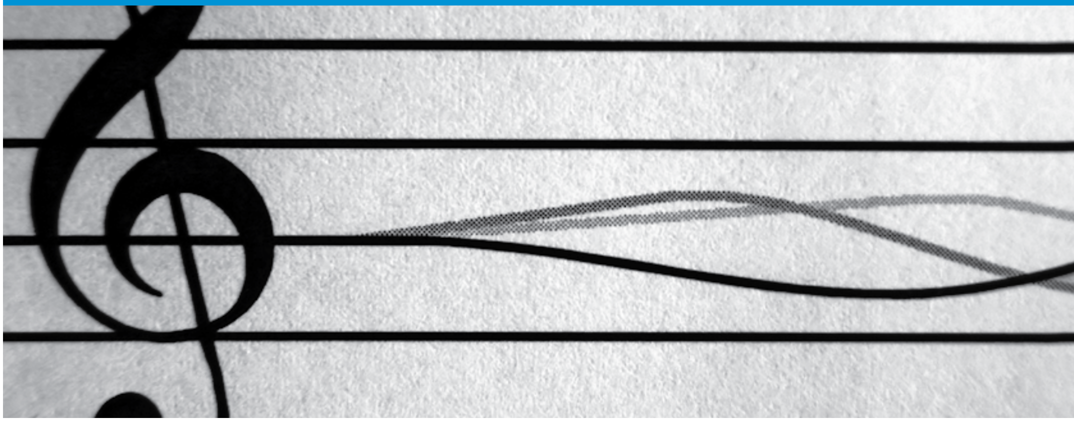

ISLA looking for harmony

BERLIN 23.06.2010

The International Securities Lending Association (ISLA) is urging consistent and proportionate regulation for short selling, in response to a current European Commission (EC) consultation exercise. The EC is consulting on measures that enable authorities to restrict or ban short selling temporarily in emergency situations, increase transparency to regulators and the market about short selling positions and reduce settlement risks of uncovered or naked short selling.

ISLA believes short selling is a legitimate and important investment activity, which enhances price discovery, counteracts supply/demand imbalances and also provides liquidity to the market. While in agreement with the EC's desire to see consistent regulations across Europe, ISLA believes recent and proposed regulatory interventions are inconsistent and disproportionate to the risks being addressed.

Speaking at ISLA's 19th annual conference in Berlin, Kevin McNulty, CEO of ISLA, said: "It is counter productive for European securities regulators to unilaterally impose short selling restrictions, given the desire for a harmonised approach to regulation. Our members want proportionate and consistent regulation across Europe, given the material costs and increased complexity of complying with different regimes and potential negative impact on efficiency of markets."

Whilst ISLA agrees that naked short selling could be restricted, it also believes the actual systemic risk of naked short selling in Europe is minimal. Exchanges already have mechanisms to penalise persistent non-settlement of securities and evidence suggests the vast majority of trades settle on or close to their intended date.

In contrast to the proposed solution of the Committee of European Securities Regulators (CESR) for a pan-European disclosure regime covering short selling in all listed shares, ISLA recommends private disclosure of short positions to the regulator and subsequent publication of aggregate short positions on an anonymous basis.

In agreement with CESR, ISLA believes that market making firms should be exempted from disclosure requirements. However, ISLA also recommends that firms engaged in capital markets activities and who hedge underwriting via short selling, should also be exempted.

NEWSINBRIEF

Risk adjusted returns

Data Explorers has launched its Risk Adjusted Returns product. The Risk Adjusted Returns framework is a set of analytics that highlights the main sources of securities lending programme risk and return across multiple dimensions and peer groups.

Don D'Eramo, senior managing director and head of business for EMEA, State Street commented: "We welcome this initiative to foster a greater understanding of risk adjusted returns and peer analysis for owners and agents alike".

readmore p2

Collateral cooperation

Clearstream, the international central securities depository (ICSD), and CETIP, the Brazilian CSD which operates the leading marketplace for fixed income securities and over-the-counter (OTC) derivatives in Latin America, have signed an agreement to jointly develop, promote and distribute triparty collateral management services.

The agreement paves the way for a multi-time-zone collateral management insourcing offering in real-time and is in line with the observed trends towards a global consolidation of collateral management activities. The new service will provide CETIP's clients in their time zone with the opportunity to have access to the collateral management pioneering services of Clearstream focusing initially on the collateralisation of OTC derivative exposures managed via CETIP.

readmore p2

INSIDE SECURITIESLENDINGTIMES

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Risk adjusted returns

continued from p1

David Carruthers, segment director at Data Explorers added: "Developed in consultation with the industry, our new Risk Adjusted Returns framework helps owners understand not only where they are making money, but also how they are making money. In a first for our industry, owners can benchmark their unique programme signature against their chosen peer group. Equally, this framework provides custodians and agents with a simple and powerful way of demonstrating effective programme management to their clients."

The Risk Adjusted Returns framework is designed to be a new and transparent industry standard that is the result of extensive consultation with owners, agents and custodians over the past 18 months. The resulting set of graphical analytics shows beneficial owners the main sources of programme risk and return across many dimensions and potential fault lines, providing at a glance summaries of programme strengths and weaknesses.

Collateral cooperation

continued from p1

In a first phase, the Triparty Collateral Management Services will enable Brazilian participants to mobilise assets eligible at CETIP and SELIC, the central depository of securities issued by the National Treasury and the Banco Central do Brasil, and a DVP settlement system for outright and repo transactions with these securities. It is envisaged to eventually target assets eligible at Clearstream in order to fulfil their collateral obligations out of one virtual collateral pool. This service will be offered on a fully automated basis incorporating auto-allocation, auto-substitutions and optimisation of the underlying collateral. Both parties plan to further extend the service range in the space of collateral management over the coming years to further strengthen the value proposition for the Brazilian market. Clearstream is a leading service provider in Liquidity and Collateral Management in Europe with monthly average outstanding, averaging €509.6 billion in May 2010. CETIP is the market leader for the registration of OTC derivatives in Brazil and will extend its offering to include optional exposure matching and calculation services.

Luiz Fernando Vendramini Fleury, CEO of CETIP, said: "The Triparty Collateral Management Services established with Clearstream is a pioneering and best-practice solution for the Brazilian OTC derivatives market. It will notably enable a streamlined risk mitigation so demanded by the Brazilian Capital Markets. Moreover, CETIP and Clearstream expect to strengthen this cooperation by developing further projects of mutual interest which may go beyond the area of collateral management."

Jeffrey Tessler, CEO of Clearstream, said: "This cooperation will allow CETIP's clients to benefit from the unique service range in Clearstream's Liquidity Hub. This service will improve efficiency in the area of exposure collateralisation and help Brazilian customers to further strengthen their risk profiles across their activities. The wide range of services, the high degree of automation coupled with the 'open architecture' concept of the Liquidity Hub supported this agreement which paves the way for further collateral insourcing initiatives across the globe."

ING builds new SPS team

ING's Global Securities Finance (GSF) team has hired Colin Bugler to head its new Synthetic Portfolio Solutions (SPS) team, reporting to Richard Pryce, head of equity lending & repo.

The creation of the new SPS team, which incorporates the established CFD offering, is part of ING's growth plan for its GSF business. Bugler's remit will be to enhance ING's position as a strong provider of securities financing products to hedge funds, as well as expanding the range of products offered.

"Hedge funds are seeking greater credit diversification among their providers of both traditional prime brokerage and synthetic products. In addition, the market access ING can provide to emerging markets via its international network and broad product offering means we have a compelling proposition to offer hedge funds", said Michael Baudo, co-head of ING's Global Securities Finance business.

Bugler has extensive prime brokerage experience, most recently as head of global prime brokerage and equity finance at RBC Capital Markets. Prior to RBC, he held a similar position at Scotia Capital and previously spent 11 years in London with Merrill Lynch as head of international prime brokerage & securities lending and with HSBC as head of CFD trading.

J.P. Morgan goes Nordic

J.P. Morgan has become the first non-Nordic custodian for the NASDAQ OMX Derivatives Markets. The company will provide collateral management agency services for the cash and securities with which member firms collateralise their derivatives trades.

"We are very pleased to be able to offer J.P. Morgan as a custodian solution to our customers. As the first non-Nordic custodian, J.P. Morgan's global reach will offer an excellent complement to the existing custodians that already serve our Nordic derivatives market," said Hans-Ole Jochumsen, executive vice president at NASDAQ OMX and president of NASDAQ OMX Nordic.

Through J.P. Morgan's collateral management program, clients can select any NASDAQ OMX-eligible asset class and market, optimising their complete collateral inventory intraday. Information reporting, inquiries and transaction services are available via web-based tools that increase visibility into collateralised assets and automated processes that enhance risk mitigation.

Kelly Mathieson, global business executive for J.P. Morgan Clearance and Collateral Management, said "We've had an established presence in the Nordics for more than two decades and, as a global provider, are uniquely positioned to support NASDAQ OMX's member firms in the region. The relationship with NASDAQ OMX is a natural extension of the services we provide to other European and global exchanges and clearing houses."

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Changing hedge fund models debated

A new study has been released, which examines the changing business model of securities financing for hedge funds in 2010 and beyond. The study was published by Pershing, a BNY Mellon company.

Hedge funds are currently being offered new avenues to satisfy their financing needs, driven in part by a divergence in business models between large and small prime brokers. *Lending and Leverage: The New Securities Finance Model for Hedge Funds,* which was developed with Finadium LLC, draws on proprietary investor surveys, as well as primary and secondary research, to provide insights into changing investor attitudes and an evolving regulatory environment. It also offers guidance on how hedge funds can execute successful lending programs for the future. Key topics include:

Hedge funds face a mixed climate. Institutional investors are reasonably comfortable with leveraged investing today, though investor opinion about hedge funds and leveraged investing remains mixed. In a recent Finadium study of 92 U.S. public pension plans, including 25 focused interviews, 56 per cent of pension funds reported having at least some investments in hedge funds or 130/30 vehicles. This does not represent, however, a wholehearted acceptance of leveraged investing. Many pension fund managers cited their personal dislike of leveraged investing, even though their institutions were invested in hedge funds.

Investor and regulatory changes forced the evolution. The market turmoil of 2008 served as a catalyst for changes to the prime brokerage industry, and the decision by many global regulators to suspend short selling in 2008 created major disruptions in the prime brokerage business model. This resulted in the curtailing of client short selling in less liquid issues - the most profitable segment of the business for both hedge funds and prime brokers. As the ruling to avoid naked short sales has been made permanent, hedge funds and prime brokers have made the appropriate adjustments in their practices, and they are aware of greater possible changes in market structure.

Securities lending remains the key differentiator. While the number of prime brokers has increased, access to securities lending inventory through retail and institutional programs remains a key differentiator for hedge funds in the current competitive marketplace. Securities loans may not be as important to hedge funds today as they were in 2008, however, it is expected that securities lending will return to center stage over the next several years.

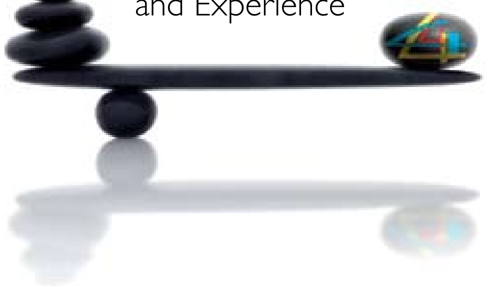
Investors are demanding greater transparency. Leveraged investing continues to be seen as a murky area full of risk and unintended consequences. Transparency in securities lending pricing creates a more productive relationship between hedge funds and their prime brokers, and it offers hedge funds new opportunities to attract investors.

Prime brokers remain critical service providers for hedge funds. A hedge fund's best ally in obtaining fairly priced securities loans or synthetics will be its prime broker. The critical point in choosing a prime broker is ensuring that the fund's and prime broker's interests are aligned; if one party looks for transparency while the other does not, regular conflicts will arise. If both parties look to capitalise on the best-priced, most accessible means of completing a trade, then both parties will benefit by creating a lasting relationship.

"The major challenge for hedge funds of all sizes continues to be access to hard-to-borrow securities. A prime broker with access to inventory, whether through electronic markets, retail pools or relationships with institutional lenders, is critical," said Craig Messinger, managing director of Pershing Prime Services. "Forging a strong operational relationship with a prime broker is critical to a hedge fund's success, regardless of where securities loans are sourced."

Josh Galper, managing partner of Finadium stated: "Going forward, hedge funds will need to spend more time focusing on the costs and means by which they obtain securities loans. As more transparency enters the securities lending market, investors are looking for hedge funds to demonstrate an ability to secure the best financing for their trades. This in turn places a greater emphasis on how funds source securities lending inventory and how they manage their prime brokerage relationships."

Balancing Innovation
and Experience



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From all of us in the Euroclear Collateral Management Team: Frank, Maria, Fouad, Cédric, Jose, Deirdre, Olivier and Leonardo.

Frank Reiss	frank.reiss@euroclear.com – +32 2 326 1586
Maria Carina	maria.carina@euroclear.com – +32 2 326 1572
Fouad Estephan	fouad.estephan@euroclear.com – +32 2 326 4827
Cédric Gillerot	cedric.gillerot@euroclear.com – +32 2 326 4788
Jose Ribeiro Duarte	jose.ribeiroduarte@euroclear.com – +32 2 326 4310
Deirdre Landers	deirdre.landers@euroclear.com – +32 2 326 9240
Olivier de Schaetzen	olivier.deschaetzen@euroclear.com – +32 2 326 2884
Leonardo Calcagno	leonardo.calcagno@euroclear.com – +32 2 326 2707

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BNY Mellon wins Goldman Sachs mandate

BNY Mellon has been chosen by Goldman Sachs International (GSI) to provide a segregated sub-custody service to GSI's prime brokerage clients through Montague Place Custody Services (MPCS).

Through the service, MPCS will utilise BNY Mellon to hold and safekeep its clients' assets in certain key markets while continuing to maintain GSI's prime brokerage and trading relationships.

"Prime brokers are looking to trusted providers like BNY Mellon to deliver a seamless offering that will safeguard their clients' assets and meet their needs in a changing market and regulatory environment," said James Malgieri, CEO of BNY Mellon Broker-Dealer Services.

"This is in direct response to hedge funds that are increasingly seeking to diversify counterparty risk while continuing to deal directly with their prime brokers."

BNY Mellon Broker-Dealer Services looks after more than $1.5 trillion in tri-party balances worldwide. It also clears fixed income and equity transactions in more than 100 markets globally and is the leading clearing agent for U.S. Government securities.

Goldman Sachs International (GSI) has established Montague Place Custody Services (MPCS), an independent entity that is authorised and regulated by the FSA. MPCS provides for the safekeeping and custody of client securities and cash and has been designed to survive a GSI insolvency. MPCS has independent office space, technology and general infrastructure support as well as employees solely dedicated to the business in the event of a GSI insolvency. MPCS holds its client securities and cash with a comprehensive global network of sub-custodians and agent banks, including BNY Mellon.

James Slater appointed COO at BNY Mellon Asset Servicing

BNY Mellon Asset Servicing has appointed James Slater to the newly created role of managing director and chief operating officer for Global Securities Lending.

Slater will report to Kathy Rulong, executive director of Global Securities Lending, and will provide strategic direction for core securities lending functions, including securities trading and product development. Other key responsibilities include coordinating all department operations, execution across business sectors, and interfacing on risk identification and compliance. Slater will be based in Pittsburgh and also work out of offices in New York, London and Hong Kong.

Slater has 20 years of experience in the financial services industry and was most recently senior vice president at CIBC Mellon, a joint venture between CIBC and BNY Mellon, responsible for its global securities lending, treasury and cash management operations. He was a member of the company's executive management committee. Slater has been with CIBC Mellon since its inception in 1996 and was a key contributor to the formation of the joint venture.

"Securities lending has undergone a fundamental transformation the past three years, and James' wealth of experience will help BNY Mellon continue to strengthen its lending program while we meet our clients' and borrowers' changing needs," said Rulong. "The new COO position will further the steps we've already taken to introduce best practices, improve operating efficiency, and leverage BNY Mellon's extensive global presence and product capabilities. James will be a tremendous asset to me and our worldwide team."

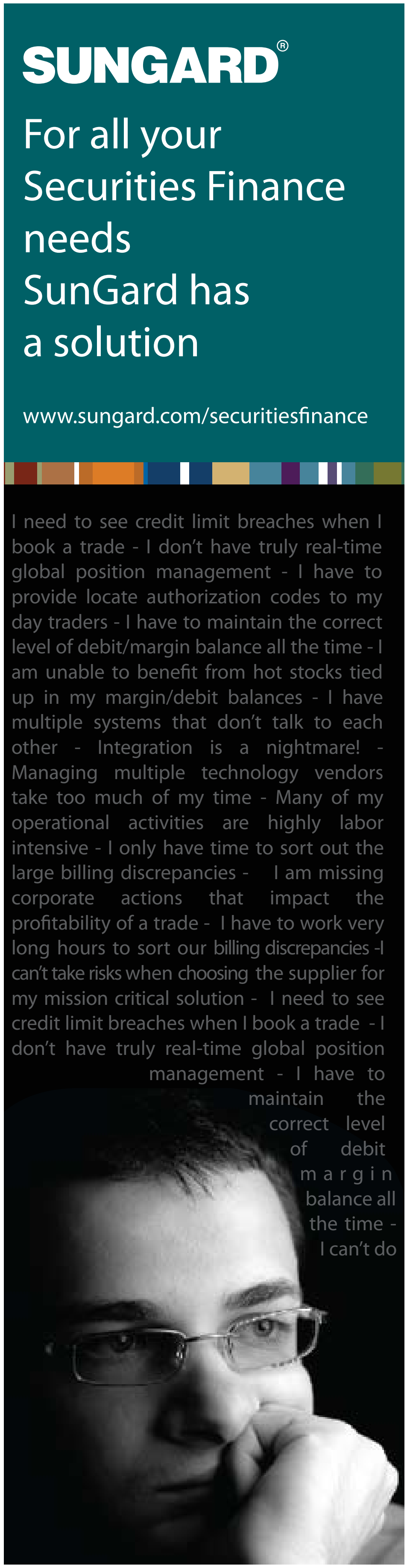
Slater also will continue to provide strategic direction to CIBC Mellon's securities lending program.

Louis Capital Markets expands GSF team

Louis Capital Markets has appointed Deepak Lakhani to its global securities financing services team. He reports to Massimo Bertoni, the head of the desk.

Lakhani, based in London, will be covering all markets and all instruments. He said: "I have the mandate to explore all opportunities in the global securities financing arena. I am very excited about this new role."

He arrives from Euroclear, where for five years he worked as a director in the collateral management tri-party sales team.



In Association

CASLA President Robert Chiuch speaks to *Securities Lending Times* about the association's role, Canada's strengths and the uncertainty over forthcoming regulation

SLT EXCLUSIVE

Tell me about the founding of CASLA last year, and your role in it

To be absolutely precise, though CASLA was founded officially last year, it had been operating on an ad hoc basis for years. The key agent lenders in Canada (CIBC Mellon, RBC Dexia, State Street and Northern Trust) recognised years ago that there were items of common interest that we should probably be collaborating on for the benefit of industry participants.

You could count amongst our earliest achievements the successful lobbying for the prescribed market rules in Canada, and also for a revised treatment of withholding tax on cross border rebates. As the scope and breadth of our priorities grew, we determined that it was time to officially organise, and so it was more of a natural next step. Canada needed a voice and so we took that next step.

We spoke to Data Explorers and determined that between the four largest agent lenders in Canada we had over 95 per cent of the agent lending market in Canada. We decided that was sufficient to move forward as an ad hoc group before forming the association officially. When we formally organised, we held an election, and then I was appointed president. The other founding members are from RBC Dexia, Northern Trust and State Street. Christopher Steeves, formerly of Fraser Milner Casgrain, now at Fasken Martineau DuMoulin LLP and current CASLA secretary, kindly donated his legal services.

What is the association's role and what have you been doing since you formed?

A key part of our mandate is to help educate stakeholders on the business of securities lending, and the merits of it. We also aim to align goals and keep everybody rolling in the same direction, which includes practitioners, policy makers and regulators. Over time, I think that is going to be of increasing importance. In summation, you could say that we advocate on behalf of the industry and those involved.

Upon officially founding CASLA, we recognised that we needed to reach a broader audience, because the notion of educating practitioners within the industry is limited (because practitioners are directly participating in the industry and have a strong understanding of the practice). So, when we launched CASLA officially we began a deliberate strategy to increase the scope of participation within the association, and we did that by inviting indirect market representation. For instance, we have legal, tax, and hedge fund experts as members of the association in an executive capacity.

What effect did the global downturn have on the industry in Canada, and what involvement did CASLA have in dealing with that?

Canada obviously didn't feel the same kind of pain as other jurisdictions did, largely due to the fact that we weren't playing in the same space. Roughly 25 per cent of the collateralised securities lending business in Canada was cash, and it wasn't hugely leveraged, so we didn't experience the same kind of reinvestment risk, nor the impact of that on the market that other jurisdictions did.

Looking ahead, certainly I think there's a bigger focus on risk adjusted returns, as well as collateral types and their relative concentration limits in a portfolio. I think operating costs and complexity are definitely rising. It's a common theme with a lot of the change that's going on. Certainly headline risk and reputation risk is on everyone's radar, and relationship management has arguably never been more important:

knowing your counterpart and understanding their business. So I think it's fair to say that the key to all this is understanding all the intended and unintended consequences of everything that's happening around you, distilling some of those complexities educating your stakeholders and having meaningful dialogue around them.

What kinds of links do you have with other international associations, and what kinds of assistance do you give and receive from others in your position around the world?

Many of the individuals who work with various other international associations are industry practitioners and often clients. So, not only are we collaborating at the association level but we're also doing business together every day.

We're very much in tune with each other's issues, which paves the way for a good working relationship with the associations.

CASLA reached out as an ad hoc to the other associations for help and advice in forming an official association, so that we could perhaps avoid some of the challenges that they experienced early in their formation. And they were all very willing and supportive in sharing information and helping us moving that along.

Currently, we have great dialogue and relationships with them. I guess the one differentiator is that each jurisdiction has elements that are specific to it, and that's why cooperation is so important: to understand the differences between jurisdictions, and react to each other.

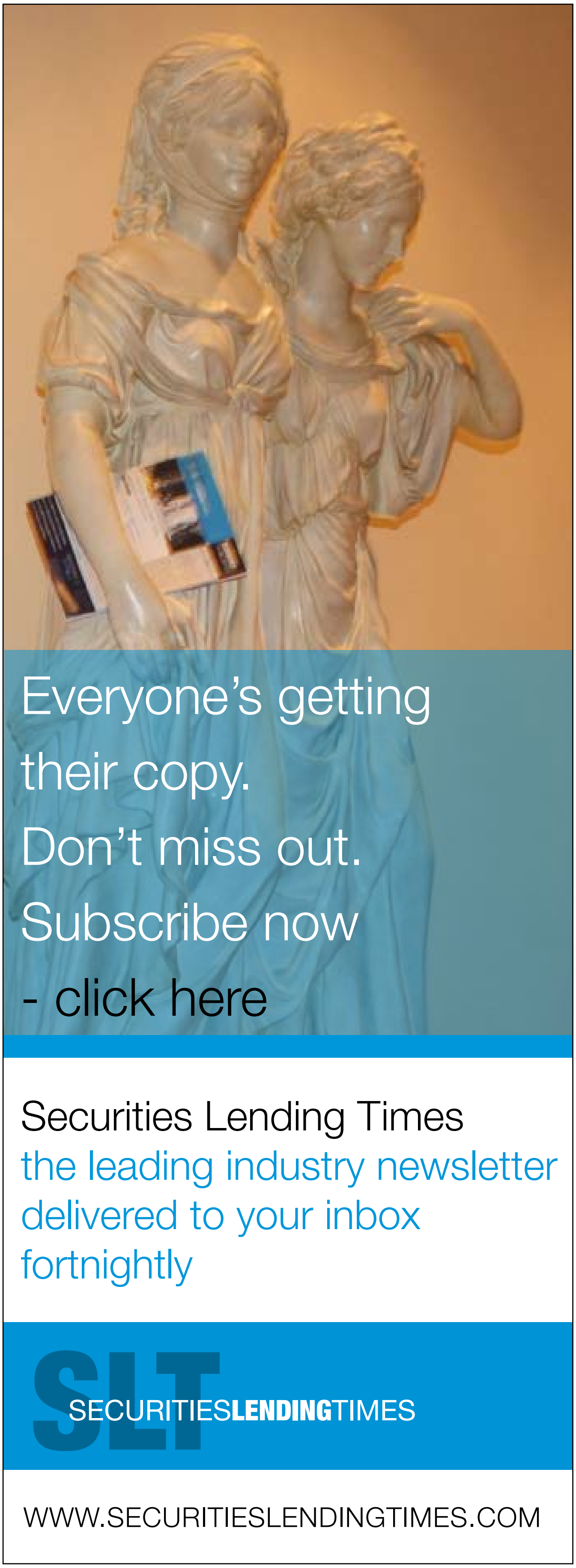
Is there a need or a desire for greater regulatory harmony across jurisdictions, and is it likely?

Well, regulatory harmony is something that's obviously favourable, but difficult because of the differences between jurisdictions. In many cases, those differences are justified due to the local market norms, so I think the view that you need to consider when you're looking at harmonised regulations is that it's based on informed decision making. That people really take the time to understand all the possibilities and what the potential unintended consequences are, and make sure proactive steps are being taken rather than knee-jerk reactions that might harm the industry as a whole. People tend to forget that securities lending is not a product in and of itself. Securities lending is a business that supports other capital markets activity. There's been all kinds of research to suggest that without securities lending, or equity finance, or fixed income finance-type businesses, there would be incremental constraints imposed on the industry to the detriment of the market place. So, to the extent that you're moving forward in a productive and informed way, harmonisation is good, but you always have to consider the unintended consequences of knee jerk responses.

What does the future hold for Canada, and what would you like to see change, if anything?

If I had to prognosticate, I'd say that the velocity of change in our industry is going to have a lasting effect on our business. The breadth of complexity that's raining down on capital markets could be generational in nature, especially when you consider the changes that are coming down from other jurisdictions like Fin Reg or the tax changes coming down in the US. So, the cost and complexity of doing business is going to rise, and larger financial institutions will certainly have better resources available to deal with the uncertainty.

That said, the securities finance industry in most cases seems to be on the rebound, I think progress is tempered by the uncertainty in the coming regulatory environment. People are waiting to see what the future will bring, but the current trend is clearly upward, and that's a good thing. **SLT**



Canada

While not immune to the devastation in the banking sector seen south of the border, the Canadian market has remained relatively stable

BEN WILKIE REPORTS

Being the neighbour of the largest financial market in the world has its positives and its negatives, but as the glare of the spotlight focused on Wall Street, the Canadian securities lending market was quietly going its own way. It's one of the few major Western economies that didn't need to bail out any of its banks.

That's not to say there haven't been some major upheavals. By October of 2008, around $900 billion in securities were available for lending in Canada, with less than 10 per cent of that figure actually on loan. The market fell sharply following the demise of Lehman Brothers, and has yet to make a full recovery - the S&P/TSX rose by 36 per cent throughout 2009 to reach a high of 11,779 on December 2. It's since gone higher, but 2010 has not seen any significant growth, and at the time of writing, was hovering around the 11,700 mark.

"To be honest, this is fairly good news for Canada," says one participant. "While it would be great to be making loads of money, it's more important for us at the moment to have a stable climate, and for companies to regain confidence in our markets and models."

The market is dominated by four major players. State Street, Northern Trust, CIBC Mellon and RBC Dexia control about 90 per cent of the market. New players are starting to assert themselves, however, and it's expected that the already healthy competition is expected to become more intense. "When the markets went into meltdown, we looked at Canada and the firms there were still doing ok," says a representative of a large global bank with a big presence in Canada but a small footprint in the securities lending arena. "As one of the territories that has withstood the downturn better than most, we are increasingly looking at building our presence here and making a play for some of the bigger business."

Following the moves made by regulators in the US and UK, a temporary short selling ban was placed on the Canadian market by the Ontario Securities Commission, which oversees trading on the Toronto Stock Exchange, and the regulator has not ruled out further intervention should circumstances demand it.

However, earlier this year, the TMX Group, owner of the Toronto Stock Exchange, warned the regulators that introducing short selling rules similar to the circuit breaker regulations set up in the US would prove detrimental to the Canadian market.

> "Canada is never going to be the most dynamic market for securities lending. But to be honest, we prefer it that way."

In the US, the SEC proposed a system that would bar short selling on stocks that fell 10 per cent in a single day. TMX pointed out that Canada had not seen the levels of 'abusive' short selling that had happened in the US and other countries. It added that existing rules that had been updated in the Investment Industry Regulatory Organisation of Canada amendments already provided enough protection.

> "Adopting the recently amended US rules around short selling would add unnecessary costs to the industry"
> Tom Kloet

"TMX Group believes that additional regulation of short sales in Canada is not warranted," said TMX Group CEO Tom Kloet. "In our view, adopting the recently-amended US rules around short sales would add unnecessary costs to the industry without resulting in a corresponding benefit to investors. We are confident that the Universal Market Integrity Rules (UMIR) short selling rules, combined with vigilant surveillance and enforcement by IIROC provide protection to our market."

According to the Financial System Review 2010, published by the Bank of Canada, the risks to the stability of both the Canadian and the global financial systems appears to have diminished over the past year. But counterparty risk remains a serious concern, and the exposure of many financial institutions to the sovereign debt of some countries means risks do remain.

However, the Canadian financial system has done well. Capital and liquidity positions of Canadian institutions have improved since the start of the year and the markets have remained resilient. Funding issues remain, however, although Canada's banks remain in the top tier when it comes to the global markets, and domestic markets are holding up well.

And the Bank of Canada is also set to remove the facility to provide Canadian-dollar liquidity in the event of another crisis. This is due to come to an end by mid-July.

"Canada is never going to be the most dynamic market for securities lending," says one insider. "But to be honest, we prefer it that way. It means that while we may never see the highs that some markets had before 2008, we're never going to suffer such great lows as they had in the last 18 months." **SLT**

CASLA

The Canadian Securities Lending Association (CASLA) was formed in April last year by CIBC Mellon, Northern Trust, RBC Dexia and State Street to advocate on behalf of all securities lending participants in the country.

At its launch, the founding members said: "This is a major step forward in the continuing development of the Canadian securities lending market. We are pleased that our industry now has a collective voice in Canada and will continue to develop strong linkages with similar global associations."

"CASLA is designed to give the industry a unified voice specific to the Canadian legal and regulatory framework, with the involvement of all market participants," said Mark Fieldhouse, formerly director of technical sales at RBC Dexia. "The establishment of a forum where regulators and stakeholders can address pertinent issues will play an important part in the further successful evolution of Canada's vibrant securities lending market."

"We are delighted to be one of the founding members of the Canadian Securities Lending Association, an industry association that seeks to enhance the public's understanding of securities lending, a key area within the financial services industry," said Don D'Eramo, senior managing director, securities finance at State Street. "CASLA will allow members to exchange ideas and draw upon best-practices in managing issues affecting securities lending in Canada."

Membership is open to industry firms and professionals, as well as representatives and organisations from the beneficial owner and borrower communities.

For more on CASLA, see our In Association interview with Robert Chiuch on page six

TAX

The most important recent development in the Canadian tax system for securities lending was the elimination of withholding tax on arm's length payments from Canadian residents to US residents. This is expected to lead to increased cross-border cash collateral lending.

Generally, lending fees paid to non-resident lenders are treated as interest and should not be subject to withholding tax if paid to an arm's length resident. Compensating payments paid to a non-resident lender will either be treated as interest or retain the original character of the income from the borrowed security - depending on the legal nature of the borrowed security and the extent of the collateralisation of the loan.

The rules deem the lender to remain the owner of the security for tax purposes. This means no capital gains tax implications would apply. However, the rules are slightly vague when it comes to the position of the borrower, according to accountancy experts Deloitte, and it may be the case that the borrower is considered to own the security for the duration of the loan.

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ISLA's 19th Annual International Securities Lending Conference 2010

With a week of fantastic sunshine and the World Cup playing in the bars, Berlin was a great setting for ISLA's 19th Annual International Securities Lending Conference produced in conjunction with AFME. Unlike Berlin, very little appears to have really moved forwards in the industry over the last 18 months. In a series of panel discussions, it was evident that many topical subjects that have been hindering the industry are still causing unrest today.

Profitability was a key theme, with delegates questioning their pricing models and how these can be altered and reshaped to provide a fairer fee business in the future.

In numerous discussions I was privy to, there was talk that many of the topics were the same as at previous industry events.

The voting system, however, proved to be a big hit. It was startling to see the lack of understanding by the delegates of some of the topics discussed and how there was at times a major shift in voting after the speakers had debated the finer points.

This does reinforce the industry wide opinion that more education is needed, hopefully the likes of ISLA and *Securities Lending Times* will be able to deliver this.

It seems like the venue, especially the lobby, had never seen so much activity - even *Securities Lending Times* had to be escorted in by armed police so as not to get mistaken for a visiting dignitary - or step on the red carpet!

As always the social and networking side of the conference was manic, with clients laying on meals and drinks receptions, football screenings and parties. One industry publication's journalist accidentally turned off the England football match sponsored by Barclays in the 73rd minute - as a crucial match England had to win, it was probably not the hack's finest moment. **SLT**

IMN's 2nd Annual East Coast Beneficial Owners' Securities Lending Summit

Date: 28-29 June 2010
Location: Boston, MA
Website: www.imn.org/seclending2010_slt

In February 2010, IMN`s Sixteenth Annual Beneficial Owners' Securities Lending Summit attracted over 115 Beneficial Owners to North San Diego, California, where they candidly discussed the profound effect that global events have had on their Securities Lending programs.

11th Annual Collateral Management

Date: 8th, 9th & 10th September 2010
Location: London
Website: www.mefinance.com/collateral2010

For this 11th annual marcus evans conference we both pick up on the changes to the collateral landscape as well as return to the great debates within the field to offer practical solutions for meeting these challenges.

IMN's 15th Anniversary European Securities Lending Summit

Date: 20-21 September 2010
Location: London
Website: www.imn.org

In September 2009, more than 250 attendees and 60 Beneficial Owners participated in IMN's 14th Annual Beneficial Owner Securities Lending Summit. Leading European decision-makers discussed important issues confronting Beneficial Owners and the Securities Lending industry at large.

27th Annual RMA Conference on Securities Lending

Date: 12-14 October 2010
Location: Boca Raton Resort & Spa in Boca Raton, Florida
Website: www.rmahq.org

The Boca Raton Resort has always been one of our premier conference locations. It was the site of the very first RMA Conference and continues to be the foremost favourite venue. We know you'll enjoy the newly renovated Boca Beach Club. It is quite a dramatic transformation!

If you would like your event featured here and on our website
contact: news@securitieslendingtimes.com

Industry Appointments

Brown Brothers Harriman (BBH) has announced the expansion of its EMEA securities lending team with the addition of four additional senior executives. David Lewis, Jacqueline Waller, Celine Emond and Samantha Peppiatt have joined BBH's team to focus on relationship management and business development activities across the EMEA region.

"The shift in beneficial owner sentiment towards customised, intrinsic value lending programs is leading to significant new business for our program across regions. Our EMEA business in particular has grown significantly in recent months as beneficial owners move into our program from exclusive arrangements and other agent lending programs," said Keith Haberlin, head of BBH's securities lending business for Europe & the Middle East. "The addition of David, Jacqui, Celine and Sam ensures that we have the requisite talent to respond to the growth of our business whilst maintaining the service excellence our clients expect from BBH."

David Lewis has fifteen years of securities lending experience, most recently at J.P.Morgan where he was responsible for relationship management of securities lending clients in the EMEA region. Jacqueline Waller joins BBH having spent fourteen years in a broad range of senior roles in Northern Trust's securities lending business including trading, relationship management and business development.

Celine Emond has eleven years of financial services experience and has spent the past six years in BBH's Luxembourg office, covering the firm's Investor Services relationships with Dutch, Belgian and French clients. Samantha Peppiatt joins securities lending from BBH's Investor Services business where she has worked as a relationship manager for the past four years. Peppiatt has 26 years of financial services experience.

EFX Prime Services, a division of First New York Securities has announced that it has hired two prime brokerage executives to help lead EFX Prime's sales efforts. Both will be based out of EFX Prime's New York Headquarters at 90 Park Avenue.

Jonathan Shapiro joins EFX Prime from Goldman Sachs & Co. where he was a senior relationship manager. With a strong operational background based on over 10 years of prime services experience, Shapiro will assist EFX Prime clients address the mounting operational and infrastructure challenges.

Gary Mednick, a 29 year brokerage veteran, joins EFX Prime from Grace Financial where he built out a strong client base of hedge fund managers and active traders. Mednick was also the founder of On Site Trading, a leading proprietary trading and agency brokerage and one of the early adopters of DMA technology. With strong familiarity with quantitative and high frequency trading strategies, Mednick will guide the firm to leverage its considerable infrastructure to partner with active trading strategies.

"Building on the 25 years of trading success of First New York EFX Prime Services offers an unparalleled operational service offering and trading expertise and acts as a true partner to our clients success," commented Brian Stutman, managing director. "We are pleased to add Jonathan and Gary to EFX Prime Services. Their tremendous experience and specific areas of expertise will help our clients leverage our trading expertise, operational excellence and unique capital introduction effort."

Deutsche Boerse and Eurex have just appointed a new head of the representative office for Deutsche Boerse/Eurex in the UK. As of 1 July 2010, Stuart Heath will succeed Hartmut Klein as general manager of the representative office in London. In his new assignment, Stuart Heath will be responsible for relationship management with existing members and the acquisition of new customers as well as Deutsche Boerse's and Eurex's business development in the UK.

Deutsche Bank has announced two additions to Group Technology and Operations for Global Prime Finance, a business dedicated to developing and supporting technology for its Global Prime Finance business within the Firm's Global Markets division.

Anthony Graffeo joined as a director and head of technical architecture for Global Prime Finance. Graffeo joined from J.P. Morgan, where he was a manager in the technology group for prime brokerage and clearing services. Prior to J.P. Morgan, he was a managing partner of iDATA Corporation, Inc., where he provided technology consulting for large banks. Graffeo reports to Sanjay Chojar, managing director and head of global prime finance information technology.

Sunita Vaswani has joined as a director and head of user experience for Global Prime Finance. Vaswani joined from J.P. Morgan, where she was a manager in the user experience group. Prior to J.P. Morgan, Vaswani spent 11 years at MYOB US, Inc., most recently as a manager in user experience. Vaswani reports to Prasad Yenamandra, director and head of functional architecture for global prime finance.

"Technical architecture and user experience are key elements of GPF's first-class technology system," said Chojar. "We are confident that Anthony and Sunita will help us maintain our edge and ensure our platform is fully integrated with the latest technology."

The CalPERS Board of Administration recently appointed Alan W. Milligan as the pension fund's chief actuary. Milligan was the pension fund's deputy chief actuary and had been serving as the interim chief actuary since the retirement of former chief actuary Ron Seeling in March 2010.

SLT SECURITIESLENDINGTIMES

Editor: Ben Wilkie
editor@securitieslendingtimes.com
Tel: +44 (0)20 3006 2710

Marketing: Steven Lafferty
design@securitieslendingtimes.com

Publisher: Justin Lawson
justinlawson@securitieslendingtimes.com
Tel: +44 (0)20 8249 0235
Fax: +44 (0)20 8711 5985

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Beckenham
Kent
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UK

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The chief actuary reports to the CalPERS Board and CEO Anne Stausboll, and is a member of the CalPERS executive team.

Barclays Capital has hired Thomas Squeri, Thomas Kocica, Steven Cash and Todd Burkhart to its securities lending desk in the US. Squeri will be head of the US equity financing business, which includes stock loan and swaps. The quartet are expected to join BarCap when their gardening leave expires.

Brian Bisesi will be joining J.P Morgan's prime brokerage business as a managing director. He will lead the sales and marketing team for EMEA and will be part of the EMEA Prime Brokerage Management Committee. Bisesi joins from Barclays Capital where he most recently served as the head of sales in EMEA for Prime Services. Brian will be based in London and report jointly to Paul Brannan, head of prime brokerage for EMEA and Neil Sherman, global head of prime brokerage sales.

In addition, Stephane Marchand and Dominic Rieb-Smith have been hired as executive directors based in London to join the same sales & marketing team. Both arrive at J.P. Morgan from Nomura's Prime Services business in London. They will both report to Bisesi.

Send your latest recruits to
editor@securitieslendingtimes.com

60 Second Resumé

Ralph DeMayo

Meet Ralph DeMayo, a motivated stock loan professional with experience in domestic US and international markets.

Tell me a little about yourself

I'm looking for my next career challenge, and want to make a positive contribution to my next company's end results. I'm a no-nonsense, results oriented proactive team player with excellent problem solving and communication abilities. I have a proven track record in reducing operating budgets/cost centres, and I strive to increase revenue goals.

What industry qualifications or relevant certification do you hold?

I have extensive experience of Loanet, ADP, Beta, Bloomberg, Cage/Phase 3, DTC, Email, Equilend, Global One, I-Delta, Lotus notes, Outlook, some Euroclear, MS Excel, MS Word and many Merrill systems.

In addition, I am expert in global and domestic securities lending: trade instruction, settlements and reconciliation.

My skills include problem solving and avoidance strategies, multi tasking, buy-ins, recall/loan terms, DTC and/or Loanet: procedures, transactions, balancing.

I can analyse, investigate, and reconcile: accounts, securities, house. I have extreme familiarity with international and domestic stocks, corporate and municipal bonds, as well as US Government bills, bonds and notes. I have further polished my people skills in a recent class as well as the two years at Merrill, in regard to: agent, broker, contra party, custodian, team, and all levels of management: open communication and dialouge, relationship building.

What was your last position in the industry and what did you enjoy most about it?

I was at Bank of America/Merrill Lynch PF&S, working as a domestic/global stock loan cash dividends operations consultant.

I welcomed the new opportunity to learn stock loan dividends and all this entailed. I especially enjoyed the "one big family" culture.

What area are you looking to get back into?

Securities lending: domestic and/or international, within operations, trade support or middle office.

What do you feel you could bring to a future role?

I will be able to streamline and improve operations, and make positive contributions to end results. I have a proven track record in reducing operating budgets/cost centres, and I always strive to increase revenue goals.

What do you feel the industry needs most?

Knowledgeable and experienced professionals, let us bring our wealth of knowledge to you.

Contact Ralph

Telephone: 001 516 759 5056
email: stockloanpro44@optonline.net