

Digital watch

THE FUNDTECH ROADSHOW RETURNED TO LUXEMBOURG, WHERE DELEGATES HEARD DEBATES ON THE DIGITAL ASSET SERVICING MARKET, THE GRAND DUCHY'S BURGEONING FINTECH SECTOR AND THE FUTURE OF WORK. **NICHOLAS PRATT** REPORTS.

LUXEMBOURG IS FORGING a

formidable fintech sector to go with its well-established status as a funds distribution centre, so it was only fitting that FundTech came to the European centre for a second event

The first guest was Arnaud Misset, chief digital officer at French asset servicer Caceis, who spoke about his efforts to bring new technology, such as artificial intelligence and machine learning, to the asset servicing space and to age-old processes such as custody and fund accounting and administration.

This interview was followed by a wider discussion on digital asset servicing. The panel featured Jervis Smith, head of investor services at Citi; Said Fihri, partner, investment services, KPMG; and Olivier Portenseigne, managing director of Luxembourg-based cross-border fund distribution platform Fundsquare.

While some asset servicers have launched their own digital offerings, some market incumbents have yet to embrace the rise of digital or crypto assets, where there is a growing need for custody and safekeeping services.

Global custodians may not be seen as the most innovative of organisations, but their reputation for security

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and resilience would be a welcome counterbalance to the volatile world of crypto exchanges, tokenised assets and virtual currency trading.

As the focus moves from the relatively simple world of bitcoin trading to the more complex processes of fund management, there will be numerous challenges for asset servicers to overcome in establishing a digital offering, the panellists agreed. But, as the demand for tokenised assets grows, the need for such digital services will only become more necessary.

The day's keynote interview was with Nasir Zubairi, chief executive of Luxembourg House of Financial Technology (LHOFT), a public-private non-profit initiative designed to push and promote Luxembourg's fintech industry.

Zubairi has spent close to 20 years in the financial services sector, including numerous stints in the capital markets with RBS, ICAP, HSBC and EBS. More recently he has become immersed in the world of fintech start-ups, building some of his own, advising others as a non-executive director and, now with LHOFT, helping other start-ups to access Luxembourg's financial services market.

The idea of collaboration between start-ups and incumbents is at the heart of LHOFT's mission and Zubairi spoke of the importance of combining technological innovation with market expertise and experience in order to meet the demand for new services in the investment management sector.

He also spoke of the need to provide a stimulating work environment in

► ON TOP OF THE ISSUES - LHOFT's Nasir Zubairi (above) spoke at the event, as did Citi's Jervis Smith (opposite, top left), Metrossoft's Janusz Lorenc (top right), Milestone Group's Paul Roberts (middle left) and Calastone's Henning Swabey (bottom left).



“THE FUNDS INDUSTRY NEEDS TO OFFER EXCITING AND REWARDING WORK IF IT IS TO AVOID A SKILLS SHORTAGE.”

order to attract the next generation of employees to the funds industry. This challenge was the central theme of the day’s final discussion on the future of work and the possibility that the funds industry might face a skills shortage in the future.

The panel – comprising Calastone’s head of Europe, Henning Swabey, Metrosoft CEO Janusz Lorenc, Oracle’s global head of solutions, Richard Clarkson, and Milestone Group CEO Paul Roberts – discussed the kind of skills needed to work in the funds market of the present and the future.

It is clear that the next generation of employees will need to be much more technology-focused and, more importantly, fund managers will need to be more open to modern working practices. The fact that the panellists all represented technology firms and service providers informed the view that the rigid practices of the establishment asset managers will compare unfavourably with the likes of Facebook, Google and a host of start-ups that will be competing for the next batch of graduate employees.

Reference was made to various educational programmes offered by the likes of the University of Luxembourg, as well as the need to offer more opportunities for existing employees to improve their technology skills and coding abilities.

But above all, agreed the panel, the funds industry needs to offer exciting and rewarding work if it is to avoid a skills shortage in the future. **fe**

