

Banks embrace corporate actions automation with SmartStream's award-winning platform

TLM Corporate Actions has a track record of delivering enhanced risk mitigation and efficiency gains.

When a European company was struggling with a corporate actions conundrum of spending four hours each day collating new event notifications that have been received into the organisation, it turned to SmartStream Technologies for a solution that would enable them to automate the painstaking process. The firm implemented SmartStream's TLM Corporate Actions platform, which then drastically cut down the processing time compared to the previous manual system that was bogged down by an influx of printed SWIFT messages, fax messages, emails and Excel spreadsheet reports.

"They sat down in front of their computer, switched on TLM corporate actions and said 'There you go. That's exactly the same results that we've just achieved using the previous manual system', recalled **Alan Jones**, business solutions director APAC at SmartStream. "Four hours were saved by one organisation against a reasonably sized set of securities of interest that were held on behalf of their clients, but not by any stretch of the imagination a top tier."

In Asia, large financial institutions are catching on to the advantages that a cutting-edge corporate actions platform can provide. Jones noted that SmartStream were extremely proud to have recently won the best implementation project for a very large regional bank in Hong Kong after it set up the platform that could process the entire lifecycle of every type of corporate action event, from the very first event announcement, through eligible position reconciliation, communication of the event data to internal & external clients, elections and posting entitlement transactions.

"Transforming the processing of corporate action events into an exception management process and flagging events that have exceptions identified against them whilst all other event achieve the nirvana of STP has to be the objective of all institutions," said Jones. "We allow our client's operational team to move away from all of the heavy lifting, all the manual processing that they traditionally have to take on and allow them to focus more time on the riskier events and on client servicing."

For Asian financial institutions that want

to mitigate risk and improve efficiency, Jones reckoned only an automated platform can provide the requisite level of sophistication and control to keep up with an increasingly competitive and regulated operating environment.

The majority of new clients that are benefiting for the automation delivered by TLM Corporate Actions had been attracted to the idea of Software as a Service (SaaS) and the OnDemand convenience for both reconciliations & corporate actions processing, where SmartStream manages the IT infrastructure in its entirety and client simply utilise this solution hosted on their behalf. "Clients that sign up for our OnDemand service (SaaS) profit from a fully hosted corporate actions processing platform from SmartStream's dedicated & fully certified VPC cloud environment completely eliminating the cost of associated with maintaining hardware and manpower should they host the environment themselves."

These benefits are becoming increasingly popular with clients who wish to enhance control and mitigate risk whilst reducing the operational expenses as Jones notes a spike in demand for on-demand implementation across the region.

In recognition of its automation and customisation advantage, SmartStream won the best corporate actions solution provider category in the 2018 Waters Rankings which cited the company's improved TLM Corporate Actions platform after adding a model client platform.

The platform's next evolution will involve scaling up its services to cover a wide variety of customer types, which is instrumental in rolling out a standard across its existing and new clients. "We want to measure the risk associated to different events based on a number of different categories such as the size of the position, event type, and the market in which the asset is held, among others," said Jones. "We want to drill into some additional analytical reports and measure



Alan Jones, SmartStream

the service level agreements that clients have with their custodians, by asking: 'How do you know your custodians are actually meeting the service level agreement that you are paying for?'

The end goal is to create a platform that requires less customisation from its base model, so new clients can hit the ground running with the freshly installed system, and existing clients can benefit from enhanced operational process with a focus on enhance control, management of risk, said Jones. "The knowledge & experience garnered from working with clients of all shapes and sizes across all of the major financial centres has continuously been fed back into TLM Corporate Actions over the years. The benefits to clients is immense as imagine that as soon as you implement the solution, simply tweaking of a couple of business rules you immediately progress into user acceptance testing before promoting the solution into production."

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