Corporate Actions in the Cloud: Are Two Cs Better Than One?

Comments adapted from the April 2021 webinar, with the discussion moderated by Giles Elliott, Global Head, Business Development, TCS BaNCS Capital Markets.

Carly Byrd
Regional Head-Americas, Tax Operations, Deutsche Bank

Dealing with legacy architecture is always going to be a challenge. An additional challenge is the prioritization of regulatory work. We want to focus on balancing how you deliver on your regulatory requirements, as well as on efficiencies, risk mitigation, and opportunities to enhance platforms we’re currently using.

Scalability is a key thing that we’re considering – whether or not that cloud solution has the ability to scale based on the business need – one day running inquiries on a handful of clients, versus a year-end process for regulatory reporting.

One of the biggest challenges is the harmonization of data. When you’re talking about corporate actions and then downstream how that information gets used for tax, we’ve seen one vendor can provide information a certain way, and another provides it a different way. There’s a lot of opportunity for corporate actions and tax information to move into a more aligned process.

James (Jim) Monahan
Managing Partner, Sionic

Corporate Actions touches the entire lifecycle of the trade. That information and data over time is flowing throughout organizations, measured in the hundreds of different departments.

There’s a tremendous opportunity for global harmonization to bring corporate actions into a more consistent process. We’ve done well in being able to communicate corporate actions in a standard manner with ISO 15022 and ISO 20022. But we’re still struggling with disparities in how certain corporate actions are handled differently across markets, or even in the same market. The broader opportunity is to bring together the entire lifecycle event, from issuer to intermediary to end beneficiary.

A breakthrough would be having the tools to allow an issuer, in conjunction with intermediaries and end beneficial owners, to centralize the input of that information. Input the info once, and have it disseminated throughout the industry, globally.

The ecosystem will evolve. We can bring issuers, intermediaries, broker-dealers, banks, and custodians together in a more consistent and harmonized process.

John Kain
Global Head-Business and Market Development, Banking and Capital Markets, Amazon Web Services

The real benefit of having a flexible infrastructure, even for traditional computing loads, is the ability to scale out the amount of resources you need when you need it, and turn it off when you don’t.

Early in the pandemic, many financial institution customers were new to the “PPP” SBA lending program, and to be qualified to lend, they had to process a lot of documents that they had never used before. They got to market quickly because they could experiment, and those experiments only cost them a few pennies. As the loans came in, the infrastructure scaled with them, and then the costs went away. A few months later, they were able to spin it up again. Traditionally, you wouldn’t even have ordered the equipment by the time the program was over. That ability to tailor business outcomes to IT cost is what’s driving cloud adoption.

Audience Poll Highlights

- Reduced IT and infrastructure costs is the most attractive business driver for migrating to the cloud for 43 percent of attendees, with “Operational efficiency” in second place with 33 percent.
- Platform and data security is the top concern for 60 percent of attendees when assessing a move of mission-critical systems to the cloud.