

The Financial Technologist

ISSUE 2 •• 2022


HARRINGTON STARR
Your Success. Our Business



FINTECH PATHWAYS

The definitive guide to building an empowered industry

Featuring:

- Articles from marketplace leaders
- Exclusive FinTech survey results
- The 2022 Salary Guide

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TOBY BABB, CEO,
THE HARRINGTON STARR GROUP

Welcome to the summer edition of the Financial Technologist

Harrington Starr's financial technology news, commentary, insight and features.

2022... wow!

Writing the opening to the last magazine only a matter of months ago seems like a lifetime past. We have seen enormous volatility in just about every area of life. With the ongoing Russia/Ukraine situation, the resignation of the Prime Minister, Crypto crashes, cost of living crisis, inflation, impending recessions, strain in economies across the world, the stubborn return of the Pandemic and much more, you would be forgiven for thinking that caution would be the watch word with a slowdown in hiring kicking in.

Yet despite this backdrop, we've seen an incredible response from the financial technology sector, and enormous opportunities being seized across the globe. Talent remains absolutely at the premium and I have been struck in the first half of the year by the resilient response across the market and the sector-very much playing offense in its bid to stay at the forefront of innovation.

It is, perhaps, fitting that this magazine features our biggest salary report to date, alongside the biggest candidate survey that we have ever commissioned. The results make fascinating reading and provide an interesting outlook into a market where salary is once again at the heart of decision making when taking a role.

At the start of the year, the big operational fear across the industry was "The Great Resignation", and this generally failed to play out in quite the way many predicted. What transpired was an eighteen month trend of extreme salary inflation in financial technology, driven by a mass increase in job flow, and extreme scarcity of talent, along with rapid innovation in areas such as cloud and digital assets.

As a twenty year plus veteran of the industry, I have found this fascinating. Rarely have I seen such extreme increases in salaries over such a short period. We have seen extraordinary counteroffers given to keep talent; there have been 100% pay increases given for candidates to move; six figure

salaries have been given to graduates; in New York it has been even more pronounced with many looking to Canada to find affordable engineering talent.

2022 has been extraordinary. But is it sustainable?

Speaking to many companies over recent months, there is a genuine concern around sustainability. With margin pressure and increasing costs, and universal salary increases of 10-20% across the board, there is genuine concern around how many companies can continue to compete for the best talent. The macro-economic situation mentioned above does potentially point to a break in the system.

That is, however, only a potential. The fact remains that there is a genuine shortage of talent in the sector, in no small part down to Brexit. There has been a generational period of innovation in financial services, a wave of regulatory reform incoming, a dynamic, tech-driven asset class coming in Crypto and the extraordinary opportunities brought by Web 3.0. We are seeing ESG become central to strategy in FS and with it, tech innovation. The sector has finally embraced Cloud following the Pandemic. Data is having an ever-increasing significance. Cyber similarly following the political strains across the world. Blockchain may at last spring to the fore in H2 as a genuine game changer. Alongside that, the contract market is once again busy following a

period of convalescence following IR35. With a huge amount of money in the system, VCs are still keen to invest; but making people sing for their supper with harder access and pressure on valuations. It should be noted, good companies continue to attract significant investment.

So with the market still clamouring for tech and a skills shortage across the World, the key differentiator continues to be money. That will continue to drive salary increases as companies become more desperate to compete. With that in mind, the salaries that you will see in the pages ahead stand an extremely good chance of rising still higher in the months to come.

My advice to our clients throughout has been to compete and pay fair market price but not to drive wage inflation to irresponsible levels. It is critical to create compelling employee value propositions and really work hard at retention. This is no mean feat considering the fact that an average tenure of a technologist sits at just over twelve months! Listening to what candidates want is key- and in this magazine there is some fascinating insight into the changing priorities of what is important to the candidates you are looking to attract. Constant review of your package, your process, your flexibility is vital. It is possible to compete but a talent strategy has to be central to your 2022 strategy.

"At the start of the year, the big operational fear across the industry was "The Great Resignation", and this generally failed to play out in quite the way many predicted."





**TOBY BABB, CEO,
 THE HARRINGTON STARR GROUP**

So what does H2 look like? I'll make a few predictions...

1. There will continue to be a strong demand for talent in financial technology and it will remain hard to attract and retain the best. Another increase in basic salaries is definitely on the cards.
2. We are currently creating a documentary looking at "The Era of Convergence". TradFi and DeFi will continue to merge, creating huge opportunities for institutions and entrepreneurial businesses alike.
3. Regulation isn't finished yet with significant changes coming in over the next 6-12 months. I suspect many institutions will continue to be complacent leading to a Mifid-style rush towards the end of the year.
4. VCs will continue to spread caution. My sceptical mind points to this being a cynical plan to reduce valuation. There is still enormous amounts of money out there and there will be deals to be done. Expect a tightening- but the best companies will continue to attract investment.
5. Efficiency, optimisation and productivity will be the driving forces of the market. Companies who can showcase this to financial institutions will thrive.

Let's see what all this looks like at the end of the year!

For Harrington Starr, it has been a superb start to 2022 and we look forward to really pushing on in the second half of the year. I am incredibly proud of the 76% year on year growth the group has enjoyed. There has been some outstanding delivery to brilliant companies new and old. We have had overwhelmingly positive feedback from our new customer service technology that I am so pleased to read every week. We have released over 100 podcast episodes, Nadia has launched her book, and we have helped hundreds of people find exceptional opportunities all over the world. The team has grown, with 23 hugely talented people

"I am incredibly proud of the 76% year on year growth the HS group has enjoyed. There has been some outstanding delivery to brilliant companies new and old."

joining us in London, Belfast and New York. We are growing our Customer Success Team, have been at industry events across the globe, and celebrated numerous promotions. The team has worked exceptionally hard at an extremely high standard and I am grateful to them and everyone who has put their faith in allowing us to make their success our business. We are so excited about the second half of the year and continuing what we started. Watch this space!

I really hope that you enjoy the pages that follow. I find them fascinating. Alongside the data and analysis that will help companies and job seekers alike, there is a wealth of knowledge with some outstanding thought leadership from the sharpest minds in the sector.

Toby

coming soon

the era of convergence

documentary - 10/2022

The Financial
Technologist



**“2022 has been
extraordinary.
But is it
sustainable?”**

TOBY BABB, CEO, THE HARRINGTON STARR GROUP

Through the looking glass: a look at the future of Capital Markets Technology



Vision 57

Steve Grob
Founder, Vision57

Despite the billions of dollars spent by capital markets technologists in the past two decades, the return on investment and effort has been questionable at best. It's surprising therefore that little has changed in how this money has been spent, especially when set against the huge advances in design and technology that have occurred over the same period. This article looks at why Capital Markets struggle with adopting new technologies and how this is changing.

Fear is the Key
Wholesale change is difficult for

capital markets as its protagonists believe that their systems are so complicated and the potential loss from failure (either financial or reputational) are just too high to think radically. Many bank CTOs cite these facts as reasons for not embracing new ideas. It's ironic therefore that the Pandemic drove these firms to make huge changes in double quick time to support remote working and shattered the notion that they couldn't move quickly and achieve great results. Another factor in play, though, is that so much discretionary budget has been used up in meeting wave after wave of regulatory imperatives since the GFC which has saddled the

industry with unacceptable levels of technical debt. This in turn has made adopting new technologies even harder to do.

No App is an Island
Another major challenge is that designers have been blinkered by the idea that what they are doing is building applications. But the truth is that users care about accuracy of data and the ease with which they can manipulate and share data and then move onto the next related task. In short, the user cares about workflows while the devs focus on discrete applications. Thankfully help is at hand as firms like Glue42 are leading the charge in workflow centric design and

dissolving the boundaries between applications to create highly compelling workflows.

Nowhere does this problem manifest itself greater than with Order Management Systems which provide a monolithic, heavyweight, application "tunnel" through which traders and their support staff attempt to handle the complete trade life cycle. Inevitably these systems need to feed into other down stream or side stream subsystems and this is where the problems begin. The result is a stovepipe of different in-house and 3rd party systems - all built with well meaning but different UIs.

The low code movement has a big part to play here but not in terms of empowering the "citizen" developer, but in making the developers themselves more productive. Velox is a good example of this. They recognised at an early stage that trading is really all about monetising data and if you can free the data from their applications, then better outcomes will follow.

Firms like Velox mean that the asset class centric OMS of the

past can be replaced by a more thoughtful technology stack composed of platforms, APIs and pre-built or custom workflows that address the different requirements of digital native information workers.

The Crypto Factor
When Bitcoin first hit the scenes back in 2009, many jumped on the underlying blockchain technology as the real prize. This spawned a plethora of blockchain projects all claiming they would revolutionise the world. A little over ten years on and these projects have all been taken out at night and quietly shot. Instead, crypto assets have steadily become mainstream. It just doesn't matter anymore whether you as an individual believe that an electronic token has intrinsic value or not. The simple fact is that crypto exchanges earned over 24 billion in trading fees alone last year which was 60% more than TradFi exchanges managed. Crypto is here to stay and its history is being written by regulators as they grapple to get their heads around something that doesn't fit the traditional nomenclature of what they are used too. What is more

"When Bitcoin first hit the scenes back in 2009, many jumped on the underlying blockchain technology as the real prize. This spawned a plethora of blockchain projects all claiming they would revolutionise the world."

interesting is that the technologies underlying crypto will undergo something of a species jump as it is based on today's technology not yesterday's. As digital assets become just another asset class alongside equities, bonds etc. they will drag with them their more efficient technology processes. Real time settlement fractional ownership are just two such examples. And, guess what, this is exactly what regulators have been battling for with their post GFC focus on getting the best possible trading outcomes for retail investors.

Data is the New Standard
Our industry has made many attempts to normalise the terabytes of data it consumes, processes and then regurgitates. Probably FIX is the only standard that has made any worldwide impact for front office and SWIFT, of course, plays its part in settlements. But talk to any Bank CIO and they will tell you that their biggest challenge is defining one master data set and then interpreting those of their counterparties. Again, help is at hand from firms like Rapid Addition that offer sophisticated but easy to deploy message management platforms that can take this problem away.

Looking Forwards
Capital markets is at a crossroads. The economic model today insists that participants lower their cost base and increase automation. Add to this the wave of new tech that crypto will bring with it as it continues to enter the mainstream and the race is on for those firms to tackle the challenges above.

Thankfully the answers are out there for those prepared to look.



Career development webinar

For developers by technology leaders, powered by Harrington Starr

In

such a competitive marketplace, elevating your career and making your next, bold professional move can appear daunting and challenging. We recently brought together six of the most prominent technologists in our space to share what we can all do to ease these worries, and better work to empower ourselves, and others.

Our world-class panel of technology experts included Sajindra Jayasena of Amphora, Daneila Binatti of Pismo, Samantha Knights of Ninety One, Peter Lawrey of Chronicle Software, Emile Adlem of Salary Finance and Jamie Howard of Capital On Tap.

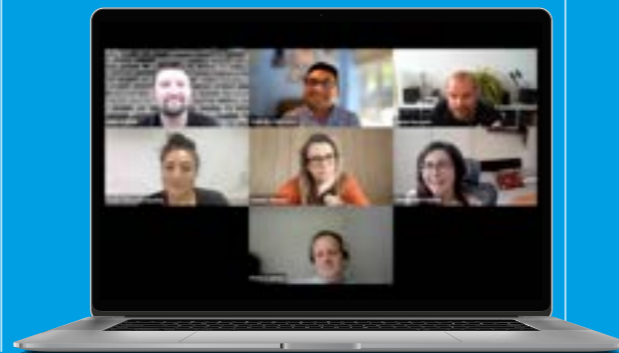
Hosted by Harrington Starr's

CCO Nadia Edwards-Dashti, this webinar explored some of the most pressing career issues technologists encounter. Whilst there is no single, generic solution to the multi-faceted career issues faced by technologists, our panellists imparted an exceptional series of advice that can be adopted by all in this sector.








Embrace what you have
 Commonly translated to be yourself, embracing what you have can often be easier said than done. But being aware of where you currently are in your personal and professional journey is vital to understanding where you have the potential to go. Everyone's background and current status is different, so don't let your inherently unique set of circumstances deter you from pursuing a role. As stressed by Jamie, "you don't want a team where everyone has the same background because they'll think in the same way. You want diversity because that prompts debate, discussions and the

formulation of brilliant solutions." Embrace what you have and be confident that you can bring that to the table.

Technology Leaders: Build the right culture
 As mentioned, embracing yourself can be easier said than done- but in a firm with a supportive and uplifting culture, it does become a far more adoptable mentality. Daniela highlights the importance of creating a level playing field in your firm, ensuring that "no one feels less than anyone else". Embedding equality into your



THE PANEL

						
HOST Nadia Edwards-Dashti CCO, Harrington Starr	Sajindra Jayasena Chief Information Officer, Targray	Daniela Binatti Co-Founder and CTO, Pismo	Samantha Knights Head of IT Architecture, Ninety One	Peter Lawrey CEO, Chronicle Software	Emile Adlem Head of Development, Salary Finance	Jamie Howard CTO, Capital On Tap

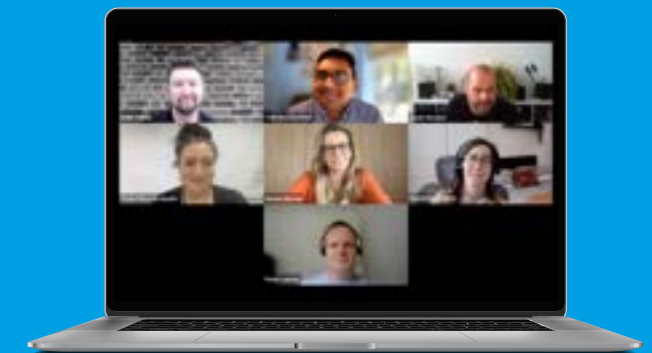
culture creates a far healthier space for debate and an environment where everyone has a common basis from which they can progress. Emile agrees with this, stating that "you need a collaborative and respectful culture where people can put forth ideas because no one person has the answers to everything." Building on Jamie's thoughts around diversity, a culture that encourages and ensures constructive, open discussion is one that shall thrive. It creates unmatched job security (which is particularly vital in an industry where the average tenure is 13 months!); allows for a hub of innovation to develop; and people can truly be themselves.

The evolution of learning
 "Technology changes so fast. Technologists need to be prepared to challenge themselves and learn rapidly as it's a marketplace changing at pace." Sajindra brought to light the importance of consistent, sustainable learning habits for technologists. No matter what

your role is or where you lie in the grander hierarchy, learning is vital when innovation is so rife. Learning isn't a linear or single solution concept, and our panellists plethora of responses to Sajindra's comment reveal this. Samantha spoke about learning under the guise of mentorship, stressing how this can better guide your ambitions but also expose you to development opportunities. Peter stressed how important it is to be embrave towards new technology, no matter how attached you may be to the old. The practicalities of the latter

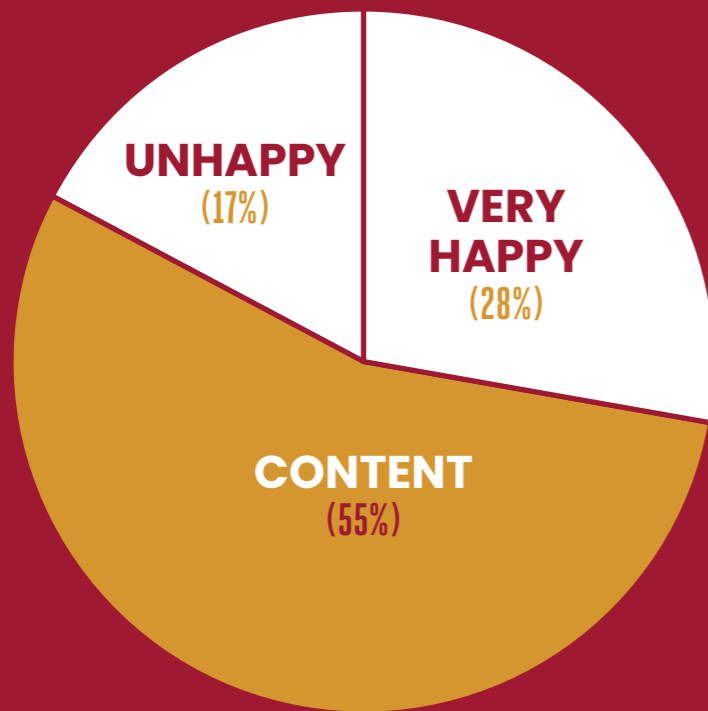
advice are again multi-faceted, but all demands your active participation. The industry is rife with opportunities- be proactive in taking a step to expand your learning scope.

Our inaugural Careers Webinar was a fantastic exposé of professional advice. Thank you to our brilliant panellists for bringing a wealth of expertise to this one hour session, and revealing what we can all do to empower ourselves and each other. Stay tuned for further events like this coming very soon!

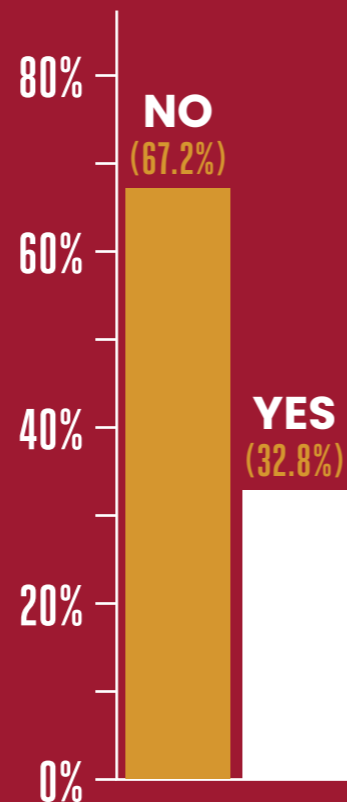


MAKING A CAREER MOVE

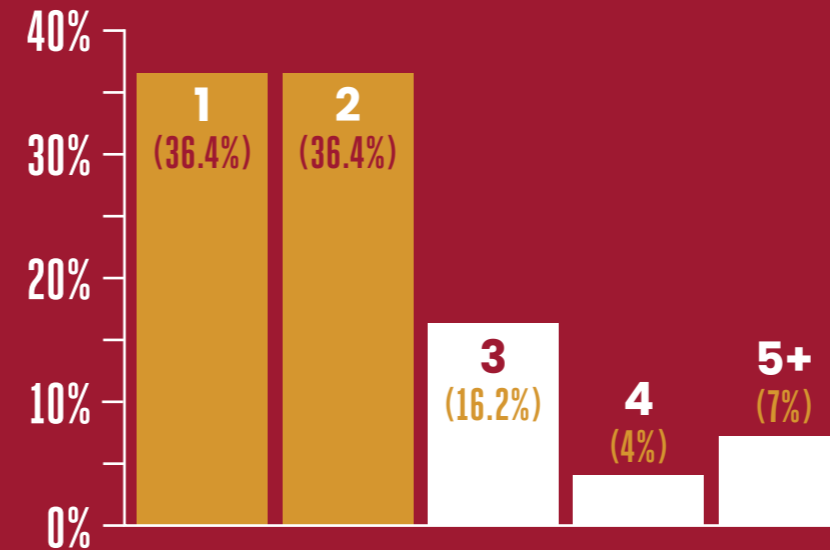
How happy are you in your current role?



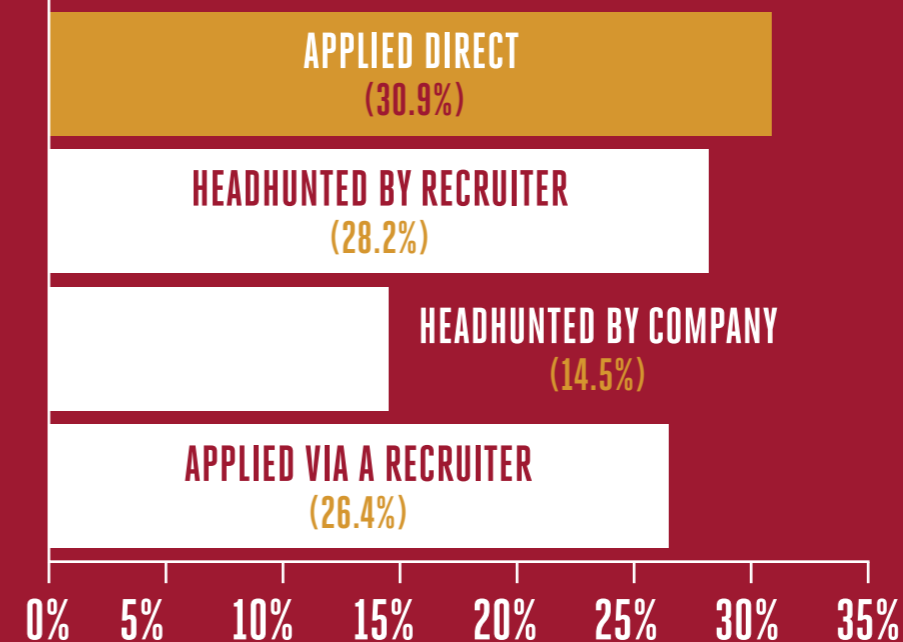
Prior to starting your current role did you receive a counter-offer from your previous employer?



Prior to starting your current role how many offers in total did you receive?



How did you find your current job?



Poll commentary

The majority of people are acquiring jobs through recruiters. Over half the candidates surveyed worked with a recruiter- either through being headhunted or leveraging existing relationships.

Almost a third of candidates received a counteroffer upon resignation. This trend is increasingly common due to the challenge of finding top talent. 55% of people are only 'content' in their current role, implying firms need to increase employee satisfaction, and hence reduce turnover. Companies succeeding at this are focusing on 'what do employees want' earlier, rather than falling back on counteroffers later. Counteroffers aren't a sustainable option as the trust between the employer and employee is lost before this. The most effective firms engage with employees to find out what's important to them and commit to implementing improvements. Given the current talent deficit, strong candidates are regularly approached by recruiters; these candidates are less likely to engage if they are happy in their current role.

On the flip side, candidates are getting multiple offers and counteroffers prior to starting a new position. Companies that are securing the best talent are focusing on selling themselves and the opportunity, while streamlining the recruitment process.

ADAM MILLS IS US GENERAL MANAGER AT HARRINGTON

MAKING A CAREER MOVE

While they say, "never look back", when you have moved from start-up to scale up, it's essential to reflect, learn and, importantly, grow. As the Global COO of a company that has scaled from 10-160 people in 7 years, it's important to reflect. What was needed six years ago to support the business versus what is required now, sometimes feels worlds apart. Honestly, it is hard to believe that I started working at VoxSmart with ten people, eight desks and no office door. Those ten people were wearing several hats, sharing desks, and making ground-breaking decisions that, in many ways, have led to where we are today.

Did we have a People team? No. An Operating Strategy? No. A Learning and Development program? No. But what we saw was the bones of an incredible company with the potential and passion for scaling into something extraordinary. As I write this, we are 160 people with a globally distributed team and some of the best talent and technology I have seen in my 25 years in the industry.

I know what you are thinking; it is like saying your baby is the best looking. However, in my career I have seen the good, the bad and the ugly, and while we are not perfect, we are in a great place, which has by no means been a fluke.



Adrienne Muir
 Group COO, VoxSmart

Never look back? Then how do you look forward?

"I know what you are thinking; it is like saying your baby is the best looking. However, in my career I have seen the good, the bad and the ugly."

Talent acquisition and retention

We have grown our company carefully and respectfully over the years to get it to where it is today. How have we managed to hire and retain some incredible talent over the years? It's a great question, and I hope it's a simple one to answer.

Our strategy

We decided early on to come at our people strategy from a different angle. We chose not to hire on CV; we hired people with passion and market knowledge, those willing to come on our journey. We hired people we knew, who we had worked with in the industry and in many ways, we hired on our gut. In the early days, we decided to create a workplace culture that differentiated us from competitors, and FinTech's paying above the market rate. We focused on values and

transparency and our vision for the future. This was as critical at 20 people as it is now at 160.

As we have scaled, we have focused on building strong foundations within our business. Being purposeful and strategic in our growth has been essential. The operating model required in a start-up, pre-funding is vastly different to a well-funded, global company set up for scale. We are steadfast in the benefit that our ability to grow internally will allow success externally and we are proud to have established a model built on the foundations of people, collaboration, communication, and transparency.

What now?

While this landed well and has us in a strong position, we had another focus close to our hearts as we grew. From the beginning, the team would hear me say many things like "so what, now what" (basically what's the next step) or "a message sent is not a message delivered" (just because you press send does not mean you got your message across). But the one closest to my heart and values was- "there is policy, and then there is humanity". Over the years, I have often worked in

businesses that say one thing and do the other; I won't go into the details, but basically, the fundamental lack of respect for people personally needing support is appalling, especially under the most extenuating circumstances.

Humanity

At VoxSmart, we ask all our managers to lead with humanity to support the needs of our staff. An example of this is our compassionate leave is not capped. Paid parental and carers leave is available, trained mental health first aiders sit within our organisation to support our team, and with a value around resilience, we offer resilience days to help people get the time and space required to be their very best in the workplace.

It is not lost on us that the People that work at VoxSmart are the secret sauce in what we do. Treating them with respect is the very least we can do. While having D&I policies and learning and development programmes in place is essential, we like to recognise that policies are a guide, not a one size fits all. This approach put us in a strong position when Covid hit our global offices and continues to guide us

as we scale.

The future at VoxSmart is as bright as those working within the business. We continue to see a strong talent entering and push internal teams to improve as we grow. More recently, our People operations team have launched an internal project to ensure that the inner foundations are fit for purpose for our global teams - focusing on internal progression, job levelling, reward, training and strong OKRs. We have reviewed our mission, vision, and values in preparation for the next stage in our incredible journey, ready for the next chapter in the VoxSmart story.

What will this next chapter look like? Especially in a changing tech world with words like "Hybrid working" and the "great resignation" hanging over us? I hope it is a future that allows greater transparency. As VoxSmart has scaled, we have hit road bumps along the way with people, tech and communication. I would like to see us look to the DNA running through our company's veins, one that takes us back to what we truly value, that of respect, honesty and good old-fashioned innovation of ground-breaking technology. I want to look back over the last few years and say, "we may not have got it all right and we made mistakes along the way, but at the end of the day, we stayed true to what we wanted to build when we were a team of ten in that little doorless office in Farringdon". Now, it's our responsibility to take what we've learnt and apply it to our future.



"We decided early on to come at our people strategy from a different angle. We chose not to hire on CV; we hired people with passion and market knowledge, those willing to come on our journey."

Stream the award-winning podcast...

FINTECH WITH NADIA

THE DEI DISCUSSIONS

Join Nadia and hear the pioneering voices for Diversity, Equity and Inclusion within Financial Technology.



WOMEN OF FINTECH

THE TALENT SURGERY

HUMANS OF FINTECH

MATERNITY AND PATERNITY STORIES OF FINTECH

MAKING A CAREER MOVE

In conversation with... Paul Brown, COO at TechPassport

Tell us how you got into the FinTech industry

I joined a company called LendingMetrics as I became very interested in the FinTech space. I could see by the growth of the industry that it was a great time to challenge myself in this new sector. I learnt very quickly that the FinTech space is fast paced and consistently changing and innovating with new products and services.

What have been the highlights of your career to date?

The progression that I have had personally within the FinTech space - I have progressed from being very green to a COO. The learning curve has been really exciting and has given me the ability to build on my skills.

How have you seen the industry change over the span of your career?

“There are so many exciting FinTechs out there and I am excited to be part of a business that will allow FinTechs to showcase their product to banks and for banks to be able to find the platforms quickly and easily..”



Paul Brown, COO, TechPassport

There are so many advances to technology, from Open Banking to companies looking for full automation. There are so many exciting FinTechs out there and I am excited to be part of a business that will allow FinTechs to showcase their product to banks and for banks to be able to find the platforms quickly and easily.

How would you like to see the industry change going forward?

I would love to see FinTech's investing in developers, as there is a skills shortage in the UK with developers, we need to do more to get younger people into the industry to allow growth and sustainability in tech.

If you were to give one piece of career advice to someone wanting to become a COO, what would it be?

Being a COO is tough and you must expect to put the hours and time in to doing the role, people rely on you so you need to be able to enhance their working lives, the simple things count. For FinTech specifically you must be able to roll up your sleeves and get stuck in, its not a resource rich industry. Embrace ideas, suggestions and innovation. A COO doesn't know it all, bring in the right people with the right skills and let them grow, you will learn from them and this can only be beneficial to the company.

Finally, always look back on the developments and progress that have been made, and how you got there, the journey is more important than the destination.



“THIS BOOK IS SET TO MOVE THE NEEDLE IN AN INDUSTRY THAT IS SCREAMING FOR HELP.”

Walk the Talk for change with the **over 100 Women of FinTech featured** in Nadia Edwards-Dashti's ground-breaking book, sharing their actionable advice to drive change for inclusion in FinTech and beyond.



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MAKING A CAREER MOVE

How a fast-growing technology company attracts and engages talent



Luciana Inumaru,
Chief People Officer,
Pismo

compromised in any way, and it is essential that you signal if you are not satisfied for any reason.

With this proposal to encourage a protagonist's attitude, Pismo does not presume to be a perfect workplace. Our firm is an environment that provides learning with enormous challenges. Moreover, we are a global and complex company, and undoubtedly many dreams and goals can be achieved here.

Retention is a word that doesn't fit our culture. We identify more with engaging our people. We follow some engagement indicators. One that catches our attention is the Glassdoor grade: 4.7. We've managed to keep the evaluations high while attaining accelerated growth and geographic expansion – and enduring the pandemic.

Another important indicator is the large number of nominations we receive from our teams. Our Referral Program fills most of our vacancies. Yet the achievement we are most grateful to receive was certification as a great place to work by GPTW, with 91% favourability, awarded in 2021.

Given our growth and global challenges and our effort to encourage a protagonist's attitude and autonomy in everyday life, we believe we are on the right track to sustain our teams' motivation. Consequently, we think Pismo can be where talented professionals want to be. These are the first steps of an incredible journey, and a lot is still to come. Do you want to be part of this story?



One of the success indicators of a company is how it takes care of its human capital. A leading talent attraction tool is offering a learning experience starting from the selection process. Thus, Talent Acquisition is one of the most strategic areas in HR at Pismo.

With the technology market extremely hot, our differential to attract talent is to offer an experience of exchange and self-development. Above all, we want to provide a selection process that respects the candidates.

This means providing reliable information about the company, with its positive and negative aspects, which aligns with one of Pismo's core values – total trust, that is, transparency at all times. In addition, we make the selection steps clear and give all candidates feedback at the end of the process.

We reinforce our culture from the

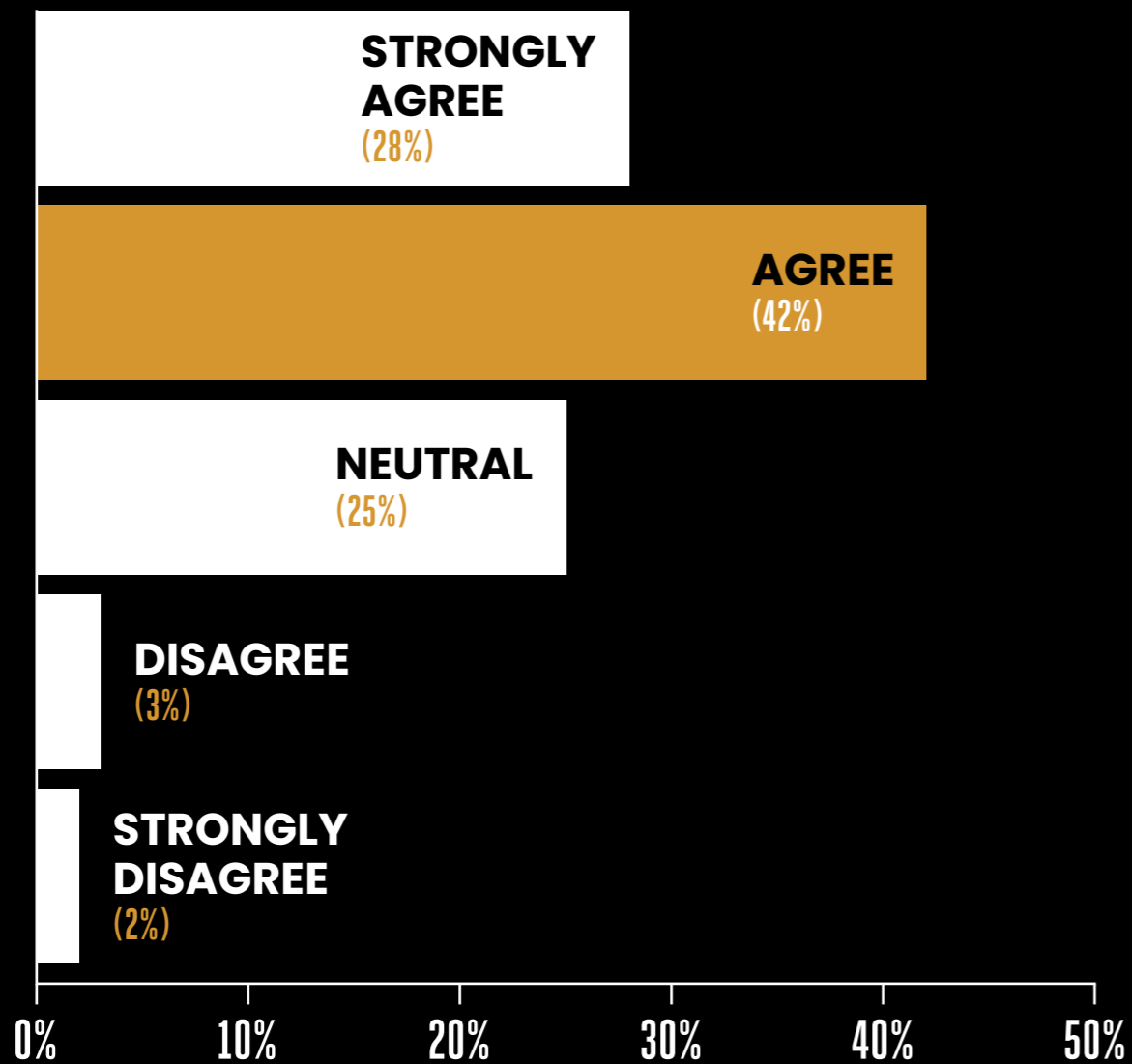
first interactions a future employee has with Pismo. So, if this person accepts the challenge of being part of our team, they will know what they will find in their daily routine, with no surprises. We show them that building a dream company is part of everyone's job. More than accepting things the way they are, every team member must do their part in creating a safe and pleasant work environment.

We do not have the illusion that the candidate's decision of working at Pismo will remain for eternity. On the contrary, we know that an integration process takes place over months in the company, and this sometimes leads the person in a different direction.

Considering this, during the onboarding process, we provoke some employees to reflect: if you feel it's time to depart our team, it's not a problem; we're here to support your decisions, even if it means leaving for another challenge. Your well-being and psychological safety must not be

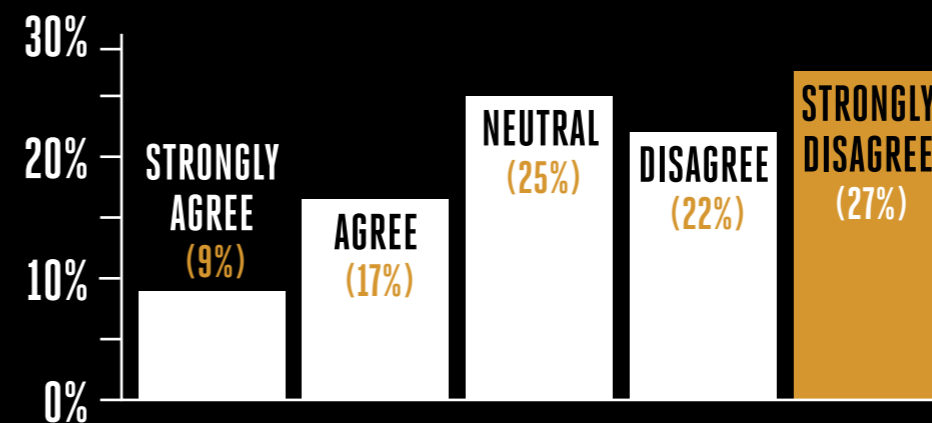
DIVERSITY, EQUITY AND INCLUSION

My current company is committed to improving the diversity of employees

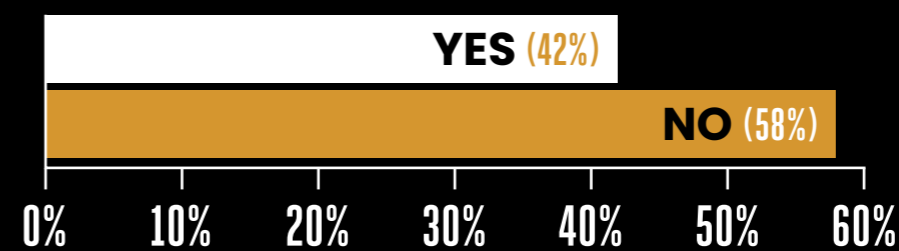


Consider the following statement:

My personal characteristics (e.g. gender, age, sexual orientation, colour of skin, heritage) have often been a barrier to my career progression



Has a lack of perceived experience ever stopped you applying for a role?



Poll commentary

These poll results give us just a glimpse of the reality people face when trying to forge a career in the financial technology space. There is still much work to be done to drive meaningful change, where everyone feels that they have a chance to progress fairly within their teams. There are still far too many people experiencing additional hurdles to their fair recognition and therefore promotion. Whilst there are some glimmers of hope and steps forward, we still see that there is a lack of confidence and lack of commitment to the inclusion mission. We have begun several awareness and advocacy campaigns to drive understanding around the reality many people face. Building better teams relies on better environments where people choose to stay and in cultures that sets them up to thrive.

NADIA EDWARDS-DASHTI IS CCO AT HARRINGTON STARR



DIVERSITY, EQUITY AND INCLUSION



Yasmin Johal
Associate, CMS

While the FinTech industry has made some progress in promoting ethnic and gender diversity, there is untapped potential for the ecosystem to encompass a broader range of individuals. This can be achieved by creating diverse talent through investment in education, as well as attracting existing talent through removing bias in recruitment practices.

FinTech companies should ensure that they recalibrate their cultures and create supportive environments where everyone can thrive.

Why diversity matters and recent statistics
Diversity is a key driver for performance and companies with more diverse management teams have been found to yield higher revenues, have stronger governance and attract better talent. A wider pool of perspectives also increases the likelihood of creative solutions being developed that capture wider consumer markets.

As one of the fastest evolving industries with the highest levels of innovation, diversity is particularly important in FinTech and progress has started to be made in this direction. Recent research into ethnic diversity in

UK FinTech indicates that participation of individuals from underrepresented backgrounds has increased from 12% in 2011 to 20% in 2021. Furthermore, the industry is comparatively progressive when compared to the tech sector as a whole, where BAME representation stands at 15.2%, as well as the UK labour market where the figure is 11.8% for all occupations. However, more progress is needed as, for example, the same report suggests that men outnumber women by 2:1 and that the majority (55.61%) of people working in FinTech are white males.

Education, recruitment and entrepreneurship
Meaningful change is a long-term investment and should start with education, for example through encouraging girls into tech and STEM fields and promoting the development of coding and data skills. School programmes and community outreach may help raise the visibility of role models who can inspire young individuals from underrepresented backgrounds and encourage their ambitions.

FinTech companies should also work to reduce bias in the recruitment process, including by moving away from traditional recruitment methods. Some firms have observed that use of

“Meaningful change is a long-term investment and should start with education, for example through encouraging girls into tech and STEM fields and promoting the development of coding and data skills.”

such methods procured a similar set of applicants, whereas the smallest changes, such as rewriting job descriptions to remove bias and using pictures that showed diverse team make-ups, had immediate results – for one of the teams, such changes had the effect of producing ten times more applicants overnight. Furthermore, the rapid growth of the industry means that new expertise is constantly required, which can be attracted through hiring from outside of financial services, for example other relevant technology sectors.

There is also significant work to be done in levelling the FinTech funding field, as recent figures indicate that 75% of UK founders receiving venture capital funding came from advantaged socioeconomic backgrounds. This can be addressed through initiatives such as the Female Innovators Lab, which was

created by Barclays in partnership with US-venture investment company Anthemis and is aimed at identifying FinTech female founders at the earliest stages and matching them with funding and support needed to develop their businesses.

Retaining diverse talent
FinTech firms also need to ensure that, once captured, diverse talent is retained. Both women and ethnic minorities often lack the confidence that they can succeed in Fintech, which is compounded in organisations where performance is measured against outdated standards. It is important, therefore, that businesses develop ways to promote talent that factor in individual characteristics and seek to support underrepresented individuals to develop crucial soft skills, such as networking and rapport building.

Furthermore, biases concerning the selection, promotion and mentorship of leaders in FinTech also need to be tackled. Research shows that the proportion of BAME representation drops as role seniority increases, which may indicate the presence of potential barriers to diverse representation at senior leadership level. This can be addressed through recalibrating firm cultures that largely serve one demographic and promoting a notion of a FinTech leader that is not a function of gender or race but reflects individual merit. Showcasing success stories and adopting inclusive mentorship schemes may have a crucial role to play in this context. Additionally, FinTech companies should improve the benefits and schemes that women and minorities value, for example through promoting flexible or hybrid working for people with caring responsibilities.

Drawing on a wide range of skills and knowledge is key to ensuring that the UK will continue as a global leader in finance. Attracting and retaining diverse talent in FinTech therefore becomes all the more important and requires firms to place diversity and inclusion high on their agendas and be intentional about creating workplaces where everyone can thrive.



How you gain and retain diverse talent in FinTech

DIVERSITY, EQUITY AND INCLUSION

Is your business thinking about D&I in the way it really should?



Mittal Shah
Head of External
Communications,
FINBOURNE Technology

Over June – Pride month – my LinkedIn was flooded with rainbow logos and eye-catching Diversity and Inclusion (D&I) pledges. I'm suspecting this to be the same for you too. Even beyond Pride, D&I forms an inescapable year-round theme across B2B and Financial Services businesses. Extraordinary, when you think of how quickly it has transitioned from being brand-critical in the consumer space, to one that businesses in the financial services industry are standing up and taking note of. As a British Asian female in the FinTech space, I thoroughly welcome this embrace, but the cynic in me can't help but

wonder (much like the greenwashing of sustainable investing), how much of this is making a real impact?

To add context, I recently took part in a voluntary working group called [reboot.](#), whose intention it is to literally reboot the narrative on racism and diversity, using real life stories, case studies and research. At the latter end of 2021, I was grateful to be able to contribute (albeit in a very small way), to the creation of the ground breaking [reboot. race to Equality: UK Financial Services Report](#) – one of the largest of its kind - surveying 200 mid-to-senior level white peers and 600 ethnic minority employees in the financial services sector, to capture their

views and experiences.

You see, despite the fact that D&I is now omnipresent, with numerous studies to demonstrate the benefits of a diverse workforce, how business leaders are achieving it or even whether they truly recognise its significance to the business, is still unclear. Some of this is to do with how we unpack D&I. To me diversity is an external measure that is visible and objective. Inclusion on the other hand, that's a mindset that is learnt and open to subjectivity.

I therefore read the final cut of the report with curiosity and familiar frustration, as it confirmed what I had long suspected; while *seven in ten*

financial services organisations have policies on D&I, only one-third (36%) of financial services employees believe their companies are "fully committed" to enhancing D&I. The survey goes on to state that only 54% agree that *their leadership team truly understands that D&I is critical to the future success of the organisation.*

This is not to belittle the efforts that have been made to date, particularly where whole teams exist and budgets have been diverted for this very reason. As part of my work with [reboot.](#), I interviewed many white allies on the programs they've set up and lengths gone to (including initiatives like reverse mentoring), to make inclusion a working reality in their firms.

What this means is that D&I programs are in need of consistent reviews, to see how much they resonate with ethnic minority employees *and* white peers. It also means evaluating the support these programs are receiving from senior leadership. If need be, it means asking the honest question of whether they buy in to D&I as an objective that can move the needle for the business, or if they see it as yet another box ticking exercise.

The above suggests that there is

still much ground work to do on educating leadership teams on the impact that D&I can have both for their business and society at large. Understanding this dual aspect, is something the report also acknowledges. *Building a more representative industry is not simply about hitting token diversity targets, or a PR exercise, but rather reshaping the kind of industry we want to be a part of; one that is reflective of...the multiplicity of cultures we can learn from and the diversity of our society.*

My immediate take away from this is that D&I is not just a business imperative but also part of the often overlooked S in ESG, making it a societal duty too. To borrow from a recent Coutts' campaign, it is this dual purpose of *'doing well by doing good'* that really should be the catalyst for businesses – an aspiration to level the playing field and accelerate mobility, while also achieving its end goals.

Sadly, the truth at least for the financial services sector, is that this level playing field is still an aspiration rather than a reality. According to the [reboot. report the careers of ethnic minority people are being impeded, because of their race.](#) Half of the ethnic minority employees

“Sadly, the truth at least for the financial services sector, is that this level playing field is still an aspiration rather than a reality.”

surveyed cited their career progression as being lower or significantly lower than that of their white peers. And of the barriers stated, were *unconscious – or potentially conscious – bias, the overlooking of skills and talent and a lack of internal role models.*

Understanding how to overcome this with the right practices, is key to the successful implementation of D&I. Achieving this is no easy feat but in my view opens up some very real benefits that businesses cannot afford to ignore.

Herd mentality hurts innovation

The UK boasts a diverse culture, further shaped by its rich history of immigration, leading to the influx of talent, new skillsets, culture and knowledge. It feeds into many of our industries, including the FinTech space. One of the many benefits it brings is diversity of thought. If we think about it, financial technology (or any technology for that matter) is where trial and error form a critical process, whether problem solving or innovating. It requires different approaches and people who are willing to step outside their comfort zones, to challenge the norm.

This includes concepts like the right to fail, something which I have come to admire here at FINBOURNE and is practiced from the top down. In essence it is simply exercising the well known adage; 'practice makes perfect'. To get to any viable end-state or solution, there will of course be failure first, but being given the freedom to make those mistakes, so that you can

DIVERISTY, EQUITY AND INCLUSION

learn and evolve from them, is a vital part of the journey.

Interestingly, the survey echoes this thought, and when asked, *white respondents suggested access to a variety of perspectives (51%) and to more talent (48%) as the top two reasons for having a more diverse workforce, alongside positively affecting company reputation (39%) and increased creativity (36%).*

Financial services firms must move away from traditional herd mentalities and group think, to curating multicultural teams of creative problem solvers and thinkers, and nurturing open environments. When you bring on board a diverse culture and embrace inclusivity, people thrive. They become genuinely excited about what they are doing, become willing to share their capabilities, and develop new ways of thinking.

At a time of the 'Great Resignation', opening up the talent pool and the skillsets sought across entry level positions all the way to board hires, can form a critical advantage. Especially so, for those financial services businesses facing increased scrutiny on board representation. With the arrival of activist investors and the rise of value-based investing, those businesses that do not diversify their workforce and represent a changing society (and investor base) will fall out of favour, fast.

Know Your Customer (KYC) 2.0
 Picking up on that last point; we are all familiar with KYC as a regulation, but what if financial services businesses took that to a new level; KYC 2.0, as I call it.

Mirroring a multicultural investor base (particularly, a new data-hungry generation that values transparency), with an equally diverse workforce, ultimately brings you closer to understanding your clients and anticipating their needs.

I mentioned value-based investing earlier, and while this is not a new phenomenon (Shariah investing has been around long before ESG even became a thing), it is one where deeper insights of the cross-section of society, will become an underestimated benefit. It opens the door to enhanced telemetry that can support new tailored products, delivering new revenue streams and a strong competitive advantage.

But this growth only comes from being open to looking outside of the traditional recruitment process, which is not always accessible to all. It requires moving away from 'Oxbridge'-oriented graduate programs and interviews littered with loaded questions, to trialling community grass roots schemes or gender-neutral hiring initiatives. It requires putting the right inclusion and career progression practices in place, making the workplace more equitable for ethnic minority employees so that they finally can stand shoulder-to-shoulder with their white peers, and the business can optimally leverage their skills and knowledge.

However today, this is still a work in progress and if we look to the report again, it is actually white colleagues who identify organisational culture as *the most common barrier to progression for their ethnic minority peers*, recognising the

constraints, existing corporate structures place on their colleagues. A further third of respondents include *a lack of informal networks, and the flow of information.* While engrained work practices were especially identified by *black and Asian respondents.*

Our ability to reach unity in diversity will be the beauty and test of our civilisation - Gandhi

As humans, our interactions with others, what we learn, share and bring to the table, constantly shape us as a civilisation. I have been fortunate in my working life to garner insights or be taught new skills by employees of various ethnicities, including white peers, that have changed my perspective and practice. Likewise, I have shared my unique points of view and experiences, in a way that has informed others' thoughts and actions. These exchanges fuel creativity and productivity and set a high standard for what we can deliver in both society and work.

Ultimately the embrace of D&I within a business empowers people, so that collectively we become passionate about the difference we can make. And it starts with a strong desire to contribute not only to your employees but to the betterment of society. So when you publish that next post on D&I, ask yourself (or your management team); *Is my business really thinking about D&I the way it should? And how can I help change this for the better?*

FINBOURNE | 
 MAKE THE WORLD LUSID

The job spec kills diversity



Simon Sear
 Innovation and
 Transformation
 Consultant

As a consultant, I get to see a lot of companies and without a shadow of a doubt, all organisations are struggling to find good people. The war for talent is alive and well. There are so many tailwinds, such as the influence of digital transformation, a high level of employment, post Brexit and pandemic effects and an increasing need to process and understand growing volumes of data. All conspiring to make it feel like an uphill struggle to find talent.

The other challenge organisations face is a lack of diversity. Which is not just a moral challenge but something that can lead to underperformance. Many organisations have historically had heterogeneous workforces and identikit leaders, often middle-aged white men like me. Where people come from a similar background and think in a similar way. The CIA is a well-documented account of how some of the smartest people in

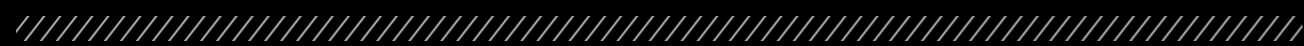
the world failed to see the rise of Osama Bin Laden and Al Qaeda. If you don't know the story, check out Matthew Syed's book, *Rebel Ideas*. In summary, they lacked diversity in thinking, backgrounds and education and it meant they had a singular view of the world, and they could not see the clues and even when they did see them, they dismissed them, because they weren't important to them.

It's a problem that starts at the time of hiring. Generally, organisations follow the same pattern when looking for people. They write a job spec, appoint a recruiter (or run the campaign inhouse), publish an advert, review applicant's CVs, interview some people and hire based on applicants meeting the spec and if they are a 'good fit' for the culture of the organisation. The result is that they hire people that are like the people already in the company, people like them. Even if they actively look for more women or people from minorities, they tend to have a similar background; university, graduate training

scheme, read the Times, are liberal minded, etc.

Hardly anybody hires primarily for general competence, attitude, or diversity of thinking. Sure, there are jobs that require specific training and experience. I want my accountant to have qualified as an accountant and my doctor to have gone to medical school, but does an analyst in a bank, a data engineer, strategy consultant or software developer need to have gone to university and have 3 years of experience? If they have the right attitude, a learning mindset and general intellect they'll pick it up quickly enough.

Having an open mind to experience and background with an approach to look in other places can bring huge benefits, enabling diverse hiring and winning the war for talent. Which brings the benefits of new ideas, innovation and new value creation. If you are trying to hire, why not look for people with the right attitude, intellect and mindset and consider job switchers, returners (e.g. armed forces and mums) and people from working class backgrounds with no degree. There are huge pools of talented people that organisations don't look at because they don't meet the job spec. By being open to different backgrounds and tearing up the job spec you might just end up winning the war for talent and discover some new ideas!



DIVERISTY, EQUITY AND INCLUSION

Building culture: lessons learned



utrust

Filipa Gonçalves
COO, utrust

Utrust was created in 2017 in sunny Braga, a city in the North of Portugal. We started as a small but very passionate team that shared a strong belief in the democratisation of money and wanted to lead the world to cryptocurrencies adoption. For this entire time, we have been building a blockchain-powered payment ecosystem that allows businesses to accept cryptocurrencies just like they do with traditional ones. Our product allows anyone from anywhere in the world to embrace all the advantages of this new and powerful form of money without going to the trouble of even learning what a blockchain is. We also provide an invoicing solution, so anyone, from digital nomad freelancers to massive real estate conglomerates, can find the perfect solution to suit their needs.

Our mission is to safely provide every business with a new revenue stream and every individual with the freedom to pay.

And we mean it.

Starting small, dreaming big
Even though Utrust started with a small team, mostly located in Portugal, we established a remote-first culture from the beginning. We knew we were going to reshape payments, so we had to ensure that our way of work would allow for an inclusive, multi-diverse and international team.

As human beings and as professionals, we keep evolving every day. We encourage our people to be innovative, to invent different solutions for the challenges we face, and to try different things.

We adapt.

So why shouldn't our culture change as well? It is our belief that it's not the people who should adapt to a company's culture. It's the culture itself that needs to be flexible enough to accommodate change. Because change isn't just inevitable, it's desirable.

We're scaling fast and we want to double the size of our team in the next few months. Hiring in Web 3.0 is a challenge in and of itself. It's a relatively new vertical, and precious few of us started our careers working with this tech. We've all move here from somewhere, and it's become our job to show people why that's a good idea. We need to make sure that every person that chooses to take that leap and join our team feels valued and part of a unique, talented and caring community.

Rediscovering the outside...

One of the ways we work our culture more in-depth is by holding company retreats. At least once every year, we spend a few days together somewhere away from our offices (home or otherwise), where can we gather the entire organisation. We make it a point to allow everyone to focus on Utrust's culture and strategy.

This is a truly team-centric event, and we go to great lengths to ensure everyone has the conditions to achieve its goals, which are quite clear and specific:

- We want our team to get to know and bond with each other;
- We want this to happen in an informal environment;
- We want to remove all digital barriers;
- We want to provide the team with an active voice in our company's culture;
- We want to sharpen the conversation around our strategy for that year.

A company's culture is something you need to work on every day. We believe in this quite strongly. But day-to-day work

can sometimes need a powerful boost like this. Operating a business in such a fast-changing industry and trying to grow the team at the same time is quite a challenge. A not insignificant part of that challenge is maintaining a distinctive culture.

Utrust's core values are evolving as we evolve, and they have grown to encompass a diverse mindset that stems from the team itself and accommodates the uniqueness of each individual. It is vital to us that our mission and our culture represent the core values of who we really are as a company and what we stand for as a Web 3.0 organisation. We want a team culture that's truly defined by our people, and not a culture of one repeated by many, as we see other companies doing.

...to protect the inside

This year, our company retreat had an even more meaningful impact on the team.

After a world-wide pandemic that affected everyone, as well as a successful recruitment period where we onboarded several people from different geographies, the emphasis was to get everyone to meet each other and bond. We wanted everyone in the same place, face to face, away from all the webcams and microphones.

This was goal number one.

We also wanted to take the opportunity to have some discussion sessions about our mission, values and short-term strategy. In fact, we wanted to come up with a brand new mission statement together, in person, face to face. We succeeded, by the way. That

very same mission statement is the second paragraph of this article.

We scheduled four days in a gorgeous location surrounded by nature, planned some outdoor team-building activities (kayaking, treasure hunt, plenty of walking on the woods and beaches), and made sure to save some time for work and discussion sessions.

First thing on the agenda: communication.

How could we make sure to improve the way we communicate with each other and as a company? We are very transparency-driven, so this is a key subject for us. We want to cultivate a human-centric, diverse, healthy and comfortable work environment. We want to foster a culture that allows our team to develop their talent and skills.

So we held a learning session about communication, organised to allow everyone plenty of time and space to speak, and quickly gave the floor to our team-members. It worked as well as we could have hoped.

Everything else stemmed from this conversation. We revisited our company mission and our core team values, focusing on understanding how to innovate regarding the way we work. We let the team provide insights on how we can be more collaborative, and how best to keep in mind the goals that were defined at the beginning of the year.

Allowing the team to direct us. Most leaderships choose to define the mission, vision and

values of the company themselves, and use them as management tools. We decided to do it the other way round. One of the most significant moments of our retreat was when we redefined all three together.

We believe that having an open discussion about our mission and how we get there is crucial to ensure that everyone resonates with whatever the end result is. This is our culture and what we want to achieve together.

What we have learned is that this level of engagement and commitment goes both ways: when we chose to involve our team in the decision-making process, it became clear that everyone fully understood what our direction and focus should be.

Every single person in that room is now invested in holding the company accountable to its mission.

Shared ownership

As a Web3 organisation, shared ownership is part of our DNA. It has been from the get-go and it manifests in everything we do, big and small. The way to build our culture may come with extra steps that other companies aren't willing to take. It may feel like we should be more wary of relinquishing control. If you understand this business however, you'll know that there really is no other way. You can't build a collaborative environment if your culture is upstream from the team. Every single person in our team has shared ownership in our company culture.

And we wouldn't have it any other way.

DIVERSITY, EQUITY AND INCLUSION

The FinTech sector has made great strides in recent years regarding equity, diversity, and inclusion, but more work is still required before we can declare the sector to be fully inclusive.

Diversity of representation and thought leadership within FinTech is vital not just because it is the right thing to do, but because it will create a more innovative and vibrant ecosystem which will in turn drive creativity of the products and services that suit the modern world, from millennials to GenZ and generations to come.

Understanding the various capacities and broader challenges of diversity is necessary for achieving inclusion and equity - only then will we be able to provide more applicable and sustainable FinTech solutions globally. How can this be done?

Encouraging entrepreneurs from diverse backgrounds can address gender, cultural and ethnic divisions in the provision of financial services. Every individual in a FinTech company (or any company really) must contribute to establishing and developing an inclusive environment that resonates at every level to effect change. This will ensure that inclusive companies are better placed to attract talent, tap into new markets, and ultimately create innovative products in an environment that is welcoming.

Let's talk about gender biases - financial services have long been perceived as a male-dominated sector, but within

The bright, diverse, and optimistic future of FinTech



Sibeso Mofya, Marketing Team, TechPassport

FinTech, opportunities have been given to women hence women are more visible than they have ever been. Today, almost 30% of the UK FinTech workforce is female. As we move towards gender equal representation, however, seeing more women in prominent senior roles will be crucial. As of 2021, 'The Guardian' reports that only 17% of senior roles in FinTech are held by women, and only 12% of founders are female, though both these numbers are steadily growing.

It's important to realise that women are still underrepresented in FinTech, even though we work in a progressive industry supported by powerful female executives. Contradicting factual evidence would be to assert the opposite. Many attribute the persistent dominance of men in FinTech (particularly in senior roles) to the dearth of female employment applications. However, the fact that there are fewer women with the STEM backgrounds needed for most FinTech professions (just

13% of candidates taking these programmes are female) implies the issue is far more pervasive.

With regards to minority and ethnicity biases, it is also worth mentioning that with the use of FinTech analytical tools like Artificial Intelligence and Big Data to determine future trends and products, this will enable diverse teams with a range of backgrounds and experiences to be better suited and placed in positions that assess the impact of biased algorithms and potential outcomes to solve different problems of the future. Therefore, in our opinion, Diversity and Inclusion is not just right for business, it's the smart thing to do.

But what can be done to address these biases? For starters, FinTechs must approach the diversity and inclusion drive with more progressive attitudes especially when it comes to recruitment e.g., reviewing job descriptions to ensure the language appeals

to female applicants. Secondly, for FinTech companies, entrepreneurs, and the financial industry as a whole, supplier diversity is essential. Supplier diversity refers to a supply chain that incorporates businesses owned by diverse individuals or groups (e.g., women owned, ethnic minority owned, disabled owned, charity owned, micro and small businesses) in order to create mutually beneficial relationships with suppliers from all walks of life reflecting the diverse communities and cultures we operate in.

At TechPassport for instance, at organisation level during onboarding, we simplify and speed up the onboarding process for suppliers and simultaneously find technologies for financial institutions, tapping from a reservoir of diverse founded suppliers according to the solution being created in order to provide client centric and seamless

solutions to all players of the financial industry.

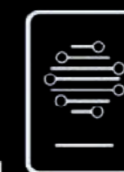
At a people level, our team comprises a mix of ethnicities and an equal gender balance and this is testament to TechPassport being the proud sponsor of FinTech Pride Week this year.

In summary, the FinTech revolution is in vogue and we must all wake up and smell the coffee! To effect change, we must become active allies to create the change we want to see, and this starts now.

A key takeaway for anyone considering a career in FinTech is to go for it. Yes, there's work to be done on forging greater equality, diversity, and inclusion but the work has begun, and solutions are underway.

The point is that the FinTech sector wants you and you will find yourself both welcomed and valued - as we all have at TechPassport!

"A key takeaway for anyone considering a career in FinTech is to go for it. Yes, there's work to be done on forging greater equality, diversity, and inclusion but the work has begun, and solutions are underway."



techpassport

DIVERISTY, EQUITY AND INCLUSION



Susanne Hannestad, CEO, Fintech Mundi

FinTech diversity for growth

When it comes to FinTech, real diversity is a long way off. Even by the standards set in the wider finance and technology sectors. That is the key, often shocking, finding in our report, the first output of the FinTech Diversity Radar to build a global diversity benchmark for FinTech.

Whether as company founders, CEOs, senior executives or on the board of directors, women are not seen and rarely heard. Of the 1,032 FinTech firms, only 17 were funded solely by women. They received just one percent of total FinTech venture funding.

Less than six percent of CEOs are women, as are less than four percent of CIOs or CTOs. In many ways, FinTech appears to be repeating the behaviors of traditional finance, with added digital spin. The new 'one percent club' for women founders and venture funding identified in our report

may be a blow for FinTech's evangelists, but these women are to be celebrated and amplified, nonetheless. What's more, western markets appear to be outpaced by fast growing regions.

Africa has the highest proportion of female board members, and with the Middle East, hosts the highest share of female CEOs, for example. Dubai, São Paulo, Buenos Aires, and Lagos are all emerging as female FinTech hotspots, while women-founded companies in Latin America, Asia-Pacific and Africa outperformed their male counterparts on median funding per company.

Behind it all, the number of companies founded by women has grown as a percentage over the past decade, with momentum shifting away from North America and Asia, and towards Latin America, the Middle East, and to a lesser extent, Europe.

As we have seen, successful

female founders and female leadership are important, but elusive. But the 17 companies founded exclusively by women prove that they can thrive, nonetheless. **They are shown in the table below.**

Our results show that, in FinTech, women are six times more likely to be heads of marketing than CEOs and nearly ten times more likely to be heads of HR. As a progressive industry, FinTech is adopting the behaviors that have been prevalent for many years in traditional financial institutions.

It is time to redesign and reconstruct the roles of women in our industry. It is vital for women to build on their experience by taking on responsibility in financial management such as profit and loss, and to get involved in business development, sales, and C-level positions in order to excel. I personally want them to aim for roles that are pivotal in a company – if not CEO, then COO, CCO, CTO/CPO or a more empowered and commercially minded CMO.

By developing commercial skills women set themselves up for entrepreneurship and independence.

Company	Founders	City	Country	Employees	Founded Year	Funding	Segment
JD Digits	Yayun Li	Beijing	China	1001-5000	2013	\$34bn	Infrastructure & Automation
Starling Bank	Anne Boden	London	United Kingdom	1001-5000	2014	\$922mn	Banking
Northern Arc	Kshama Fernandes	Chennai	India	1-500	2008	\$383mn	Lending & Marketplaces
Tala	Shivani Siroya	Santa Monica	United States	501-1000	2011	\$204mn	Lending & Marketplaces
Spandana Sphoorty Financial	G Padmaja Reddy	Hyderabad	India	1001-5000	1997	\$181mn	Payments
Ellevest	Sallie Krawcheck	New York	United States	1-500	2014	\$91mn	Analytics & Scoring
Kinara Capital	Hardika Shah	Bengaluru	India	1-500	2011	\$70mn	Lending & Marketplaces
Enfuce	Denise Johansson, Monika Liikamaa	Espoo	Finland	1-500	2016	\$65mn	Payments
Bcredi	Maria Teresa Fornea	Curitiba	Brazil	1-500	2017	\$23mn	Other FinTech
Babban Gona	Kola Masha	Lagos	Nigeria	501-1000	2012	\$20mn	Lending & Marketplaces
AZA Group	Elizabeth Rossiello, Charlene Chen	Nairobi	Kenya	1-500	2013	\$15mn	Payments
Souqalmal.com	Ambareen Musa	Dubai	United Arab Emirates	1-500	2012	\$12mn	Lending & Marketplaces
Exponencial Confirming	Maria Camila Munoz Sanchez	Buenos Aires	Argentina	1-500	2012	\$5mn	Virtual & Cryptocurrency
Mobilexpress	Zeynep Sener	Istanbul	Turkey	1-500	2020	\$2mn	Payments
Lyanne	Jeanna Depond, Li Cai	Paris	France	1-500	2020	\$0.6mn	Insurance
Moody	Amy Thomson, Laura Weir, Lola Ross, Karla Vitrone	Paris	France	1-500	2018	\$013mn	Other FinTech
TPAY Mobile	Sahar Salama	Dubai	United Arab Emirates	1-500	2014	N/A	Blockchain



FINTECHMUNDI

WOMEN MAKE UP ONLY 19% OF THE UK TECH INDUSTRY

How come, employers?

YOU NEED THE 19% LIST

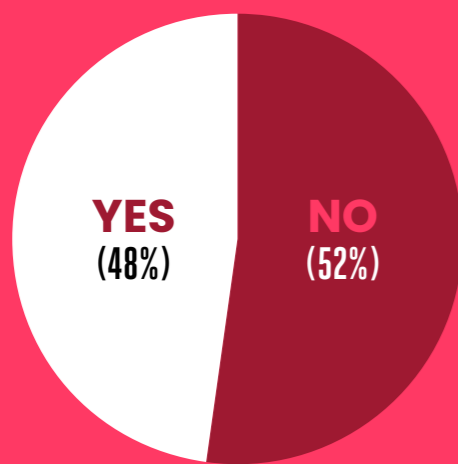
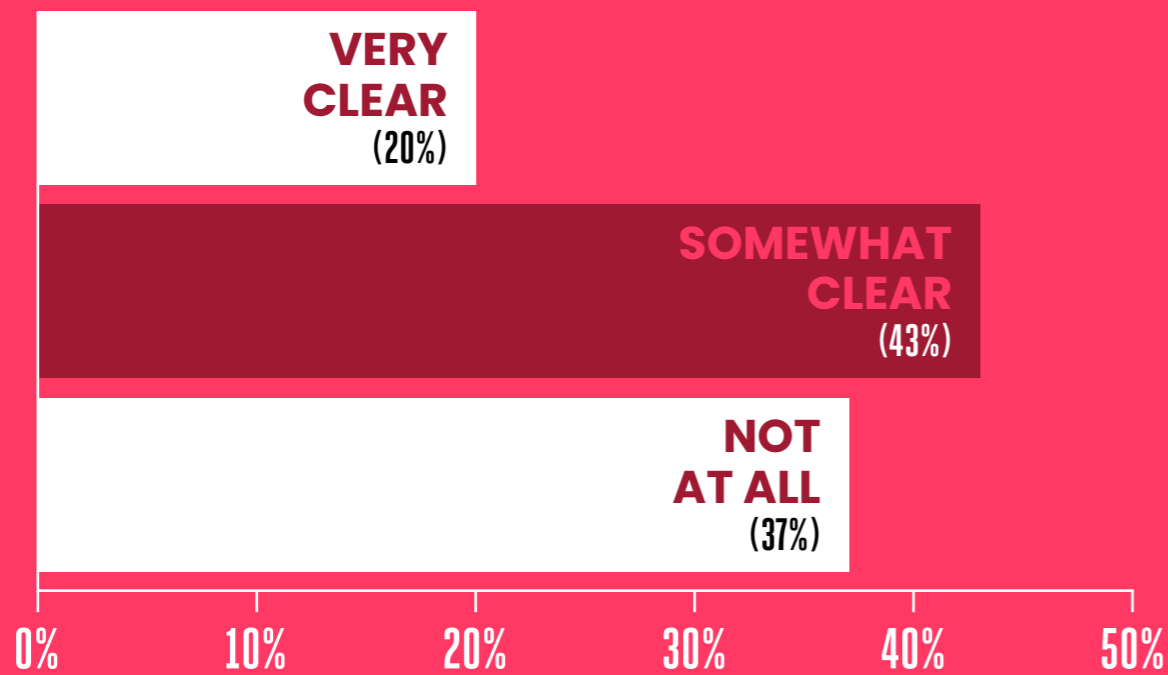
The ground-breaking initiative that is transforming the way we engage with women in the Financial Services and Technology Industries through direct, curated visibility of female talent.

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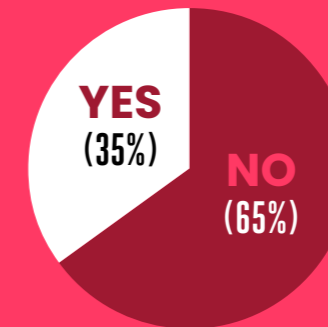
LEARNING AND DEVELOPMENT

Are you clear on what you need to do to be promoted?

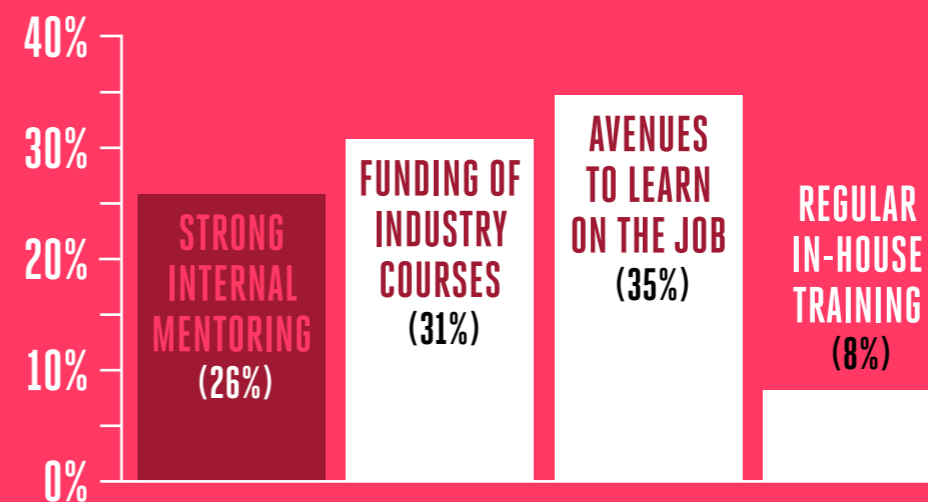


Does your company have a comprehensive learning and development programme aligned to your career progression?

Have you got a personalised L&D plan and clarity of what development you are going to get in your current company?



What is central to your understanding of Learning and Development?



Poll commentary

With organisations globally struggling with skills shortages, the race to attract and retain talents has created good opportunities for learning and development (L&D).

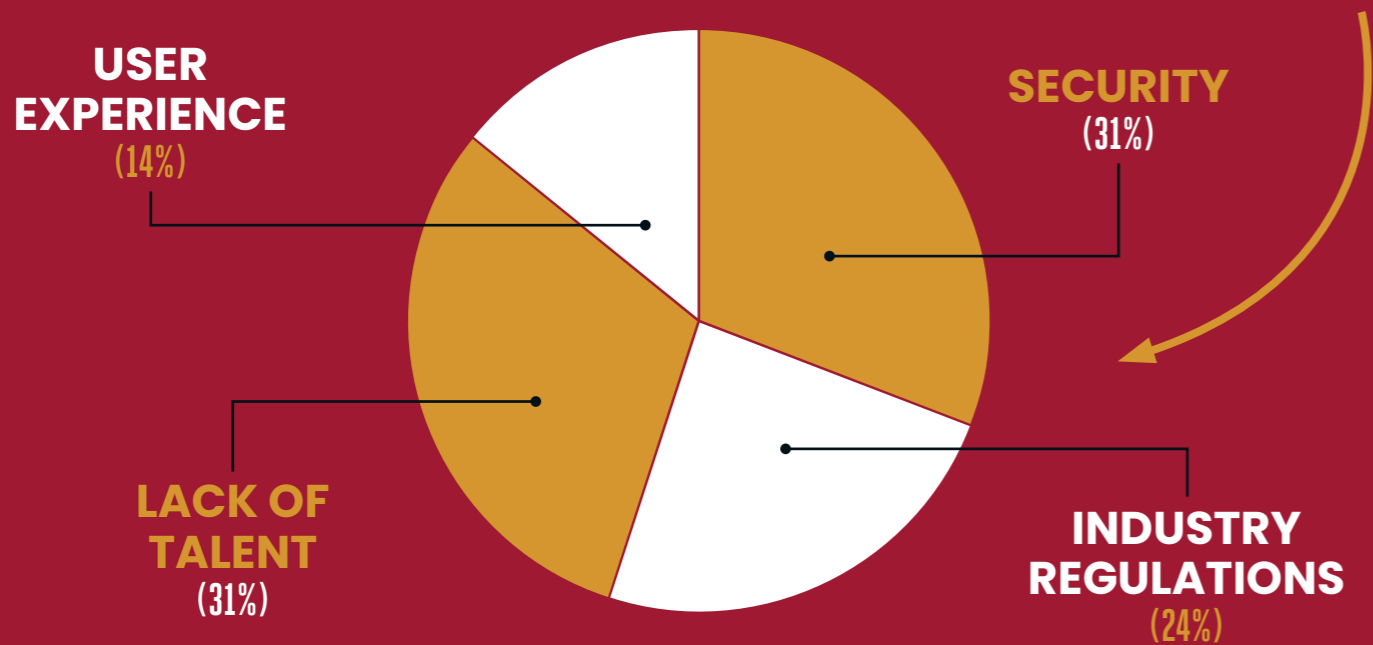
It is quite striking to note that 65% of candidates surveyed did not seem to know how to navigate their development journey or seek promotions within their company. Whilst 35% of the pool value the opportunity to learn on the job and the access to funded courses (31%), the big majority did not feel in alignment with internal L&D programmes (52%) nor the internal trainings (9%).

The survey underlines three major gaps in my view: communication, engagement and access. An effective L&D programme should be designed with open channels reflected through regular workplace interactions, not just the twice-a-year review. The second aspect is the people empowerment. Deflecting from a one-size-fits-all approach is crucial to allow people to own and tailor their journey using diverse self-selection resources. And last, learning being a continuous process, a clear path cannot be single-handedly defined by organisations. The responsibility is shared but companies must invite the L&D conversation; acknowledge the different variables that shape people's preferences and reception to training; and build an environment that promotes collaboration, inclusivity, and growth.

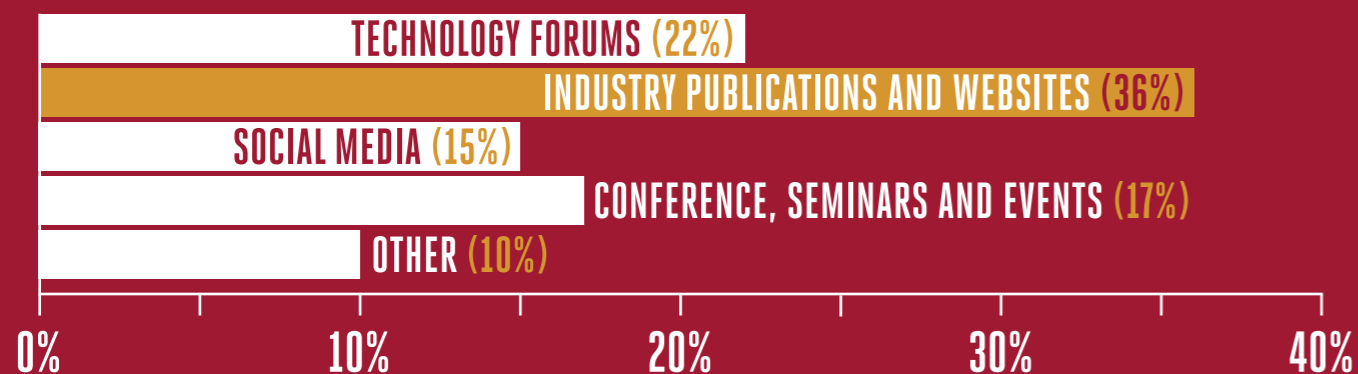
SANDRA MIANDA IS THE FOUNDER OF PAYPR.WORK

TECHNOLOGY TRENDS

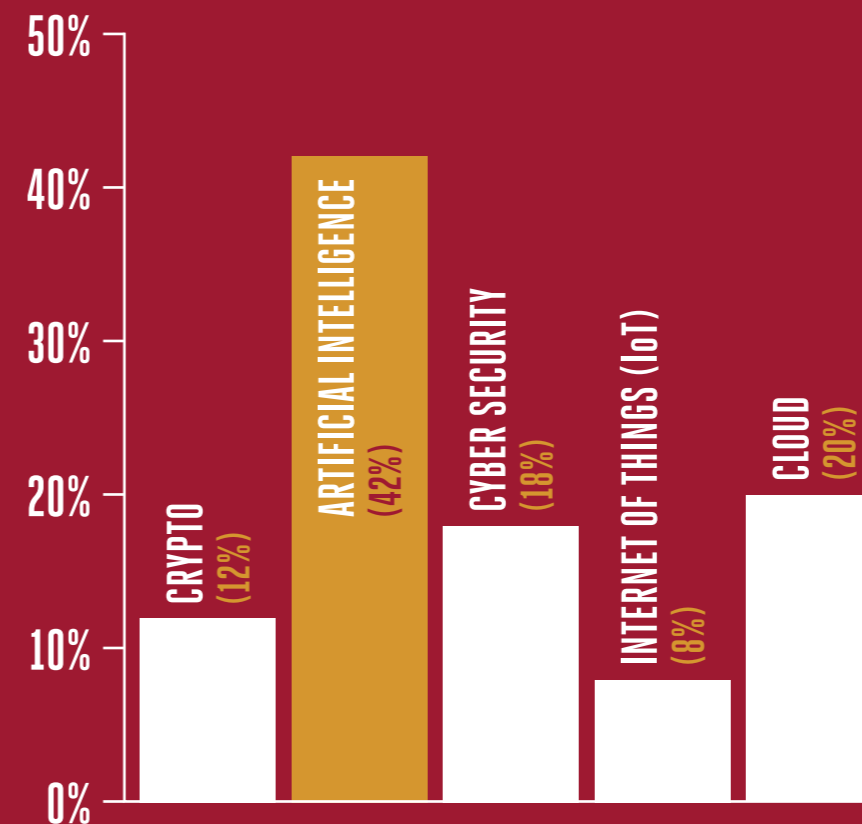
What do you see as the biggest challenges facing the FinTech industry?



How do you keep up with technology trends in the industry?



Which technologies do you see as most compelling in the current market?



Poll commentary

Perhaps surprisingly, there are no real stand-out winners and losers in the Technology Trends survey. This illustrates the challenges that technology executives face in building and growing the multi-disciplinary teams needed in order to stay ahead of the game in a tech-led industry.

However, there are a couple of results that do warrant comment. The 14% result for User Experience in the "challenges" section seems odd to me. Does this suggest that technological excellence trumps a fantastic experience for clients? That would worry me if I were the Chief Commercial Officer of such a business. Perhaps some rebalancing of perspective is required here?

The other is the 12% score for Crypto in the compelling technologies section. Maybe this is explained by respondents thinking of 'Crypto' in terms of digital currencies rather than thinking of the bigger picture around the blockchain technology underpinning tokenisation and Decentralised Finance (DeFi) more broadly? There is a growing belief that DeFi will ultimately become 'The Infrastructure of Finance'. This is a trending concept in the industry and could justify a magazine issue in its own right, rather than being a single Technology Trends item!

COLIN SLIGHT IS CO-FOUNDER OF THE REALIZATION GROUP

TECHNOLOGY TRENDS

Six of the hottest trends dominating FinTech in 2022



Leigh Pepper
Chief Product Officer,
10x Banking

FinTechs have always strived to overcome the market challenges and they know how to get the job done. But the obstacle course is about to get even tougher. With rocketing interest rates, dwindling valuations and increased competition, here are six trends driving FinTech today.

1. Pressure on FinTechs and banks

To slam the brakes on inflation, central banks are raising interest rates. Dramatically! The Bank of England has already hiked the rates at least five times this year. As well as making credit much more expensive, it also makes investors risk averse and much more reluctant to part with their cash. In the US, venture capitalist funding for FinTech dipped by 21%, while funding for emerging hotspot India plummeted by 45%. When the market goes risk-off, often they move like sheep.

Competition for those precious funds will increase over 2022 and beyond, with cash-positive companies and those showing cost control likely to come out on top. For FinTechs, this puts extra pressure on the strength of their business models. It's no longer enough to prove a concept, they will need to demonstrate that their tech is a sound investment with a clear path to cash in the midst of an economic crisis.

Rises in interest rates are initially helpful for banks as they improve margins and the bottom-line P&L. But if we slip into a real recession, it will put pressure on banks as invariably credit losses will go up. However, all the structural challenges and pressure that banks are facing, and have faced during the pandemic, are even greater today. The demand for better user experiences and the need to drive down the cost-to-income ratio becomes stronger every day. Any downward

pressure on profit and loss will make those pressures worse. Some banks may of course delay change programmes, but the smart ones will accelerate them, and that provides opportunities for FinTechs.

2. Buy Now Pay Later faces new hurdles

FinTechs dealing with credit will feel this pinch the hardest. Up until now, funding has been dirt cheap – virtually free. With so many firms relying on this, we could see loan-based services like Buy Now Pay Later (BNPL) tumble as the funding line gets pulled away and margins erode.

The new economic backdrop could impact the BNPL landscape significantly. As times get tougher, firms will need to stem the credit losses from their unproven decision models – and the regulatory burden which is likely to introduce friction and affordability assessments to one-click shopping experiences could erode revenue. This double pinch could see a consolidation in the market. We could even see some opportunistic banks entering the market through timely acquisition of devalued providers.

3. Cloud-native comes of age

Another new dawn is awakening. After years of speaking about digital transformation, cloud-native platforms are now becoming mainstream for incumbents. (And it only took one global pandemic, three lockdowns and an impending worldwide recession to get there!).

One interesting case in point is Chase UK. This incumbent spin-off is a cloud-native platform, designed for multiple geographies and segments. It's

this kind of tech-first thinking that will empower banks to create new and unforeseen services and products. FinTechs are advised to guard their turf, as incumbents reclaim old territory, and charter new courses with strong balance sheets behind them.

Cloud-native technology with a low total cost of ownership – and the kind of customer margins many banks can only dream of – opens the floodgates of opportunities. Expect those that embrace it to leverage their superior cost-to-income ratios and make up for the lost time.

4. Competitive pricing reaches boiling-point

Over the past few years, many FinTechs have been successful thanks to superior user experiences, as well as incumbents being too limited by low margins to respond. But the combination of rising interest rates and banks embracing cloud-native technology changes this.

Innovative products, competitive pricing and seriously good promotion and placement are back in fashion for banks. The age

of 4P's marketing is back. Rising interest rates, combined with the need for revenue means incumbents, new entrants and neos are all going to be in a competitive tussle as net interest margin becomes de rigueur.

Those that can manufacture and distribute products simply and easily will be able to win over customers, who stand to benefit.

5. New channels and new models

Banking-as-a-Service (BaaS) will continue to gain momentum, evolving in several directions. The classic approach of non-banks incorporating banking licensed technology into their processes will continue to gather momentum. And banks will continue to learn and improve their offerings to maximize revenue efficiency.

Interestingly, another direction is taking hold too. Smaller FinTechs and financial services are recognizing the economics of using BaaS for their underlying technology too. We're likely to see more of these partnerships among forward-thinking firms.

6. Crypto reveals its true self

Like a delinquent youth growing up into an average run-of-the-mill person, crypto has been on a journey of self-discovery. Once so alternative – the reserve of drug lords, teenagers, and libertarians – over recent months it's proved itself to be anything but a decentralized and alternative asset class. Its value appears to align and correlate with fiat currency and stock market movements.

As time goes on and regulators tighten the clamps on this elusive asset, we're likely to see it settle into becoming just another routine high-risk asset. Even the global trend of the metaverse and NFTs (Non-Fungible Token) are unlikely to reverse the centralizing course of direction.

We're part of a pivotal moment in history

The free-credit party is over. Banks can do more with less. And FinTechs must work even harder to remain competitive. But it's not all bad news. It's the start of a new beginning. A rising from the ashes.

We're now heading towards the future so many of us envisioned when we first began our careers. A world where technology and finance collide to create unprecedented experiences. Where banks and FinTechs merge into fully evolved services.

Unignorable changes are in the air.

10x

“Another new dawn is awakening. After years of speaking about digital transformation, cloud-native platforms are now becoming mainstream for incumbents.”



TECHNOLOGY TRENDS

Digital wallets are gaining popularity all over the world and within the payment sector, it is increasingly being offered as a new product feature for cross-border transactions. Very common in peer-to-peer payments, digital wallets have become a bridge to those without bank accounts. In the context of cross-border environment, however, no single digital wallet is currently as widely accepted internationally as major cards such as Visa and Mastercard. Most digital wallets also do not incentivise customers or merchants with reward programmes as most traditional debit or credit cards do.

Acceptance is evidently a challenge in cross-border payments. Merchants who don't accept local or the most popular payment method from different market can find themselves losing out on customers which prevents them from growth. Payment landscape in any market is so diverse and filled with so many players offering alternative payment solutions. This is a trend we expect to see in the future as online payments continue to prevail and for a merchant to be

Digital wallets are the future of cross-border payments

successful, they need a payment solution that offers flexibility and a network of different local payment methods to be able to solve a complex payment environment.

Some payment solutions providers have already made efforts to address this challenge. AstroPay, for example, offers a digital wallet that is free to download and register, allowing users to perform cross-border transactions with no extra charges. Cross-border acceptance is simplified by



Mikael Lijtenstein,
CEO,
AstroPay

providing a single API for accepting transactions and receiving funds, thus enabling easier and faster pay-ins, check-outs, bank transfers or recurring direct debits without having the customer to leave the merchant's website. With this system, AstroPay helps merchants scale up their business by securing more conversions and expanding the range of consumer base they can reach thanks to the network of more than 200 payment methods accepted.

Future of digital wallets

Previous studies have shown that the use of digital wallets improves the rate of acceptance of foreign payment methods and networks around the world, therefore making cross-border payments faster, more accessible and cheaper than traditional bank transfers. In addition to facilitating online payments, digital wallets make it easier for customers to receive, pay and deposit money. It also allows merchants to have a larger reach

“Digital wallet providers can offer solutions without the burden of complex processing, so merchants have greater access to faster settlement and global consumer reach.”

“Previous studies have shown that the use of digital wallets improves the rate of acceptance of foreign payment methods and networks around the world, therefore making cross-border payments faster, more accessible and cheaper than traditional bank transfers.”

of global customers and make payments easier, faster and more accessible.

We see an exponential growth in the demand of small and large businesses, including e-commerce and gaming businesses who are keen to accept digital wallets. [Worldpay's Global Payments Report](#) indicates that half of all e-commerce transactions made globally are expected to be made with a digital wallet by 2023. This shows how digital wallets play a vital role in propelling non-cash transaction and growth of e-payment methods.

Digital wallets also help increase customer loyalty through loyalty programmes and personalisation. They work by rewarding customers who repeatedly interact with a brand, whether it be transaction, newsletter signup, membership or engagement on social channels. They are part of user experience and therefore digital wallet is an excellent way of spurring consumers into action as

the platform is already built for ease and convenience. In our experience, users tend to prefer what is called as point-based loyalty. Points programmes are the most common type of rewards programmes. They let customers accumulate points they can redeem for freebies, cashback, perks, etc. Customers feel recognised and special with loyalty programmes embedded in the digital wallet, which further leads to more purchase, deeper engagement and direct feedback for the brand. It is also a way of generating trust between merchant and the customer.

In this competitive marketplace, payment providers have turned to the latest digital innovations to transform cross-border payments and more global merchants are turning to their FinTech partners for solutions that make payments more convenient. Digital wallet providers can offer solutions without the burden of complex processing, so merchants have greater access to faster settlement and global consumer

reach. As opposed to using traditional bank or wire payments, merchants can leverage digital wallets to make cross-border transactions happen.

There is also growing demand for real-time payments in the cross-border payments space. By partnering with a global digital wallet provider, merchants can process more payments in foreign currency in real time. In the future, I see cross-border payments become settled much faster and more securely with digital wallets. The key for merchants to stay ahead of the curve is to collaborate with a partner who can provide a suite of connectivity and ensure businesses keep up with the rapidly evolving customer demands and characteristics of local as well as global payment landscape.



TECHNOLOGY TRENDS



Helen Disney, Director,
The Realization Group

If banks are from Mars, cryptocurrency and blockchain are from Venus. This has largely been the status quo for over a decade since the birth of the Bitcoin network in 2008. Now, however, could the planets be beginning to align as a convergence between traditional finance (TradFi) and decentralised finance (DeFi) becomes a reality?

Of course there have been sporadic forays by banks and institutional investors into the world of crypto and blockchain before now. Tokenistic (no pun intended) as some banks' previous announcements may have been, there have certainly been some innovators and early adopters into the space. Some of the first venturers into the industry joined blockchain banking consortia such as R3 as far back as 2015.

But now a divide is really starting to open up between those banks

and financial institutions who have seriously understood that digital assets are here to stay and the traditionalists who remain stubbornly on the fence or are still outright sceptical.

The times they are a changin' Looking at some past media headlines for comparison shows how far the landscape has shifted. In 2017, we saw the media reporting "Bitcoin's real value could be zero, Morgan Stanley analyst says". Fast forward to 2021, when "Morgan Stanley becomes the first US bank to offer its wealthy clients access to Bitcoin funds".

In 2017, JP Morgan CEO Jamie Dimon was famously sceptical about bitcoin calling it a 'fraud' that will eventually blow up. By 2021, JP Morgan not only has its own cryptocurrency but 382 banks are using its blockchain-based Liink platform to exchange data and the bank is even encouraging investors to

allocate a portion of their portfolios to bitcoin.

Nowadays Goldman Sachs is also one of the leading investors in Circle's [stablecoin USDC](#). And as recently as last month, Cointelegraph was reporting that multinational investment bank JPMorgan Chase & Co is trialling the use of its own private [blockchain](#) for collateral settlements.

Media headlines are, of course, just a barometer for what is happening in the markets. So what do institutional investors actually say when asked about this topic directly?

Beyond the headlines - how do institutional investors really view digital assets?

Last year, Fidelity Digital Assets published a significant report into the subject. The Institutional Investor Digital Assets Study found that as many as seven in ten institutional investors expect to buy or invest in digital assets in the future, and more than 90% of those interested in digital assets expect to have an allocation in their institution's or clients' portfolios within the next five years.

This forecast indicates a continued acceleration in adoption over the next few years. Just over half (52%) of the institutions surveyed across Asia, Europe and the U.S. already invest in digital assets. While adoption rates remain higher in Asia (71%) than in Europe and the U.S., participation increased in all markets as 56% of European institutions and 33% of U.S. institutions now hold digital asset investments, an increase from 45% and 27%, respectively in 2020.

A more [recent report](#) published this year by the cryptocurrency exchange Bitstamp, spoke to over 5,500 institutional investment decision makers as well as 23,113 retail investors from 23 countries spread across the world to understand their attitudes and ambitions for crypto, now and in the near future.

Institutional investors found regulation to be one the top 3 concerns for those not currently investing in crypto. Risk and volatility was the top barrier for these investors followed closely by the lack of regulation in the industry and the fact that, as they see it, crypto is still just too new.

However, mainstream adoption is growing among retail users. According to a Federal Reserve study published last month to measure the economic health of U.S consumers - which mentioned cryptocurrency for the first time - as many as twelve percent of American adults held cryptocurrency in 2021. The survey indicates a growing interest by the U.S. central bank in understanding how the crypto economy fits into the wider economic picture. While some Wall St institutions may still see crypto as too new, it suggests that an increasing number of ordinary investors (largely wealthier ones) are nevertheless willing to give it a go.

Implementation accelerates

One of the biggest barriers to deeper convergence between TradFi and DeFi remains a lack of education and knowledge about all of the latest advancements in cryptocurrencies, blockchain, digital assets and tokenisation.

Yet, in many places in the TradFi world, the initial scepticism

towards cryptocurrency and blockchain has moved towards curiosity, which in turn has led to implementation, at least of pilots and proofs of concept. Those attempts at real-world implementation have themselves thrown up even more questions about where the gaps are in linking existing legacy systems with the new worlds of blockchain and digital assets.

Developments such as providing robust custody for institutional investors is a case in point and is an area that has advanced significantly in the last 4 years with multiple providers now proving their worth. Likewise, nation states' interest in Central Bank Digital Currencies and the multiple projects being conducted all over the world has advanced regulators' knowledge and raised the profile of new forms of digital money (such as stablecoins) more broadly.

Today, as a result of all these developments, we are rapidly starting to see more integration between traditional finance and decentralised finance. Wall Street banks are opening digital asset divisions and many leading executives are jumping ship from jobs in TradFi to start the next generation of crypto companies - be they new-style asset managers designed to deal specifically with digital assets or custodial networks that can handle post-trade in a digital world.

Thanks to tireless work by technologists, there are also now more seamless bridges between centralised and decentralised financial systems as well as the creation of more interoperable products and services which allow them to work better together.

Convergence, of course, is not just about the joining up of traditional and decentralized finance ventures but also about the concurrent emergence of multiple frontier technologies which are now coming together to create new forms of innovation. A few years ago, Outlier Ventures, one of the leading venture capital firms in the blockchain industry, created an investment thesis called 'The Convergence Ecosystem'. In this vision, which is now already coming to pass, data would be captured by the Internet of Things, managed by blockchains, automated by AI, and incentivised using cryptocurrency or cryptographic tokens.

This technological convergence will create many different financial products and services that we could simply not have had in the past, as we did not have the decentralised infrastructure to make value transfer on the internet viable. Now we do. And now that banks and traditional financial institutions have finally woken up to the value creation opportunities presented by blockchain and digital assets, the market is accelerating much faster.

It would seem Banks and other regulated financial services firms have realised the transformational potential of crypto and blockchain technology and like so many other aspects of our lives they are embracing what seems like the inevitable march towards digitisation.

The era of convergence has arrived.

This Article was first published in Digital Bytes- June 2022



Banks are from Mars, Crypto is from Venus

TECHNOLOGY TRENDS

Challenges in bridging the institutional divide between TradFi and DeFi



Hirander Misra and Debbie Li, GMEX Group

In a recent [webinar](#) co-hosted by GMEX Group, Amazon Web Services (AWS) and DXC Luxoft, the main topic discussed by a panel of industry experts was how Traditional Finance (TradFi) needs to evolve and adapt to embrace Decentralized Finance (DeFi). In this article, we summarise two of the key themes discussed in relation to policy, notably regulation and data.

The use of digital assets and blockchain solutions has gradually become more prominent as the digital transformation of the financial services industry has progressed. As Finance 4.0 advances, there is an increasing demand to access a full range of digital products and

services in tandem with traditional financial services. While the convergence of TradFi and DeFi unfolds, a kind of hybrid finance (HyFi) is emerging, albeit with challenges to address.

Tokenisation is steadily becoming more prevalent as a natural extension of TradFi for existing asset classes such as securities and commodities. In the long run, these kinds of disruptive models and non-centrally controlled assets will seamlessly coexist with the TradFi systems that we see in the financial ecosystem today. One of the overarching issues that HyFi encompasses is the lack of common standards and regulations across different jurisdictions. For instance, it is worth noting that taxonomy poses

a significant challenge when trying to define and describe these different types of tokens in order to regulate HyFi. The USDC stable coin is an example of HyFi, since stable coins are cryptocurrencies in nature but without the notorious volatility that is often associated with digital assets. This volatility stems in part from the absence of a proper, universally-recognised set of regulations. Achieving such coordination is what makes this entire process challenging.

The regulatory system has to be robust yet flexible. Luckily, there is an increased understanding that regulation needs to be globally coordinated; regulators cannot merely act locally. Before putting this policymaking framework in

place, we must understand why this ecosystem needs to be regulated. Is it for consumer protection? Is it for market stability? Is it to promote innovation? Or is it simply a combination of all three? And this all comes down to basic uniformity in classification and taxonomy. If definitions and descriptions are not universally congruent, it would mean loopholes, discrepancies and ambiguities within the different governing bodies. Leveraging technology as a regulatory mechanism could allow for automated compliance, which, once again, demands a globally coordinated approach. Given the pace of innovation, this is still an ongoing process but both public and private sectors need to collaborate in order to finalise a regulatory framework.

Another obstacle that needs to be addressed is data gaps. When it comes to cryptocurrency and the DeFi market, data gaps often impede policymakers' ability to undertake projections and modelling. This is a rather consequential issue as data gaps mean that we may not know the extent to which something has had an impact, be it environmentally, socially, or economically. Public blockchains make data accessible to the public but understanding any of the data is the real challenge. Not all transactions happen on-chain with tokenisation, so there is one part of the ecosystem that has no reporting requirements, resulting in no data being recorded. On the flip side, sensitive data, such as financial data from traditional payment service providers, cannot flow freely due to data localisation requirements or restrictions. This means that when DeFi and TradFi ecosystems

interact, some data does not travel and remains within a particular jurisdiction, making it unavailable to other countries for analysis and aggregation.

Consistent standards being developed across jurisdictions will be increasingly important to help facilitate this. Financial Action Task Force (FATF) guidelines suggest that Decentralized Applications (dApps) will need to comply with country specific laws enforcing FATF, Anti-Money Laundering, and Counter-Terrorism Financing requirements. These guidelines call for countries to identify individuals with "control or sufficient influence" over DeFi initiatives, which could potentially result in founders of such initiatives becoming subject to rules requiring them to provide beneficiary information relating to transactions. This form of regulated DeFi further suggests that, from a policy perspective, the approach to digital assets will have to be both centralized and decentralized, and as such hybrid.

With technology and policy

blending, lines become blurry—and tech is becoming policy in the DeFi world. There is not enough technical expertise in the policymaking world, which makes it difficult for policymakers to aptly insert themselves into the regulatory landscape. For example, there is a lack of clarity on how data is captured: what are the standards? What are the methodologies? In a completely decentralized world, it becomes difficult to set benchmarks whilst taking into account possible conflicts of interest and ethical issues. Bridging the gap between TradFi and DeFi is very complex, where the evolution of HyFi will only emerge when a judicious blend of tech and policy occurs. To enable this, there is an opportunity for institutions to use technology to more efficiently integrate these various elements into traditional financial systems by using APIs with interoperability between this middle orchestration layer and multiple blockchains.



“The regulatory system has to be robust yet flexible. Luckily, there is an increased understanding that regulation needs to be globally coordinated; regulators cannot merely act locally.”



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TECHNOLOGY TRENDS

The winning formula for independent clearing technology specialists Baymarkets AS



Tore Klevenberg, CEO, and Peter Fredriksson, Executive Chairman, Baymarkets AS

What's new for Baymarkets in 2022?

This has been an exciting year for Baymarkets with growth in our key accounts and a plethora of new business opportunities, particularly in newer asset classes. Recently, for example, a specialist exchange approached us to help them advance a market initiative to clear physical commodities in the energy sector. Our flexible approach and industry experience enabled us to jump in and progress this CCP/clearing project very quickly and it is now on track to be delivered shortly.

Major contract win with commodities derivatives clearing house

Baymarkets is extremely pleased to be collaborating with this new client, our first in the commodities space, and to be able to put our significant experience in commodities and coreclearing and CCP expertise to good effect to provide the solution - and ongoing support - they need.

Why did they approach

Baymarkets?

They specifically wanted to work with a company offering a more contemporary and agile approach to technology project development and a high-touch delivery philosophy.

With Baymarkets they get the best of both worlds. A specialist clearing technology partner whose expertise in building clearing systems has been honed over many years across multiple asset classes - and with a track record of success in delivering and operating key industry CCPs. Our independent operator status was also important to them. The financial world is changing, with more market participants recognising the value of a specialist firm in a clearing space historically dominated by a few exchange-associated vendors.

Today's market participants are more and more open to engaging with FinTechs - not least because they are likely, precisely by virtue of their more thoughtful and innovative approach, to be working with newer systems and

techniques and/or to be less constrained by legacy technology, infrastructure and mindset.

What do you think 'sealed the deal' on your first commodities clearing partnership?

As I said, a key factor in choosing to work with us on this significant market initiative was that we offer a new approach to conventional market practices. We have unparalleled broad and deep knowledge of multi-asset clearing and a demonstrable record of success delivering stable, robust and reliable systems and infrastructure to the world's financial markets. Plus the fact that many of the team in Baymarkets come from commodity CCPs.

They also highlighted our "clearing made easy" philosophy and innovative Clara clearing technology which has many unique features. This includes CCP interoperability, advanced risk management algorithms and also features standardised APIs for ease of implementation with all counterparties including banks, CSDs and clients.

What's next in 2022?

As well as going live with our first physical clearing system for energy commodities we are working on embracing other clearing challenges in this and other sectors, including the digital assets marketplace. We are also delighted to announce the appointment of Morten Lindeman to the Baymarkets board of directors. Morten joins from Infront where he was CIO and a co-founder, and we are delighted to benefit from his experience and industry knowledge as we enter a new period of growth.





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TECHNOLOGY TRENDS

RegTech in 2022

Since the beginning of 2022, we have seen some significant and unforeseeable changes in the global markets. The after-effects of the global pandemic, continued Brexit implications, and the ongoing war in Ukraine have together created a volatile economic climate - impacting most industries.

Inflation is rising and hiring is a growing challenge across the board. In fact, for the first time on record, there are more job vacancies in the UK than there are people unemployed.

These changes signal hard times ahead and will of course have an impact on RegTech, a sub-sector within the FinTech industry. However, despite the challenges this will bring, I am confident that the sector will pull through for a number of reasons. Firstly, regulatory pressure is increasing, which in turn is driving the need and demand for RegTech. Secondly, as inflation rises and budgets get cut, the role of technology to automate processes and free up resource will become even more important - also increasing the need for RegTech.

As such, I believe that many of the predictions I made for RegTech in 2022 at the end of last year still stand, including:

- On-premise deployments will become a thing of the past;
- Continued regulatory change will drive a more holistic compliance agenda;

● Increased enforcement action will continue to be a growing risk;

● Flexible working will continue to evolve

Move over on-prem, the cloud is here, and it is taking over

For financial firms, cloud capabilities can greatly enhance compliance operations because of the speed, scalability, and flexibility it offers. This is widely recognised and cloud deployments are increasingly becoming the standard for RegTech, so much so that most vendors are now discontinuing their on-prem systems and migrating clients onto their newer cloud-based platforms. There are only a small number of firms that still cling to the idea that on-prem deployments are more stable or secure than the cloud. As more and more RegTech vendors shift to hosting their solutions in the cloud, the industry simply won't have the option of on-prem solutions anymore, leaving them no option - if you can't beat them, join them.

Regulatory change driving a holistic agenda

Results from our annual compliance health check report, launched June 21st, clearly show that managing regulatory change is one of the most common challenges financial firms grapple with today. However, the report also indicates that areas of investment focus more on individual compliance areas rather than holistic capabilities. While we know that holistic compliance eases the impact of regulatory change significantly, it



Matt Smith
CEO,
SteelEye

is likely that the industry is not quite ready to embrace its possibilities just yet. However, it will be the direction of travel for compliance in the coming years.

The evolution of flexible working

Our annual report also uncovered that, in addition to regulatory reporting, communications and trade surveillance are the highest compliance priorities for financial firms today. This is unsurprising given the fact that firms have come under intense scrutiny from regulators to improve their trade and communications monitoring processes in light of the shift to hybrid working - which has forced many firms to upgrade their policies and procedures for employee monitoring. But is hybrid or flexible working here to stay? This is hard to tell. We are still seeing many firms supporting flexible models. However, we are now seeing companies that have started to ask their employees to come back to the office full time, and I suspect we will see continued evolution in this space over the coming years.

Despite the seismic changes we are seeing in the global economy, the obligation for financial firms to comply with regulations doesn't simply go away. There is little sign that regulatory enforcement action is slowing down. In fact, on the contrary, regulators seem more determined than ever to ensure that compliance is being carried out effectively and robustly correctly. As a result, I have a positive outlook for RegTech despite the challenging times ahead.



TECHNOLOGY TRENDS

In March of this year, the Financial Policy Committee (FPC) at the Bank of England signalled their intent around the future of regulation for crypto-assets and DeFi by publishing their *Financial Stability in Focus* paper. Within it, whilst recognising the value that stable coins could bring to the wholesale financial marketplace, they outlined the need for a regulatory framework to protect coin holders against systemic failure or redemption risk (is the coin backed by sufficient assets to maintain convertibility at par?). Recent market events surrounding Luna/Terra created further anxiety around the relative 'stability' of stablecoins, the confidence in them as a legitimate store of value and ultimately their ability to play a role within the future of capital

markets. And whilst some industry commentators push for broader recognition of stablecoins as effectively a less politically complex alternative to CBDC's (a discussion which has some merit in wholesale markets), broader adoption continues to be effectively stymied by the absence of regulatory certainty.

Within this debate I see some parallels with the emergence of ETFs post-2008, where the attraction of this new asset and the role it played within capital markets was undermined by concern around the risks surrounding it. Was it 'physically' backed and able to evidence the assets underpinning it or was this created 'synthetically' where derivatives or illiquid collateral were held to underpin performance? In the event of

issuer failure, could assets be ring fenced to prevent them being used to settle the issuers liabilities? Or if a derivative counterparty fails, how could this counterparty risk impact the end investor? The answer to many of these questions in Europe came in the form of UCITS regulation, which effectively gave a mark of quality assurance around the ETF and laid out certain standards. As an example, the underlying assets had to be segregated from those of the ETF provider, ensuring they were effectively ring fenced away in a third-party custodian. Limits were also put in place around asset quality or counterparty concentrations. It was this regulatory certainty around the conduct of the providers and protection for investors that played a major role in ETFs becoming mainstream assets, utilised widely by both retail and institutional investors alike. An example of regulation enhancing innovation and bringing value in the form of a new asset class to the market.

OK, but what has this got to do with stablecoins you may ask?

The relevance of this comparison comes with the announcement on June the 8th by the New York Department of Financial Services (DFS), who announced formal criteria around the issuance of US dollar stablecoins in New York. This made important moves around addressing some of the risks in adopting stablecoins within wholesale financial markets and gave clarity around standards that issuers have to adopt.

In summary, these standards cover:
Backing & Redeemability
Issuers must give clarity and have approved by the DFS in writing the

mechanism 'that confer on any lawful holder of the stablecoin a right to redeem units of the stablecoin from the Issuer in a timely fashion at par for the U.S. dollar'. In addition, issuers must ensure that the stablecoin is backed by a reserve of assets that is at least equal to the value of the outstanding stablecoins every day. So basically, providing assurance to coin holders around being able to redeem their coins, at par, in a timely fashion.

Reserve Requirements

Firstly, all reserves must be segregated away from the assets of the issuer and these assets must be held by state or federal chartered deposits or custodians. Basically, providing robust ring fencing of the underlying assets that back the coin - which is not the case now, even though some seem to believe that their digital assets somehow get the same level of bankruptcy protection that traditional assets do! Secondly, the asset range that can be used to back these coins is narrow and conservative - cash, UST's - that's it. No derivatives or 'synthetic' replication is on the table, making it clean and simple to monitor the underlying asset quality and coin valuation.

Independent Audits

These must be completed at least monthly by an independent, certified accountant who is registered in the US. This will check attestations and validate what the issuer has said they will do, they are doing every month. Emphasis will still be on the internal controls or oversight functions to ensure they are compliant, but a monthly independent audit will also help focus the mind as well as ensure standards are adhered to. And if they are not, this will give clear

justification for sanction by the authorities.

Alongside these specific points, it should also be noted that there are other considerations that the DFS will also look at as part of the approval process. These cover areas such as AML/KYC that you would expect but also consider technology and operational considerations as well in terms of the ability of the stablecoin to mitigate any operational or resilience risk. Another example of recent regulation focussing on 'banking' as opposed to 'banks', which is an important step in legitimising this new asset class and the service providers that support it. So, whilst the issuers may not be banks or traditional financial institutions, they will be held to the same standards as incumbents. Which is important to create 'trust' in the asset.

OK, but why does this matter?

It matters because a functioning 'trusted' stablecoin I see as being a fundamental building block for the future of financial services. One where DeFi enables a much more efficient, faster and safer environment for collateral management. Post the 2008 crisis, collateralisation was a key tool for regulators to mitigate risk and it has been widely adopted across the globe. But the market infrastructure and the processes that support it remain woefully archaic, struggling to keep pace with wider adoption making quick and efficient settlement of collateral challenging. Intraday settlement is expensive and resource intensive for capital markets players, who are often blind to where collateral is at any given time - 'has it settled yet?' - and as a result still have to rely on T+1 settlement conventions for

much of their business. And these antiquated processes also have a knock-on effect on mobility of collateral, limiting its re-use and overall velocity within the financial system. DeFi challenges this paradigm, which is why JPMorgan and others are actively pushing solutions on this new technology to try and remove friction from the process. And as importantly, circumvent the limitations of legacy market infrastructure that makes such a time sensitive process a source of market wide frustration.

I do not know if the parallels with the ETF market will play out for stablecoins, but it provides good context to the discussion around why regulation is important and a necessary step to unlocking the value of DeFi. UK supervisors continue to assess the role of stablecoins within the existing regulatory framework, but the FPC and others should consider the moves made by the DFS and recognise the value a legitimised stablecoin can bring to supporting efficient markets. And whilst many may feel the CBDC debate solves this market structure problem in the long term, the social and political complexities around that will not be solved quickly. ETFs have shown us the value that new asset classes can bring to the capital markets arena in a relatively short timeframe - but only if the regulatory environment can respond to innovation rather than restrict it.



James Maxfield
Managing Director,
Ascendant Strategy

Why stablecoin regulation is good

TECHNOLOGY TRENDS

Meta, Web3 and Payments – how will payments interact with blockchain?



Sandra Mianda
Founder and Director,
Paypr.work

In 2020, as the Coronavirus Pandemic reached almost every country in the world, one thing that became obvious, very quickly from the lens of many industry experts, is that we, collectively leapfrogged five to seven years into the digital revolution.

The acceleration of technology and its prominence in many of our lives created a broader economy shift and the creation of new opportunities in digital financial services and e-commerce amongst other industries.

MetaFi, Finance in the metaverse, is one of those technological innovations that emerged at the convergence of Decentralised Finance (DeFi), Centralised Finance (CeFi) and Traditional Finance (TradFi), with new

products specifically designed to meet the unique needs of the new ecosystem. From initial capital formation to supporting commerce within the metaverse, financial services are expected to play an important role in this evolution.

But let's take a step back first and look at the metaverse.

You may think [the metaverse](#) is only a collection of interconnected virtual spaces accessed through virtual reality? Well, you wouldn't be completely wrong. This is largely correct, but there is also an elemental, slightly more cryptic side to the metaverse that will set it apart from today's internet, the blockchain.

Most of the big consulting firms define the metaverse as the

intersection of four major component parts:

1. The Web 3.0/Virtual-Asset Economy, with NFTs, tokens and cryptocurrencies as some of the main related use cases to date.
2. AR/VR/MR hardware and software.
3. The network and cloud infrastructure, dictated by AR and VR experiences, which require powerful cloud infrastructure.
4. The existing information and communications infrastructure, with the metaverse being accessed through hybrid 2D screens (i.e. mobile phones, tablets) and AR and VR hardware.

Web 3.0 is the foundation for the metaverse and consists of blockchain-enabled decentralised applications that support an economy of individual users owning the digital assets and data. I hear you say what?

Let's break it further down...

The metaverse as a concept has been around for a couple of decades. However, interest in the

virtual world spiked with Facebook's rebrand to "Meta" last year, creating somehow a perception that the 'Metaverse' was owned by Facebook. Equally at the end of 2021 there was a rise in sales of non-fungible tokens (NFTs) as well as announcements from big tech players, brands, governments indicating their interests and investments in the space that further socialised the idea of the metaverse.

Right, sorry, at a very high level NFTs are digital assets that represent real-world objects like art, music, in-game items and videos. They are bought and sold online, generally using cryptocurrencies.

Today, the most popular way to experience the metaverse is via a video game played on a virtual reality headset. But as more money continues to pour into this space, the chances of the metaverse becoming an even more influential platform only continue to rise.

So back to MetaFi, what is the Decentralised Finance part?

Decentralised finance is an evolving ecosystem of financial-based applications that use cryptocurrency and blockchain technology to manage financial transactions. DeFi aims to democratise finance by replacing legacy, centralised institutions (i.e. banks or other traditional financial organisations) with peer-to-peer relationships that can provide a full spectrum of financial services, from everyday banking, loans and mortgages, to complicated contractual relationships and asset trading.

How about 'TradFi' or Cefi'?

'TradFi' is short for traditional finance, and essentially relates to

conventional banks (i.e Bank of England). Whilst Centralised Finance (CeFi) generally refers to financial applications that bridge the gap between traditional finance (TradFi) and modern financial applications. There is a great deal of cross-over between recent innovations in these payment technologies. Usually, when a person enters the crypto space for the first time, they tend to do it through a centralized exchange platform (CEX). CEXs provide fiat on-ramps that make buying, trading, and [holding crypto](#) simple. For example, [PayPal](#) could be labelled as CeFi as it offers fiat-gateways to payments services alongside crypto custodial services. Fiat being the reference to traditional money.

What does money look like in the metaverse?

Of course, it is no surprise that the earliest adopter to money in the metaverse is the gaming ecosystem. The concept of in-game micro-transactions was introduced in the early 2000s, where players had the chance to spend real world money to better their in-game situation.

This popularised the concept that forms the basis of 'free-to-play' game economics. Fast-forward 30 years, and we now have gamers and virtual world users paying for digital skins and virtual land parcels and with new economic models like Play-To-Earn emerging.

Money in the metaverse is expected to encapsulate a range of forms, from existing and traditional types to the digital-native forms (i.e. from in-game tokens to stablecoins, central bank digital currencies and cryptocurrencies, whether they

are tied in or not to non-fungible tokens (NFTs).

Decrypting the future with MetaFi

Binance, the cryptocurrency exchange, is reportedly the first to come up with the MetaFi term earlier this year. In their view, the goal of MetaFi is to accelerate the mass adoption of the next generation of the internet, Web 3.0, and blockchain to expand their use cases. For this, MetaFi will continue to leverage protocols, services, and products that allow for complex financial interactions between NFTs and fungible tokens or their derivatives. Confused?

Let's say MetaFi is essentially everything finance involving assets evolving in the metaverse

MetaFi is a relatively new yet futuristic concept aiming to bring several Web 3.0 aspects under one umbrella. It has the potential to reconstruct commerce and trading by incorporating it within the metaverse so that users can trade and transact in real-time without geographical limitations.

It is a fascinating time for the FinTech industry. As more use cases emerge and access to finance applications get democratized for wider community adoption beyond the gaming centric approach, MetaFi will definitely hold a great potential in the near future in my personal opinion.



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TECHNOLOGY TRENDS

Through the looking glass... The Buy-Side's quest for 'look through' to understand investment flows and underlying investors



Greg Glass, Head of Revenue, and Luke Tones, Head of Product, Aiviaq

The existential question facing asset managers is how to grow assets and service clients at lower cost. This drive for operational efficiency is dependent on a capability to collate accurate data about investors and decision makers, including their influence over the flow of money into their investment products. Industry leaders are investing in the capability to 'look through' omnibus accounts and fund distributors to create

differentiated client experiences. Meanwhile, laggards are struggling with a partial view of sales performance and client engagement.

"It costs us thirty dollars each year to disaggregate or 'look through' a million dollars of omnibus assets to the underlying investors and decision makers. We need that level of data precision to make the analytics powering our client insight really sing"
Managing Director, Global Asset Manager

Specifically, the challenge is to assemble economic data about the activity of the end investor and decisions makers in a form that supports 160+ use cases across the enterprise which Aiviaq has identified through its research. An example of one of these 160+ use cases is the regulatory requirement to understand revenue concentration in a fund by decision maker. Investor flows and assets under management then have to be combined with demographic data about the investor organisation and the decision makers within them. This is a more complex problem than it first appears for the following reasons:

Intermediation between fund managers and their investor clients by an increasing number of fund platforms and distributors. Now investment managers and asset owners are obliged to process hundreds of different data sources - typically monthly but in some cases weekly or daily - to build a composite picture of total assets and flows by client and by product.

Poor data quality and consistency - inconsistent and incomplete data about investment flows and holdings across the 'hundred plus data sources' that need to be enhanced and combined each month before they are suitable for analytics

The widespread use of the financial 'account' as the data entity to capture data about investment holdings and flows. Particularly in Europe, this has created an expensive 'data matching' problem for the buy-side to link 'account' data to 'client' data - often by inference

rather than explicit keys.

"The investment industry's data structures are hard wired to operational 'accounts' but creating client insight requires organising data around a commercial view of 'client' that requires a massive amount of data manipulation and costs the industry USD 100mn each year in avoidable inefficiency" Greg Glass Head of Revenue, Aiviaq

The introduction of the omnibus account which, without further data processing aggregates and 'masks' the identity of the underlying investor and decision makers

Lack of agreement on industry standards for data - particularly those describing clients, products and investment flows

Leaders are investing in strategic data management and analytics platforms So how are leading buy-side firms solving this forensic data conundrum to understand the economic performance of end investors? Industry leaders are buying data management and analytic platforms with the following components and capabilities:

Straight-through ETL Actionable buy-side investor insights need to be accurate and timely. The industry norm of monthly reporting is no longer fit for purpose. Aiviaq's highly-tuned ETL layer caters for the thousands of permutations transaction data can take across the 200+ sources we typically process. Our orchestrators trigger complex transformation and enrichment rules to run as trades arrive to avoid missed client activity or surprises close to business or

regulatory reporting deadlines.

Extensible data quality framework With a web of investor positions and flows to reconcile across different investment vehicles, data quality needs to be in focus before advanced analytics use cases can be tackled. The ability to add and re-configure hundreds of data quality controls means the Aiviaq platform can stop repeat offenders and learn as our data coverage grows.

Intelligent account matching engine Time spent matching financial and omnibus account data to internal client lists can be worthwhile for high-value investors. However, the Aiviaq platform makes this an optional enrichment activity rather than painful pre-requisite though the deployment of our trained matching algorithms and client reference datasets we maintain to cleanse and consolidate key information on the major buyers of investment funds across the UK, Europe and APAC.

"Matching 'account' to 'clients' without any explicit key is a complex data problem and one of the key features of the Aiviaq platform that resonates with our clients" Luke Tones, Head of Product, Aiviaq

APIs and integrations Timely, accurate data needs to be available to consumers at the point of use. For many of Aiviaq's investment managers, the point of use is either CRM, Enterprise Data Warehouse, Business Intelligence or Financial Planning and Analysis (FP&A) solutions and Aiviaq has documented integration patterns that deliver tailored insights to business consumers

at the most relevant point of use.

Use-case driven analytics Management dashboards and analytics platforms are proliferating. However it's critical to understand which performance indicators are worth measuring. Aiviaq has experience working across the data and analytics value chain. This, combined with Aiviaq's deep understanding of 160+ use cases across finance, distribution, product, risk and the front office al.

Security-aware, cloud-native architecture There are few information assets more sensitive to buy-side firms than their clients' data, including positions, flows, fees and sensitive account and portfolio information. The Aiviaq platform is fully ISO:27001 certified and deploys our advanced security framework across the breadth of our cloud-native architecture to steward sensitive data, providing managers with the confidence to outsource the solution to this common industry challenge.



TECHNOLOGY TRENDS



Rupak Ghose
COO, Galytix

Every bank CEO is keen to tell us how they are technology companies today. They emphasize their thousands of software engineers and APIs. And why not. Until recently the technology sector was booming.

Technology is foundational to innovation in all industries. Financial services are no different. If used correctly, technology drives competitive advantage, scale economies and higher return on equity. But the use of technology varies massively across financial services.

I started my career in banking on the trading floor of Credit Suisse

First Boston (as it was known) in the late nineties. I still remember the noise of walking on a trading floor in those days with hundreds of traders, sales traders and salespeople shouting prices down the phone all day. Today, the financial markets are digitised. Most trading is electronic and manual traders are increasingly replaced by an army of quants and technologists. We are also seeing huge digital transformations in the payments business and retail banking user journeys.

By contrast, other parts of financial services such as corporate lending and insurance are lagging in their adoption of

“Humans will always be crucial as risk managers to assess the credit worthiness of borrowers and in the underwriting and pricing of insurance. But the amount of data available to corporate bankers and insurers has boomed in the internet age.”

technology. This, even though insurance is the original data-driven business model.

Humans will always be crucial as risk managers to assess the credit worthiness of borrowers and in the underwriting and pricing of insurance. But the amount of data available to corporate bankers and insurers has boomed in the internet age. And if incumbents don't use this data other players whether it be nonbank lenders like private equity and hedge funds or InsurTech firms will use this data to create a competitive advantage.

Algorithms whether they be rules-based or AI-driven can help in digitising previously manual processes in corporate banking and insurance. At Galytix, we offer an end-to-end data ecosystem

Digitisation lags in corporate banking and insurance

from data discovery and ingestion through to transformation and analytics. We digitise previously manual processes saving credit analysts 40% of their time and increase their time to market by 30%. This allows them to focus on refining their models and new requirements such as ESG.

Our data ecosystem combines structured and unstructured data, financial statements from annual reports with news flow, and internal and external data in a systematic fashion. Banks need one connected data ecosystem that brings together all data on corporate clients rather than the traditional siloed approach. This is crucial for risk managers that are dealing with the twin challenges of rising credit defaults and increased KYC requirements stemming from the Russia sanctions.

Many large corporate banks and

insurers still use a small number of data sources and rely excessively on internal data directly from their clients and counterparties. Our neural network discovers data from more than 240 diverse sources at speed and scale. This includes filings of annual and quarterly accounts by public and private companies, court and bankruptcy filings, industry data available across a wide range of regulator and government websites, equity and fixed income analyst ratings and estimates, management changes and insider selling and a filtered approach to news flow around other crucial risk factors like fraud, cyber and climate risks.

World-class AI algorithms are a solid foundation, but we ensure high levels of data and model accuracy and reliability by taking a software plus services approach. AI is great at giving the speed and scale that humans physically

cannot achieve in gathering data from such a wide range of sources and processing this data. At the same time, our sophisticated large bank and insurance clients expect human-like data accuracy. When the structure of a new data type or document is completely different to what has been processed previously, the algorithms may need re-training and human supervision is needed to guarantee 100% accuracy. Similarly, back-testing on historical data may not always be the most predictive of the future in a constantly changing world and human supervision by the data engineering team is needed to fine-tune these algorithms.

Technology alone is not a magic bullet. Banks and insurers that will win have business leaders who know what data is relevant, how this data needs to be classified to generate useful insights, and how this usage should be governed. The technology function can't be an island where developers are not focused on business outcomes. Both business and technology leaders in banks and insurers need to understand what parts of the value chain need algorithms and which parts need human supervision.

Given the complex and rapidly changing environment, algorithmic models will need to be combined with expert judgments.

“I started my career in banking on the trading floor of Credit Suisse First Boston (as it was known) in the late nineties. I still remember the noise of walking on a trading floor in those days with hundreds of traders, sales traders and salespeople shouting prices down the phone all day.”

G A L Y T I X

TECHNOLOGY TRENDS

Over the last several years, the financial sector has undergone a seismic shift as a result of ongoing regulatory shifts, more sophisticated technology and increasing amounts of data. This has changed not only the overall market landscape but also the relationship between the buy and sell-side. While hedge funds and asset managers still rely on the sell-side for market insight and pricing, buy-side firms have internalized functions like best execution, research and analytics. As a result, the buy-side has increased its appetite - and concurrently its budgets - for automation in several areas of the capital markets workflow.

Asset managers and hedge funds once relied heavily on the sell-side for research and automation efficiency. But MIFID II and specifically the unbundling rules under the directive, along with Basel III, and even the implementation of AIFMD almost ten years ago have altered this dynamic and led to the buy-side taking ownership of many of the traditionally sell-side-led tasks.

SEC Chairman Gary Gensler has been very outspoken about his drive for creating greater transparency in fixed income, FX and equity markets. The US regulatory body has also articulated its desire to establish tighter parameters around how crypto markets are regulated.

Along with increased availability of high quality market data, techniques and processes to harness the data to produce actionable trading opportunities have significantly matured. Over

A new industry craving: the Buy-Side's increasing appetite for automation



Apu Shah
Partner, 28Stone

the last year, the buy-side has spent over \$10 billion on trading technology, a 5% increase year-over-year and an average of \$2 million annually, according to Coalition Greenwich Research. The expanded budgets have created new opportunities for fintech vendors.

"Fintech providers are offering buy-side firms cutting-edge tools to improve the research process, risk management and cybersecurity capabilities, to name a few," says Brad Tingley,

research manager at Coalition Greenwich market structure & technology and author of the report.

Buy-side firms now have a more comprehensive understanding and larger budgets to spend on more innovative architectural patterns, off-the-shelf products, frameworks and tooling for high volume market data ingestion, stream processing and real-time analytics. In fact, in 2021, 41% of buy-side trading desk budgets were allocated specifically to

"Even though the pandemic accelerated technology adoption, this trend preceded COVID-19 and the move to today's predominantly hybrid working environment. Over the last decade, it has been regulatory oversight and increasing levels of transparency that have been the true catalysts for this shift."

technology and automation enhancements. Technology that enables trading automation of liquid instruments with easily accessible price discovery enables buy-side traders to focus on higher value trades while simultaneously providing new revenue streams.

But it's not just regulation and a growing technology appetite that has spurred this shift. Industry consolidation and increased M&A activity have also contributed to this burgeoning automation adoption among the buy-side. Organizations trying to implement legacy technology from firms they acquire creates a lack of interoperability, leading to a decrease in productivity and a rise in unnecessary costs.

Trading venues, particularly in the

fixed income space, have systematically widened their API footprint, opening up these platforms to order lifecycle automation and algorithmic trading. In addition to the broader set of APIs, the trading venues have increased support for no-touch, rule based auto execution of orders further encouraging automation.

Although buy-side firms do leverage the sell-side for optimizing trading channels and mitigating risk, the buy-side is spending more on other key areas such as quantitative analysis. While brokers have done well to manage this process despite shrinking balance sheets in recent years, asset managers and hedge funds are turning to their sell-side counterparts far less for best execution and

insight on market trends.

Even though the pandemic accelerated technology adoption, this trend preceded COVID-19 and the move to today's predominantly hybrid working environment. Over the last decade, it has been regulatory oversight and increasing levels of transparency that have been the true catalysts for this shift. With automation, buy-side teams can reduce manual processes and more effectively manage volume to instead focus on more strategic, higher value transactions that drive growth and increase their competitive differentiation.



TECHNOLOGY TRENDS

How payments companies can maintain growth in uncertain times



Jamie Lee, Head of Partner Management (EMEA), PPRO

In 2021, “acceleration”, “investment” and “hypergrowth” were all words associated with FinTech. Global investment into the space reached \$210 billion, up from \$124 billion in 2020—a record level. In fact, already by the first half of 2021, Europe broke the record for annual FinTech investment by raising €10.4 billion. This year is looking rather different.

In 2021, the FinTech sector at the centre of this boom was

payments. A new generation of payment services and providers rapidly responded to a range of quickly changing consumer behaviours brought on by the disruptive COVID-19 pandemic. Offline commerce was forced online and the need for digital payments surged. On the back of this, the payments sector received the overwhelming majority of FinTech funding, notching \$51.7 billion across the globe.

Now, that landscape has changed

quite dramatically.

With rising inflation and the strong likelihood of an economic slowdown, the momentum in FinTech investment is cooling. Companies are bracing for lean years and the technology industry in general is reining in spending and making noticeable job cuts. Despite this, as of Q1 2021, FinTech VC funding is still going strong but slowing noticeably.

Given this climate of uncertainty, where will the payments ecosystem go from here?

Consumer convenience is still key

For consumers, convenience has always been key. This was accelerated by the COVID-19 pandemic where digital payments blossomed.

Buy Now, Pay Later was the undisputed star of the ecosystem. As these credit-style offerings became popular with consumers, especially younger generations, governments have been keeping a closer eye on the industry, citing concerns around debt accumulation in a largely unregulated market. In fact, the UK recently said it plans to increase rules around BNPL to protect consumers, including requiring BNPL providers to run checks to guarantee they can afford the financing schemes.

In this environment, with increasing regulation around BNPL, coupled with rising inflation, consumers will be less focused on the ease of spending and more focused on cutting down on spending. Consumers will still want one-click, frictionless payment options across all channels and retailers. It's just that the development rate

of these options may slow as belts tighten amongst payments providers and they begin to think about how to maintain what they've developed so far.

Sustaining growth in an uncertain climate

For payment companies, while growth has never been easy, maintaining it has always been the bigger challenge. This is especially the case when facing economic headwinds in an already competitive market.

Payment companies that are now coming out of a period of rapid growth should focus on building or maintaining quality offerings, options or models. New companies with established models should put efforts behind industrialising those models while also keeping an eye on how they can add value to a market in which consumers are spending less and saving more. Some

larger payment companies with recently -raised funds have already started doing this. Stripe, for example, is offering business loans, identity products, card issuing and is mulling over adding more services.

Another way that will allow companies to survive and grow is by partnering with other companies that can complement their offerings. Although this has always been important, it's even more so in today's competitive market if payments companies want to get and stay ahead.

Some payment companies, both large and small, have already partnered up. Last year, Mastercard partnered with TSYS, a global payments provider, to extend its instalment offering. Earlier this year, Visa acquired open banking platform Tink to give consumers more control over their finances and

businesses more tools to operate in a digital world.

Provide support to merchants

For merchants, the reliability and a high conversion rate for online payments that has defined the industry will remain important. Here, the role of payment service providers (PSPs) is equally key as they have to maintain the infrastructure that makes all of this possible.

Merchants will still have to deliver seamless checkout experiences for consumers, even if they spend less. This includes offering the digital payment methods they're used to paying with, especially if they're buying cross-border. Failing to offer these, merchants risk a massive decline in conversion and losing customers.

Changes ahead

The payments industry is changing rapidly, and the future is impossible to predict. Even though the fundamentals of concentrating on consumer preferences and providing easy payment experiences still hold true, there will be changes in the ecosystem—many companies will be forced to think about how they add value for consumers in order to survive. This could spark yet another wave of innovation in payments. Combined with embedded finance and decentralised finance (DeFi) offerings, this could truly make payments even more accessible to everyone, wherever they are, no matter what they're paying for.

“Another way that will allow companies to survive and grow is by partnering with other companies that can complement their offerings. Although this has always been important, it's even more so in today's competitive market if payments companies want to get and stay ahead.”



TECHNOLOGY TRENDS

To understand the importance of Web3 it's helpful to give it some historical context. Web1 occurred in the 90s, essentially the beginning of the internet, largely static pages of information but with crippling slow dial-up internet speeds this had limited application in real life. Then from the early 2000s until now, we've been living in the Web2 era, characterised by social media companies dictating our use of the internet, and defining how and what we interact with. Finally, we have entered Web3, at its core, this uses blockchains, cryptocurrencies and NFTs to give

power back to users in the form of ownership. Before Web3, users and builders had to choose between the limited functionality of Web1 or the corporate, centralized model of Web2. Web3 offers a new way that combines the best aspects of the previous eras. It's very early in this movement and yet a great time to get involved.

Instead of large swathes of the internet controlled and owned by centralised entities, ownership gets distributed amongst its builders and users. Everyone has equal access to participate in Web3, it uses cryptocurrency for spending and sending money

online instead of relying on the outdated infrastructure of banks and payment processors. It operates using incentives and economic mechanisms instead of relying on trusted third parties. For any sort of decentralized communication, commerce, or collaboration of any type, we need a reliable, persistent identity providing a single login across all platforms.

Where did NFTs come from?

Let's go back to October 2008 – 13.5 years ago – when Bitcoin was born – note this was released one month after Lehman's collapsed in September 2008. The pseudonymous author



Matthew Cheung
CEO, ipushpull

Web3 and NFTs... exploring financial services use cases aka, getting beyond the digital art hype!

"Instead of large swathes of the internet controlled and owned by centralised entities, ownership gets distributed amongst its builders and users. Everyone has equal access to participate in Web3, it uses cryptocurrency for spending and sending money online instead of relying on the outdated infrastructure of banks and payment processors"

Satoshi Nakamoto wrote the seminal whitepaper about Bitcoin. Then in 2014 Vitalik Buterin founded Ethereum, the main difference to bitcoin is that Ethereum is programmable, and the smart contract was born. At this point tokens were fungible. Fungible means you can swap out one thing for another, or it's mutually interchangeable, like a £10 note for example. In 2018, William Entriken put forward an improvement proposal and the ERC721 token – or non-fungible token – was born. The game crypto kitties were the genesis of NFTs. Crypto kitties were made by Dapper Labs which is now one of the biggest NFT companies worth \$8bln.

Financial services use cases

So far NFTs have really only seen product market fit in digital art and collectables. Some of the other uses focus on authenticity

and uniqueness, for example, real estate transactions, medical records, academic credentials, event tickets and supply chain. But if you get beyond this hype there are clear new business models emerging.

We've seen DeFi or decentralised finance taking a battering recently due to the fallout from stablecoin and then highly leveraged crypto trading firms taking a hit – aka the 2008 credit crunch. However, decentralised exchanges or DEXs like Uniswap have weathered the storm. Uniswap is the largest DEX on which anyone can show up with a wallet and trade any pair of tokens against each other, permissionlessly, without going through a central party or moving through a central order book. Uniswap announced last month that it had **passed \$1 trillion in volume** in just three years. Let's explore some of the other

use cases emerging.

Market Data

Sam Bankman Fried, worth \$20bln and the youngest billionaire in the world, made his money through crypto. As a former high frequency Jane Street trader, he collaborated with high trading firms and market makers to create the Pyth network, a free market data feed based on the Solana blockchain with market makers earning tokens when contributing prices. With crypto exchanges it's worth noting that their revenue dwarfs traditional finance. Binance revenue last year was \$14.6bln, versus \$3-5bln for CME and Deutsche Borse

Data

The Ocean Protocol creates NFTs based on data and then provides access rights via fractionalizing ownership through tokens. This can be applied to OTC market data. Data NFTs and data lineage is an area ipushpull is readily developing in our roadmap.

Pre-trade negotiation

Some 80% of OTC pre-trade negotiation is data that is lost through manual chat, voice or email. ipushpull is looking at creating NFTs at the initiation of an RFQ with a unique identifier so that each part of a negotiation is recorded on a chain, ensuring the entire trade lifecycle is on a chain.

These are just a few of the use cases emerging. It's just the beginning of the Web3 era, but already there are tangible signs the advances, and benefits, this will have for our industry.



TECHNOLOGY TRENDS

DeFi and TradFi: cooperation not conflict will create the future of finance



Chris Lawn
Head of Digital, Coremont

Decentralised Finance (DeFi) is the umbrella term for complex financial services solutions in the crypto ecosystem. Leveraging blockchain, DeFi aims to recreate a traditional financial system without a central service exercising control over that system.

The twin dynamics of volatile market conditions and breakneck acceleration of technology innovation in global financial markets over the past few years has driven the remarkable growth of DeFi. Over the course of 2021, institutional interest in – and

appetite for – DeFi solutions was growing too, a trend that continues apace this year.

Why is everyone talking about DeFi?

Don't want to open another bank account? No problem. DeFi means traditional barriers to entry have been blown away. This is an open and transparent financial system with public and immutable blockchain technology acting as a decentralised trust source. All users can connect to these markets in the same way.

Any market participant globally can borrow, lend and even spin their own exchange or act as a

liquidity provider – and be rewarded for it. In this brave new world, competition and, by extension, innovation in the marketplace is gathering speed and generating huge excitement. The innovation in the DeFi space seen to date is staggering, from financial products, such as stablecoins, to ground-breaking dApps, such as Decentralised Exchanges (DEX), and decentralised borrowing/lending marketplaces.

Can anything hold DeFi back?

Market commentators delight in predicting this pioneering technology will cause seismic waves and change the financial

world as we know it. However, this tech is still nascent. The sheer speed of innovation and adoption means significant hurdles still need to be overcome in order to drive institutional adoption of DeFi and, by extension, for it to become truly ubiquitous.

First of all, it is important to understand that blockchain technology, which is the foundation of DeFi, is Peer-to-Peer (P2P) by its very nature and spirit. Moving from a centralised clearing system to a completely bilateral P2P network increases counterparty risk. Digital assets are an extremely nuanced asset class, necessitating extensive education for institutional investors entering the space. With central banks not acting as lenders of last resort, there is not the same traditional safety net when you take a leap into DeFi.

In addition, moving between different blockchains is complicated and carries risk when bridging assets. Due to the decentralised nature of the market, it is very difficult for

investors to have an aggregated view of their risk and P&L. There is also a lack of institutional-grade risk management solutions in this continuously evolving market – a gap Coremont Digital is helping to fill, by giving portfolio managers a complete view of their positions, linking the DeFi (e.g. liquidity pool, staking), CeFi (crypto spot and derivatives traded on exchange) and TradFi worlds by bringing risk and P&L onto a single platform.

It's impressive how quickly significant strides have been made by regulators globally. Standardization will be a key driver of growth for digital assets as well as the DeFi market, removing barriers to entry for institutional participants. An innovative paper by Bank of International Settlements (BIS) explored the idea of a regulatory framework that provides for compliance in decentralised markets to be automatically monitored by reading the market's ledger. This paper illustrates and confirms the desire to move forward globally

through thought leadership, transparency and collaboration.

What's next?

In DeFi, the opportunity is also the challenge. A lack of interconnectivity and interoperability makes large-scale user adoption for both institutions and retail users harder as the user experience isn't intuitive and requires significant education in the space.

For all its promise, DeFi is not yet easily accessible for institutions. Blockchain-guaranteed anonymity is a barrier to entry for large funds that need to ensure compliance with KYC requirements. Designed for individuals with self-custody, a more institutional custody solution is also lacking.

TradFi and DeFi are sometimes painted simplistically as opposing systems, with DeFi the tsunami poised to wash the traditional financial system away. However, I believe the real opportunity for disruption comes from cooperation. Both sides have a huge opportunity to develop new infrastructure, from advancing robust portfolio creation, through establishing innovative risk management solutions to support existing players, to nourishing sustainable growth. TradFi and DeFi players can learn a lot from each other – it's time to work together for the benefit of the entire marketplace.

“The twin dynamics of volatile market conditions and breakneck acceleration of technology innovation in global financial markets over the past few years has driven the remarkable growth of DeFi.”





TECHNOLOGY TRENDS

Does Your Marketing Agency Work *Exclusively* in the Financial Markets and FinTech Sector?

We do. The Realization Group has more than 30 years' experience in the financial markets sector. Our senior strategists have backgrounds in investment banking, trading solutions and digital assets, including blockchain, and more. We understand the market. We're experienced in what works. We know how to get the results you need.

We are a full-service marketing agency offering everything from media communications and marketing strategy to digital advertising and lead generation.

 Public Relations	 Content Creation	 Strategy & Messaging	 Social Media
 SEO	 Google Ads	 Design & Branding	 Account-Based Marketing

“ Thank you doesn't cut it!

A sincere thank you on what a fantastic partner you have been through this whole process. You really have been an extension of the team - this win is definitely in part thanks to our work over the past few months! ”

Jacobi ASSET MANAGEMENT

www.therealizationgroup.com
info@therealizationgroup.com
0203 811 8344

The return of innovation – The broader industry impact

As the industry looks toward current and future growth - it's up to the trading tech providers to drive innovation and the responsibility of the broader buy-side community to work together to push the boundaries of what's possible to generate alpha.

The effects will benefit the immediate needs of trading teams and help shape the industry's future attractiveness to the talent required to propel it forward, writes Iain Smith, Head of Marketing, EMEA at FlexTrade Systems.

The speed of change has accelerated

Over the past 18 months, the recent pandemic has meant that firms' focus has switched to maintaining "business as usual" operations. However, the focus is shifting toward new initiatives to drive business outcomes and scoping the appropriate technology partners and the internal talent required to deliver them.

As a business and technology partner to some of the world's largest financial institutions, FlexTrade is responsible for delivering our clients' innovative execution and order management solutions to enable growth. So now, more than ever, we are laser-focused on improving, extending, and complementing the skillset of the trader with the

innovation they need to trade better. And we have never been in a better position to do this.

The speed at which technology can be developed and delivered has accelerated, and the traditional barriers such as cost are lower than ever for cutting-edge technology, including machine learning, AI, and visualization tools. As a result, it expands the possibilities of what our teams can create beyond a traditional 2D grid display. It also means the breadth of data, visualization, and intelligent automation solutions that can be developed and quickly brought to market to help clients are potentially endless.

Refining innovation through industry collaboration

Of course, innovation doesn't just sit with the vendor community - the broader industry community is intrinsically linked and responsible for bringing it to market through joint partnerships and testing and refining innovation with use cases, focus groups, and customer labs.

A recent example of this has been the launch of FlexTrade's new machine learning initiative to deliver real-time market impact analytics directly to the trader's order blotter. As a unique market offering, our teams and data scientists have developed and refined the solution in close collaboration with our clients to help them reduce costs and



Iain Smith, Head of Marketing, EMEA, FlexTrade Systems

improve their trading performance by applying automation rules to the analytics, using our FlexAlgoWheel functionality, to facilitate better decision-making. It's a great example of true innovation which can positively affect business outcomes.

The knock-on effect of such visible industry collaboration makes firms like ours an attractive proposition to attract existing industry talent. In turn, the promise of delivering solutions via advanced technologies such as machine learning or augmented reality is a crucial draw for graduates entering the industry.

Innovation impacts the battle to attract talent from other industries

Additionally, visible industry innovation and collaboration can also help drive the industry's attractiveness during a period of unprecedented change. Specifically, what was previously called "The Great Resignation" is now referred to as "The Great Reshuffle".

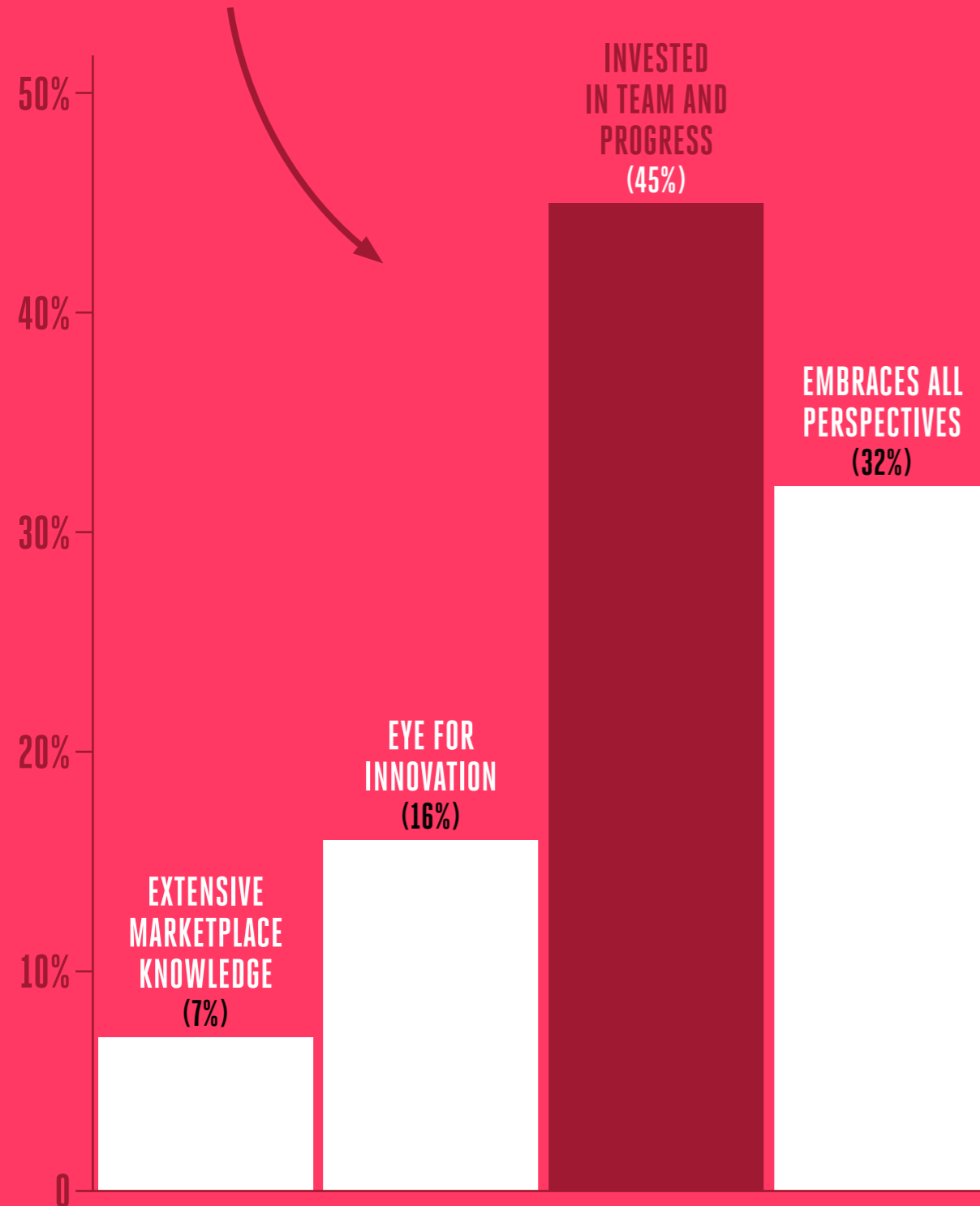
What was previously viewed as employees leaving a specific role or firm has expanded to a jump between industries and tackling a new challenge altogether. In recent years, there has been a drive within Financial Services to attract Silicon Valley organizations and employees to the industry. The opportunity to do this now is arguably at its peak.

To be an attractive proposition, the people moving from or who firms want to draw from Silicon Valley wish to see that they are joining a forward-thinking space open to new ways of working and driving innovation. The ability to do so will play a significant role in propelling the industry forward.

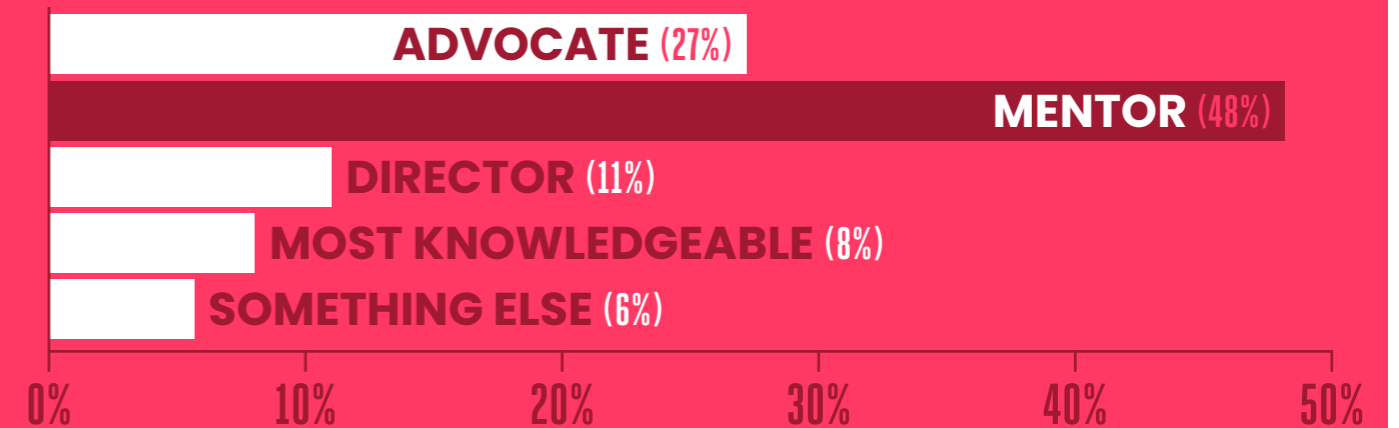
FLEXTRADE

LEADERSHIP

What makes a great tech leader?



What is the most important role your manager should play?



Can good technologists be good leaders?

The survey data shows that nearly half of all people asked believe that the most important quality of a tech leader is that they are invested in the team and it's progress. Forty-five percent see this as the most important factor, followed by leaders being well rounded; embracing innovation, team and market knowledge at 33%. In total, nearly 80% believe that tech leaders need good people skills to be a great boss!

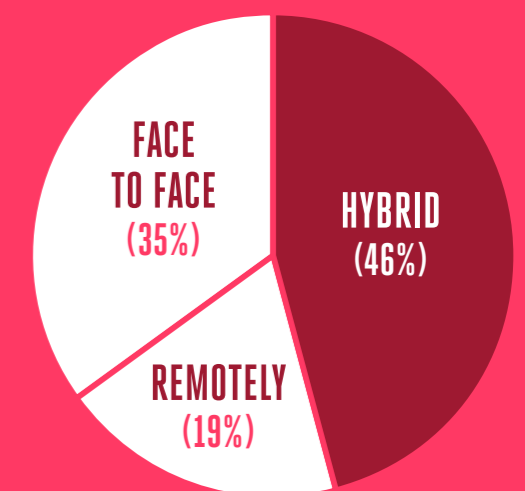
We should not really be surprised that this very human need to have leaders with good people

skills, but what does it mean for promoting and developing technologists. Often some of the best tech people don't have the best people skills but are often thrust into team leadership roles to get promoted and paid more money. Making them and their team feel out of sorts.

The smart firms focus on the contribution a person is making as the key driver for promotion and pay increases, with technical excellence being a separate path from general management and team leading. Both are needed, but it's rare to get a high level of competence in both. The art is to build ways of working and a culture that allows both to flourish and people to double down on the things they're good at.

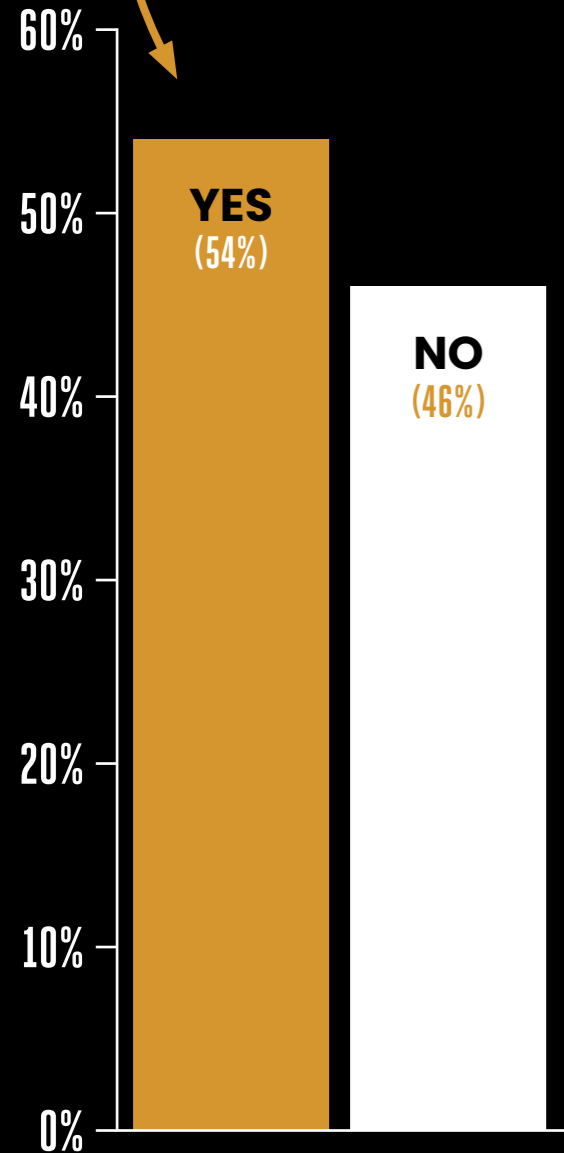
SIMON SEAR IS AN INNOVATION AND TRANSFORMATION CONSULTANT

How would you prefer your meeting with your manager to take place?

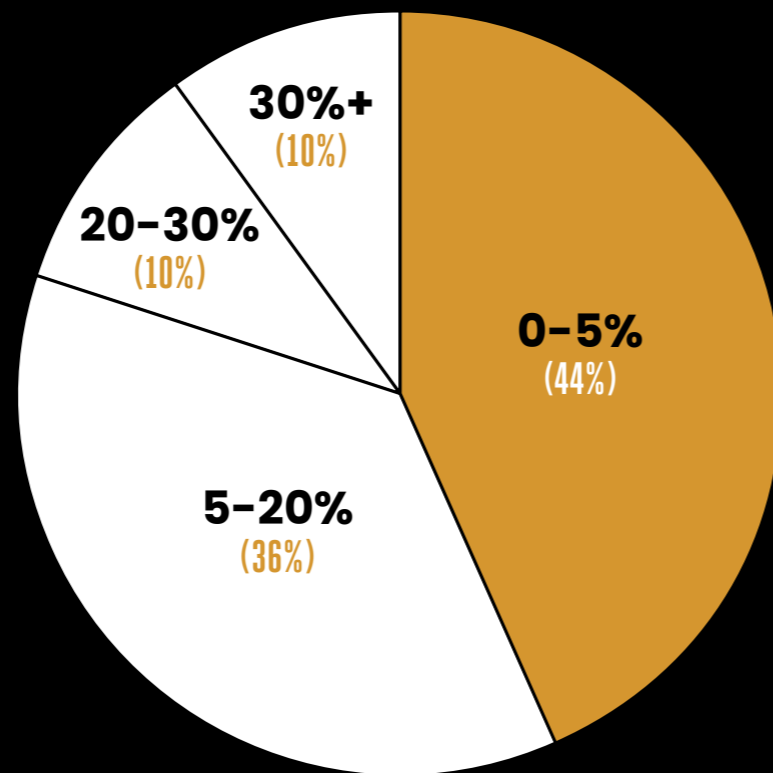


COMPENSATION AND BENEFITS

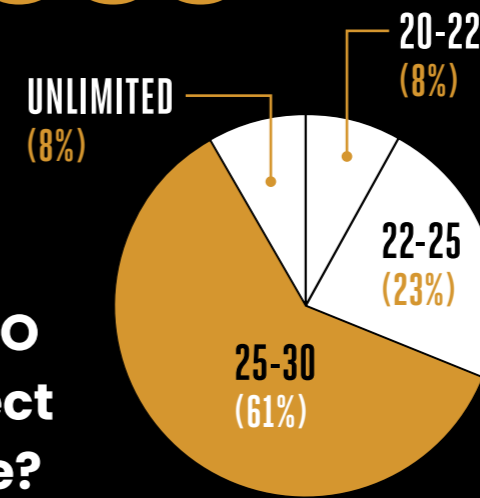
Should compensation and benefits be equal across everyone in the firm?



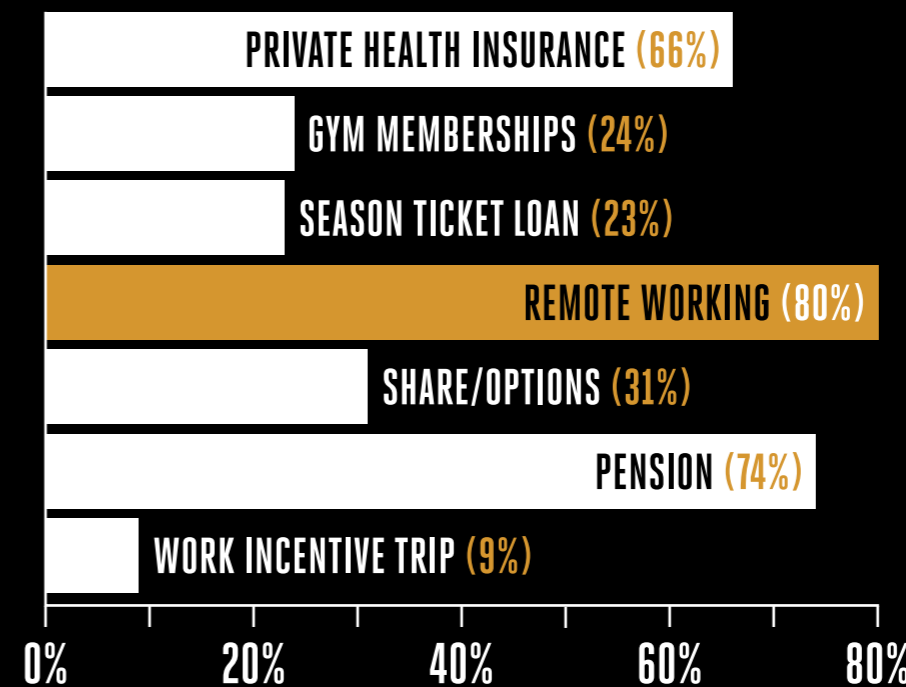
How much bonus do you receive on top of your base salary?



How many holidays/PTO do you expect in a new role?



Are any of these options included in your package?



Poll commentary

The results in this section present us with a new norm that sets the benchmark for what job seekers deem acceptable. An overwhelming 81% of those polled reported bonuses of 0-20%, with a minority over that figure. With most sat in the 0-5% range, we can identify a shift to basic salary over bonus, perhaps pointing at concerns over cost of living.

With health insurance often the first thing candidates look at when offers come through, it is refreshing to see over 66% report it is part of their package. With bonus less prevalent, it's encouraging to see 31% with equity options, pointing at long-term incentives from innovative firms.

Remote working remains a key feature of packages, with 80% offered remote options. We see this most prevalently in developer and tech roles with many now facing battles to turn the tide post-Covid. Holidays most commonly sat at 25-30 days- again companies need to ensure they are not falling behind in creating balance for their teams.

There are so many ways to attract, retain and engage the right team. The winners will have mastered all areas mentioned above.

BY TOBY BABB IS THE CEO AT HARRINGTON STARR



**SALARY
SURVEY
2022**

SALARY SURVEY 2022

Data (UK)

ROLE	Level	Range	Notes
Data Engineer	Junior	£40,000 - £60,000	
	Mid	£50,000 - £90,000	
	Senior	£90,000 - £120,000	
	Lead	£100,000 - £150,000+	
Data Scientist	Junior	£40,000 - £60,000	
	Mid	£50,000 - £100,000	Add 20%+ for financial knowledge / background
	Senior	£100,000 - £130,000	
	Lead	£125,000 - £150,000+	
Data Analyst	Junior	£35,000 - £55,000	
	Mid	£45,000 - £85,000	Add 20%+ for financial knowledge / background
	Senior	£80,000 - £110,000	
	Lead	£100,000 - £130,000	
BI Developer	Junior	£35,000 - £45,000	
	Mid	£45,000 - £65,000	Add 20%+ for financial knowledge / background
	Senior	£60,000 - £85,000	
	Head of	£85,000 - £135,000	
DBA / Data Warehouse Developer	Junior	£40,000 - £60,000	
	Mid	£50,000 - £90,000	Add 20%+ for financial knowledge / background
	Senior	£90,000 - £120,000	
	Lead	£100,000 - £150,000+	
Head of Data	Lead	£125,000 - £185,000	
Head of Data Operations	Lead	£110,000 - £150,000	
Head of Data Quality	Lead	£80,000 - £110,000	
Head of Data Governance	Lead	£80,000 - £110,000	

As the range of opportunities to monetise data continues to increase, so does the demand for talent. In my humble opinion, data is the most exciting growth area at the moment.

Salaries at the more junior end of the scale are staying fairly consistent, whereas the demand for experience, especially at the very top end is increasingly fierce.

As the impact of data becomes more apparent to the bottom

line of a business, so does the demand for financial recognition from its leaders.



By Ian Bailey, Associate Vice President

Software engineering (UK)

ROLE	Level	Range	Notes
C++ Developer	Junior	£40,000 - £65,000	Plus 10% - 50% bonus
	Mid	£65,000 - £90,000	
	Senior	£85,000 - £130,000	
	Lead	£100,000 - £140,000	
Python Developer	Junior	£35,000 - £60,000	
	Mid	£50,000 - £90,000	
	Senior	£85,000 - £130,000	
	Lead	£100,000 - £140,000	
Java Developer	Junior	£40,000 - £60,000	
	Mid	£55,000 - £85,000	
	Senior	£85,000 - £125,000	
	Lead	£110,000 - £140,000	
C# Developer	Junior	£45,000 - £60,000	
	Mid	£60,000 - £85,000	
	Senior	£85,000 - £120,000	
	Lead	£120,000 - £150,000	
JavaScript / TypeScript Developer	Junior	£40,000 - £65,000	
	Mid	£65,000 - £90,000	
	Senior	£85,000 - £130,000	
	Lead	£100,000 - £140,000	
JavaScript React Developer	Junior	£35,000 - £60,000	
	Mid	£50,000 - £90,000	
	Senior	£85,000 - £130,000	
	Lead	£100,000 - £140,000	
JavaScript Angular Developer	Junior	£40,000 - £60,000	
	Mid	£55,000 - £85,000	
	Senior	£85,000 - £125,000	
	Lead	£110,000 - £140,000	
Full Stack JavaScript Developer with Java or C#	Junior	£40,000 - £60,000	
	Mid	£60,000 - £75,000	
	Senior	£75,000 - £105,000	
	Lead	£100,000 - £140,000	
JavaScript Node JS	Junior	£40,000 - £60,000	
	Mid	£60,000 - £75,000	
	Senior	£75,000 - £105,000	
	Lead	£100,000 - £140,000	

SALARY SURVEY 2022

Harrington Starr have experienced an incredibly busy first half of the year. There has been exceptional growth in the Java market in London, with over 90% of our clients having multiple vacancies due to growth. These are companies ranging from instantly recognisable names in Financial Technology, to award winning start-ups working on the next generation of solutions. Salaries have also been reflective of market conditions with most people receiving a 20% increase in their base salary on average; especially for mid-level software

engineers, receiving on average of 37% increase on their salary! We have also seen plenty of companies improve their working from home policies to attract more talent. Most firms are now two days in the office, and we have some that have went 100% fully remote. As we head into the 2nd half of the year the appetite to hire remains at an all time high. There is no better time to consider your next move in Software Engineering.



By Con Lam,
Principal Consultant

Software engineering (USA)

ROLE	Level	Range	Notes
C++ Developer	Junior	\$90,000 - \$110,000	Plus 10% - 50% bonus ↓
	Mid	\$110,000- \$135,000	
	Senior	\$135,000 - \$180,000	
	Lead	\$200,000+	
Python Developer	Junior	\$90,000 - \$110,000	
	Mid	\$110,000- \$135,000	
	Senior	\$135,000 - \$180,000	
	Lead	\$200,000+	
Java Developer	Junior	\$90,000 - \$110,000	
	Mid	\$110,000- \$135,000	
	Senior	\$135,000 - \$180,000	
	Lead	\$200,000+	
C# Developer	Junior	\$90,000 - \$110,000	
	Mid	\$110,000- \$135,000	
	Senior	\$135,000 - \$180,000	
	Lead	\$200,000+	



SALARY SURVEY 2022

Testing (UK)

ROLE	Level	Range
QA Engineer	Junior	£30,000 - £42,000
	Mid	£45,000 - £70,000
	Senior	£65,000 - £85,000
	Lead	£75,000 - £90,000
	Head of	£90,000 - £14,000

We've experienced a buoyant HI marketplace across testing, mainly due to company growth with over 80% of openings being additional headcount.

We've witnessed an increase in demand for strong automation experience especially across API with C#, Java and Python the most sought after language.

Salaries have been reflective of market conditions with tester's receiving on average of 20% increase in pay however, we're

expecting things to level out now that hybrid working has become the norm for the majority of businesses.

As we head into the second half of the year, the appetite for hiring remains strong; the digital revolution is still dramatically under-skilled, and this collides with the generational opportunities of ESG/DeFi/Cloud.



By Stephen Turkington,
Principal Consultant

Infrastructure support (UK)

ROLE	Level	Range
Support Engineer	Junior	£30,000 - £40,000
	Mid	£40,000 - £55,000
	Senior	£50,000 - £65,000
	Lead	£55,000 - £75,000
Infrastructure Engineer	Junior	£45,000 - £55,000
	Mid	£55,000 - £70,000
	Senior	£50,000 - £90,000
	Lead	£65,000 - £110,000
	Head of	£80,000 - £150,000

Infrastructure support (USA)

ROLE	Level	Range
Support Engineer	Junior	\$90,000 - \$105,000
	Mid	\$100,000 - \$120,000
	Senior	\$120,000 - \$150,000
	Lead	\$150,000+
Infrastructure Engineer	Junior	\$90,000 - \$105,000
	Mid	\$100,000 - \$120,000
	Senior	\$120,000 - \$150,000
	Lead	\$150,000+



SALARY SURVEY 2022

Sales and marketing (UK)

ROLE	Level	Range	Notes
Business Development	Junior	£35,000 - £50,000	2 x OTE
	Mid	£45,000 - £80,000	
	Senior	£75,000 - £100,000	
	Director	£95,000 - £150,000	
Account Management	Junior	£30,000 - £45,000	Plus 10% - 30% Bonus
	Mid	£40,000 - £60,000	
	Senior	£60,000 - £85,000	
	Director	£85,000, £120,000	
Customer Success	Junior	£30,000 - £45,000	Plus 25% Bonus
	Mid	£40,000 - £60,000	
	Senior	£60,000 - £85,000	
	Head of	£85,000, £120,000	
Pre-sales	Junior	£35,000 - £50,000	
	Mid	£45,000 - £85,000	
	Senior	£85,000 - £130,000	
	Head of	£130,000 - £160,000	
Product Marketing	Junior	£80,000 - £110,000	Plus 10% - 30% Bonus
	Mid	£110,000 - £150,000	
	Senior	£150,000 - £200,000	
	Head of	£200,000+	
Marketing Communications	Junior	£65,000 - £90,000	Plus 10% - 30% Bonus
	Mid	£90,000 - £120,000	
	Senior	£120,000 - £160,000	
	Head of	£175,000	

FinTech is at the forefront of innovation and growth in the wider financial services sector, and London continues to be a global powerhouse, even in the

uncertainty of the economy and pending recession we expect to experience.

Since the Pandemic, we have seen an increase in

permanent salaries and bonuses for Sales candidates; especially at the more Senior levels, e.g Head of BD/Director levels. As the FinTech market continues to grow and mature,

Sales and marketing (USA)

ROLE	Level	Range	Notes
Business Development	Junior	\$70,000 - \$90,000	2 x OTE
	Mid	\$80,000 - 130,000	
	Senior	\$150,00 - \$200,000	
	Director	\$200,000	
Account Management	Junior	\$55,000 - \$80,000	Plus 10% - 30% Bonus
	Mid	\$80,000 - 110,000	
	Senior	\$110,00 - \$150,000	
	Director	\$150,000	
Customer Success	Junior	\$50,000 - \$75,000	Plus 25% Bonus
	Mid	\$75,000 - \$95,000	
	Senior	\$90,000 - \$130,000	
	Head of	\$130,000+	
Pre-sales	Junior	\$70,000 - \$110,000	
	Mid	\$100,000 - \$150,000	
	Senior	\$150,000 - \$200,000	
	Head of	\$200,000+	
Product Marketing	Junior	\$80,000 - \$110,000	Plus 10% - 30% Bonus
	Mid	\$110,000 - \$150,000	
	Senior	\$150,000 - \$200,000	
	Head of	\$200,000+	
Marketing Communications	Junior	\$65,000 - \$90,000	Plus 10% - 30% Bonus
	Mid	\$90,000 - \$120,000	
	Senior	\$120,000 - \$160,000	
	Head of	\$175,000	

attracting senior hires is vital to companies, and candidates that have a strong track record of increasing ROI are in high demand. These candidates can be expected to be

incentivised by an attractive salary, performance-related bonus and also in equity shares in the business.



By *Hannah Chowdhury*, Associate Vice-President, New York



SALARY SURVEY 2022

Change and transformation (UK)

ROLE	Level	Range
Business Analyst	Junior	£40,000 - £50,000
	Mid-level	£50,000 - £70,000
	Senior	£70,000 - £90,000
	Lead	£90,000 - £110,000
	Head of	£110,000 - £130,000
Product Manager	Junior	£40,000 - £60,000
	Mid	£60,000 - £80,000
	Senior	£80,000 - £110,000
	Head of	£110,000 - £150,000
Project Manager	Junior	£40,000 - £60,000
	Mid	£60,000 - £75,000
	Senior	£75,000 - £120,000
	Head of	£120,000 - £150,000
Programme Manager	Lead	£110,000 - £140,000
Implementation Consultant	Junior	£40,000 - £50,000
	Mid	£50,000 - £65,000
	Senior	£65,000 - £100,000
	Head of	£100,000 +

Change and transformation (USA)

ROLE	Level	Range
Business Analyst	Junior	\$90,000 - \$105,000
	Mid-level	\$100,000 - \$125,000
	Senior	\$120,000 - \$160,000
	Lead	\$160,000 - \$180,000
Project Manager	Junior	\$85,000 - \$100,000
	Mid	\$100,000 - \$130,000
	Senior	\$130,000 - \$150,000
	Head of	\$160,000 +
Implementation Consultant	Junior	\$85,000 - \$105,000
	Mid	\$120,000 - \$145,000
	Senior	\$150,000
	Head of	\$150,000 - \$185,000



SALARY SURVEY 2022

Product management (UK)

ROLE	Level	Range
Product Manager	Junior	£40,000 - £60,000
	Mid	£60,000 - £80,000
	Senior	£80,000 - £110,000
	Head of	£110,000 - £150,000
CPO	Lead	£150,000 +
Product Owner	Lead	£60,000 - £100,00

Product management (USA)

ROLE	Level	Range
Product Manager	Junior	\$110,000 - \$125,000
	Mid	\$135,000 - \$165,000
	Senior	\$170,000 - \$200,00
	Head of	\$200,0000

DevOps and cloud engineering (UK)

ROLE	Level	Range
DevOps Engineer	Junior	£45,000 - £65,000
	Mid-level	£65,000 - £85,000
	Senior	£85,000 - £110,000
	Lead	£110,000 - £140,000
	Head of	£140,000 - £160,000
Site Reliability Engineer	Junior	£45,000 - £65,000
	Mid-level	£65,000 - £85,000
	Senior	£85,000 - £100,000
	Lead	£100,000 - £130,000
	Head of	£120,000 - £140,000

DevOps and cloud engineering (USA)

ROLE	Level	Range
DevOps Engineer	Junior	\$90,000 - \$110,000
	Mid-level	\$110,000- \$135,000
	Senior	\$135,000 - \$180,000
	Lead	\$200,000+



SALARY SURVEY 2022

Network engineering (UK)

ROLE	Level	Range
Network Engineer	Junior	£45,000 - £60,000
	Mid-level	£60,000 - £80,000
	Senior	£80,000 - £100,000
	Lead	£100,000 - £120,000
	Architect	£120,000 - £140,000

Network engineering (USA)

ROLE	Level	Range
Network Engineer	Junior	\$75,000 - \$95,000
	Mid-level	\$95,000 - \$125,000
	Senior	\$120,000 - \$170,000
	Lead	\$175,000 +
	Architect	\$200,000 +

Application support (UK)

ROLE	Level	Range
Application Support	Junior	£45,000 - £55,000
	Mid-level	£55,000 - £70,000
	Senior	£70,000 - £100,000
	Lead	£100,000 +

Application support (USA)

ROLE	Level	Range
Application Support	Junior	\$90,000 - \$105,000
	Mid-level	\$100,000 - \$120,000
	Senior	\$120,000 - \$150,000
	Lead	\$150,000+



SALARY SURVEY 2022

Cyber security and IT risk (UK)

ROLE	Level	Range
Chief Information Security Officer		£150,000 - £250,000
Security Architect		£90,000 - £130,000
SOC Analyst	Junior	£35,000 - £50,000
	Senior	£50,000 - £85,000
GRC Analyst	Junior	£40,000 - £65,000
	Senior	£65,000 - £90,000
Application Security Engineer		£90,000 - £130,000
DevSecOps Engineer		£90,000 - £130,000
Security Engineer		£70,000 - £110,000
Penetration Tester (certified)		£80,000 - £110,000

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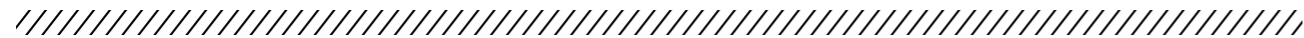
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