



EquiLend: Tackling system inefficiencies at the source

With the recent evolution of the securities finance market, Dan Dougherty, global head of sales and client relationship management at EquiLend, reflects on the firm's achievements and future direction

Technology has consistently accelerated transformation in the securities finance sector, with vendor solutions playing a crucial role. EquiLend began by addressing inefficiencies in trading and post-trade activities, but our focus has since expanded. Today, we offer a full suite of solutions tailored to industry demands, increasing regulatory pressures and data products that bring transparency to the market.

The expectation is that systems operate autonomously — delivering real-time trade execution, lifecycle management, and regulatory compliance as standard features, all underpinned by future-proof technology. Our goal is to eliminate friction in securities finance. This mission drives our commitment to improve through automation and reliable, scalable technology continuously.

Bridging legacy and modern technology

To enhance execution and lifecycle management, we have focused on continuous upgrades to our core platform — Next Generation Trading (NGT) and post-trade solutions. Integrating real-time market, post-trade and DataLend insights into NGT has given market participants centralised access to all crucial information on one platform. New functionalities like Competitive Bid negotiation and the integration of NGT with the EquiLend Clearing Services (ECS) Loan Market have driven significant growth in trading volumes across all asset classes and fee bands.

However, liquidity and participant breadth define a platform's success. NGT stands out, facilitating over US\$122 billion in daily trading with more than 130 global counterparties across 30 markets. For firms seeking risk mitigation and capital relief, our ECS Loan Market enables central clearing of US securities at the Options Clearing Corporation (OCC), with record volumes in 2024. As the market transitions from manual to automated platforms like NGT and ECS, we have adapted our systems to accommodate diverse trade types and fee structures, from automated general collateral (GC) to high-value negotiated specials across equities and fixed income.

Beyond execution, our focus on post-trade efficiency has been catalysed by the shift to T+1 settlement. Our redesigned recalls

notification and workflow tool, created in anticipation of T+1 in the US and Canada, directly addressed clients' concerns. The automated recalls feature integrates with the broader EquiLend ecosystem, leveraging real-time messaging to streamline post-trade processes. Within a week of the US T+1 transition, we saw a 176 per cent increase in automated recalls on our platform, signalling an industry-wide shift.

We are heavily involved with the UK's Accelerated Settlement Taskforce as a key industry contributor, ensuring we stay in touch with and can get ahead of market developments to best support clients across our solutions. Automation, a key recommendation from the taskforce, is already embedded in our systems, providing end-to-end lifecycle management from recalls to billing.

Interconnectivity and technological transformation

EquiLend Spire, our state-of-the-art, software-as-a-service (SaaS) platform designed to unify fragmented systems, increases efficiency for firms still reliant on manual processes. Spire offers flexible solutions for managing recordkeeping, inventory, locates, client asset lending, and other functions, enabling firms to reduce operational risk, increase efficiency, and improve transparency in the business.

Transparency is a critical pillar of our platform offerings. Our data solutions, including DataLend and Orbisa, provide real-time insights into global securities finance activity. DataLend aggregates data from diverse sources including client submissions, platform activity, and third-party inputs, delivering real-time market intelligence. This capability offers clients a competitive edge by enabling them to view market trends as they happen, rather than waiting for T+1 data from other sources.

Staying ahead of regulatory change

Proactively anticipating regulatory shifts, rather than merely reacting, is another area where we differentiate ourselves. We are actively supporting clients through changing regulatory landscapes, drawing on our extensive experience with compliance solutions for agency lending disclosure (ALD), the Securities Financing Transactions Regulation (SFTR), and the Central

Securities Depositories Regulation (CSDR), as well as the pending US Securities and Exchange Commission's (SEC) 10c-1a requirements.

In some cases, existing technology provides the answers to emerging challenges. For example, our partnerships with SSImple and valid8Me address inefficiencies in standard settlement instructions (SSIs) management and fund onboarding. Our Enhanced SSI Repository, developed with SSImple, offers centralised matching and monitoring for SSIs, while EquiLend Onboard+, in partnership with Valid8Me, streamlines fund onboarding, delivering a reduction in onboarding timelines by up to 90 per cent.

Anticipating the future

We see technology as a catalyst for transformation. Our development of 1Source.io, a distributed ledger technology (DLT) based 'single source of truth' for securities finance transactions powered by smart contracts, marks a bold step toward eliminating reconciliation and streamlining lifecycle management. Built on the Canton Network, 1Source.io ensures interoperability while maintaining privacy and data access through secure shared ledgers.

By future-proofing for innovations like tokenisation, we are preparing for the evolving needs of the market while enhancing security, transparency, and resiliency. This approach addresses today's challenges and positions us to lead the next wave of transformation in securities finance.

Persistent innovation

Legacy platform maintenance, crisis-driven workarounds, and poor data transparency create significant friction for clients, and as industries digitise, inefficiency becomes increasingly costly. EquiLend was founded 23 years ago to modernise trading and post-trade practices in securities finance, and we have since saved our clients significant sums through procedural efficiency. But our work is far from over.

We aim to relieve systemic pressure across the securities finance ecosystem through a constantly evolving suite of solutions and partnerships. By outsourcing development to specialised vendors, firms can stay focused on innovation without being bogged down by daily operations. At EquiLend, driving change is our core business, and we remain committed to leading the industry forward with every new solution we deliver. ■

“By future-proofing for innovations like tokenisation, we are preparing for the evolving needs of the market while enhancing security, transparency, and resiliency.”

Dan Dougherty
Global head of sales and client relationship management
EquiLend

