

## VIDEO

September 2, 2016

# Focus on Funds: ICI Expands Its Service to the Industry's "Middle Office"

## Focus on Funds

### ICI Expands Its Service to the Industry's "Middle Office"

Rapid change in the fund industry means that the operational support provided by what's known as the "middle office" must evolve, explains Ahmed Elghazaly, ICI director of securities operations, in the September 2, 2016, edition of *Focus on Funds*.

## Transcript

**Stephanie Ortbals-Tibbs, ICI Director, Media Relations:** Fund operations professionals know that the middle office is increasingly important in their work. And that's exactly why ICI is responding with new ideas and resources for members to use. Here's a look.

**Ahmed Elghazaly, ICI Director, Securities Operations:** If you look across the industry, you'll find a wide range or a high degree of variability in what investment operations really means—whether it's in the scope of activities, how it's being done, or who is performing that. An example of that would be looking at some of the fund companies that have outsourced some or even all of their investment operations activities, while many others maintain their capabilities in house.

What we're trying to do at ICI Securities Operations Advisory Committee is to help fund companies navigate all these different variables. We're trying to identify and develop best practices in areas where that doesn't exist. We try to maintain a very active role in an advocacy effort. For example, when you look at industry initiatives such as the T+2 here in the US, to shorten the settlement cycle, our committee members have been very involved in this initiative, looking at it from an operations perspective, trying to reduce the operations risk in the system.

**Ortbals-Tibbs:** So they are facing all of these new variables, as you say—the regulatory environment, new operational demands, globalization of their company—that's feeding into all of this. How does your committee work respond to them, and help inform their work, and help them do their jobs better?

**Elghazaly:** Sharing information and common practices is crucial to our members, and that's the need and that's what we keep hearing from them. If you look at the regulatory landscape, there was discussion recently on swing pricing, and that's a crucial element in our discussion here. We're trying to bring some of the practices that exist in Europe and try to share that with our members so we can help them navigate all these different challenges. Another thing is that we're looking at new, emerging technologies. Blockchain or distributed ledger is one thing we've been keeping a close eye on.

**Ortbals-Tibbs:** More resources and information are available on ICI's website under the operations section.

## **Additional Resources**

- [Resources on Industry Operations](#)
- [Committee Page: Investment Operations Advisory Committee](#)

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.