

The New Custodian: Platform, Partner, Pioneer

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FOREWORD



Sally Surgeon
ACSA Chair

No industry stands still, and the world of custody is no exception. Thirty years ago, the Australian Custodial Services Association (ACSA) was formed out of a clear need: to provide a single, unified voice for custodians and investment servicers in an industry that was rapidly growing in scale and complexity. From those early days, ACSA has championed the essential work of custodians—advocating for the industry, educating stakeholders, and ensuring that the vital role custodians play in the financial ecosystem is both recognised and understood.

Strength and resilience

Over the past three decades, ACSA's advocacy has helped shape a resilient and innovative industry. Custodians have evolved from back-office operators to strategic partners, supporting the growth of Australia's superannuation and asset management sectors. In an environment marked by economic uncertainty and geopolitical shifts, the strength and stability provided by custodians has never been more critical. ACSA continues to support its members and their clients by driving systemic efficiency, promoting automation, and championing best practices—always with the goal of reducing risk and fostering positive, forward-looking reform.

The not-too-distant future

Today, we stand at a pivotal moment. The pace of digitisation and the advent of new technologies—artificial intelligence (AI), distributed ledger technology (DLT), and digital assets—are reshaping the investment landscape at an unprecedented rate. The future will demand even more from custodians: real-time data, seamless integration of listed and unlisted assets, and the ability to provide actionable insights across increasingly complex portfolios. As the industry faces these challenges and opportunities, the need for a strong, collective voice is more pressing than ever. ACSA's role as an advocate and connector will be vital in ensuring that custodians not only adapt but lead the way—paving the road ahead for the next generation of investment services.

Reflecting on the past 30 years, it is clear that the foundations laid by ACSA and its members have enabled custodians to become indispensable partners in the financial ecosystem. As we look forward, our commitment to collaboration, innovation, and advocacy will ensure that custodians remain at the forefront of an industry defined by change—and that together, we continue to build a future of enduring value and shared success.

Sally

INTRODUCTION



David Travers
ACSA CEO

This year marks a significant milestone - 30 years since the founding of the Australian Custodial Services Association (ACSA).

Since 1995, ACSA's mission has been clear: to advance the custodial services sector in Australia. Three decades on, that remains as vital as ever, guiding our efforts to set operational standards, nurture professional growth, and advocate for the evolving needs of custody and investment services providers.

The world of custody has expanded dramatically. Today, custodians in Australia oversee more than \$5 trillion in assets,¹ process millions of trades annually² and operate across 100+ markets. Their reach now spans public and private markets, digital assets, and a diverse array of investment product structures.

With this growth comes an explosion of data, insight, and responsibility. Custodians are no longer just the backbone of financial operations, they are strategic partners, trusted advisors, and innovators at the heart of the investment ecosystem.

Custodians have moved beyond the back office, supporting clients in digital transformation, data strategy and regulatory compliance, including ESG and sustainability. The rise of generative AI and DLT is reshaping how custodians deliver value, offering new ways to streamline operations, enhance transparency, whilst collecting, maintaining, and protecting vast sets of data.

A changing landscape

There has never been a more exciting - and demanding - time to be in custody and investment servicing.

Clients expect more than operational excellence; they look to their custodians for leadership, agility, and insights into a world defined by rapid technological change and market complexity. To meet these expectations, custodians must master not only the traditional elements of custody but also data and risk analytics, AI, and process automation, and new market opportunities.

Predicting the future

While it is difficult to predict the future with certainty, the trajectory is clear: assets under custody and administration will continue to grow, the pace of change will accelerate, and the value custodians deliver will be measured not just in traditional metrics, but in relationships, innovation, and strategic impact.

This paper looks forward - five, ten, and twenty years ahead - drawing on the expertise of our members to explore the forces shaping the next chapter of custody and investment services. As we celebrate ACSA's 30th anniversary, we reaffirm our commitment to leading the industry into a future defined by excellence, innovation, and enduring partnership.

David

¹ \$5.44 trillion under custody and \$6.6 trillion under administration, as of December 24, 2024

² Over 12.5 million trades annually

Transformation in a rapidly evolving digital world

Custodians are undergoing a profound transformation—from operational service providers to strategic, technology-enabled partners embedded across the investment value chain. This reinvention is being driven by the convergence of client demand, digital innovation, and the growing complexity of global markets.

The scope of custody and investment services has expanded dramatically in recent years, driven by clients who are seeking to streamline operations and focus on their core capabilities. Increasingly, they are turning to custodians for support beyond traditional safekeeping and settlement - requesting services that span the middle office, data analytics, and liquidity management.

This shift in expectations is reflected in the evolution of requests for proposals (RFPs). Thirty years ago, a typical RFP was around 20 pages long and focused primarily on core custody functions. Today, RFPs often span hundreds of questions, with only a small portion dedicated to traditional services. According to Harpreet Ahuja, Head of Securities Services at HSBC Securities Services, Australia and New Zealand, the majority now focus on broader capabilities such as fund and investment administration, operational efficiency, data integration, legal frameworks, cyber security and risk management.

“Asset owners and managers don’t want to retain activities that are not core for their business so they’re reviewing services such as middle office and asking us, how we can extend current partnerships,” he says. “Custodians are providing services for yield enhancement activities such as securities lending, collateral management and liquidity management. This requires an enhanced level of inventory management and navigating asset servicing complexity which cannot be achieved without seamless integration of data and high levels of automation.”

Ravi Subramaniam, Chief Executive of Clearstream Australia agrees that the client dynamic has changed dramatically, not only from transactional to relational, but also in terms of complexity and diversity. Thirty years ago, the client landscape consisted of institutional investors and traditional mutual funds. Today, custodians serve a broad spectrum of clients including platforms, ETF sponsors, and private market managers. They, in turn, look after a diverse mix of clients including retail investors, self-managed super funds, high net worth individuals and family offices.

“The Australian custody market has matured into a highly concentrated yet dynamic sector. Today, fewer custodians serve a broader range of clients with deeper, more integrated services, says Subramaniam.”

“As investment strategies diversify, custodians are evolving to meet increasingly complex needs, offering real-time settlement, tailored reporting, and support for both listed and unlisted assets. Technology is the driving force behind this transformation, enabling custodians to scale, automate, and integrate services more efficiently, Ahuja says. Looking ahead, Ahuja distills the future of custody into three defining themes: digitalisation, scale, and transformation.

In brief, digitalisation will create efficiencies; scale will deliver cost benefits and support clients to self-service and customise; and transformation will come from the development of new capabilities in areas like ETFs and private assets. All three will underpin the industry’s growth and help keep the cost of delivering custody and investment services down in an environment where cost continues to be a focus for the industry.

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Clients have become more digitally savvy and are demanding transparency, speed and customisation, which means service providers must evolve into tech-enabled partners, offering data-driven insights and seamless digital experiences.
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Emergence of mega funds

Ahuja believes that Australia's first \$1 trillion superannuation and pension fund will emerge in the near future, particularly given the industry's focus on consolidation.

With size comes complexity and tighter regulatory and risk management controls, including around concentration risk and counterparty risk, which may see Australian funds adopt a multi-custodian model. Currently, Australian super funds generally use one custodian. As funds continue growing, that model faces challenges. Ahuja points to Europe and Asia, where some funds are so large that they use multiple custodians and administrators to manage the counterparty risk.

"In some countries, the regulator has stepped in and told funds to diversify, which has resulted in some funds, for example, using one custodian for equities and another for fixed income," he says.

"Looking ahead, there'll be even greater scope for specialisation in areas like private assets and digital assets."

Digital transformation

Nearly 40 per cent of financial market participants currently use digital assets or some form of distributed ledger technology (DLT) and digital assets are on track to hit \$16 trillion in the next 15 years, based on a recent paper by Clearstream, Depository Trust & Clearing Corporation (DTCC) and Euroclear.

"The last several years have seen a growing number of initiatives drive a new maturity in the use of DLT and digital assets. These initiatives have demonstrated new opportunities for financial market participants to transform the ways in which they issue, manage, and process different asset classes – well beyond traditional securities," the report stated.

Clearstream's Subramaniam says custodians will play a "pivotal" role in the industry's digital transformation by supporting clients to incorporate AI, DLT, and other emerging technologies into their operating models.

These enhanced models will drive operational efficiency and deliver liquidity benefits across entire trade flows and asset classes, he says, predicting that assets will be digitally custodised and tokenised on DLT within the next 30 years.

Furthermore, settlement will be instant, operations including trade matching, capital calls and regulatory reporting will be fully automated, and standardised regulatory frameworks will be in place. Ahuja has a similar vision of the future. He believes digital assets like stablecoins, and other tokenised assets will soon be mainstream.

As we have seen with T+1 in North America, the settlement life cycle will continue to shorten, driven by a desire to improve liquidity and mitigate counterparty risk. Elements such as trade management activities have been further integrated via platforms enabling seamless or concurrent processing.

The custodian's journey up the value chain is being fuelled by technology. It underpins automation, integration and scalability, which enables us to focus on more value-add functions



Digital transformation continued

Technology will also enable greater self-service by institutional and retail investors.

Some custodians already offer clients unrestricted digital access to their systems and data with AI chatbots are able to respond to queries in real time. This functionality enables clients to conduct independent research and generate reports to gain actionable insights.

“Clients have become more digitally savvy and are demanding transparency, speed, and customisation, which means service providers must evolve into tech-enabled partners, offering data-driven insights and seamless digital experiences,” Subramaniam says.

“Investment in technology will only ramp up to ensure custodians and their sub-custodians in each local market are better connected and strategically aligned to deliver for the underlying client, such as how to seamlessly transmit data such as trade data.”

“Use of portals and manually logging in to obtain these data sets will become a thing of the past.”



What's next for institutional investors and what it means for custodians

The path of custodians and institutional investors are entwined, with operating models and investment portfolios providing a window into the future of custody. Those trying to forecast the strategic roadmap for custodians need only look at the changing investment strategies and operating models of institutional investors.

Reflecting on the past 30 years of custody, the evolution of J.P. Morgan's Securities Services business has been driven by two main factors: the needs of clients and the external environment, including regulation and market developments, according to Nadia Schiavon, Head of Securities Services at J.P. Morgan, Australia and New Zealand.

They will continue to shape our strategy, decision-making and advocacy agenda for the next 30 years, she says.

"In the past, the custodian's role was largely focused on back-office processes, but today we are an extension of our client's operating model – working alongside them to anticipate challenges, and drive outcomes," Schiavon says.

"Whilst the fundamentals of custody have not changed, the scale and the way we deliver services have evolved significantly and, increasingly, everything our clients are thinking about, whether it is changes to their operating model, investment strategies or how to become more efficient, we're part of the conversation as a key enabler to make things happen."

At their core, custodians are still directed parties, however, the client dynamic is not "mechanical", it's based on trusted, long-term relationships, says Daniel Cheever, Head of Australia and New Zealand, Securities Services at BNP Paribas.

"Ultimately, our clients instruct us what to do and we execute those instructions as efficiently as possible," he says.

"To some extent, there needs to be as little friction as possible to keep things efficient and cost-effective; because if custodians start to monitor their clients' investment decisions - that reduces efficiency and productivity."

According to Cheever, a custodian's job is to safekeep not gatekeep, but they can still add value in many areas including thought leadership, operational efficiency and data analytics.

"Our clients take investment risk and provide instructions for us to settle transactions, and record and value them in our platforms, and the business model fundamentally will not change," he says.

Everything our clients are thinking about, whether it's changes to their operating model, investment strategies or how to become more efficient, we're part of the conversation and a key enabler to make things happen.

Leading and innovating

When it comes to business strategy and innovation, J.P. Morgan takes a “business-led approach”, meaning the starting point is always a problem that clients are trying to solve.

“Leadership begins with business strategy, not with technology in search of a problem,” Schiavon says.

In addition to more complex client demands and the rapid pace of technological change, other hallmarks of the past 30 years include constant changes to superannuation, regulatory reform, and market development. “These changes will likely continue, requiring custodians to work closely with clients to manage complexity and stay ahead of regulatory developments. Our role is to bring stability and deep expertise at times of uncertainty – helping clients interpret evolving requirements, manage areas such as tax where the impact can be significant, and ensure their operating models remain resilient and future-ready,” Schiavon says.

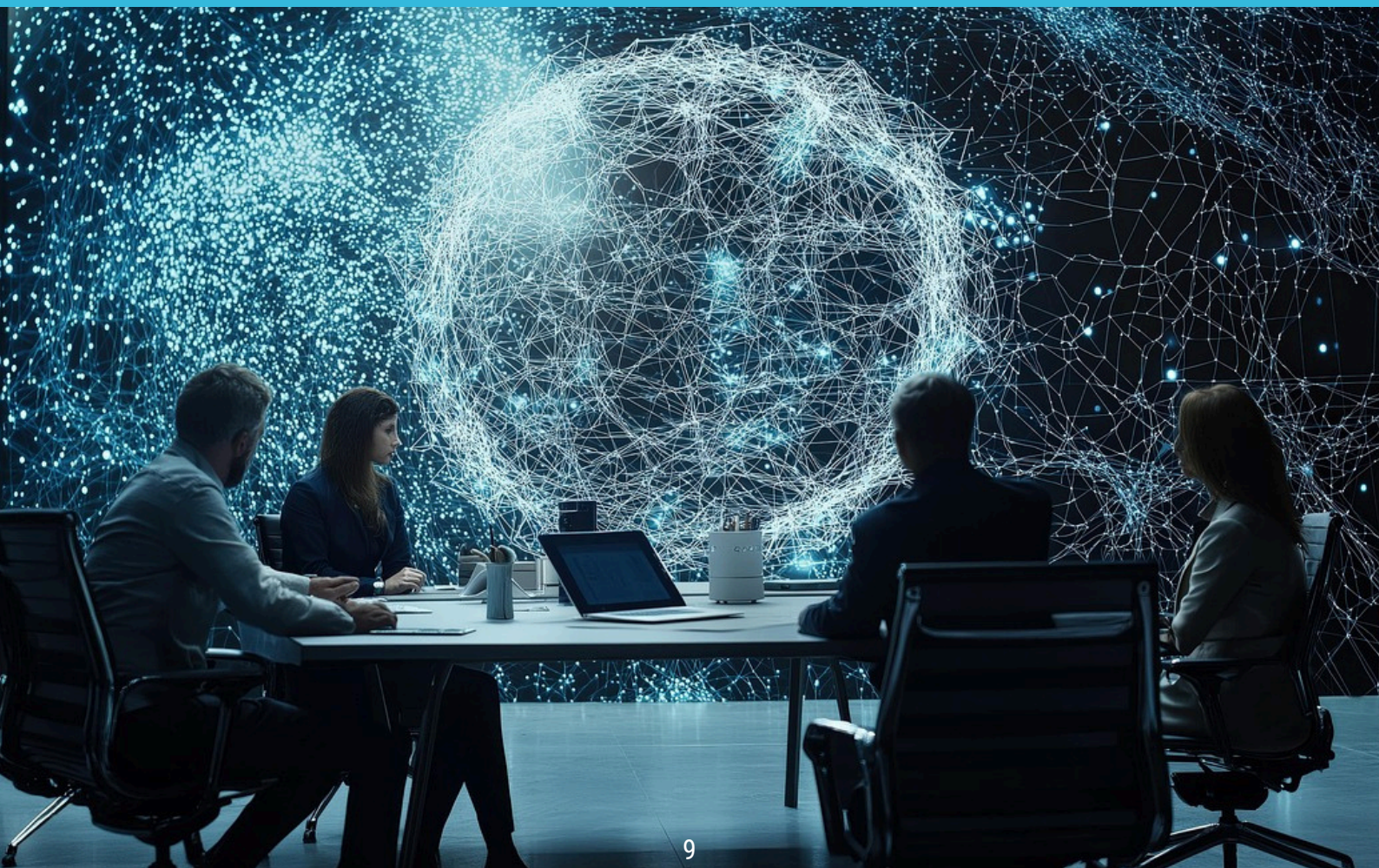
As much as asset owners and custodians plan for the future, which is crucial and prudent, left-field regulatory changes and market developments, such as economic sanctions and tariffs, can derail even the most meticulous plans.

Custodians are ideally positioned to support their clients to navigate market disruption and regulatory change, says Cheever. Custodians hold a lot of data that can support clients to meet their compliance and regulatory reporting obligations. Data is not just essential for compliance, it is also critically important for business strategy and decision-making, Schiavon says.

“Custodians touch every part of the investment lifecycle, and our clients expect us to deliver insights in real time, through the channels that matter most to them,” she says.

“Data should flow across functions, not sit in silos, and it should be used to help clients gain clarity and control across their entire investment process.”

“We see the potential for data to provide valuable insights through real-time analytics and accurate AI predictions.”



Alternatives and private markets

According to the 2025 Northern Trust Peer Study, which surveyed 180 global asset owners, the top area of focus for institutional investors is alternative investments, followed by operational efficiency, liquidity, and risk management, and data insights.

Institutional investors continue to increase their allocation to alternative asset classes, and this is likely to accelerate, due to the decline of public market opportunities and the constant flood of money looking for more stable, diversified returns, amidst heightened economic and geopolitical uncertainty.

In 2025, total alternative assets under management surpassed \$33 trillion, according to J.P. Morgan. This compared to around \$1.26 trillion in 2005, based on data from Watson Wyatt. Today, the average institution allocates around a quarter of their portfolio to alternatives. The mix of alternative asset classes has also broadened, with private credit and private equity playing a more prominent role, alongside hedge funds and real estate.

The investment rationale for alternatives is clear: diversification benefits, unique exposure to secular themes and the potential for strong positive returns, however, managing alternative assets is operationally challenging. Developing the infrastructure to support alternatives, including private assets and digital assets, is a major area of focus for custodians.

Schiavon says that the exponential growth of private markets presents an enormous opportunity. "Clients are investing in more complex markets and custodians have a role to play in this journey, not just in trade settlement and cash movement, but in adding value through discussions with regulators and market infrastructures," she says.

BNP Paribas' Cheever says digital technology and tokenisation opens up a field of opportunities, including the potential for greater transparency and faster settlement of private assets. "The question is, are alternatives more unstructured at their core than public markets and, if so, is aspiring to structure them in the same way something that can't be achieved," he says. "Tokenisation could bring the structure of listed markets to unlisted markets. That is absolutely possible and probably where we'll end up."

Critical to the efficient and scalable settlement and administration of private assets will be standardisation, which requires "industry solutions more-so than individual company solutions," Cheever says, adding that industry bodies like ACSA have a role to play in engaging stakeholders, formulating industry standards, and collaborating with global counterparts.

"For things like digitisation and tokenisation, multiple market participants need to agree on a framework to operate within, and this will need to be industry led," he says.

Schiavon agrees. "The investment ecosystem is more complex than ever with multiple asset classes, markets and regulatory frameworks to manage," she says. "Without standardisation, clients spend significant time reconciling different data formats and reporting requirements. Standardised systems ensure information is consistent, timely and actionable across all markets and functions."

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The question is, are alternatives more unstructured at their core than public markets and, if so, is aspiring to structure them in the same way something that can't be achieved?

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Beyond 2030 – Creating the platforms of the future

Once defined by safekeeping and settlement, the role of the custodian is being reimagined. As clients concentrate on their core capabilities, they are increasingly looking to custodians to manage data, regulation, infrastructure, and execution. Digital assets and tokenisation are accelerating this shift, pushing service providers to deliver not just efficiency but innovation. As boundaries blur and expectations rise, what will the next generation of asset servicing look like?

This evolution is prompting a broader conversation about identity and positioning. The term “custodian” no longer fully reflects the breadth and depth of services being delivered. Many institutions are adopting titles such as investment servicing partner or asset servicing platform to better capture their role as embedded extensions of client teams—providing infrastructure, insights, and strategic support across the investment lifecycle.

According to Tim Helyar, Country Head, State Street Australia, the broadening out of scope and purpose across the investment servicing industry is being driven by clients narrowing their focus to only the areas where they have a competitive advantage or can add value.

“Clients will increasingly look to outsource everything else, and this is the single biggest opportunity for investment servicing partners, and it will transform business models and value propositions,” he says.

“We are genuine investment servicing and markets partners to our clients who are very much looking to purify their focus and expand their relationship with us.”

“They see us as an arm or division of their business and, in the future, the line between where they stop and where we start will become indistinguishable.”

Mark England, Co-Head of Services, Australia and Zealand at Citi, agrees that asset owners are looking to rationalise their operations and lean more heavily on external partners, in response to tougher market and business conditions, however, the exception is investment management, where the internalisation trend is gathering steam and quickly spreading to alternatives and private assets.

Thirty years ago, super funds outsourced investment management almost entirely but as funds have grown, both organically and through mergers and acquisitions, they have sought to leverage their scale to build internal investment capabilities and drive down costs.

Australian super funds currently manage in the range of 12 and 35 per cent of their portfolios internally, although AustralianSuper and UniSuper manage above 50 per cent and 75 per cent respectively.

England says investment management is a function that asset owners will never outsource to their asset servicing partners but almost every other job could be up for grabs in the future, evidenced by the ever-expanding list of custodian responsibilities including consultative services on market infrastructure, regulatory shifts, and capital optimisation.

“First it was custody, then valuation services were added, followed by unit registry, performance measurement and risk were added. The scope keeps expanding – and it will continue in that direction,” he says.

“We are now an indispensable part of our clients’ operations and decision-making process.”

According to Trent Richardson, Head of APAC Product Management at Northern Trust, custodians increasingly resemble digital platforms – connecting market participants, providing the infrastructure to deploy and manage services, and enabling the exchange and creation of value. “With platforms”, he says, “users can take component parts or use the entire system as the backbone of their operations and integrate it with other parts of the ecosystem.”

A sure thing

Whatever the next generation of custodians are called, whether it's investment servicing platforms or asset servicing and markets partners, one thing is for certain, they will be permanent fixtures in the front office, Helyar says.

They will perform tasks like equity and fixed income trading and execution in addition to foreign exchange trade and execution and become more proficient in data analytics and reporting, he says.

"We're all doing things today that 30 years ago, even 15 years ago, used to be the domain of the front office or other specialist providers; and we'll continue evolving and moving up the value chain," Helyar says.

A great example is how custodians are assisting institutional investors to adopt a holistic data strategy (HDS) that encompasses the management of their enterprise data to generate insights to enhance investment decisions.

The 2025 State Street study, "Capturing the data opportunity in an area of uncertainty", which surveyed over 900 institutional investors, found a quarter of respondents had a HDS and almost everyone else expected to have one in place in the next 2-3 years.

Nearly all respondents expected their HDS to enhance investment returns, boost revenue and deliver cost savings. More than half anticipated improvements in the vicinity of 10-40 per cent across all three areas.

"We're using back-office data to support front-office commercial priorities, going beyond basic functions to help clients generate competitor intelligence and identify trends to capture opportunities," Helyar says.

"We're already operating our clients' platforms - whether they're leveraging our platform or using a third-party vendor platform that we have a license to - which just demonstrates how much we're a part of their business and ecosystem."

Interestingly, the scope of outsourcing is expanding at a time when the competitive landscape is shrinking, with a dramatic reduction in the number of custodians over the past 20 years. England attributes this consolidation to the industry's high barriers to entry, which also serve as a deterrent to new entrants. "No industry is safe from disruption but the capital intensive, highly regulated, global nature of custody makes it difficult for new players," he says.

"Regulated entities like banks have a very long future servicing asset owners because, among other things, regulators appreciate having very well-capitalised, very well-regulated institutions sitting in this part of the value chain."

Scale and trust are other critical factors, and they will become even more pertinent as the focus shifts to digital assets and digital infrastructure, Richardson says.

"Institutions turn to us for scalability and because they trust us to ensure their operational resilience. Those underlying themes won't change but we need to think about the future state and how scale and trust will be achieved and maintained as the industry moves away from traditional markets to a digital environment," he says.

"We need to maintain the same level of scale, security, and trust but how we do that will be different."

The New Frontier

Digital assets will be a key part of the next frontier

According to Citi's recently published 2025 Securities Services Evolution Whitepaper, 10% of market turnover is expected to be conducted using digital assets and tokenised securities by 2030.

Bank-issued stablecoins were identified as the main enabler to support collateral efficiency, fund tokenisation and private market securities. England says the challenges and opportunities facing asset owners and custodians are perfectly aligned, citing the superannuation industry's non-stop growth, increasing allocations to alternatives and cross-border investments, and rising acceptance of digital assets. "There's increasing demand for innovative global solutions and service providers that can operate in diverse regulatory and market environments, across all asset classes, and innovate in the areas of AI, DLT and cloud computing, and technologies that can facilitate efficiency, security and growth," he says.

As more institutional money flows to digital assets, the market infrastructure supporting these assets will improve.

There is also strong political support to develop an innovative Australian digital asset industry. Northern Trust is one of 14 participants in Project Acacia, a joint initiative between the RBA and the Digital Finance Cooperative Research Centre, supported by ASIC, APRA and Treasury, to explore how innovations in digital money and existing settlement infrastructure to support the development of Australian wholesale tokenised asset markets.

"We're focused on trying to build the financial infrastructure of the future and ensuring that that ecosystem can co-exist with all participants," Richardson says. "We're looking at how we can enable capability such as settlement of tokenised carbon credits using existing banking rails and how we can demonstrate that traditional custodians can lead the safe and scalable integration of digital assets into mainstream capital markets."

Over the next 5-10 years, Richardson predicts there will be major advancements in the interconnectedness of the digital ecosystem, which will be underpinned by transparency, interoperability, and trust to support the next generation of investment and sustainable tokenisation.

To date, custodians have largely chosen to partner with fintechs rather than build digital asset custody capabilities from scratch and that approach is likely to continue, says Helyar. "You're genuinely building new technology, and then you've got to integrate that into traditional processes and tech, which then creates opportunities for other players to create middleware solutions, and also opportunities to acquire capability in this space," he says.

According to Helyar, the long-term growth of the investment servicing industry will be underpinned by its ability to keep up with client demands; leverage new technology, particularly AI; and attract and retain talent. "We will grow if we can stay ahead of our clients because we want them to take new services from us rather than build capability themselves," he says.

"For every new challenge and opportunity that our clients encounter, we must be their essential partner. Rather than 'go it alone', they should partner with us. That will come down to how quickly we can deliver on data provision, private market product capability and adapt to regulatory change."

Richardson adds that standardisation will also play a big role in the future of custody, requiring organisations like ACSA to help drive consistency in governance standards, including ESG reporting, and coordinate the industry's response to regulatory design and implementation, including piloting frameworks like the tokenisation of digital custody and providing feedback to policymakers.

"Given our size and scale and the role we play, custodians are well positioned to really influence some future state outcomes," he says.

Shaping Tomorrow's Investment Ecosystem

From Operators to Strategic Partners

Over three decades, custodians have shifted from quiet operators to strategic partners at the centre of Australia's investment process. As digitisation, data and regulation reshape the value chain, the mandate is to pair resilient platforms with human expertise to deliver smarter insights, stronger governance and better client outcomes.

In a world defined by accelerating change, complexity, and opportunity, custodians remain the trusted foundation of the investment ecosystem. While the tools, technologies, and expectations have evolved dramatically over the past three decades, the core mission endures: to safeguard assets, enable innovation, and help clients to achieve better outcomes.

As asset owners and managers navigate new frontiers—from digital assets and private markets to real-time data and regulatory transformation—custodians are stepping up as strategic partners, not just service providers. The future will demand even greater agility, resilience, and expertise, as clients look for partners who can deliver actionable insights, robust and innovative digital capabilities, and seamless integration across the investment lifecycle.

State Street's Tim Helyar notes the next generation of investment servicing partners will have advanced data analytics and risk analytics skills, and a deeper understanding of alternative investments, private markets, and environmental, social and governance (ESG) issues, reflecting the expanding needs of clients.

"Clients are handing off more and more tasks that aren't core to pure investment management, or running a super fund or insurance company, and that is a huge opportunity for asset servicing partners because it creates new revenue streams, new products, and it allows us to bring new people in," he says.

Looking Ahead: Partnership and Progress

Looking ahead, the relationship custodians have with their clients will only grow closer and more valuable, underpinned by a regulatory environment that values resilience and strong partnerships. Custodians will play a pivotal role in shaping the infrastructure and standards that underpin tomorrow's investment markets, from digital assets to integrated data solutions and market intelligence.

Technology will continue to reshape the industry, driving improvements in speed, transparency, and personalisation, while real-time data unlocks new insights and opportunities. Advances in automation, data analytics, and real-time reporting will empower clients with greater transparency, faster decision-making, and more robust risk management.

As we look to the next 30 years, one thing is clear: the role of the custodian will continue to expand, adapt, and deliver new forms of value-driving innovation, strengthening client partnerships, and shaping the future of the financial ecosystem. Together, we will build on a legacy of trust and excellence, forging new paths for clients, markets, and the broader community.

People and Technology: The New Foundation

According to BNP Paribas' Daniel Cheever, the industry's evolution is powered by both people and technology. "Technology will play a huge role in our future, but the people element is critical too because we are in a service industry and we exist to serve our clients. As technology evolves and the breadth and depth of services provided by custodians increases, we'll need broader skills, deeper experience and greater specialisation to meet our clients' changing needs," he says.

This evolution is not just about new tools, but about cultivating a workforce that can harness technology to deliver meaningful solutions for clients. State Street's Tim Helyar adds, "When you move up the value chain, you hire people that are a little bit different to pure custody and fund accounting people."

J.P. Morgan's Nadia Schiavon agrees that teams increasingly need to be "fluent in digital tools, data analysis and agile delivery". "The future workforce must be collaborative, adaptable, and equipped to operate at the intersection of finance and technology," she says.

"We are investing in diverse, digitally curious teams that can think across functions. This cross functional fluency helps ensure that innovation is grounded in real client needs. We have created pathways to upskill talent and embed digital literacy into the core of how we deliver services, not just as a side capability but as part of our cultural fabric."

These evolving capabilities will enable custodians to anticipate client needs, deliver tailored solutions, and support more sophisticated investment strategies.

Contributors

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Harpreet Ahuja
Head of Securities Services
Australia & New Zealand
HSBC



Daniel Cheever
Head of Securities Services
Australia & NZ
BNP Paribas



Mark England
Head of Custody and Fund Services Sales
Asia Pacific
Citi



Tim Helyar
Country Head
J.P. Morgan



Trent Richardson
Senior Vice President
Head of APAC Product Management
Northern Trust



Nadia Schiavon
Managing Director
Head of Securities Services,
Australia & NZ
J.P. Morgan



Ravi Subramaniam
Managing Director + Chief Executive Officer
Clearstream

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Important Note

ACSA works with peer associations, regulators, and other market participants on a pre-competitive basis to encourage standards, promote consistency, market reform and operating efficiency. The views expressed in this paper are prepared by ACSA and should not be regarded as the views of any particular member of ACSA.

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