**Fireside Friday with… RBC I&TS’ Ronan Doyle**

*RBC I&TS has a rich history in the transfer agency market, with core operations in Canada, Luxembourg and Ireland. As managing director and head of specialist services product, Ronan Doyle oversees the development and execution of the firm’s product roadmap. We sit down with Doyle to discuss the trends we are seeing in the transfer agency space and what to expect from the future.*

**How would you say fund managers are approaching TA in 2022?**

Fund managers recognise the importance of the responsibility that transfer agents fulfil. Ultimately, I always say we interact with the clients of our clients. So, where we have contact with their investors on their behalf, it's always going to be of interest and of a significant degree of importance to them that the service is handled well. I don't think that fundamentally will change.

Coming out of the pandemic, digital is a massive theme. The pandemic pushed us, as well as other industries, into expediting digital solutions to a greater degree. Not that those solutions didn't exist before, but their adoption has been quicker. And maybe there have been some barriers that had to be broken down from a risk management point of view, because the risk of not adopting them is now greater than the risk of adopting them, which is a big shift.

Fund managers want their investors to enjoy a digital experience, be it from an onboarding perspective or for day-to-day activities, whether they're trading into the fund, subscriptions, redemptions, transfers, reporting and so on.

Fund managers themselves obviously have their own needs. They need to oversee the fund activities and the expectation from regulators across the board is only increasing in that regard. Regulators expect the fund managers to know and understand what's going on with their funds, regardless of whether they've outsourced activities or not - it's still their fund.

That translates into a demand from fund managers that they have the data and insights available from transfer agents to be able to support them in executing their oversight responsibilities.

A lot of that aligns into where RBC I&TS already is today. We try to take a very client-informed approach to our product evolution and support model. We have a client user group which helps to keep us aligned with our clients’ needs and interests.

**Why are we seeing an increasing number of asset managers outsource their TA operations?**

The main benefits of outsourcing are scalability, ongoing commitment to invest and improve the products, a level of focused expertise, and the ability to release the fund managers to focus on their own core competencies. Fund managers can now outsource with an even greater degree of comfort knowing that they can still maintain control over their funds.

One of the challenges for both fund managers and transfer agents is how the outsourcing happens. There are always trade-offs. For example, a trade-off for a fund manager that is looking to outsource may be that they are moving to a more scalable model with dedicated focus and dedicated investment, and can focus on their own core competencies, but they need to fit into that model as well.

So when they have a highly bespoke model, it can become a little bit more challenging for the fund manager and the outsourcer.

I think the future of outsourcing from the asset servicing side would be to work, particularly on the larger deals or transactions, to fit them into a standard model within a range of complexity or specificity.

As we have a significant number of clients, if every one of them has a vastly different operating model, then that's not commercially sustainable for us. And ultimately, it's not in the best interest of the fund manager community either.

**What are the main technologies and innovations we’re seeing in the market?**

I think there are two types: you have innovations at the tactical level, so e-signatures and digital forums and so on, that may not have been used so much pre-pandemic. Then from a strategic perspective, transfer agents are reorienting, re-evaluating technology solutions to be able to support their service over the next five to 10 years.

One area that is now getting focus is investor onboarding. That's an area of mutual interest for all parties involved. For the investors themselves, once they decide to invest in a fund, they want that to be as easy as possible. The regulators obviously have a big agenda around AML and KYC which is only going in one direction, particularly given recent events. Then the clients themselves want to ensure that their investors have the right experience and that the regulator is happy with how the fund into which they invest is being managed.

At the further end of the innovation spectrum is distributed ledger. Good progress is being made in the industry in evaluating test cases and pilots, and there are a lot of fintech solutions that are coming to the market now that are very interesting.

I think the impact on the transfer agency business model is a very interesting aspect of that. What will the industry look like in a distributed ledger world, when you have the legacy distribution platforms that exist today, along with a host of newer distributed ledger-type distribution platforms?

It doesn't look as if there will be one distributed ledger platform to rule them all, but I think that aspect of it is still being figured out.

**What is RBC’s strategy for the coming years?**

We continue to focus on growth. As well as an expertise in transfer agency that has been developed over a number of years, we're also very strong in the private capital space, which is a real growth area for the industry right now.

We believe we've got the right capabilities for these markets in terms of expertise and technology as well as our brand and credit rating, so we expect to see further growth in our TA business.

Ultimately, our strategy is about providing specialist services to clients in our selected markets and I think that's going to continue, but with an evolving focus on digitisation. Our clients want us to be leading the market in terms of how we digitise. Listening and responding to our clients’ needs is absolutely central to this plan.

As an industry, we need to become more forthright with each other and push on. Asset managers are under an increasing amount of pressure to deliver value to their clients, so we need to work together to develop the most efficient, scalable operating model.