



White Paper

# Driving inefficiencies and risks out of post-trade operations

Unlock next-generation, real-time technology to supercharge securities processing and make money work harder



# Welcome to a new age of securities processing. Can your post-trade operations handle it?

Post-trade operations are under pressure. As settlement times continue to shorten and asset classes to multiply, competition is intensifying among securities processing providers. In a competitive, fast-changing market, there's no room for costly operational inefficiencies, risks or errors.

Whether you're processing securities, derivatives or digital assets, you must manage the trade lifecycle more efficiently to increase your volumes and fee

income so your money works harder. With your growth depending on it, you can't afford for your operations to let you down.

It's time to reassess your landscape of post-trade technology. If you're either a traditional investment bank or broker-dealer, or a tech-driven newcomer, do you have the powerful, modern middle- and back-office systems you need for optimal efficiency, accuracy and competitive advantage?

## The enemies of post-trade efficiency

Over the years, traditional investment banks, broker-dealers and market makers have tended to accumulate multiple and disparate systems to manage different post-trade processes and asset classes. Few of these solutions interconnect or talk to one another, which causes bottlenecks, increases manual intervention and errors – and makes straight-through, real-time processing unfeasible.

According to Capco, "Interconnectivity and interoperability are pivotal outcomes of successful modernization in capital markets ... Addressing fragmentation issues requires a concerted effort to modernize technology stacks, streamline applications, and adopt unified standards to enhance interoperability and operational efficiency ...

"As the pace of innovation accelerates and the demand for agility grows, interoperability has evolved from a desirable feature to an essential capability for firms looking to remain competitive in today's rapidly changing landscape."<sup>1</sup>

The market's digital disruptors, meanwhile, may be well-equipped to provide next-generation trading experiences from their front-end systems. But in the back and middle offices, it takes specialist expertise to build the highest levels of efficiency into post-trade services.

And in the new age of securities processing, only the highest levels of efficiency and the most powerful technology will meet the market's growing demands and keep money hard at work, for you and your investors. Read on to learn how to meet three high-priority challenges for your post-trade business and supercharge your operations.

Whether you're processing securities, derivatives or digital assets, you must manage the trade lifecycle more efficiently to increase your volumes and fee income so your money works harder.

1. Capco, Capital Markets 2025, February 2025



# 1. Competitive threats are rising

A new generation of digitally-driven trading firms and fintechs are disrupting the post-trade processing market and winning business from traditional investment banks, broker-dealers and market makers.

Capco says, "Traditional investment banks, once the uncontested giants of trading and market-making, are increasingly being challenged by nimble trading firms. These new entrants leverage advanced technology, face fewer regulatory constraints, and operate without the legacy barriers that often hamper larger institutions.

"As the financial landscape continues to evolve, both new and established players will need to navigate the complexities of innovation, competition, and regulation. The future of capital markets will be shaped by how these dynamics play out, potentially leading to a more efficient and resilient financial system.

"For traditional banks, adapting to this new environment is imperative – by embracing technological advancements and rethinking their business models, they can reposition themselves competitively."<sup>2</sup>

Critically, the industry's wider digital transformation is setting new standards for post-trade processing. With investors expecting technology-powered efficiency throughout the trading lifecycle, modernized but compliant operations and seamlessly automated processes have become a must-have for winning and keeping buy-side, institutional and retail customers.

If your post-trade systems aren't firing on all cylinders, you may struggle to compete for market share and earn the fees you need to keep money at work and maximize growth.

With investors expecting technology-powered efficiency throughout the trading lifecycle, modernized but compliant operations and seamlessly automated processes have become a must-have for attracting and retaining buy-side, institutional and retail customers.

# Power up to win and retain business

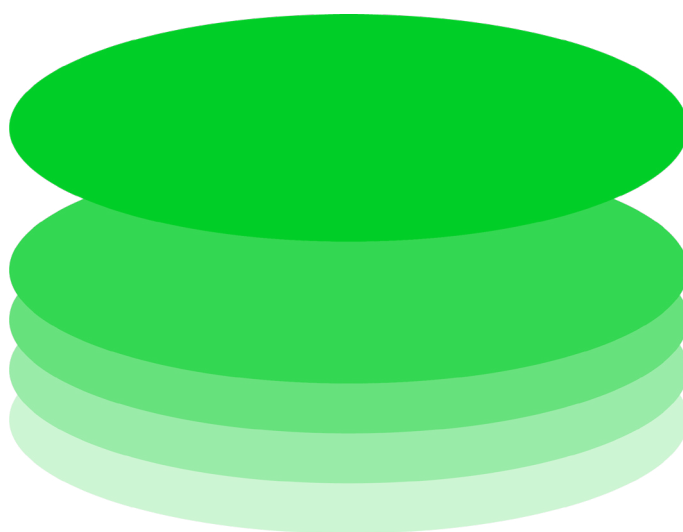
For competitive advantage in post-trade processing, a real-time cloud-based platform of powerful next-generation technology is table stakes.

The pressure is on to modernize operations with the latest middle- and back-office systems. Only then can traditional investment banks and broker-dealers provide the real-time processing capabilities that today's investors expect, while maintaining regulatory compliance.

Capco says, "Many institutions continue to operate on outdated legacy systems, posing structural risks due to support challenges and hindering innovation. Modernizing these platforms is crucial to maintain competitiveness and ensure operational resilience."<sup>3</sup>

And although fintechs may be founded on digital technology, they are likely to invest most heavily in their front-office infrastructure. So, these firms must also make sure they have the high-performance systems they need for a super-efficient middle and back office, and timely service delivery to support the modern front office.

It's vital to manage the post-trade lifecycle in real time, not only for faster settlement but also to keep up with extended trading hours, provide up-to-the-minute insight and drive well-informed decision-making. To keep money hard at work, investors need to know where they stand 24/7. Next-day reconciliations are no longer acceptable in a market that will only continue to accelerate in the future.



2. Capco, Capital Markets 2025, February 2025

3. Capco, Capital Markets 2025, February 2025

## The FIS solution

FIS® Securities Processing Suite makes post-trade services a magnet for investors with powerful, modern, futureproof technology.

Delivered on a software-as-a-service (SaaS) basis, the solution supports multi-asset, multi-entity and multi-currency post-trade settlement and helps you advance your technology without jeopardizing compliance.

And with event-driven technology, you're able to straight-through process trades in real time. Now you can improve transparency, ensure accuracy and deliver greater efficiency throughout the trading day, to attract more business, manage higher volumes of trades and make your money work harder.







## 2. High costs and risks are squeezing margins

Whatever the size and shape of your trading organization, you need to keep your fees competitive and your margins healthy. That means minimizing your costs per trade by maximizing your efficiency.

But fragmented legacy systems and manual processes hamper the efficiency and accuracy of your operations, increasing not only daily overhead but also risk of settlement failures.

In a report on settlement cycles, produced in collaboration with FIS, the analyst Firebrand Research has observed the high costs of inefficient post-trade operations, largely driven by penalties for failed settlement.

According to Firebrand's proprietary estimates, "The industry has spent at least US\$914.7 billion over the last decade on penalties and failure resolution measures, with much more spent during the last four years due to volatile market conditions."<sup>4</sup>

Continued use of legacy technology both adds to these costs and creates more vulnerabilities in post-trade processing. For traditional investment banks and broker-dealers, "the prohibitive costs associated with technological upgrades have made it difficult to compete with more agile firms."<sup>5</sup>

As Firebrand says, "Industry resilience requires operational risk reduction. Regulators across the globe are increasingly focused on improving the industry's operational resilience in the face of growing cyber-threats and more frequent operational outages caused by everything from ransomware to climate change-related weather events. Replacing legacy infrastructures plays into this push to reduce operational risk, as does moving from manual to automated processes."<sup>6</sup>

Running legacy technology also increases your reliance on expensive key individuals who understand your systems best. But you still don't have the solutions to manage the post-trade lifecycle and match trades in real time – or grow your business without investing in more resources.

With 67% of financial services leaders reporting the high impact of cost reduction initiatives,<sup>7</sup> it's never been more important to do more with less in securities processing. And the only way to do that is with streamlined modern technology.

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4. Firebrand Research and FIS, A Regional Settlement Cycle Challenge, August 2024

5. [Capco, Capital Markets 2025](#), February 2025

6. Firebrand Research and FIS, A Regional Settlement Cycle Challenge, August 2024

7. FIS, Global Innovation Research, 2024

## Streamline operations to slash overhead, mitigate risk and boost profits

You can keep expenditure down and risk at bay by consolidating your technology and taking advantage of modern, cloud-based operating models.

SaaS delivery slashes total cost of ownership (TCO) and key person risk while improving scalability. At the same time, a real-time technology platform for post-trade processing globally will cut the costs of managing multiple systems, protect you from cyberthreats and reduce manual workarounds, operational risks and errors.

And with seamless automation and managed services powering real-time processing for less cost, you can focus on driving growth and better serving customers.

As Firebrand says, “The focus for the future is on ... industrializing and standardizing processes as much as possible across the post-trade lifecycle to reduce dependence on operational staff, thus reducing key person risk. Moving to exception-based processing and intelligent automation will enable staff to focus on value-added or challenging tasks such as resolving counterparty data issues. This will also potentially reduce staff churn rates.”<sup>8</sup>

So, with new processing power come new possibilities for your people, as well as your systems.





## The FIS solution

As a SaaS solution, Securities Processing Suite gives you unprecedented processing power and scalability - without the in-house effort of running the technology on-premise.

Our solution reduces TCO and operational risk by providing a real-time technology platform for post-trade processing and reconciliation across a full range of asset classes, and comes equipped with the highest levels of cybersecurity.

With Securities Processing Suite, you can also access a secure ecosystem of integrated middle- and back-office capabilities, from accounting, securities lending and corporate actions processing to collateral management, treasury and data management.

Or, ultimately, you could outsource your whole post-trade operation to our business-process-as-a-service (BPaaS) solution. With BPaaS, you'll be able to cut more costs and risks, improve scalability and help your money work even harder.



### 3. Market change is accelerating

Trading keeps changing, so agile post-trade operations are key to your growth. As jurisdictions move toward T+1 settlement and beyond, you need to easily meet their different regulations.

In Europe, the U.K., Switzerland and the European Union will transition to T+1 in October 2027. Firebrand says, “The move to T+1 will challenge firms reliant on manual processes or aging platforms. Operational teams will have less time in which to resolve data or process issues and this could significantly increase the cost of settlement failures ...

“A further shortening of the settlement cycle is likely beyond T+1. Regardless of when the move to T+0 happens and in which markets, it does signal a continuing journey for the industry and the increasing importance of efficiency and modernization over time.”<sup>9</sup>

With the rise of digital and tokenized assets, your organization must also be able to support new business models and reporting needs for investors.

Research by Roland Berger shows that retail interest in digital assets has increased significantly, with the proportion of potential investors jumping from 3% in 2021 to 23% in 2024. Meanwhile, the potential market for tokenized real-world assets could reach approximately \$10.9 trillion by 2030.<sup>10</sup>

The sell side is already eyeing up the opportunities. In a survey by State Street, nearly half of institutions say they are “ready to trade digital assets on and off distributed ledgers and blockchains, provided they have the appropriate infrastructure.”<sup>11</sup>

Advanced new digital technology, then, is in high demand, but firms are aware they can’t digitally transform their operations without expert help.


State Street reports that survey respondents from the front, middle and back office expect “major increases in their earnings and reductions in their cost of operations from integrating the technology into their processes.

“Respondents also indicated they were considering a wide network of partners to provide them with services to enable digital assets ... They were particularly keen on looking for support with core areas of digital technology such as DLT or blockchain network creation and maintenance (45 percent), cybersecurity (43 percent), smart contract generation and tokenization of assets (41 percent).”<sup>12</sup>

As the world of trading continues to expand, technology must be able to take the strain. It’s critical that your systems can not only handle new asset classes but also fluctuating trade volumes in volatile markets.

More and more assets are being traded all the time with different, complex operational requirements. There are security concerns to manage and data sovereignty requirements to meet, too.

You need more capabilities to catch up with the market – but you can’t further complicate your IT landscape by adding more systems. The only way to go is up, to the cloud.



With the rise of digital and tokenized assets, your organization must also be able to support new business models and reporting needs for investors.

9. Firebrand Research and FIS, A Regional Settlement Cycle Challenge, August 2024

10. Roland Berger, Capturing the Multitrillion-dollar Digital Asset Market, May 2024

11. State Street, 2024 Digital Assets Study: Is Transformation within Reach? June 2024

12. State Street, 2024 Digital Assets Study: Is Transformation within Reach? June 2024



## Move to the cloud to drive agility and growth

A modular, cloud-based architecture is vital for both flexibility and turbocharged performance – the qualities your operations need to keep you ahead of market change.

More than a quarter (26%) of leaders in financial services firms say that embracing cloud computing has a high impact on their business operations. And over 81% are confident that cloud and edge computing, along with robotics, will deliver the most business value compared to other new technologies.<sup>13</sup>

However, you don't have to rebuild your operations all at once. Through a strategic transformation, you can modernize your IT landscape incrementally in the cloud and introduce new components in line with changing business needs.

Capco says, "The key success factor in optimizing investment and capturing benefits will be taking an integrated approach to building a next-generation platform for securities businesses, rather than as a series of piecemeal initiatives."

"Compartmentalizing larger investments into smaller, more focused pieces unified by a well-defined strategy and vision, will allow firms to manage costs more effectively and gain incremental benefits without overcommitting to extensive, all-encompassing projects."<sup>14</sup>

Agile, componentized technology helps grease the wheels of growth. It means you can support a full range of asset classes and trading strategies. It scales to growing volumes of accounts and trades. And it makes sure you can comply with different regulations for settlements, data and reporting globally, and move into new markets.

But it's also resilient and secure – and provides a more agile and automated modern approach to implementing, integrating and extending software.



13. FIS, Global Innovation Research, 2024

14. Capco, Capital Markets 2025, February 2025



## The FIS solution

Securities Processing Suite keeps money hard at work with flexible technology that thrives in the cloud. Wherever you operate globally, the solution allows you to easily process every type of security, derivative and digital asset in real time and rapidly scale your business and easily pivot to the new market opportunities that will help you drive growth.

Through real-time APIs, you can effortlessly connect to trading platforms, market infrastructure and internal systems old and new, including distributed ledger technology.

You can add new middle- and back-office components when you need them and configure the solution quickly to the next market requirement, whether T+1, T+0 or – eventually – 24/7 trading. Plus, you can trust a built-in data management platform to assist with reporting, and in-country data centers to meet data sovereignty requirements, too.

Agile SaaS deployment means a fast, low-risk migration. Industrial-strength security and follow-the-sun support keep the solution available but protected 24/7. And thanks to SaaS, you'll always be running the latest version, too – so that your money keeps working at the peak of its powers.





# Unlock the power of next-generation technology for securities processing with FIS

Today's post-trade operations need a lot of power behind them. At FIS, we are dedicated to unlocking financial technology to the world and to empowering investment banks, broker-dealers and tech-driven trading firms to effectively put money to work. Get in touch with us today and learn how we can help your business banish inefficiencies, better manage risk – and supercharge securities processing.

UNLOCK MORE



FIS Securities Processing Suite helps your money work harder through more efficient post-trade operations.

Our **technology** powers the global economy across the money lifecycle.

### Money at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.

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### Money in motion

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.

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### Money at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

## About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit [FISglobal.com](https://fisglobal.com). Follow FIS on LinkedIn, Facebook and X (@FISglobal).

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