



AIM JOURNAL

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

How Avenir takes a different approach to pricing

Back in October, we wrote about our support for those Irish companies who have found themselves forced into a CSD migration as a side-effect of Brexit. A key message when we're talking to these issuers is that we don't need to make any additional charges when it comes to facilitating their migration. It's fair to say that has been received with a degree of welcome surprise, so we felt it would be worth looking in a little more detail about how we price our work, why we can do this – and why this sets us apart.

Technology

We are processing a high volume of transactions for our clients every day, so it's important that we are using technology that can deliver against expectations. From the outset, Avenir Registrars was designed very deliberately to harness the benefits of powerful hardware and bespoke software, whilst also drawing on the expert knowledge of our founders. As a result, we have built a comprehensive securities registry which can seamlessly handle transactions both at scale and speed. On top of this, with the management team's experience covering stock broking, exchanges and CSDs, we were able to construct an optimal solution that can run with only a minimal need for human intervention.

Innovation

Since our launch just five years ago, we have sought to develop our products in a way that makes life easier - and ultimately more cost effective – for our customers. One great example of this was the addition of QR codes to any paper certificates that we are asked to produce, as although we encourage securities to be dematerialised wherever possible, we realise this doesn't cater to every eventuality. The technology has been around since the mid 1990's and those 2D grids have certainly seen a resurgence through the summer, but what it means is that the validity of a certificate can now be checked simply scanning the code with a smartphone or webcam. There's no longer a need for brokers to manually check details by phone with the registrar.

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How Avenir takes a different approach to pricing (continued)

Self-serve solutions

Legacy registrars have been encumbered by their reliance on legacy systems so that means many requests – even routine ones - have to be processed manually. Because we started with a blank sheet of paper, we were able to design our solution in such a way that gave accredited users the ability to log on and undertake many routine requests themselves, generating real time results immediately. What's more, given the diverse geographic spread of our issuers, this can be done 24 hours a day, seven days a week. And if they need support, that's only ever a phone call or e-mail away, but feedback has been that our customers truly appreciate the flexibility of being able to retrieve the very latest securities records on a schedule that suits their needs, not those of the registrar.

Scalability

Another benefit of the Avenir approach has been the scalability of our systems. We can accommodate registers of any size and also have the flexibility to expand and contract the offering to meet the client's needs. As a result of this, we can provide right-sized solutions, meaning we can deliver a wholly appropriate service and clients aren't left shouldering the bill for attributes they don't need.

Transparency from automation

Another deliberate consequence of the high degree of automation – which itself translates to exceptionally high levels of accuracy in terms of record keeping – allowed us to become the first registrar to offer fixed price services for many client types. For example, our per transaction costs are so low that we can absorb CREST traffic fees, giving issuers better visibility of their total listing costs for the year ahead. It's precisely this process driven approach which has also enabled us to absorb the migration fees which many Irish issuers are now being asked to pay when it comes to meeting those requirements for switching their CSD away from CREST. Accounting for such a change using our technology framework was a relatively minor iteration – and there's no need for clients to be hit with unnecessary fees for what is essentially just the cost of going about our business of delivering a great service, day in, day out.

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