



# AIM JOURNAL

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

## **Why a broking background gives Avenir Registrars an edge**

As part of a new generation of registrars, the team at Avenir has been put together with a deliberate focus on ensuring there's a skill set in place that reflects the needs of today's issuers. To illustrate why this works so well, Samiul Siddique, head of Capital Markets at Avenir Registrars, takes us through a few of the key touchpoints - as well as some occasionally overlooked factors - that make such a difference for clients.

At the very outset of setting up a security for CREST registration is the need for an ISIN. The application can be complicated as there should be no ambiguity in the information required for submitting an application. We work with the issuer to ensure that their documentation is up to date and appropriate for the application. Our aim is to mitigate any risk of rejection, mindful of the fact that there is no appeals process or recourse - it is a one-time chance when making the application. With downside risks this great, we take the responsibility to ensure the application satisfies the demands of the ISIN body, who themselves will also be conducting due diligence. Ultimately, we make this process as efficient as possible.

### **CREST enablement**

When a funding round is assured, Issuers are typically keen to have firm time frames for the security to go live in CREST to ensure the funding is secured. Our experience in receiving a request to obtain an ISIN and then enable the instrument in CREST is about 8 business days. This is of course subject to the prospective Issuer proving all required due diligence information and meeting threshold requirements, but our approach of providing clients with comprehensive templates for every step of the journey means we can make this process as seamless as possible.

### **Issuances**

There are a number of irrevocable procedural steps that require coordination between Issuer, the corporate broker and the distribution chain of a security. Collectively we have a wealth of front line markets experience that gives us a very clear understanding of what brokers need from a registrar and in turn that helps us handle issuances with a great deal of efficiency. We communicate easily with front office and back office alike, something that is critical when brokers themselves don't always see the relationships with many registrars flowing as seamlessly as they may hope for. Our carefully structured approach is designed to make those interactions feel very familiar to the brokers' experience of secondary markets.



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## **Why a broking background gives Avenir Registrars an edge (continued)**

We also know the importance of accuracy and speed when working with issuances, but at the same time take very seriously the permanence of such instructions. With that in mind, we have automated systems to ensure the maximum levels of speed, but with built in checks that prevent lodging securities straight into CREST on the back of issuer instructions. A requirement for our business process is to ensure each subscription is confirmed prior to its issuance, ensuring that all parties adhere to CREST Rules. Ultimately we want to smooth the process but provide the utmost confidence to every party involved.

### **Coupon and dividend payments**

Many equity issuers pay regular dividends to holders and the bulk of our debt issuers pay regular coupons and ultimately repay the principal (other than zero coupon bond issuers). We're well versed in processing payments out to CREST securities holders, but take our involvement here seriously. We ensure value is added along the way by always sending the corporate actions teams at custodians pre-advice notes, informing them on an impending payment, the ex-date, record date and anticipated payment date. This is a timely, more thorough approach and allows the 'event' to be noted on their systems so when payment is made, that can easily be distributed to beneficial holders. Vouchers then follow once payment has been made to allow reconciliations to occur and any resultant queries from a recipient can then be easily addressed and explained in full by us.

In short, because we understand the challenges faced by brokers and custodians on a day to day basis, we have been able to structure our procedures to account for this. It may seem like a small part of the business process, but we are committed to ensuring that every stakeholder we engage with always gets the very best possible service.

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