



**KPMG Press release**  
**09 December 2016**

## **KPMG, InTech and Fundsquare launch blockchain-based product for asset managers**

On 8 December, finance professionals gathered at KPMG's Kirchberg headquarters for the launch of a new blockchain-based digital fund distribution platform for asset managers, **Funds DLT**. The result of a collaboration between **Fundsquare**, **InTech** (a subsidiary of the POST Group) and **KPMG Luxembourg**, the platform allows asset managers to sell funds directly to the investor, and will dramatically reduce the cost of administration and the time taken to process transactions. Said Fihri, KPMG Leader on Digital Ledger Technology (Blockchain), explained:

*“The platform, which could perhaps be better called an ecosystem, aims to streamline a whole range of fund administration and transaction processing tasks by using blockchain to automate several processes in a secure manner. In other words, the messaging that must occur amongst the investor, the asset manager, the custodian bank, and the transfer agent is about to become much simpler. Whereas the time between an investor making a decision and a transfer agent executing it currently takes up to about six days, this new fund distribution platform will do it in hours. And in the not-too-distant future, seconds.”*

Notably, unlike similar products recently launched, the fund platform will ease compliance checks like AML/KYC verification, by standardizing and mutualizing the process so that customers no longer need to be verified separately by each bank. The platform will also facilitate fund data look through and MIFID verification. These capabilities draw on smart contracts which are considered to be the utmost in cyber-secure transaction technology. According to Said, this feature “should answer one of asset managers’ compliance bugaboos”.

As a market infrastructure, Fundsquare is ideally placed to offer a fund Blockchain for investment professionals. Olivier Portenseigne, Managing Director of Fundsquare described its role administrating the distributed ledger:

*“Since Blockchain’s original usage with Bitcoin, we have been wondering how we could unlock the technology’s potential for investment funds. We soon realized that it had the potential to revolutionise not only one part of the distribution process, but the entire value chain — the difficulty, however, lay in turning the talk into action. This is how our small commando team was born. With InTech and KPMG Luxembourg, we were able to take a pragmatic approach to the project, and in doing so, speed up the development process. The live demo today is a real milestone in this process.”*

InTech, a Luxembourg-based IT company, has been working on the Blockchain codes, smart contracts, and the user interface. Fabrice Croiseaux, CEO of InTech explained how the new product would revolutionise the industry.

*“By combining our expertise around distributed ledger technologies, Fundsquare’s vision and KPMG’s deep understanding of the fund market, we have been able to deliver the foundation of a new generation platform in a very short time. It is not only the investor and asset manager that can plug into the system: everyone in the fund distribution supply chain from custodians, to transfer agents, to asset service providers can benefit. It really aims to connect the dots, by harmonizing a currently fragmented fund distribution process.”*

KPMG Luxembourg advises on user experience based on our knowledge of the asset management industry. The company wrote the business requirements for the development of the product. Said concluded:

*“If you’ll forgive the analogy, we are the glue combining the IT engineers and the market infrastructure specialists to ensure that the end product is exactly what asset managers want.”*

**Ends**

**Notes to editors:**

**About KPMG Luxembourg**

KPMG in Luxembourg is a leading provider of professional services of audit, tax and advisory. KPMG operates in 155 countries and has more than 174,000 professionals working in member firms around the world.

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**Press Contact:**

Geneviève Feyt

Direct Phone: +352 22 51 51 2903

Mobile : +352 621 87 2903

E-mail: [genevieve.feyt@kpmg.lu](mailto:genevieve.feyt@kpmg.lu)