

How Interactive Brokers Delivers a State-of-the-Art Digital Custody & Execution Platform for EAMs and Family Offices

Under the banner of 'partnering for success' two specialists from Interactive Brokers (IBKR) hosted a Workshop at the Hubbis Investment Forum in Hong Kong on September 27 to explain why they believe they have the ideal custody and execution platform for the independent wealth community. The two experts were Elizaveta Gridneva and Perry Tse, both from the Institutional Sales team in Hong Kong. Together they highlighted IBKR's impressive proposition for institutional investors in what is a competitive marketplace that requires significant mutual technological and operation commitments, as well as personal relationships between independent wealth advisory providers and the platform. This is a snapshot of the information and perspectives they shared, with plenty of additional detail captured in the On Demand recording of their marked contribution at our recent forum.

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[View Elizaveta Gridneva's LinkedIn Profile](#)

[View Perry Tse's LinkedIn Profile](#)

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PERRY TSE
Interactive Brokers

IBKR's long history, pioneering qualities and great success

IBKR is a highly automated electronic broker, founded as a pioneer of electronic trading back in 1978, and today listed on Nasdaq. The firm employs its proprietary technology and international

offer top-quality and direct market access to professional clients, advisors, family offices and institutions, with all the requisite services to make their lives easier so they can deliver their best position to their private clients.

IBKR is a technology-driven platform offering access to the world of investments at low cost

Elizaveta Gridneva explained that technology allows IBKR to both scale up and cut down on costs. She said they automate everything, starting from the execution, clearing custody and their daily operations. Interactive Brokers execute some 1.91 million trades a day as of Q3 2023 as a direct market access broker dedicated to best execution.

Clients can operate through just one worldwide IBKR account

Clients need just one account to invest globally in stocks, options, futures, currencies, bonds and over 36,000 (non-US) funds from a single unified platform. "You Investors have direct access to 150 market centres, you have access to 33 countries and 24 currencies, and almost 70% of our total clients that come from outside the US, Elizaveta stated. "We are truly global ourselves."

But IBKR is also local and hands-on, with access for clients to a support desk available 24 hours, five days a week throughout a network of over 2,900 employees in offices in the USA, Canada, the United Kingdom, Ireland, Switzerland, Hungary, India,

« "There is a wide range of reports offered off the shelf and they're free of charge. Client account opening can be done fully electronically and fast, and we also offer the semi-electronic version if they need physical signatures." »

experience to offer low-cost, seamless global market access to multiple types of securities to individual and institutional investor clients around the world. Focusing on automation achieves efficiency and scalability, which enables IBKR to provide premium services at discount prices.

Perry Tse reported that in the independent wealth space, they

She reported that while listed, IBKR is more than 75% owned by its employees and affiliates. She said this strong vested interest leads them to be both conservative but also innovative in approach. Unlike many others in the industry, IBKR does not have any exposure to long-term debt; it is a broker and not a bank, and by regulation, marks to market daily, meaning the balance sheet is very transparent.

China (Hong Kong and Shanghai), Japan, Singapore, and Australia. "We have follow-the-sun servicing model to help you and your clients," she told delegates.

IBKR as the Gateway to the world's markets

Elizaveta highlighted IBKR's role as a portal to the world of investments, not just equities, but bonds, funds, forex, commodities and far more.



ELIZAVETA GRIDNEVA
Interactive Brokers

She explained that their forex offering is remarkably cost-effective and provides access to liquidity across 24 currencies. “Again, this can be done through just one universal account,” she reported. “When you build with us from one account, you can withdraw and deposit in different currencies.”

And she said they are proud to offer more than 48,000 funds worldwide of which over 19,000 roughly are no transaction fee funds. “We have very transparent pricing, no custody fee, and we don’t offer any proprietary funds or strategies,” she reported. “This is very important for the independent wealth market clients.”

Pricing is transparent and remarkably competitive, making IBKR a compelling platform from the cost perspective.

Transparent Professional Pricing means that US stocks are offered at USD 0.0035 to USD 0.0005 per share, with volume-tiered commission pricing adjusting downwards with monthly trading volume, Perry reported. He said Hong Kong commissions are just 0.05% to 0.015% of trade value for stocks.

He went into considerably more detail, adding that there are NO Custody fees, NO Platform fees, NO Monthly commission minimums, and NO Minimum capital requirements. Moreover, he said they pay up well for idle cash in accounts, currently offering up to USD 4.83% on cash balances over USD 10,000 and , depending on other factors. And this is offered with daily accruals, no pre-approvals required, and no lock-up period.

IBKR’s comprehensive suite of solutions for the independent wealth community

Elizaveta talked guests through IBKR’s Vertical Integration, which covers execution, technology and custody and delivers an end-to-end, turnkey brokerage and custody solution (all batteries included, she said). It is modular and highly extensible and provides direct market access trade execution and clearing services, Elizaveta added.

She reported that they accommodate the full spectrum of players in the independent wealth community. These include Professional Advisors and External Asset Managers, Family Offices, Cayman Funds, Open-

Ended Funds, the (Singapore) Variable Capital Company, as well as Offshore Vehicles, and Trust Fund Administrators.

IBKR’s efficient functionalities aligned with many value-added services and capabilities for the independent wealth market

Perry then talked the audience through the standard as well as more bespoke services and capabilities on offer through the IBKR platform.

He highlighted their automated client-friendly and simple billing protocols, as well as tools for wealth managers to monitor client activity and behaviour, such as IBKR’s CRM system with built-in reporting functions.

“The client management platform helps managers quickly find the view of all client activities, including the complete audit history and its routing sequence,” he reported. “There is a wide range of reports offered off the shelf and they’re free of charge. Client account opening can be done fully electronically and fast, and we also offer the semi-electronic version if they need physical signatures.”



He also drilled down into pre-trade compliance, with flexible interfaces for managing employees, and with client trading rules and restrictions that can be added to the account.

The allocation order tool is a favourite among customers, he said, with pre-trade allocations from a single account by cash balance or buying power, and with the flexibility to create and save multiple allocation profiles, such as high or low risk and so forth.

Other popular tools are the model portfolio solution and the rebalancing tool. All of these tools are rounded off with smart integrated reporting, right down to the PortfolioAnalyst function that provides detailed presentation-ready reports that analyse different aspects of a customer's IBKR account portfolio performance.

Additionally, there is agility around Third-Party Integration, allowing customers to connect to a wealth of third-party portfolio



management, reporting, analytics, and OMS providers (such as Enfusion, Eze, Bloomberg EMSX and others), with full connectivity via open API and FIX, and seamless integration with third-party software. "We make sure this is all deliverable in a modular manner and is highly flexible and customisable, Perry stated.

They moved into an interactive (no pun intended) phase of the Workshop, illustrating the IBKR

platform and capabilities on screen. A short Q&A session followed, with Elizaveta and Perry reiterating what they consider the incredible agility, depth and breadth of the IBKR platform's offering for the wealth management community, aligned with its cost-effectiveness, which they said is made possible by smart strategies, vertical integration, optimising technology and building scale. ■

WANT TO GET INVOLVED IN FUTURE EVENTS?

We are very excited to be hosting our **Hubbis Investment Forum in Singapore on Wednesday 1st November, 2023.**

[CLICK HERE](#) to find out more about the event.

Plus – Don't Miss Out on our 2024 Events

Save the date of our **Hubbis Investment Forum – Hong Kong 2024**, which takes place on **Wednesday 25th September** next year.

And be sure to make a note of the date that our **Hubbis Investment Forum – Singapore** is taking place next year: **Wednesday 6th November, 2024.**

Want to become a Significant Part of these events next year? Speak? Join as a Partner? Please send us an email at events@hubbis.com if you would like to get involved.