

# Interactive Brokers' Singapore Head on the Rising Tide of Demand for their Platform from the Region's Family Offices and EAMs

Guillaume Roux-Chabert might be far from his birthplace in the French Alps, but in his role as Head of Sales for Interactive Brokers in Singapore, he is in the heart of the action as the firm's digital platform breaks new ground and wins new clients across the region. Hubbis met with him recently to learn more about what the Interactive Brokers platform offers to the wealth management community in Asia, why he considers the proposition so compelling, and what the plans are for the foreseeable future.

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## Interactive Brokers (IBKR)

is an Institutional direct market access platform, that is designed to remove any unnecessary intermediaries and third parties between the clients and the markets. The platform offers full-service execution, clearing and custody with STP. Guillaume says this allows clients to enjoy low costs, access to global and local markets, advanced trading platforms and cash management tools. "Family office and wealth managers then have the freedom they need to manage any family's assets," he reports. "They get transparent fees with simple structures and direct access."

**"A key differentiator, is that we provide custody, unlike most of our competitors. This gives us a major edge, as we are remarkably cost-effective for clients, often being able to offer a zero fee for custodian services to selected customers."**

## A platform for the future

With access to 135 markets in 33 countries and 23 countries, IBKR clients can invest globally in stocks, options, futures, currencies, bonds and funds from a single integrated account, the 'Universal' Account with single portfolio view. IBKR's family office account structure enables clients to easily manage multiple accounts from a single CRM interface. The account structure is scalable for the Single-Family Office (SFO) and for the Multi-Family Office (MFO) clients. "And there are no ticket charges, no custodial fees, no minimums and there are no costs for technology, software, platform or reporting," Guillaume states.

IBKR's growing client base also includes auditors, fund administrators and others that can also have access for their functions,

including NAV calculations, tax reports, audits and so forth.

## A wealth of advantages

Guillaume runs through some of the main advantages of the platform, which is available on desktop, mobile, web and API. IBKR, he says, for example offers the lowest margin rates, starting at 0.75% for USD, and 0.90% for SGD. User access rights mean different employees within a SFO or MFO can access different functions for all or selected accounts.

Professional advisors and investment managers can use

financial accounts and performance to provide a complete understanding of a user's entire portfolio and financial health.

"Users can link PortfolioAnalyst with accounts covering investments, savings, annuities, incentives and even credit cards at any financial institution to develop integrated investment and financial management plans," Guillaume explains. "Advisors can use PortfolioAnalyst to oversee their clients' complete portfolios to better manage outreach and engagement, monitor portfolio performance and develop client-centric recommendations."

## Funds and solutions galore

Other tools embedded in the platform include the Mutual Funds Marketplace provides access to over 45,000 funds, including over 17,000 no transaction fee funds, as well as a free mutual fund search tool to help clients identify the right funds. And the Bonds Marketplace offers a vast selection of over 1 million bonds globally with low, transparent commissions and no mark-ups or built-in spreads.

The Securities Loan Borrow (SLB) system provides a fully electronic, self-service utility that lets clients search for the availability of shortable securities, including the quantity available, the number of lenders and the current indicative 'borrow' rate. It also facilitates historical indicative borrow rates. Clients can download lists of shortable bonds by specific criteria they input, as well.

Finally, the Stock Yield Enhancement Program allows clients to earn extra income on the fully paid shares of stock held in an account by allowing IBKR to borrow shares in exchange for collateral. IBKR then lends the

IBKR's pre-trade allocations to allocate block trades to multiple client accounts with a single click. He explains these allocations allow clients to define a variety of criteria to automatically allocate shares to a single client account or to multiple client accounts, and to set up account groups to allocate shares based on a single method for a group of accounts, as well as to modify allocations on an order-by-order basis, amongst other features.

Automated and flexible client billing facilitates flexible fee structures, automated fee administration and provides dynamic fee management.

## Consolidating and analysing portfolios

The proprietary 'PortfolioAnalyst' is a free and simple tool that consolidates, tracks and analyses all



**Guillaume Roux-Chabert**  
Interactive Brokers

shares to traders who want to sell them short and are willing to pay interest to borrow them. Each day that stock is on loan, clients will be paid interest on the collateral (US Treasuries or cash) value for the loan based on market rates. “We pay out 50% of the income we earn from lending the shares,” Guillaume reports.

### Custody at little cost

“And a key differentiator,” he reports, “is that we provide custody, unlike most of our competitors. This gives us a major edge, as we are remarkably cost-effective for clients, often being able to offer a zero fee for custodian services to selected customers.”

Guillaume has been with Interactive Brokers Singapore since shortly before the pandemic. As the Head of Sales for Interactive Brokers Singapore his objective is to grow the institutional business, which of course includes the wealth management community, especially the EAMs, SFOs and MFOs.

### A mandate for growth

“And I am regional in outlook, helping the firm expand the platform to clients in Hong Kong

### Getting Personal with Guillaume Roux-Chabert

Guillaume comes from the heart of the French Alps in Grenoble, where he also studied Applied Mathematics and Social Sciences at the University of Grenoble and obtained his Master Degree (DESSMA) at the Grande Ecole de Commerce de Grenoble.

His career has been very largely in Asia, working for FinTech providers and capital markets firms, including names such as SunGard, ION Trading, Société Générale and Deutsche Bank, in key Asian centres such as Hong Kong, Japan and Singapore. He is also a licensed registered representative for Financial Products in Singapore (CMS), Hong Kong (SFC) and in the US (Finra).

He joined Interactive Brokers Singapore in October 2019. As the Head of Sales for Interactive Brokers Singapore his objective is to grow the Institutional Business in Singapore and elsewhere in the region.

“I come from a cold place and love being in the heat of Asia,” he explains. “Asia also has an incredible dynamism and energy, and I was lucky enough right after my studies that as part of my military service in France, I was sent to the French Embassy in Vietnam as civil servant. I literally fell in love with the region, with the cultures, so I made sure I focused my career out here. My first job was in Hong Kong in financial software, a French company that was bought over by SunGard, which was later bought by FIS. That was incredible time, as we started in Hong Kong with three people, and within three years we were 150-strong. That’s what we are aiming to do with Interactive here, and we are on track.”

His wife is Japanese, and they have one daughter who recently turned 14. “She began in a Japanese international school here, and now she is at a French international school,” he reports. “That is the beauty of the depth of choice in education here in Singapore and is another major draw for HNW and UHNW wealth to these shores.”

He shares his passion for Oceans Preservation Initiatives with his wife, Yoshie, who is also a yoga instructor. “And I also try to find time for sailing here, although the business and family keep me rather busy,” he says. “I love sailing and just got my captain’s license here, so I am qualified to skipper boats now.” And he jokes that his wife and daughter are happier to go out with him as skipper nowadays.

He is also enjoying quieter times at home learning ‘bahasa’ or Indonesian language, which of course is very similar to the Malay language spoken in Malaysia and in the Malay community in Singapore. His final comment was timed for Chinese New Year. “I wish ‘Selamat Jalan’ or ‘Bon Voyage’ to Hubbis readers for the Year of the Tiger.”

and other key markets,” he explains. “We only actually set up in Singapore in mid-2019 and obtained the license from the MAS in February 2020, so we are quite new on the ground and of course that coincided with all the travel restrictions and the pandemic set in.”

Interactive Brokers has been taking on Singaporean clients for many years, so the 2019/2020 initiative to physically set up a presence in Singapore, was to significantly ratchet up the penetration in order to eventually help the firm arrive at a balanced revenue split between the US, Europe and Asia.

### Singapore – a base for growth

“Singapore was a natural hub due to the strong and growing focus on family offices and fund managers,” he reports. The firm also focuses on the traditional retail and corporate type customers, where the business

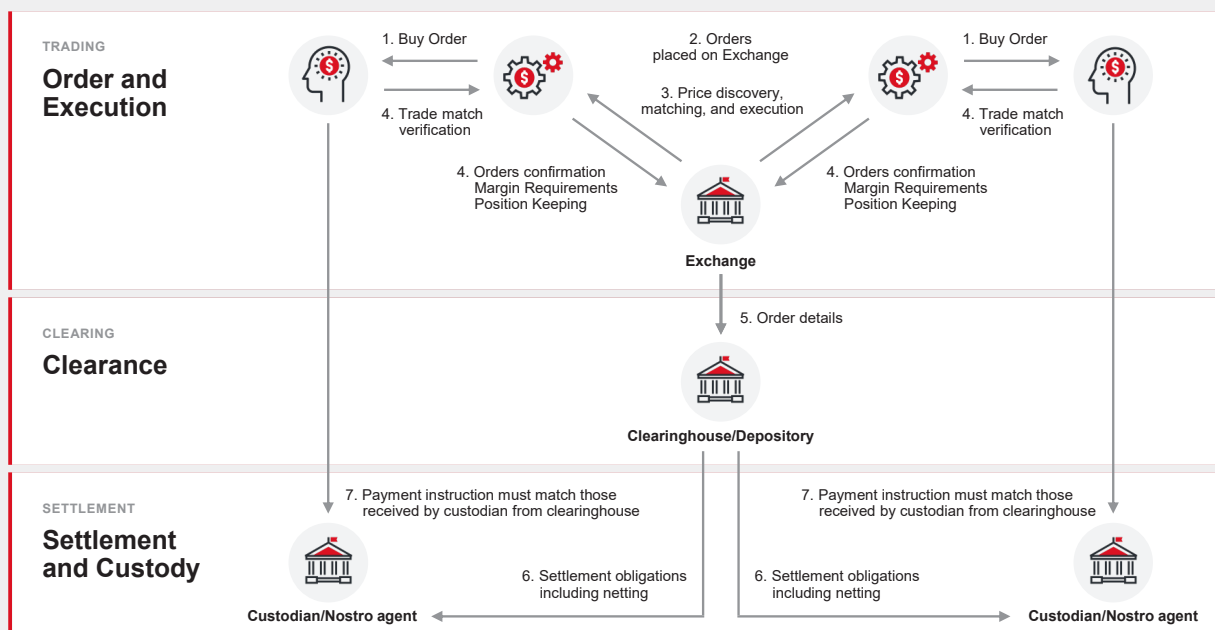
### Key priorities

Guillaume says the first objective is to have 1% of the Singapore population as customers, and that they are well on track to achieve that. “And, of course, we aim to become the platform of choice or at least a key relationship for all the family office operations,” he reports. “Outside Singapore, we have regional expansion missions, with South Korea for its market access, as well as India for Inbound Flow, and as internal growth markets like Malaysia, Thailand, and Indonesia, although we recognise we might be hampered somewhat by currency controls in some countries.”

has also benefitted from these moves. “We had to wait on the license from the MAS to directly target Singapore resident clients of all types,” he explains. He adds that Singapore’s geopolitical significance in the region as a relatively neutral financial centre had helped head office commit to the island republic as its core business hub.

He adds that the platform is also ideal for the requirements for family offices in Singapore and what the MAS wants to see in terms of reporting and compliance, covering the Variable Capital Company, and the ‘Section 13’ suite of incentives. “Our platform offers the right agility for family office clients,” he says. “There can be a master account with

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an exempt fund manager license from the MAS and the fund itself, which is the family office money, itself managed by the master account, and you have a clear segregation of duties and reporting between the two entities. And you have also clear protection of the asset with a segregated account for the fund. And that reflects exactly what MAS is looking for from those family offices.”

He expresses his hope that the tax situation will not change in the foreseeable future. “We hope that no wealth or other tax will come in the rock this boat, because clearly UHNW families are attracted by the vehicles, incentives and regulations here, as well as the stability and geopolitical neutrality. The tax framework is very conducive to protect wealth on all levels in Singapore.”

Turning to regional flows, he also explains that the tide of wealth investors in Singapore has been rising to as Singapore continues to be the preferred destination for wealth management in Asia “And we don’t see this trend slowing down with the suite of special vehicles , government tax, investment and even visa incentives, Singapore is gaining momentum all the time,” he says.

**Transparency at the core**


Guillaume mines down further into what he considers to be the key selling points for the IBKR proposition. He says transparency on the client portfolios is crucial, and this makes those clients appreciate just how costly it is to maintain all their different relationships with, for example, the private banks, perhaps a prime broker relationship, and so forth.

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“It frustrates me to see all those costs they rack up, and on top of that they also need to reconcile all their different accounts manually, which is risky and time-consuming,” he remarks. “So, when these clients come to us, they get significantly lower costs, greater coordination of portfolio reconciliation, and access to custody as well. The reality is that many of the family offices are simply fed up with all the costs of their typical relationships.”

**“Family offices are evolving fast. They went from factories and commerce to trying to manage wealth through the private banks and other players. They are now in the next phase, which is driven by the online capabilities and younger generations, who are driving the transition to platforms like Interactive Brokers.”**

### Digital needs meet digital offerings

He adds that being able to obtain a clear picture of the total portfolio at the click of a button is vital in helping these family offices manage their exposures. “As family offices digitise their operations, they are more attracted to platforms like us that offer the right technology to achieve simplicity and better visibility,” he explains. “Family offices are evolving fast. They went from factories and commerce to trying to manage wealth through the private banks and other players. They are now in the next phase, which is driven by the online capabilities and younger generations, who are

driving the transition to platforms like Interactive Brokers.”

He adds that he knows of family offices where different family members of the same family office had been charged different fee scales by private bankers and prime brokers for basically the same relationships and needs. “And they did not know until much later,” Guillaume, “so when we came in and offered them one clear global

pricing that was defined on the website, they were all ears.”

Another factor that he says appeals to clients is the multi-asset capabilities. “And this means we are truly multi-asset, not simply claiming to be,” he reports. “In equities, we are members of the exchange, we are clearer of the exchange, we are custodian of the exchanges, and we are pure pass-through agency brokers, we do not act as principal as many prime brokers do. Same for futures, pure pass-through. We have significant margin capabilities, and the mutual fund offering includes 20,000 funds available through Singapore, a major appeal for family offices.”

### Riding the ESG wave

He reports that ESG is another big trend the firm is on top of. “Family offices are increasingly shifting towards expressing ESG values,” he explains. “In one case, for example, there is a Malaysian family office client that wants to link that into Shariah-compliant accounts and assets, which we can set up for people. The combination of ESG and mutual funds works very well in reflecting those types of preferences and values. And we can then help clients further with our PortfolioAnalyst functionality, which is essentially a look-through tool where clients can break down portfolios by region, sectors, values, and you know exactly what you’re holding.”

### Rapid expansion

Guillaume’s final comment is that they have expanded significantly in terms of office space and numbers. He says they began with capacity for about 12 people at Asia Square, Marina Bay, but they now still have that office and have opened up at Harbour Front Tower, as well, where they can house another 45 in their expanding team. “We also have a major data centre, so we are doing our bit to keep Singapore’s commercial buildings generating revenues,” he remarks. “And, of course, it means we are also doing our bit as well to hire local talent, as we need to keep pace with our need for more and deeper expertise to match our expansion plans.” ■

