

# SECURITIES FINANCE TIMES



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## **The Middle East moment: The opportunity in building future-proofed securities finance today**

**Rob Frost, global head of Business Solutions at Pirum, discusses trading, post-trade, collateral, and what connecting to the firm's Complete, Connected Lifecycle means for participants entering or scaling in the Middle East**

## The ground-floor opportunity

There is a moment in the development of any market when the early movers define the architecture of everything that follows. The Middle East is at that moment now — and the foundations being laid today will shape the competitive landscape for a generation.

The numbers confirm what those of us watching the region have long anticipated. Gulf Cooperation Council (GCC) debt capital markets outstanding have reached US\$1.2 trillion, up 14 per cent year-on-year (YoY). Saudi Arabia's lendable inventory surged 190 per cent YoY, from US\$3.1 billion to US\$8.9 billion, as of February 2025. Add to that, structural tailwinds: Saudi Arabia's Vision 2030 has driven sweeping capital market reform, including diversification mandates, a deepening fixed income market, and expanding foreign investor access. Across the Gulf, the ambitions of the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) to cement the region as a globally significant financial centre are reinforcing that momentum.

This is a market that has crossed the threshold from potential to performance — and it is accelerating.

## Vision now for SBL and fixed income: The lifecycle is unifying

For much of the past two decades, securities finance technology was organised around a dichotomy: pre-trade on one side, post-trade on the other. Trading desks operated in one world; operations, collateral, and reporting teams in another. The infrastructure reflected this division, and so did the vendors who built it.

That boundary is dissolving. Fast.

The most forward-thinking firms globally have moved past

connecting their trading system to their post-trade system. The ambition now is a single, unified, real-time infrastructure across the entire lifecycle: from trade negotiation and execution through settlement, collateral management, and regulatory reporting. Answering that effectively will define competitive positioning from today through to 2030.

Firms in the Middle East also have a unique advantage vis-à-vis their international market peers: they have the opportunity to build their businesses from the ground up in a modular way, without the technical debt that encumbers so many global competitors.

Across our global client base, what we hear consistently points to four converging trends reshaping how securities finance operations are built and run:

**Trading:** pre-trade connectivity that is standardised, bilateral, and open, allowing participants to connect with any counterpart, in any format. Clients are looking for a resilient and interoperable network, functional for each participant from day one, rather than being dependent on a single connection or accumulating critical mass before it delivers value.

**Post-trade:** automated lifecycle event management across securities-based lending (SBL), repo, and collateral. Processing recalls, substitutions, corporate actions, settlement instructions with no or minimal intervention represent the minimum standard clients expect today for lifecycle events. Pirum's straight-through processing (STP) rates consistently exceed 99 per cent across the Pirum platform, which represents, for all intents and purposes, a fully automated golden source that is tried and tested, and available today.

**Collateral:** dynamic, real-time collateral mobility across triparty and bilateral arrangements is seen as key, connected to global custodian networks. Clients today

expect to optimise across the full portfolio rather than being siloed by asset class or system.

**Reporting:** a single enterprise data layer that is standardised, interoperable, and clean has become a necessity. A data layer that simultaneously satisfies regulatory obligations and feeds enterprise-wide analytical and operational tools that drive competitive performance. The architecture of data infrastructure, applied to the full lifecycle — and opening the door to AI-enabled operations.

These four dimensions increasingly function as one integrated whole. Critically, however, they do not all need to be built or deployed simultaneously. The architecture in our Complete, Connected Lifecycle platform is modular, meaning firms can enter at the point that matches their current market position, and expand across the lifecycle as their business develops. This type of flexibility is central to what makes this relevant for the Middle East right now.

## **The leapfrog advantage: ME firms have a structural edge**

An honest assessment of where many incumbent securities finance operations stand today: they are extraordinarily capable organisations, running on infrastructure that was state-of-the-art in 2008 or 2012. 15 years of industry evolution, regulatory change, and product expansion have been layered on top of those original foundations. The result is exactly what you would expect: powerful but complex, experienced but slow to adapt, deeply connected to existing clients but constrained in pace.

For a firm in Riyadh, Dubai, or Abu Dhabi looking to build its securities finance infrastructure in 2026, that landscape represents a genuine structural edge.

ME firms can deploy best-in-class technology from day one. They do not have decades of integration debt to untangle.

They do not need to navigate a migration from batch-processing architectures to real-time systems. They do not have to re-engineer data pipelines built for a single asset class to suddenly span the whole portfolio. They can build from where the industry is heading right now, rather than from where it has been.

The analogy I find most useful is mobile banking in emerging markets. Economies that never built extensive branch networks leapfrogged the entire retail banking infrastructure cycle, going straight to digital-first, mobile-first operations. In many cases, they now have more sophisticated consumer financial infrastructure than markets that had been running banks for a century.

That is the opportunity for Middle Eastern firms currently expanding, and even more so for those entering, regional or global securities finance. The Middle East has no obligation to retrace the path that European and North American firms have walked. It can start running from where that path ends.

GCC economies have been projected to grow at approximately four per cent per annum over the next four years, more than 2.4x the rate of equivalent developed markets. Non-oil sector growth in Saudi Arabia is expected to accelerate to five per cent in 2026. Private capital flowing into the region is deepening and diversifying. The securities finance infrastructure that firms start building in 2026 will determine whether they are positioned to participate in that growth, which will only intensify in the coming years. Or they can choose to be relegated to watching from the sidelines as others do.

## **From zero to live: Building a complete and fully connected lifecycle, module by module**

Pirum's Complete, Connected Lifecycle is something specific and practical: a tried-and-tested platform, with a

successful track record of more than 25 years, live with over 150 institutional clients, including 25 of the 30 global systemically important banks, processing US\$6.5 trillion daily. For a firm entering or scaling in the Middle East, these facts matter enormously. Connecting to Pirum means connecting to a network already at full depth and breadth.

The modular architecture is what makes the practical entry path work. A firm establishing a new SBL desk does not need to deploy collateral optimisation and regulatory reporting on day one. It starts with post-trade automation — contract compare, billing, returns, and recalls manager — and establishes clean, automated operations as the foundation. As the business grows, supported by the standardised, resilient, and real-time flows that Pirum delivers as standard, they can choose to extend into, for example, pre-trade connectivity. This brings counterpart access and trading workflow into the same data environment. Collateral management follows, connecting to triparty agents and bilateral counterparties. Reporting can then be assigned a seat with a view of the whole, fed by the standardised data layer built from the first day of operation.

Each module is independently valuable. Each connects seamlessly with the next. And, because the underlying data architecture is standardised and interoperable from the outset, there is no rework — no rebuilding of integrations, no re-normalising of data — as the platform expands. The work done on day one compounds in value as the business scales.

For ME firms, this has a specific significance beyond operational efficiency. A firm that builds on Pirum gains full connectivity to the global ecosystem. Counterparties, custodians, central counterparties, triparty agents, trading venues — the network effects of a genuinely connected platform unlock market access that a siloed, proprietary infrastructure simply cannot replicate.

As the business deepens and the regulatory environment evolves through shorter settlement cycles, expanding reporting obligations, and the growing role of AI-augmented operations, the architecture of Pirum scales with it. These are natural extensions of the same modular foundation, available when the business is ready for them.

### **The 2030 vision**

Four years from now, the Middle East securities finance market will look materially different from today. IPO activity will continue at pace. GCC sustainable bond issuance is already on track to reach between US\$20 billion and US\$25 billion in 2026. Fixed income markets will have deepened further. Foreign participation will have grown. The sovereign wealth fund ecosystem — the Public Investment Fund (Saudi Arabia), Qatar Investment Authority, Mubadala Investment Company (Abu Dhabi, UAE), and their peers — will be deploying and recycling capital in increasingly sophisticated ways that demand institutional-grade securities finance infrastructure to support them.

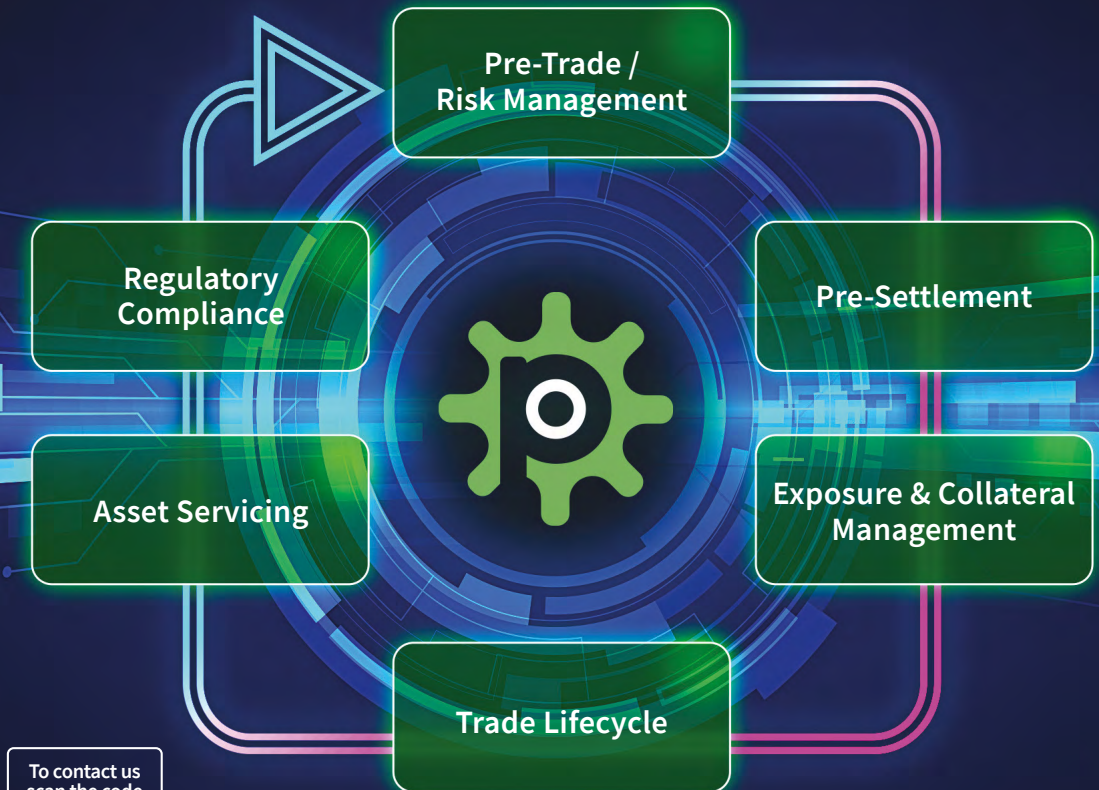
The firms positioned to participate fully in that market are the ones making infrastructure decisions now. The greenfield advantage available to ME firms is real, and the window to take it is open. But it will not stay open indefinitely. Global incumbents, for all the legacy complexity they carry, are actively working through their technical debt. Every year that passes, they close the gap between where they are and where a newly built ME operation could start.

The technology to build a real-time, standardised, globally connected, fully modular securities finance operation exists today. The ecosystem is live, the network is at full depth, and the tools are ready. For ME firms already active, those scaling, and the international institutions working to access the region's extraordinary liquidity pools, the foundation can be laid now. The infrastructure is already in place to meet that moment. ■

# The Complete, Connected Lifecycle

Founded in 2000, Pirum has become the global gold-standard for automation and connectivity solutions in Securities Finance and Collateral Management. Our Complete, Connected Lifecycle platform covers pre-trade, post-trade, and collateral management functionality through a modular Software as a Service (SaaS) technology stack.

Today, over 150 leading financial institutions worldwide – across both buy-side and sell-side – trust Pirum to connect, communicate, and process their trades, while managing and optimizing collateral in global financial markets. The platform delivers automation, operational efficiency, resilience, reduced costs, and streamlined regulatory compliance.



# VENDOR PROFILES



Pirum was founded in 2000 with the objective of automating the securities finance and collateral management industries.

The Software as a Service (SaaS) platform has since become the industry gold-standard, globally, for automation and connectivity solutions.

Today, the Pirum product suite, which uniquely covers pre- and post-trade as well as collateral management, is used and trusted by over 150 leading financial institutions around the world, covering both buy- and sell-side activities.

Pirum delivers automation, operational efficiency, regulatory compliance, resilience, and reduced cost for its network of clients, who use Pirum's solutions to connect, communicate, optimize and process their trades in global financial markets.

By connecting market participants around the world, the Pirum dynamo sits at the heart of a complex multi-party financial markets eco-system, all the while increasing transparency and resilience, streamlining operations and fostering collaboration.

**For more information visit [www.pirum.com/contact-us](http://www.pirum.com/contact-us)**