

GLOBAL INVESTOR

UP FRONT

Filling the settlement black hole

US company, Fitel, is hoping to help solve international settlement problems. According to chief executive, Graciela Chichilnisky, a professor of economics at Columbia University in New York, "the market is in a big mess right now," with 40% of international securities trades falling through. She identifies the main reason as the failure of after-trade communications.

Fitel has launched Equinet, a system which uses sophisticated computer link-ups to allow brokers, institutional investors and custodian banks to follow a trade from agreement through to settlement.

Since the launch of Equinet on a commercial basis, prospective clients have been queueing up to gain access. Among early subscribers were Salomon Brothers and Bear Stearns in New York; Wells Fargo and Mellon Capital in San Francisco; and Fidelity Investment in Boston. Several pension funds are interested in using Equinet, among them US giant, General Electric.



Chichilnisky: settling trades