

ALERT® Key Auto Select

RULES BASED CAPABILITY ENABLING SMART ENRICHMENT OF SSIS TO TRADES.

OVERVIEW

ALERT Key Auto Select (AKAS) functionality enables rules-based enrichment of CTM™ trades with preferred standing settlement instructions (SSIs) sourced from the ALERT platform.

AKAS uses trade information to derive country and security type for a transaction and determine the default depository. Clients have the ability to override default choices and indicate settlement location preferences enabling settlements for each security type and geography to be made into and out of a single preferred depository for each account.

KEY BENEFITS

With AKAS, trade counterparties no longer run the risk of overly long settlement cycles caused by misinformation from one or both parties to a trade regarding SSIs - one of the key enablers to achieving a no-touch workflow.

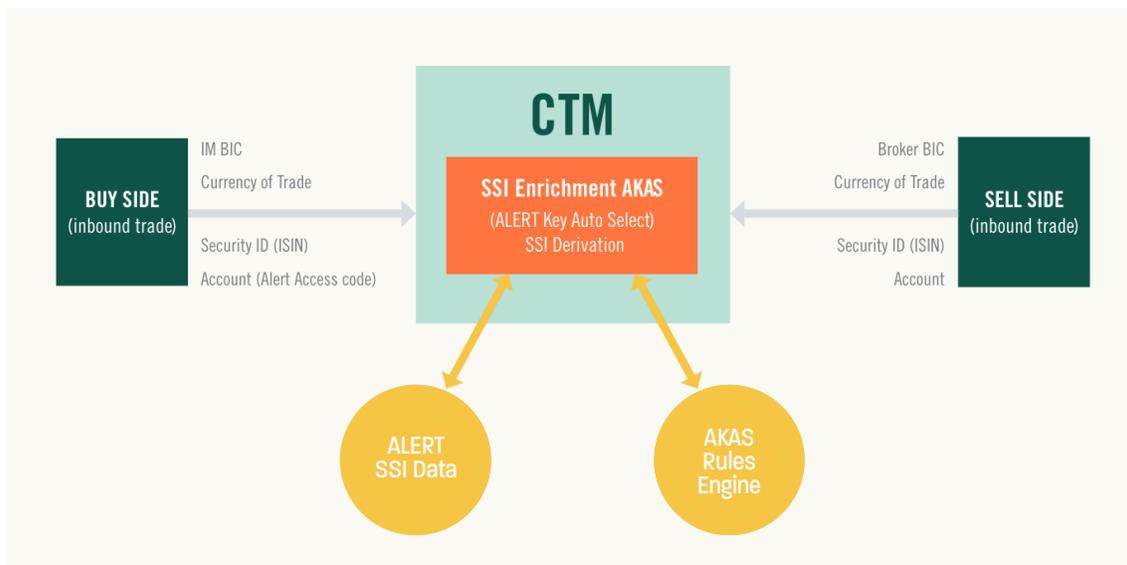
AKAS eliminates the need to provide ALERT Keys (Country, Method, Security) as part of the trade information for enrichment to occur by introducing smart enrichment capability that leverages a combination of rules-based logic and client driven profiles to determine the keys and automatically enrich trades in CTM with SSIs from ALERT.

WHO CAN USE THE SERVICE?

AKAS can be used by Investment Managers and Broker Dealers.

HOW WERE THE RULES DETERMINED?

DTCC ITP, with client input, mapped recognized industry security types to ALERT security types and identified default Methods (Depositories) for Country/Security combinations. In cases of multiple valid Methods for a given Country and Security Type (as determined by the Settlement Market Practice Group (SMPG) standards), DTCC ITP partnered with the industry to establish a default for that market. There are a small number of exceptions, where multiple CSD's settle the same security type in a single market and a default could not be set. To enable correct SSI enrichment for trades in those markets, settlement location preferences should be specified via SSI Rules. Default rules are available for assessment via the [AKAS Implementation Guide](#).



HOW DOES IT WORK?

- AKAS subscriptions are enabled on ALERT.
- QQ SSI Rules profiles are set up in the ALERT User Interface for settlement location preferences.
 - Clients review default depository information in the AKAS Implementation Guide and identify preferences for settlement location where different from default. For example, if a firm settles government fixed income securities using a different country, security, and/or method/PSET than that listed in the default depositories information, then an override rule is created to ensure correct key selection.
 - It is a DTCC best practice to create overrides for the default settings before trades are submitted in CTM to avoid issues during the settlement cycle.
 - Investment Managers verify that all SSIs are set up in ALERT for the relevant markets and are compliant with ALERT rules and validations.
 - Investment Managers can set up SSI Rules to apply to a specific account, a list of accounts or for the organization. Rules can be added using Country and Security Type, plus currency if needed; or Security Identifier, plus currency if needed.
 - Broker Dealers can set up SSI Rules using Country and Security Type, plus counterparty and currency if needed; or Security Identifier, plus counterparty and currency if needed.
- AKAS subscriptions are enabled on CTM.
- Clients submit transactions in CTM.
- AKAS derives keys based on the BIC, Account, Security Identifier and Settlement / Traded Currency information submitted as part of the transaction. AKAS looks at Security Cross Reference information to derive Security Type based on Security Identifier. If Settlement Currency was provided, that is used to determine Country. Otherwise Traded Currency is used.
- AKAS checks for client-designated key selection overrides and applies where stipulated.
- If no overrides exist, AKAS utilizes default ALERT keys based on country and security.
- Derived ALERT keys are used to submit enrichment request through CTM Facilitated ALERT Enrichment (FAE) process. If an SSI using the derived keys is not found, AKAS looks for alternative key combinations that can be used.
 - Example 1: If a SSI for a granular security type is not found, the system checks for a SSI with an overarching security type, i.e. if a GNMA SSI is not found, it will lead to TRY; if a GDR specific SSI is not found, it will lead to EQU.
 - Example 2: If an SSI for a specific market is not found, the system checks if a SSI for the same country and security is set up in another market, thereby supporting the Investor CSD model for T2S markets, i.e. if a SSI for an Italian Equity transaction is not set up with Monte Titoli as the depository, but it has been set up with Euroclear as the depository, the Euroclear instruction will be used.
- SSI information is returned if enrichment request is successful.
- If no applicable SSI is found, enrichment fails and an error message is returned in CTM.

WHAT DOES IT COST?

AKAS is subscription-based functionality that is available to all clients of CTM and ALERT. There is no additional fee for the AKAS service.

FOR MORE INFORMATION

Please contact your Relationship Manager or visit www.dtcc.com/itp

© 2024 DTCC. All rights reserved. DTCC, DTCC (Stylized) and Financial Markets. Forward. are registered and unregistered trademarks of The Depository Trust & Clearing Corporation DTCC.

The services described above are provided under the "DTCC" brand name by certain affiliates of The Depository Trust & Clearing Corporation ("DTCC"). DTCC itself does not provide such services. Each of these affiliates is a separate legal entity, subject to the laws and regulations of the particular country or countries in which such entity operates. See www.dtcc.com for a detailed description of DTCC, its affiliates and the services they offer.

Certain DTCC ITP LLC services are subject to regulation by the U.S. Securities and Exchange Commission ("SEC") and are offered by DTCC ITP Matching (US) LLC ("DTCC Matching"), which is set out in SEC Release No. 34-44188; File No. 600-32; 66 FR 20494 (April 17, 2001). TradeSuite ID and CTM are services of DTCC Matching and are subject to SEC regulation when used for trades in which either the broker-dealer or its institutional customer is a U.S. entity and the securities in the trade are issued by a U.S. issuer. No other services offered by DTCC ITP LLC are regulated. DTCC Public (White). 31147_WK09302024