The Depository Trust & Clearing Corporation

THE PATH TO NO-TOUCH PROCESSING
ITP BEST PRACTICES SCORECARD

OVERVIEW

In an effort to increase client satisfaction and drive down costs, there is increasing demand for Operations staff to achieve an optimal no-touch processing workflow, while at the same time adhering to constant regulatory change and risk management guidelines. For example, Settlement Discipline Regime (SDR) penalties under CSDR will further drive Operations staff to look at all parts of the trade lifecycle to ensure they have the best chance of successful settlement.

DTCC Institutional Trade Processing's (ITP) vision is to enable clients to reduce or remove the number of "touches" in the post-trade lifecycle and leverage consolidated exception and settlement management capabilities to drive settlement finality.

How will clients know their system setup is ideal? By adhering to and maximizing their current use of ITP solutions that enable a no-touch workflow. The best practices identified below will help clients evaluate where they stand on the journey to re-imagine post-trade processing, leveraging their current investments in ITP.

The Scorecard addresses each phase of the lifecycle—trade enablement & enrichment, agreement, notification & settlements management, and data analytics. We have defined ITP best practices for each of these phases of a no-touch processing workflow as well as ways to measure them and where to learn more.

Best Practice Definitions and Measurement Methods

TRADE ENABLEMENT & ENRICHMENT		
Best Practice	**Measurement**	**Learn More**
Buy-side: 100% of SSIs maintained by their custodians or prime brokers **Sell-side:** 100% of counterparty SSIs maintained in ALERT	100% of buy-side's SSIs are maintained by their Custodian via GC Direct or by the Prime Broker using the ALERT for PB workflow in ALERT All available SSIs are retrieved from ALERT	■ Buy-side: **ALERT GCD** ■ Sell-side: **ALERT ASSIsT, Broker Lift Out Service**
100% SI Scan compliance with all local market rules	ALERT compliance rate of SSIs is 100%, as shown on the ALERT homepage once logged in	■ Manage Invalid SSIs Using **SI Scan** ■ **SI Scan Upload Guide**
Buy-side: Just-in-time SSI enrichment from ALERT of your SSIs highlighting to your counterparty your settlement preference **Sell-side:** Electronically processes settlement preferences	Submits either ALERT keys or uses AKAS for real-time ALERT SSI enrichment on 100% of CTM trades	■ **ALERT Key Auto Select (AKAS) Implementation Guide**
All LEIs added and validated	100% of access codes or models have an LEI added, where one exists; 100% of LEIs are valid	■ **Legal Entity Identifier**

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AGREEMENT		
Best Practice	**Measurement**	**Learn More**
Uses central matching for all their trades and manages trade exceptions in real-time via an automated tool	Uses a central matching system like CTM for 100% of their trades (domestic and global) and does not perform duplicative matching	■ [CTM Overview](#)
Matches PSET with counterparty in an automated manner	**Buy-side:** 100% of their CTM matching profiles have PSET matching turned on **Sell-side:** 100% of their trades match the IM's PSET where IM has PSET matching turned on	■ [PSET Matching](#)
Buy-side: Includes a tolerance amount in their matching profiles to limit exceptions where possible	Does not use exact match on financial amounts in their matching profiles when possible.	■ Videos: [Matching Profiles for Investment Managers](#)
Buy-side: Either doesn't use Broker Matching Groups (BRMGs) or manages their membership	Does not use BRMGs or if used 100% of BRMGs are valid and only include brokers from the same organization.	■ Videos: [Broker Matching Groups (BRMGs)](#)
Buy-side: Does not hide financial values	Does not use the HIDN subscription option to hide financial values from their counterparty on mismatched trades.	

NOTIFICATION, SETTLEMENTS MANAGEMENT & EXCEPTION MANAGEMENT		
Best Practice	**Measurement**	**Learn More**
Uses the authoritative trade record resulting from the CTM match for instructing their custodians/agents/CSDs, including counter-party SSIs enriched directly from ALERT	ITP Settlement Notification user (if buy-side) **OR** Takes back CTM Info Settlement Response message and counterparty SSIs enriched directly from ALERT when available to instruct their custodians/agents/CSDs	■ [ITP Settlement Services Reference](#)
Populates PSET and PSAFE according to market best practice	Maps PSAFE onto SWIFT when applicable	■ [CBIC Subscription for CTM Users](#)
Sends (Sell-side) or Receives (Buy-side) pre-settlement and settlement status messages or settlement confirmation files and manages settlement exceptions in real-time via an automated tool	Uses DTCC Exception Manager and Settlements Management or similar automated tool to receive or send pre-settlement and settlement status messages or settlement confirmation files	■ [DTCC Exception Manager Overview](#)

DATA ANALYTICS		
Best Practice	**Measurement**	**Learn More**
Greater than 99% Same Day Agreement	> 99% CTM match rate on market trade date	■ [Benchmarks Trade Analytics for CTM Reference](#)
Greater than 90% Block exceptions fixed within 1 hour	> 90% of Block exceptions fixed within 1 hour	
Less than 1% Block touch rate	< 1% of Blocks are touched to resolve exceptions	
Sell-side: Greater than 99% Same Day Block Entry	> 99% of sell-side blocks entered on market trade date	

Fortunately, most of the ITP no-touch processing vision is already in place today. Maximizing the use of these components by following the recommended best practices outlined above will enable ITP clients to continue realizing the benefits of their existing investments. This gives us—and our clients —an advantageous starting point in putting the industry on the path to a no-touch workflow.

FOR MORE INFORMATION

Please email us at **solutions@dtcc.com** or visit us on the web at **www.dtcc.com/ITP**

All learning resources can be found at **www.dtcclearning.com**