

TOP 6 WAYS TO ENSURE SUCCESSFUL FAILS PREVENTION AND AVOID CSDR PENALTIES

The upcoming Central Securities Depositories Regulation's (CSDR) Settlement Discipline Regime (SDR) will impose new measures to prevent settlement failure such as cash penalties for failing and/or late matching trades, and mandatory buy-ins. Given these new, potentially large, impacts of a failed trade - the time is now to maximize your current investments in Institutional Trade Processing's suite of services and to focus efforts on the prevention of failure.

PRE-TRADE ENRICHMENT

- 1 Utilize the ALERT® platform**, the industry's largest and most compliant central database of standing settlement and account instructions (SSIs) and provide automatic enrichment of those SSIs on a matched trade when used in conjunction with CTM™.

 - ✓ Leverages golden source data as well syntactical validation to enter, store and communicate the highest level of data quality
 - ✓ Extensive asset class coverage including foreign exchange instruments, collateral margin call instructions and cash
 - ✓ Through GMEI, ALERT can store GLEIF validated Legal Entity Identifier (LEI) information which can be automatically enriched on a trade when used with CTM
 - ✓ Managed services such as Investment Manager Outsourcer, IM & Broker Lift-Out and ASSIsT allowing firms to outsource SSI entry and maintenance
- 2 Take advantage of ALERT's Global Custodian Direct (GCD) workflow**, a fully custodian or prime broker managed workflow ensuring SSIs in the system come directly from and are maintained by source data providers.
- 3 Upgrade your traditional ALERT enrichment capabilities by accessing our ALERT Key Auto Select (AKAS) functionality**, a seamless (and free) rules-based enrichment of CTM trades eliminating the need to provide ALERT Keys (Country, Method, Security) as part of the trade information.

 - ✓ Logic utilizes trade information to derive country and security type for a transaction and determine the default depository
 - ✓ Reduces touch points and operational overhead enabling straight through processing

ALERT

- 10.7M+** SSIs
- 1,800+** Investment Managers
- 1,300+** Brokers

ALERT GCD

- 9** Global Custodians Live
- 3** Regional Custodians & Trust Banks Live
- 54%** GCD has helped sell-side firms realize up to a 54% reduction in SSI related fails*
- 0%** Buy-side firms have driven their SSI related fails down to almost 0% by using GCD*

*A Roadmap to SSI Automation: How an SSI Utility Benefits All Participants

TRADE DATE AGREEMENT

- 4 Achieve straight through processing via CTM**, the industry's standard for central matching, by agreeing to the economics, place of settlement (PSET) and associated SSIs on trade date, allowing you to resolve any trade exceptions in a timely fashion.

 - ✓ Provides seamless connectivity from trade execution to settlement, including direct connectivity via FIX from front office to middle office trade processing as well as via the SWIFT network to a full community of custodian banks for the purposes of settlement notification
 - ✓ Support of multiple asset classes on one platform, such as equities, fixed income, money markets and repurchase agreements
 - ✓ Incorporation of industry best practices, such as SMPG, AFME, ISITC and user community best practices

CTM

- 165.8M** Trades Processed in 2020
- 95%** Average Same Day Matching Rate
- 1,562** Investment Managers
- 1,239** Brokers

SETTLEMENT & EXCEPTION MANAGEMENT

- 5 Prevent penalties under CSDR through centralized trade exception management with DTCC Exception Manager**, quickly resolving exceptions and reducing delays in settlement.

 - ✓ Allows market participants to publish, manage and communicate on exceptions throughout the trade lifecycle process
 - ✓ Provides a proprietary settlement exceptions data feed with exception information from TradeSuite ID and DTCC's Inventory Management System
 - ✓ CSDR add on module will allow users to prioritize exceptions based on the size of predicted penalty prior to Settlement Date, to help manage activity and prevent a fail from occurring

DTCC EXCEPTION MANAGER

- 28** Organizations, (brokers, prime brokers and custodians) submitting accurate data directly to the platform
- 212** Counterparty Pairings
- Community includes investment managers, brokers, custodians, prime brokers, and outsourcers

DATA & ANALYTICS

- 6 Gain a better understanding of who your higher risk counterparties are by leveraging ITP Data Analytics**, allowing you to identify potential missed trade affirmations in order to prevent fails.

 - ✓ View individual counterparty timeliness and efficiency.
 - ✓ Access to timely business intelligence through operational performance metrics along with tools to allow the customization of views of this information and ability to compare it to peer and industry performance.
 - ✓ Multiple offerings within two broad categories—internal and market—that can be used in combination or individually.

ITP DATA ANALYTICS

- 100%** CTM client coverage
- 93.54%** Average same day match agreement for European trades in March 2021
- € 524B** Notional delta between what was entered on trade date but not affirmed on trade date in March 2021

WANT TO LEARN MORE?

See how DTCC's ITP suite of services can reduce your risk of trade fails, minimizing the impact of CSDR.

Discover More

DTCC CONSULTING SERVICES

Need support implementing the ITP suite of services at your organization? We'll help you rethink your post-trade operating model.

Request an Evaluation Today

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