The Depository Trust & Clearing Corporation

DTCC EXCEPTION MANAGER

Publish, manage and communicate on trade exceptions throughout the trade life cycle

OVERVIEW

As part of DTCC’s role as the premiere post-trade market infrastructure for the financial industry, the DTCC Exception Manager platform aims to increase efficiency in straight through processes by focusing on exceptions and aligning to operational and regulatory requirements including the Central Securities Depositories Regulation (CSDR) and MiFID.

An “exception” refers to a transaction that requires user attention, to ensure the transaction settles successfully. Post-trade exception processing creates operational risk and drives a significant amount of inefficiency for all parties to a trade. Data needs to be consumed and processed from many disparate systems including matching platforms, trading counterparties, settlement entities and market infrastructures. The related communication, predominantly emails, is overwhelming, cumbersome to manage, and introduces risk.

The DTCC Exception Manager platform allows market participants to publish, manage and communicate on exceptions throughout the trade lifecycle process. This exception and workflow management service supports all securities transactions globally. It centralizes and standardizes exception processing to firstly enable faster resolution, and then deliver a significant reduction in the number of exceptions.

KEY BENEFITS

- **A central portal** for the entire industry, providing single view of all exceptions.
- **Analytics** to help identify the root cause of operational breaks, providing the ability to solve problems at source (e.g., incorrect SSIs swap).
- **A configurable risk dashboard** with the ability to measure and chart exceptions based on your risk criteria and organized in your preferred way. Trade drill-down capability and customizable views.
- **Efficient work assignment and collaboration** on exceptions with automatic assignment to staff, enabling resolution between trade support and pre-settlement groups.
- **Secure chat functionality** to easily communicate with counterparties about exceptions, allowing for quick and efficient problem resolution.
- Audit trails and reports.
- **CSDR** penalty and buy-in indicators as well as buy-in tracking to help prevent fails and facilitate the management of fails if they do occur.

WHO CAN USE THE SERVICE

DTCC Exception Manager is for all parties involved in the trade life cycle, including buy-side firms, outsourcers and their underlying clients, broker/dealers, custodians, prime brokers, clearing brokers and other settlement agents.

HOW THE SERVICE WORKS

The central DTCC Exception Manager platform for the entire industry provides a single view on all post-trade exceptions:

- Exception records are classified into standard generic categories and enriched with additional information.
- A configurable dashboard provides the ability to organize and measure the exceptions by various criteria with a subsequent drill-down capability.
- Exception records can be assigned to individual users and/or teams.
- Rules based logic supports efficient work assignment and prioritization on exceptions.
- Communication functionality is integrated and linked to exceptions, audit trails and reports based on customizable fields.
WHICH EXCEPTIONS ARE IN SCOPE

The service will support post-execution securities exceptions, this includes both exceptions in trade validation as well as settlement processing as described below.

Trade Validation

- Confirmation / Affirmation / Matching
- Allocation to settlement accounts and corresponding SSI data
- Fully figured record with corresponding agreed ‘Cash Amount’

Settlement

- Settlement processing
- Depository processing (including matching if applicable)
- Fails

FOR MORE INFORMATION

Please visit us at www.dtcc.com/ExceptionManager.