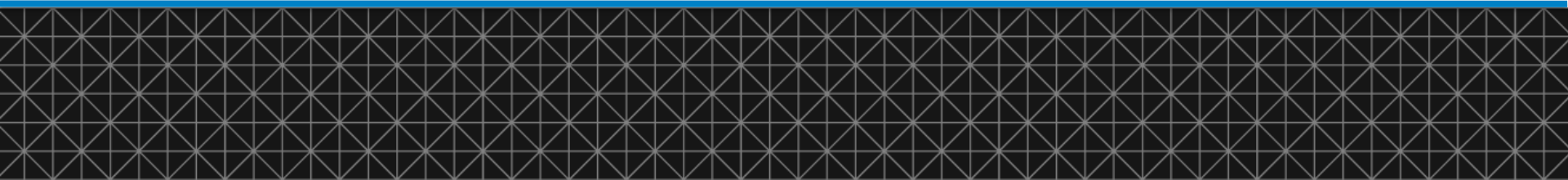




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Processing Derivatives in Middle Office

Paul Marchant



Processing Derivatives in Middle Office

DTCC Transaction Services

1 | Omgeo CTM for Exchange Traded Derivatives

2 | Omgeo CTM for Equity Swaps

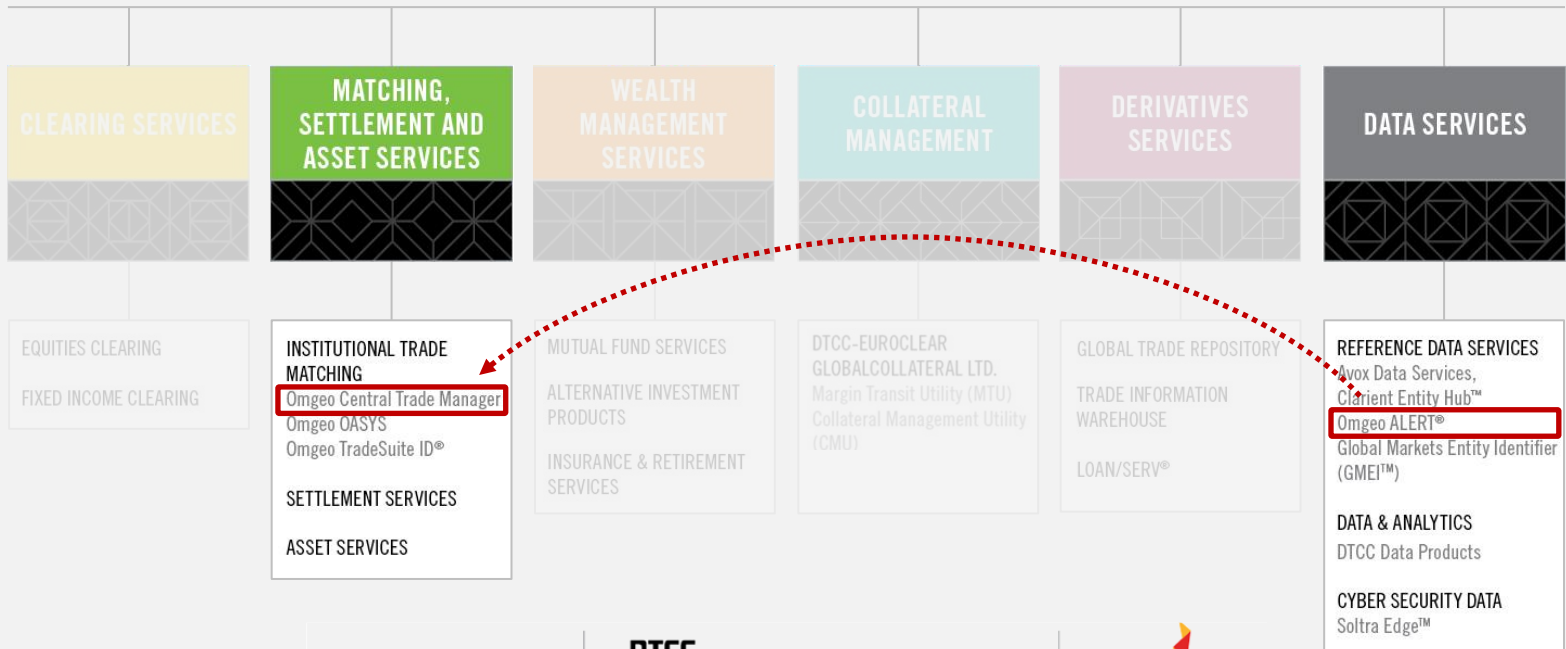
3 | Omgeo ALERT for Collateral SSIs in ALERT

DTCC Transaction Services

Transaction Services represent a key component of DTCC's post-trade offering, which is aligned with client's most critical needs across the trade lifecycle



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DTCC Transaction Services

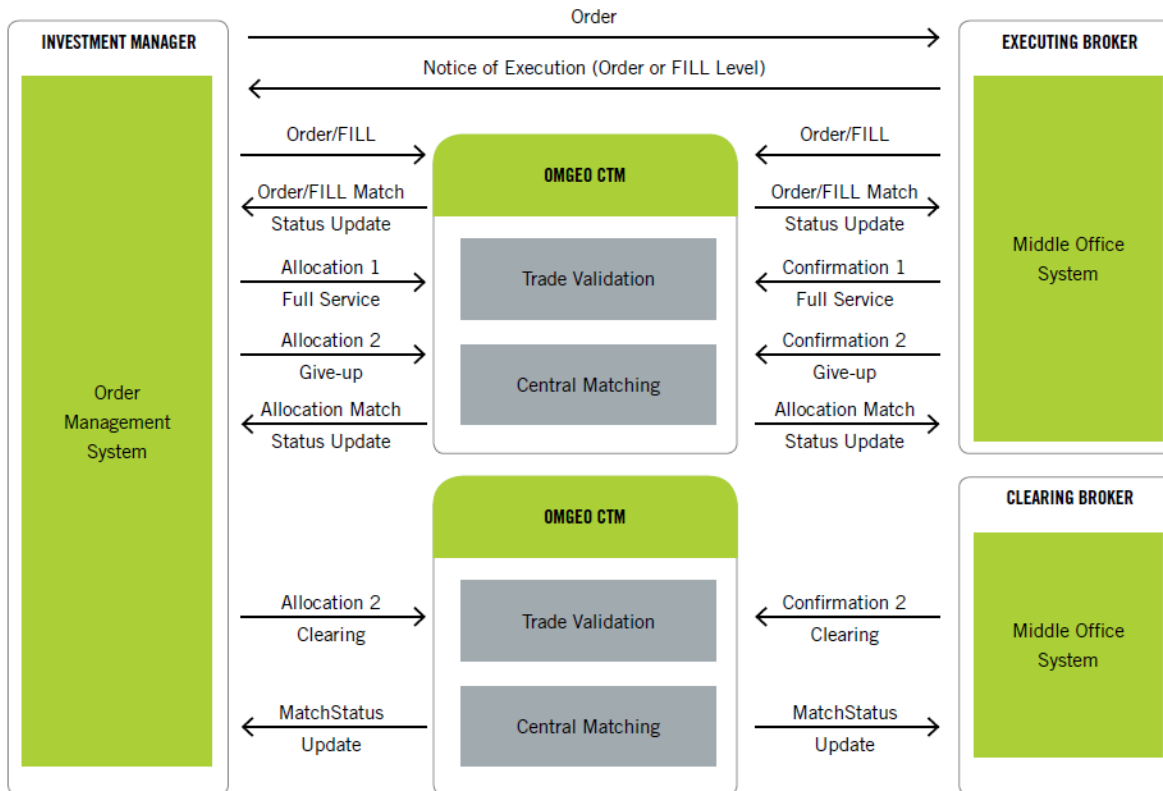
Omgeo Central Trade Manager (Omgeo CTM) enables central matching of cross-border and domestic transactions between buy side and sell side

- automating trade confirmation process
- multiple asset classes including equities, fixed income, repurchase agreements, exchange traded derivatives and synthetic equity swaps

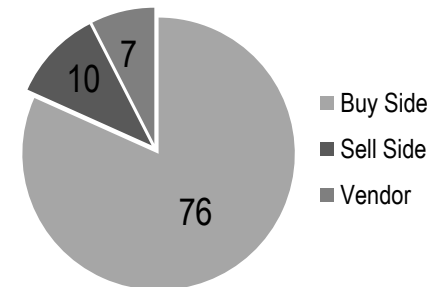
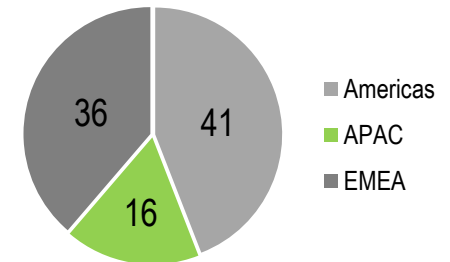
Omgeo ALERT is the industry's largest and most compliant online global database for the maintenance and communication of account and standing settlement instructions (SSI)

Challenges Processing Exchange Traded Derivatives

Omgeo CTM for ETDs provides a single platform real-time visibility of broker executions, and allocations for executing and clearing brokers and clients

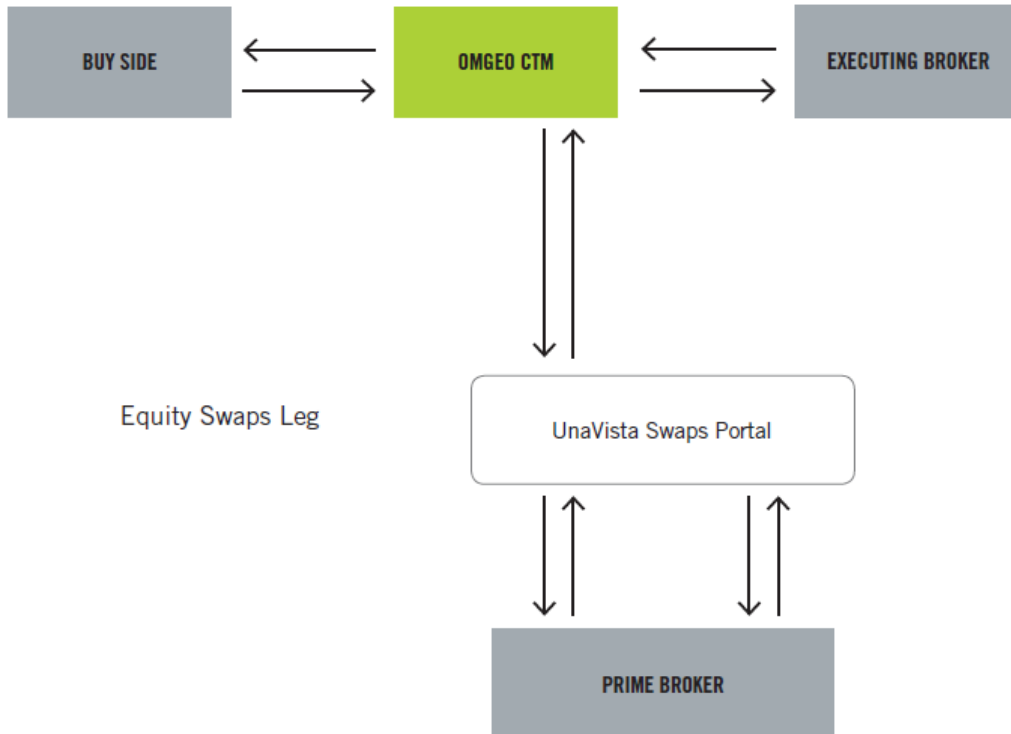


Community



Processing Equity Swaps (Synthetic Leg)

Connectivity between DTCC and UnaVista means buy side participants such as Hedge Funds can use their Omgeo CTM connection to match the synthetic side of a swap with UnaVista's network of prime brokers



Early community build ...

- Buy side clients in Asia (synthetic flow)
- Aiming to have all PBs live
- Potential for local Executing Flow CTM community

Managing Collateral SSIs

Omgeo ALERT provides investment managers and broker/dealers the capability to create/maintain Collateral SSIs via ALERT Web, and enables just-in-time enrichment of Collateral SSIs in Margin Transit Utility (MTU)



Streamlined Processing of
Collateral Transactions

- Brokers and IMs have the ability to add SSIs for any Market or Security Type
- Validation rules to ensure compliance with SMPG standards and Best Practices
- 3 levels of data authentication available (Creator, Approver, Authorizer)
- For IMs, a bulk File Upload feature is available for Collateral SSIs via ALERT Plus
- For Brokers, bulk File Upload feature is available for Collateral SSIs via Global Service Bureau

Managing Collateral SSIs

Omgeo ALERT provides investment managers and broker/dealers the capability to create/maintain Collateral SSIs via ALERT Web, and enables just-in-time enrichment of Collateral SSIs in Margin Transit Utility (MTU)

Purpose Code	Margin Type	Margin Direction	Margin Call Indicator	Name
COLLAAA	Any	Any	Any	COLL:ANY/ANY/ANY
COLLIAA	Initial	Any	Any	COLL:INIT/ANY/ANY
COLLIRC	Initial	Receive	Call	COLL:INIT/REC/CALL
COLIDC	Initial	Deliver	Call	COLL:INIT/DEL/CALL
COLLIRR	Initial	Receive	Recall	COLL:INIT/REC/RECALL
COLLIDR	Initial	Deliver	Recall	COLL:INIT/DEL/RECALL
COLLVAA	Variation	Any	Any	COLL:VAR/ANY/ANY
COLLVRC	Variation	Receive	Call	COLL:VAR/REC/CALL
COLLVDC	Variation	Deliver	Call	COLL:VAR/DEL/CALL
COLLVRR	Variation	Receive	Recall	COLL:VAR/REC/RECALL
COLLVDR	Variation	Deliver	Recall	COLL:VAR/DEL/RECALL

- Purpose Key + 3 Additional Collateral Keys
 - ✓ Margin Type
 - ✓ Direction
 - ✓ Call Type
- 11 Combinations

Managing Collateral SSIs

Broker dealers can add new, individual Collateral SSIs to a model name under a segregated Alternative Instructions page ...

HOME ACCOUNTS **MODELS** ALERTS ▼ UTILITIES ▼

Settlement Instructions **Alternative Instructions**

Create Settlement Instruction ?

Copy Delete/Deactivate **Save** **Close**

Model Owner: 30_BROK1 **Model Name:** COLLATERAL **Country-Security-Method-Purpose:** US - CSH - CASH - COLL **Required** =

Dates

Last Updated:

Collateral Data

Margin Type INITIAL	Direction DELIVER	Call Indicator CALL
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Cash Clearing/Settlement Agency Data

Settlement Currency USD - UNITED STATES D ^L ▼	CHIPS Code 123456
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Cash Settlement Party Data

Receiving Agent Data

A/C# @ Receiving Agent/IBAN 987654	Receiving Agent BIC OMGOUS33XXX	Receiving Agent Name OMGEO LLC
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Managing Collateral SSIs

... and search for, and extract (into Excel), Collateral SSIs

EXAMPLEMSI [Compatibility Mode]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	RefID	Status	Action	Acronym	AccessCode	ModelOwner	ModelName	Country	Security	MethodType	Purpose	MarginType	MarginDirection	MarginIndicator	ID1	ID2
2	9B5DBEDB2ECF4C4FA2A65A269A75818E			F1BROK1		F1BROK1	COLLATERAL	US	TRY	FEDWIRE	COLL	VARIATION	DELIVER	RECALL	000-000000	SPEC/AAA A
3	190C9375DFF047AA8259E702AE56FCE4			F1BROK1		F1BROK1	COLLATERAL	US	ADR	CEDEL	COLL	ANY	ANY	ANY	12345	
4	DCAFB778C4F24BD594D2A62CD86B88B0			F1BROK1		F1BROK1	COLLATERAL	US	COB	DTC	COLL	ANY	ANY	ANY	00000005	
5	1A95F40B706542CE9276888D7403467E			F1BROK1		F1BROK1	COLLATERAL	US	CSH	CASH	COLL	INITIAL	DELIVER	CALL	123456	
6																
7																
8																
9																
10																

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