

THE LIFECYCLE OF A TRADE





The transaction is matched

between buying and selling parties, and the market's automated systems send trade information to National Securities to create a guarantee on the Clearing Corporation (NSCC).

NSCC confirms trade details between participating firms completion of the transaction.



NSCC steps in as central counterparty (CCP), assuming responsibility to make the trade whole should either buying or selling firm be unable to meet obligations.

NSCC issues trade summary to buying and selling firms, indicating net money and net securities owed for settlement.



Firms instruct their settling banks to settle funds to, or receive funds from, DTC to complete

DTC transfers securities electronically from the selling firm's account NSCC sends instructions to NSCC's account with DTC, and then from NSCC's account to the

to The Depository Trust Company (DTC), detailing net positions to be settled.

