

Case Study

DTCC

 **MEIJI YASUDA ASSET MANAGEMENT**

The Depository Trust & Clearing Corporation

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Meiji Yasuda Asset Management Company. Ltd. (MYAM), a subsidiary of Meiji Yasuda Life Insurance Company, provides investment advisory and discretionary investment management services to institutional investors and corporations in Japan. Additional services provided include the settling and operating of investment trust. Its Assets Under Management (AUM) totaled over 26.8 billion USD.

DELIVERING VALUE TO CLIENTS

A client of DTCC since 2016, MYAM's focus has been on increasing operations efficiency and mitigating risk in the middle office to deliver value to its clients. The firm relies on DTCC's trade matching capabilities – under its Institutional Trade Processing service category – to automate the processing of cross-border equity trades. Its usage includes the CTM™ platform for trade matching and trade agreement; the ALERT® database for managing up-to-date standing settlement instructions (SSIs) and the CTM™ Settlement Notification functionality for sending SWIFT notifications to its global custodians.

Akira Negoro, Mitsuhiko Tsuge and Megumi Kamiko, Administration Department, discuss the firm's success story with DTCC's Institutional Trade Processing solutions – to enable straight-through processing (STP) of its cross-border equity transactions.

ELIMINATING MANUAL PROCESSES

Prior to implementing the CTM solution, MYAM was manually matching cross-border equity transactions. This was time-consuming, labor-intensive and often required on average two to three hours per day to complete the process. When errors were encountered, the process would take longer as issues were resolved via email – exposing the firm to even more unnecessary delay and risk.

ACHIEVING OPERATIONAL EFFICIENCY

Following a review of MYAM's internal post-trade workflow and the desire to upscale their operations to support fluctuations in trade volumes, the firm turned to DTCC for a solution. That solution was CTM. With the implementation of the CTM service, DTCC's post-trade solution for central matching of post-trade transactions, MYAM and its global counterparties now reap the benefits of efficient trade matching through MYAM's STP workflow. The CTM solution allows MYAM to identify and resolve trade exceptions prior to settlement without the lengthy delays of email resolution. The time saving essentially translates into operational efficiency for MYAM – allowing its operational staff to focus on strategic issues.

The CTM Settlement Notification process provides seamless connectivity to MYAM's global custodians, local trust banks and interested third parties. SWIFT messages are created, transmitted automatically and instantly in industry standard formats. This reduces the need for manual communication and ensures a more superior, streamlined and secure solution than emailing spreadsheets.

“Replacing traditional, manual processes with the CTM solution essentially allows us to reduce operational risk by shortening the trade lifecycle with our global counterparties and gain better visibility of trade statuses.”

Mitsuhiko Tsuge, Administration Department, Meiji Yasuda Asset Management Company. Ltd.

COMMUNICATING ACCURATE STANDING SETTLEMENT INSTRUCTIONS

MYAM uses the ALERT® database to automate and standardize the process for storing, updating and communicating SSIs. Inaccurate and/or missing SSIs are some of the biggest pain points faced by market participants in the financial services industry. The ALERT database facilitates communication between MYAM and its counterparties, custodians, trustees and other third parties while enabling SSIs to be enriched in the CTM platform. This has resulted in an improvement in settlement efficiency and reduction in settlement failure.

AGREEING ON PLACE OF SETTLEMENT (PSET)

By leveraging ALERT, enriching the CTM trade with ALERT SSIs and turning on PSET matching in CTM, MYAM has full confidence that the correct SSIs are retrieved and enriched for sharing with its global custodians. This eliminates using manual process to confirm PSET details with MAYM's brokers.

SIMPLIFYING THE COMMUNICATION PROCESS

Minimum effort is needed to communicate changes on settlement instructions as affected broker/dealers are automatically notified via the ALERT database.

“The CTM platform allows us to reduce human intervention by generating automated trade confirmation instead of via fax. This saves us a considerable amount of time and frees our operations resources to focus on managing trade exceptions and other strategic issues.”

Megumi Kamiko, Administration Department, Meiji Yasuda Asset Management Company. Ltd.

ABOUT MEIJI YASUDA ASSET MANAGEMENT (MYAM)

Since its establishment, Meiji Yasuda Asset Management, the core asset management company of the Meiji Yasuda Life Group, has a goal to provide high quality asset management services to meet our clients' needs.

As demand for asset management has been increasing due to the changes in the external business environment, we seek to offer investment products that meet our clients' needs as well as provide our investors with easy-to-grasp disclosures and enhanced meticulous support by improving our investment, sales service and product development.

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