

Error! Objects cannot be created from editing field codes.


	German Market – first points
	<ul style="list-style-type: none">■ Within the market everyone is using “Investro” – fully automated process from order till settlement■ Just cross-border business is highly manual – nothing we can change !!!■ Trailer fee payments are difficult based on the Global Certificate model■ Split of responsibilities between Investment Manager and Depotbank are not clearly defined


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	Deficiencies Data Management
	<ul style="list-style-type: none">■ For cross-boarder funds the clear fund identification is missing■ Lack of reliable static fund data (e.g. place of order, documentation for orders, cut-off times, fee structure, platforms and settlement procedures, tax rules, etc)■ Lack of in-time price and tax information to produce order execution advice and confirmation■ Lack of reliable corporate actions and income distribution


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	<h3>Deficiencies Order Process</h3>
	<ul style="list-style-type: none"> ■ A lot of intermediary are involved in the order process between Investor and Depotbank / Investment Managers ■ Mainly each intermediary nets orders within his own institution > Investment Managers lose track of the end investor ■ The order communication is performed mainly via Fax or propriety file exchange, Web application, ■ The cross boarder process adds complexity as: <ul style="list-style-type: none"> ■ order process is different from market to market ■ different models: TA or CSD or a mixture of both ■ local partners are needed

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	<h3>Deficiencies Confirmation and Settlement Process</h3>
	<ul style="list-style-type: none"> ■ German Market <ul style="list-style-type: none"> ■ Confirmation is based on fax, letter or MT515 ■ Settlement within Euro is based on DVP via Clearstream ■ Settlement in currencies is mainly on a RFP basis ■ The settlement process for Clearstream participants in German Euro based funds the settlement process is on a high level of STP

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	<h3>Deficiencies Confirmation and Settlement Process</h3>
	<ul style="list-style-type: none"> ■ Cross-Boarder <ul style="list-style-type: none"> ■ directly with the TA ■ via a global clearer (Vestima, FundSettle) ■ via a hub in Germany (FundPlattform) ■ All models create more or less <ul style="list-style-type: none"> ■ extra layer of complexity and inefficiencies for <ul style="list-style-type: none"> ■ timelines of confirmation and settlement instructions ■ reconciliation processes ■ counterpart risk

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	<h3 style="text-align: center;">German Market Practice Group</h3>
	<ul style="list-style-type: none"> ■ Founded in 2004 out of an BVI Initiative ■ Participants are fund companies and their service partners (fund administrators and custodians) and fund platforms and global clearers (Vestima, Investro, FundSettle) ■ Key Goals <ul style="list-style-type: none"> ■ Definition of the parties involved and the current common process ■ Definition of the German Market Practice for Swift-messages ■ Push the market into a more efficient and streamlined processes ■ Entertain relationship between Germany and all the global initiatives

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	<h3 style="text-align: center;">German Market Practice Group Achievements</h3>
	<ul style="list-style-type: none"> ■ Definition of current market practice including the involved participants and their responsibilities ■ Defined the German Market Practise for the Swift ISO 20022 messages ■ Maintenance of the Swift messages ■ Communication and interaction with the Swift pilots ■ Participated in the following initiatives: <ul style="list-style-type: none"> ■ Giovanni, Efama, ISSA Funds, ISO Certification, SMPG, Swift

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	<h3 style="text-align: center;">German Market Practice Group next steps</h3>
	<ul style="list-style-type: none"> ■ Support (push) the role out of the Swift messages within the German Market ■ Establish the market practise for special fund types (e.g. hedge funds, exchange traded funds) ■ Work with Efama to set-up a master static data reference database (Fund XML) ■ Involve service providers to use the Swift messages (e.g. price distributors (WM, Bloomberg, Reuters) ■ Work with the market and Swift to find a solution for the smaller intermediaries to increase automation ■ Develop within Swift next messages types and market practise for <ul style="list-style-type: none"> ■ reconciliation, fee payments, account information

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	<p>Where we want to</p>
	<ul style="list-style-type: none"> ■ gain a common understanding about the different local market practises ■ define a common market practise including local market sections for additional information / procedures ■ reduce the local market differences to minimum ■ push the market to use the standard formats (Swift, fundXML, etc) <p>Lead into</p> <ul style="list-style-type: none"> ➢ reduce the error rate and operational risk ➢ increase automation and efficiencies ➢ an easy entry to the cross border market <p style="text-align: right;">12</p>

<p>ISSA Conference</p>	
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