





Operations Functions

- Trade Capture**
 - Ensure all economic/non-economic trade details required to support transaction lifecycle are captured in risk management system on trade date
- Trade Affirmation**
 - Acknowledgement (email, Bloomberg, etc) on trade date of key economic fields used for confirmation
- Trade Confirmation**
 - Ensure that all key economic details are acknowledged as close to execution as possible;
 - Ensure that all economic/non-economic details are agreed by both parties in a legally binding contract
- Trade Maintenance**
 - Ensure Risk Management systems have key market data fed for position management
 - Reset notices/Settlements – are issued and agreed as required
 - Collateral Management – ensure daily margin calls are issued and agreed
 - Valuation Statements – ensure statements are delivered as needed

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Operations Initiatives

Confirmations Services:

- Markit (text)
- DTCC (electronic)
- Swapswire (electronic)
- CMS (FX)

Trade Capture Vendors:

- TradeWeb
- TZero
- Markit
- Omgeo

- ISDA confirms are generated as close to execution as possible
- CDS via DTCC
- IRS via Swapswire
- Working towards Steady State for CDS Business
- Equity OTC – via Swapswire & DTCC
- Equity Derivative Processing Review

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External Factors

Confirmations Services:

- Markit (text)
- DTCC (electronic)
- Swapswire (electronic)
- CMS (FX)

Trade Capture Vendors:

- TradeWeb
- TZero
- Markit
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- Current operational challenges with Fund Managers
 - Primary operational issues with FMs are those processes that require human intervention or communication via phone/email/Bloomberg etc. Examples are allocations, settlement calculations, manual affirmations.
- Where do we need to focus over the next 18 months
 - Maximize trade date matching/affirmation (but understand that participation of counterparties in other time zones limits this) and leverage FIX for post-trade activity.
- Scale and operational efficiency for derivatives transactions
 - Industry standards such as ISDA have provided stability to the growth of the derivatives market but it is technology that has enabled the automation of high frequency flows. Platforms such as Swapswire, Omgeo and FIX messaging have enabled/motivated larger market participants to improve their operations.

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Asia Landscape

- Massive Increase in both Complexity and Volumes
- Fixed income products generally following global lead
- Equity products have very different drivers:
 - Pseudo-cash products – P-Notes or equivalents
 - Complex retail products – 50% of September exotic equity confirms out of Asia
- No labor market liquidity
- No scalability
- Regulatory complexity
- Industry late to the game in Asia
- Room for vendors

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