



DTCC



DTCC Institutional Trade Processing (ITP) Update to SIFMA

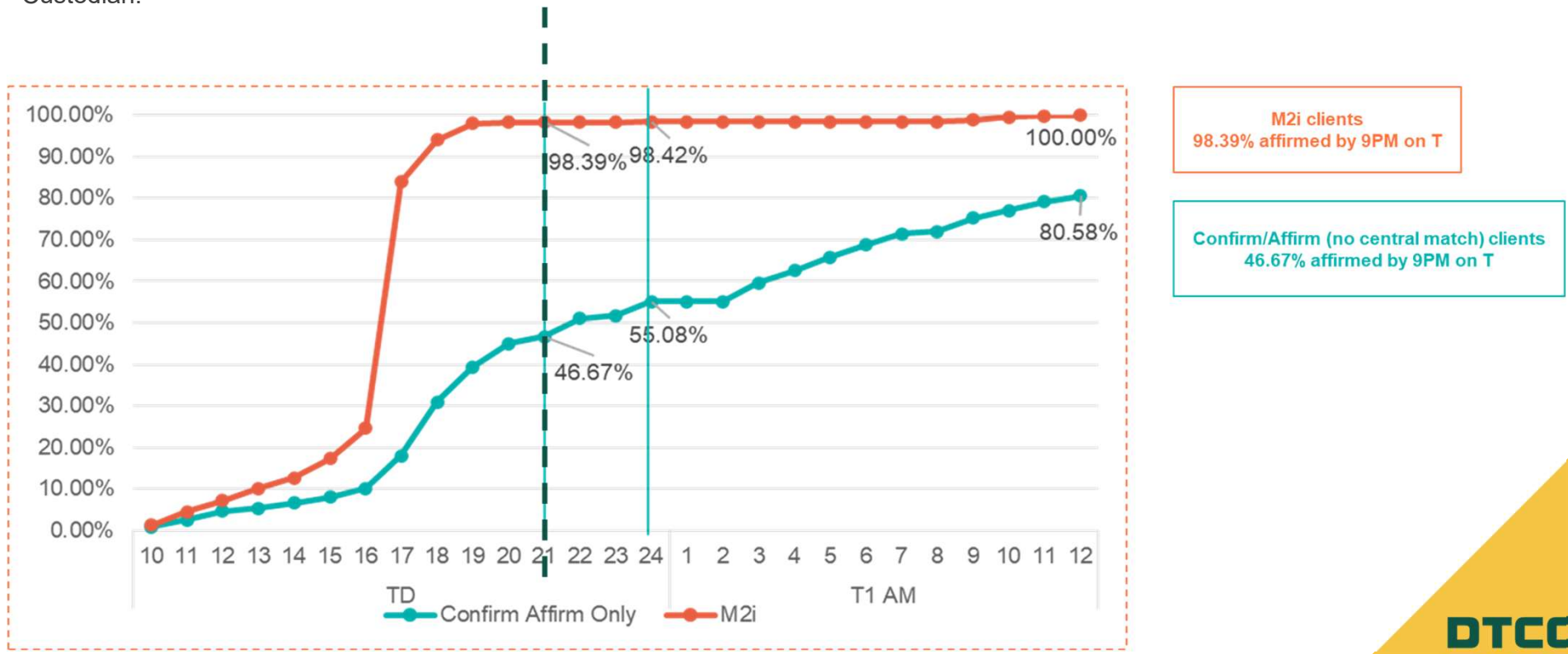
Sean McEntee

DTCC ITP Solutions to Support Compliance with T+1 Regulations

	SEC Rules	ITP Solutions
For Broker/Dealers & their buy-side counterparties:	<p><i>New Exchange Act Rule 15c6-2:</i> Broker/Dealers and Investment Managers will need to complete allocations, confirmations, and affirmations as soon as technologically practicable and no later than by the end of trade date.</p>	<ul style="list-style-type: none"> ▶ CTM® for central matching of allocations and confirmations (with current same-day match rates of 97%) ▶ CTM Match to Instruct (M2i) workflow for auto-affirmation of matched trades (current M2i clients have 98.39% affirmation rate by 9PM on T) ▶ ALERT® AKAS to facilitate SSI enrichment ▶ Global Custodian Direct to ensure accurate SSIs
For SEC Registered Investment Advisors:	<p><i>Amended Advisers Act Rule 204-2:</i> Registered Investment Advisors that are parties to contracts under Rule 15c6-2 will need to make and keep records of confirmations received, and allocations and affirmations sent, each with a date and time stamp.</p>	<ul style="list-style-type: none"> ▶ ITP Data Analytics and new T+1 Readiness Scorecard to provide clients with key metrics across Matching (CTM) and Affirmation (TradeSuite) to monitor how they are doing with respect to new T+1 requirements ▶ Trade Archive: a new UI capability for CTM and TradeSuite ID buy-side clients and middle office service providers to help with new record-keeping requirements <u>Not yet live</u>

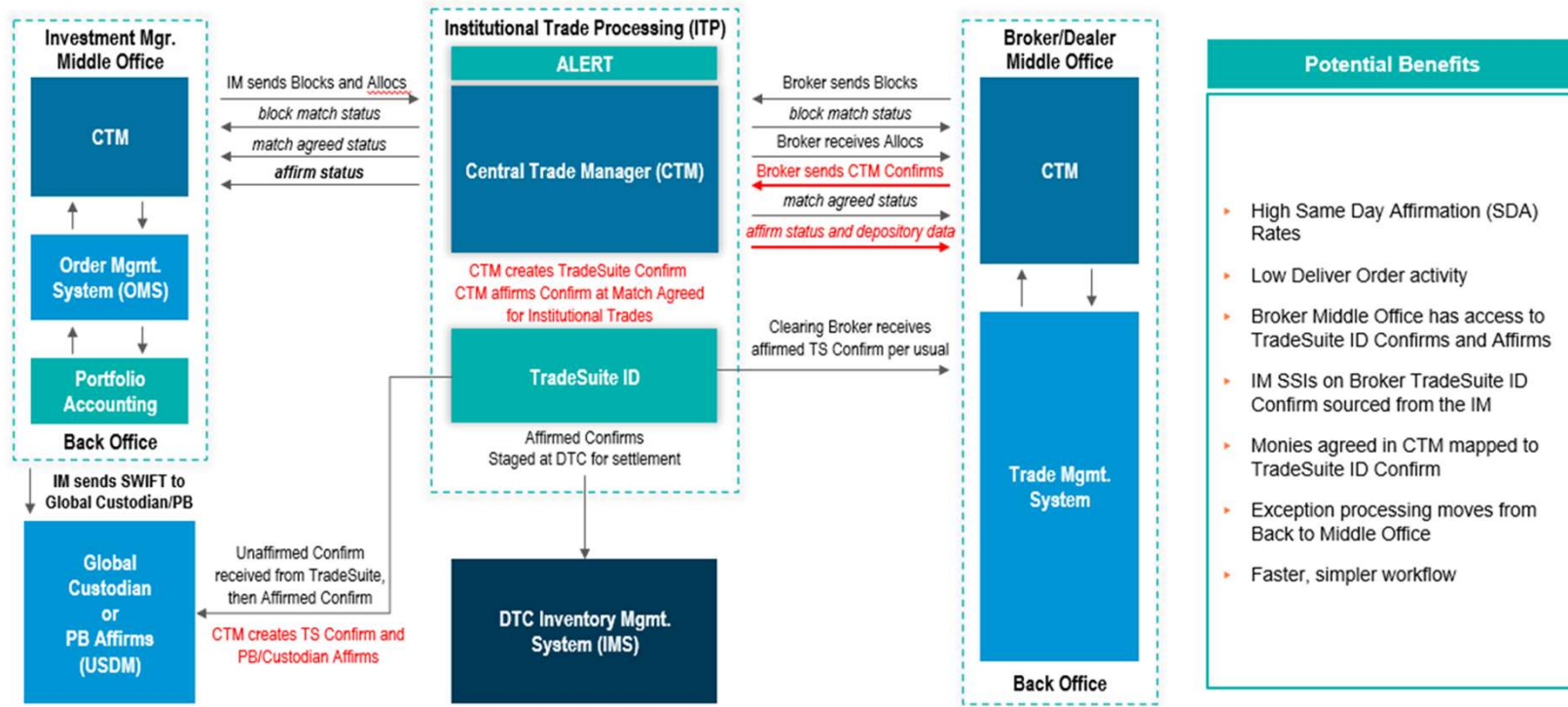
CTM Match to Instruct (M2i) – Problem Statement

- ▶ The **orange** line shows CTM Investment Managers on the Match to Instruct (M2i) workflow with a 98.39% Same Day Affirmation (SDA) rate by 9:00 p.m. These trades are automatically affirmed by CTM on behalf of the Investment Manager.
- ▶ The **teal** line below shows a 46.67% Same Day Affirmation (SDA) rate by 9:00 p.m. for trades not on CTM that are affirmed by the Custodian.



M2i Workflow and Benefits

CTM's Match to Instruct (M2i) workflow* establishes a connection with TradeSuite ID which can **automatically trigger trade affirmation** and delivery of instructions for DTC-eligible securities directly to the DTC for settlement when a trade match between an investment manager and executing broker occurs. Clients utilizing an M2i workflow achieve **the significant benefit of central matching and auto-affirmation** compared to local matching and affirmation by the custodian or institution.





* Enabling this workflow requires subscriptions to CTM, ALERT and TradeSuite ID.

DTCC ITP T+1 Readiness Scorecard

The ITP T+1 Scorecard is designed to provide DTCC ITP CTM® and TradeSuite ID® clients with **operational performance metrics, industry benchmarking, and trend analysis across Affirmation (TradeSuite ID), Matching (CTM), and Enrichment* (ALERT®)** to help clients prepare for the move to T+1 in the US and eventually other financial markets.



MVP Version supporting the US Market move to T+1 – Target delivery: Q3 2023

MVP+ Version – Target delivery: Q4 2023 and Beyond

 **Matching** 


Operational metrics assessing the timeliness and accuracy of matching in CTM:

- Total Trade Volume submitted to CTM
- Timeliness of parties submitting trades in CTM
- Timeliness of trades matching in CTM
- Number of Touches



 **Affirmation** 

Operational metrics assessing the timeliness of the confirm and affirmation process in TradeSuite ID:

- Total Confirm Volume submitted to TradeSuite ID
- Total Confirm Volume cancelled in TradeSuite ID
- Timeliness of parties submitting confirms in TradeSuite ID
- Timeliness of affirmations in TradeSuite ID, by affirming party

Counterparty Drilldown 

- Ability to drill into metrics to identify specific counterparties for remediation
- Additional charts and graphs to summarize the best and worst performers
- Client feedback from the MVP launch to be prioritized and planned

 **Enrichment** 

ALERT statistics for the enrichment of trades with SSIs:

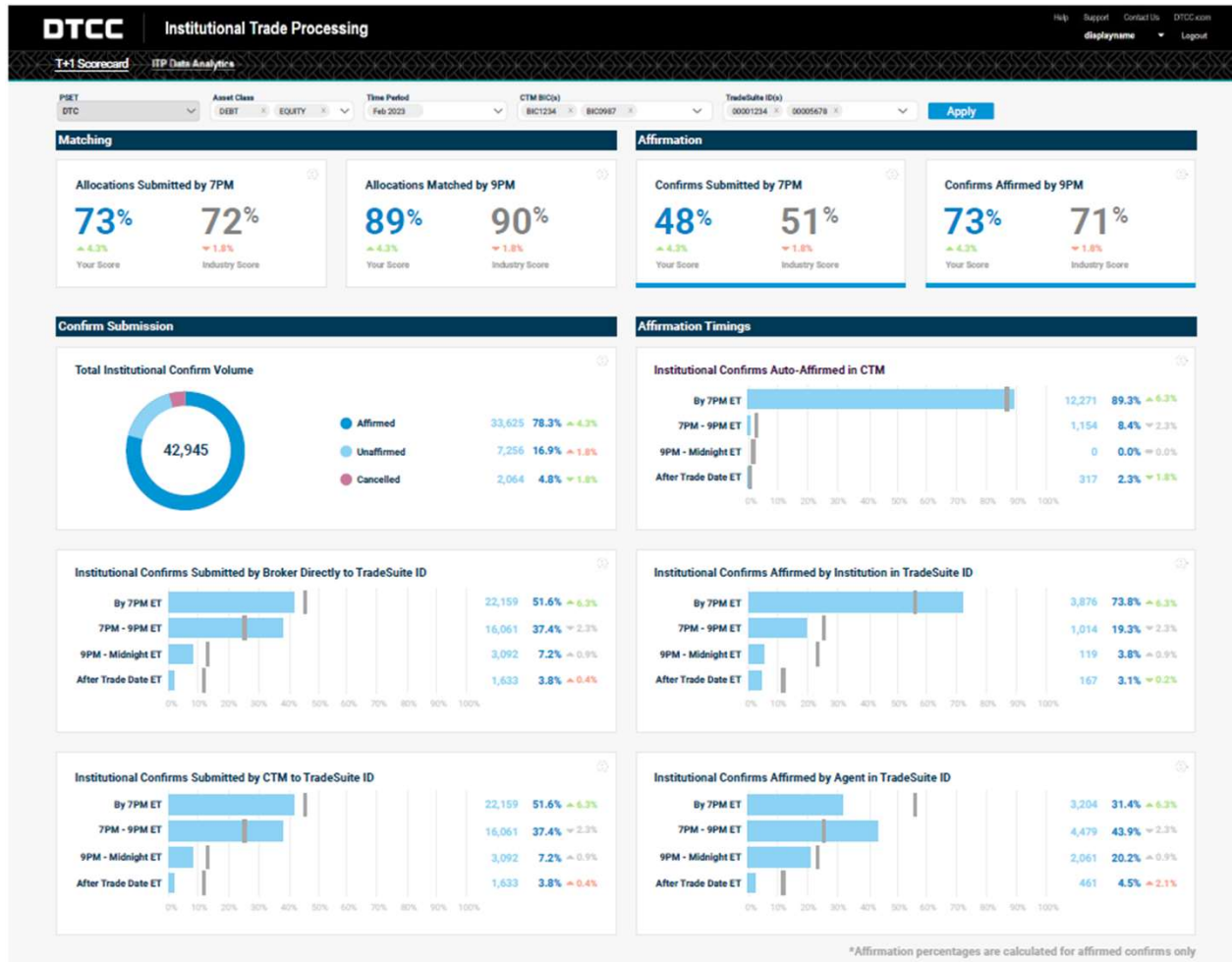
- SSI Compliance Rate with SMPG standards
- SSIs managed by Global Custodians / Prime Brokers
- CTM Blocks/Allocations enriched with SSIs, SSIs attempted to be enriched but with errors, and instances where SSIs were not included

Product Features

- Scorecard views tailored to Investment Managers and Broker / Dealers
- Comparison of firm's performance metrics vs. Industry Benchmarks
- Data for the most recent completed calendar month
- Transaction counts and percentages for available metrics
- Filter by Asset Class
- Trend Analysis compared with the prior completed calendar month



T+1 Scorecard UI Prototype – Buy Side View: Affirmation



DTCC ITP Archival Services – Trade Archive

DTCC ITP is expanding its archival services, with **Trade Archive**, a capability for buy-side clients (and middle office service providers) to assist in meeting clients' recordkeeping obligations.

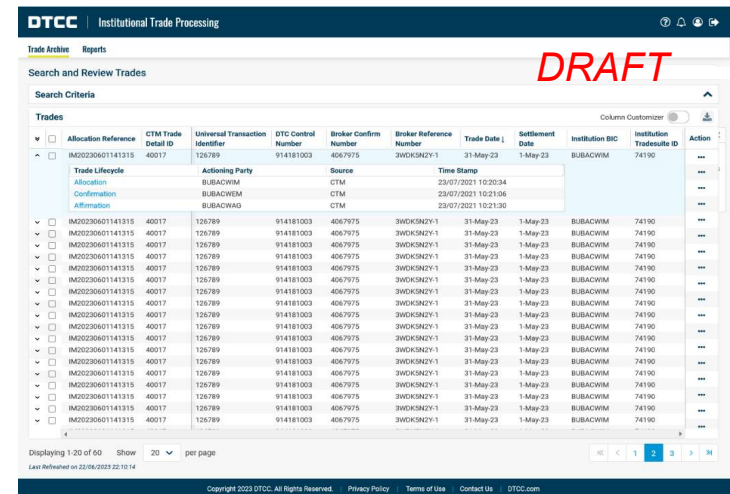
Trade Archive, once live, will be available to paid subscribers of CTM® and TradeSuite ID® **Not yet live - Target launch Q1 2024**

➤ **Creating a consolidated data warehouse that centrally archives and stores trade lifecycle records from both CTM and TradeSuite ID, from go-live.**

- ✓ **Any allocation sent or received with a date and time stamp that indicates when each allocation was sent or received**
- ✓ **Any confirmation received with a date and time stamp that indicates when each confirmation was received**
- ✓ **Each affirmation sent or received with a date and time stamp that indicates when each affirmation was sent or received**

➤ **Providing easy access through a DTCC web portal where an IM or IM outsourcer user can search the archive and view/download trade information.**

➤ **Clients who terminate CTM or TradeSuite ID subscriptions will cease to have access to Trade Archive records; clients may no longer rely upon DTCC as records provider post-termination of the subscriptions. **Clients will need to download their records before termination.****



See DTCC Important Information at end of presentation

DTCC Important Information

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The background features a large, light beige arrow pointing to the right. To the left of the arrow is a teal triangle pointing right. To the right of the arrow is a large orange shape composed of several overlapping triangles and polygons. A thin orange line outlines a triangle within the orange area.

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