

Achieving Operational Efficiency in the OTC Derivatives Market



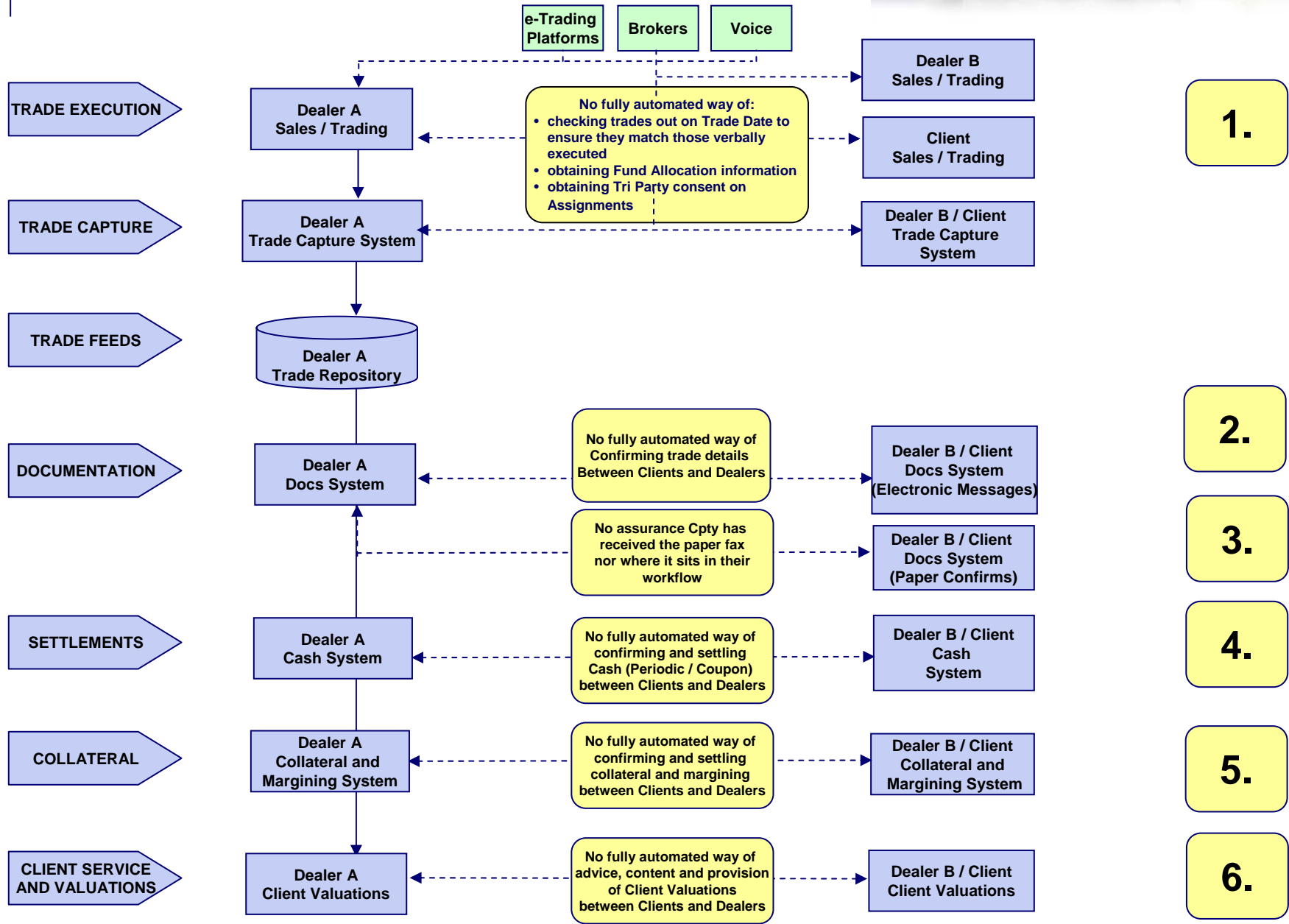
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Opportunities in achieving STP in the OTC Derivatives Market

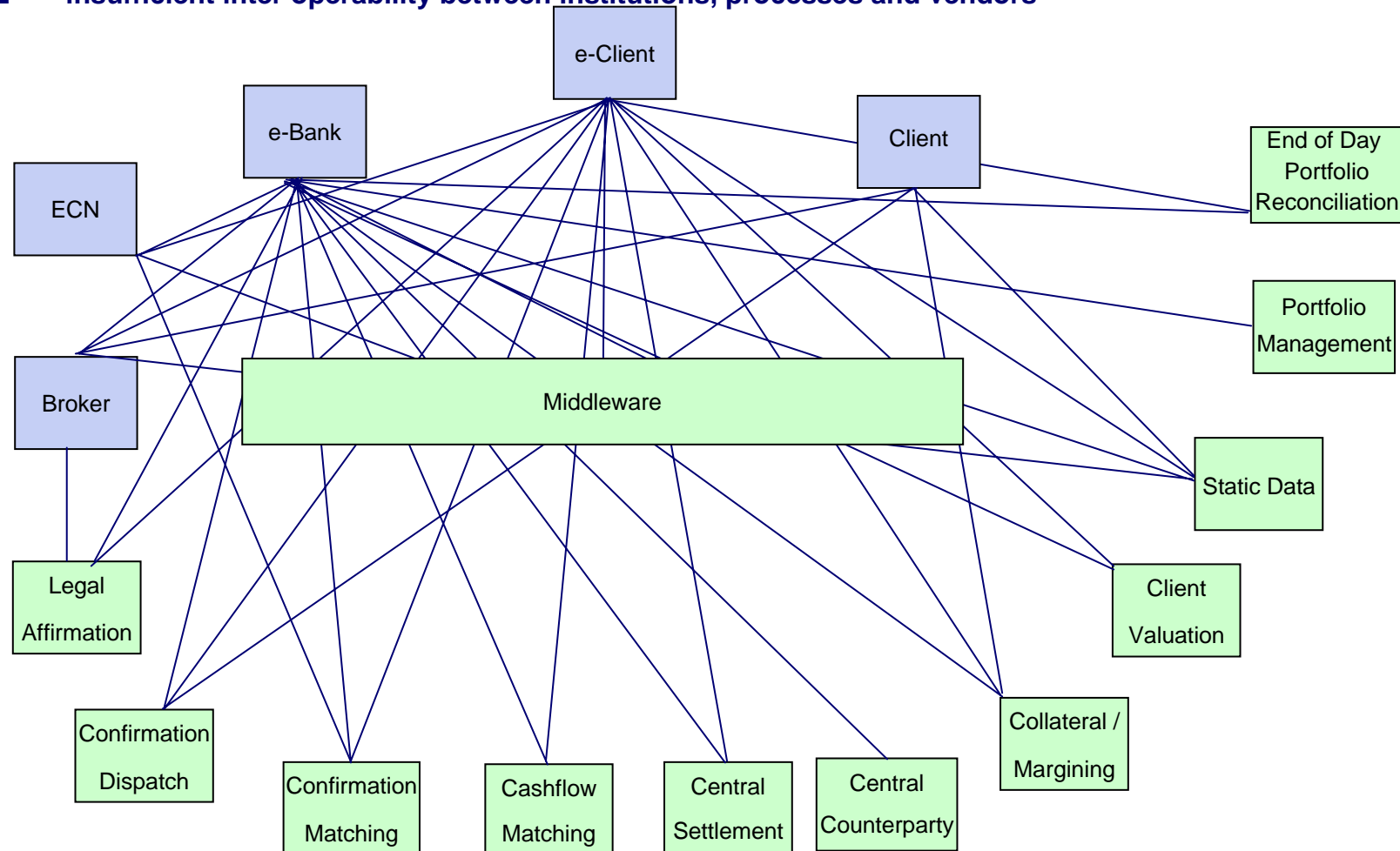


The Challenge in achieving STP in the OTC Derivatives Market



We face an environment with:

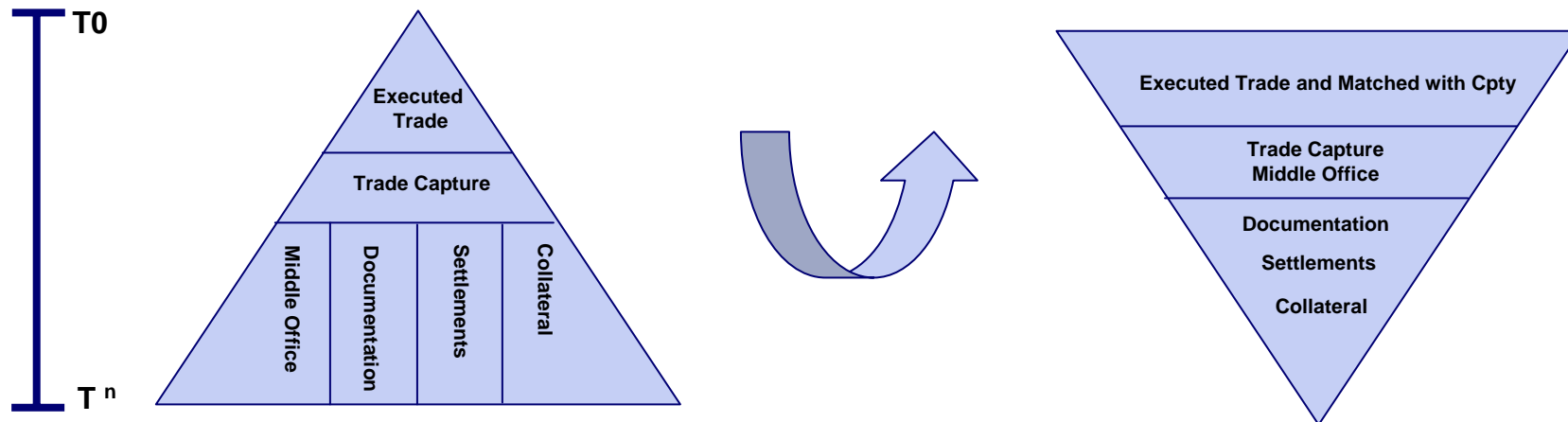
- ❑ multiple institutions
- ❑ multiple processes
- ❑ multiple vendors
- ❑ insufficient inter operability between institutions, processes and vendors



The goal of the OTC Derivatives Industry



The OTC Derivatives Industry needs to fundamentally change the way it supports and processes transactions by inverting and automating the support pyramid:



This not only provides support efficiencies but mitigates risk earlier in the life cycle of a transaction.

Requirements for reducing Confirmation and Settlement breaks



- ❑ **Trade Date agreement of Trade Details**
- ❑ **More efficient use of Trade Execution Platforms to increase accuracy and speed of confirmations**
- ❑ **More efficient provision of Fund Allocations**
- ❑ **More efficient use of the Request for and Provision of Consent to drive the confirmation of Assignments**
- ❑ **Faster roll out of additional Asset Classes onto Electronic Confirmation platforms**
- ❑ **Continued identification of common breaks and process changes to eliminate reoccurrence**

Current and Future STP Solutions in the OTC Derivatives Market

