

# Achieving Operational Efficiency in the OTC Derivatives Market



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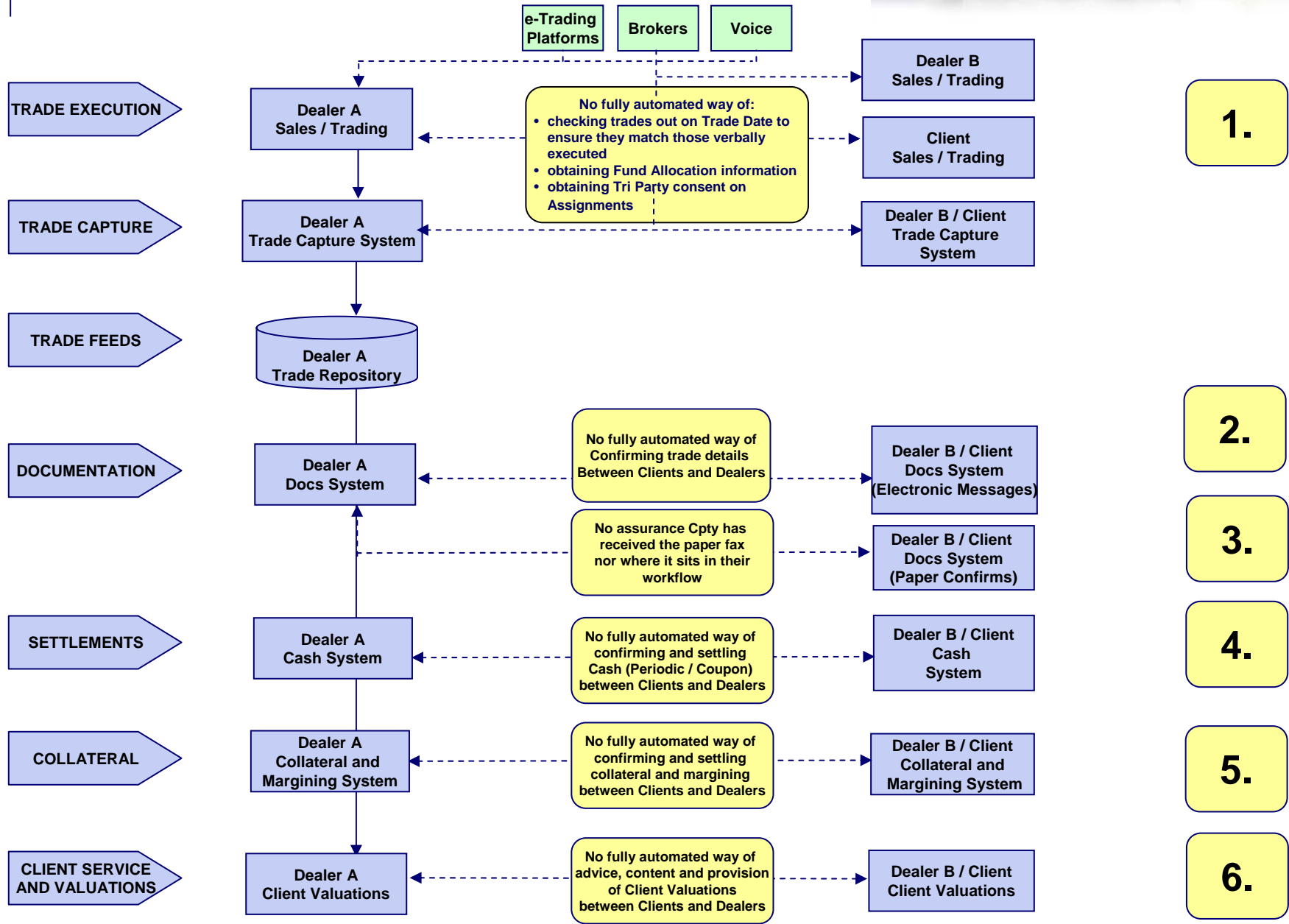
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# Opportunities in achieving STP in the OTC Derivatives Market

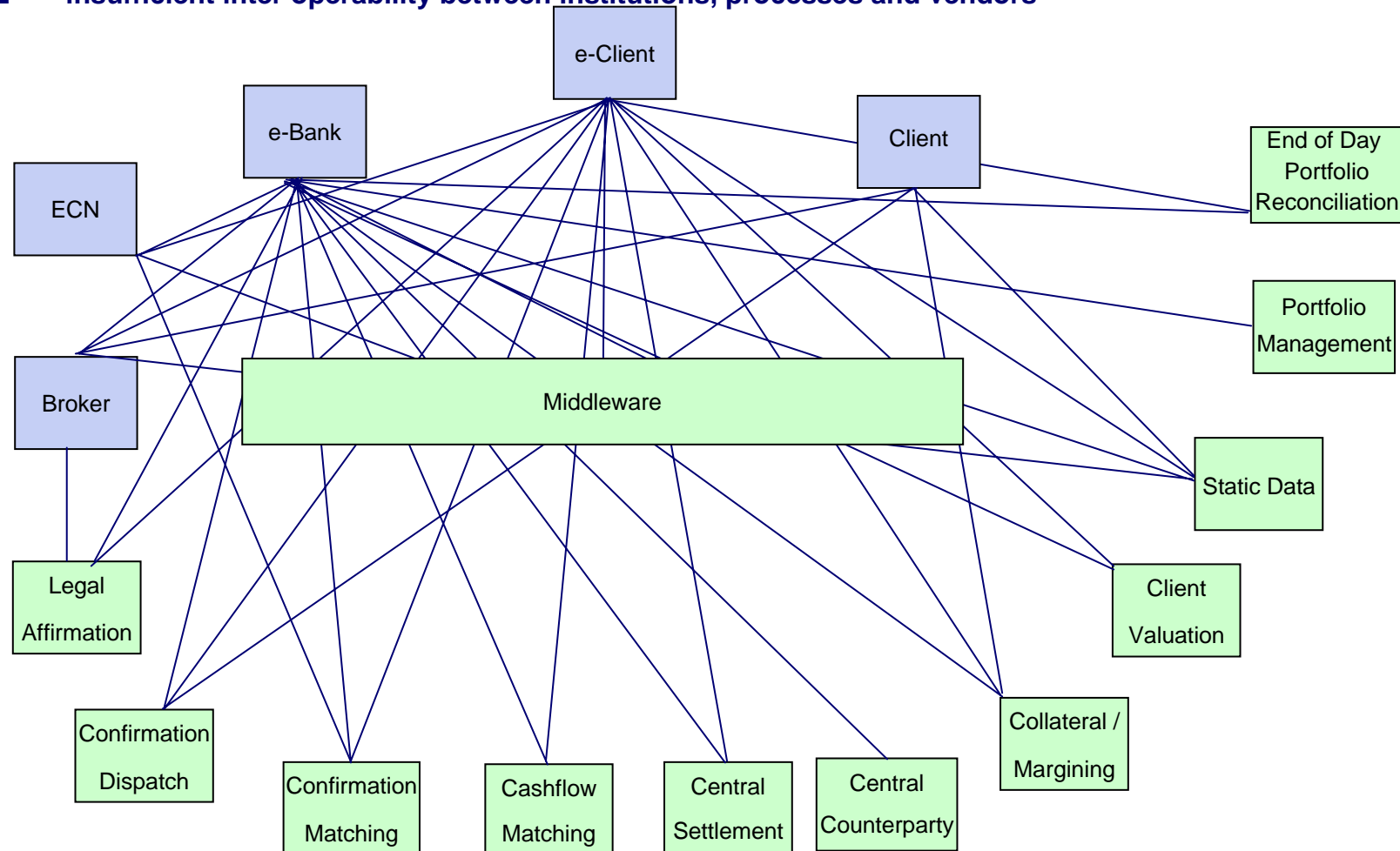


# The Challenge in achieving STP in the OTC Derivatives Market



We face an environment with:

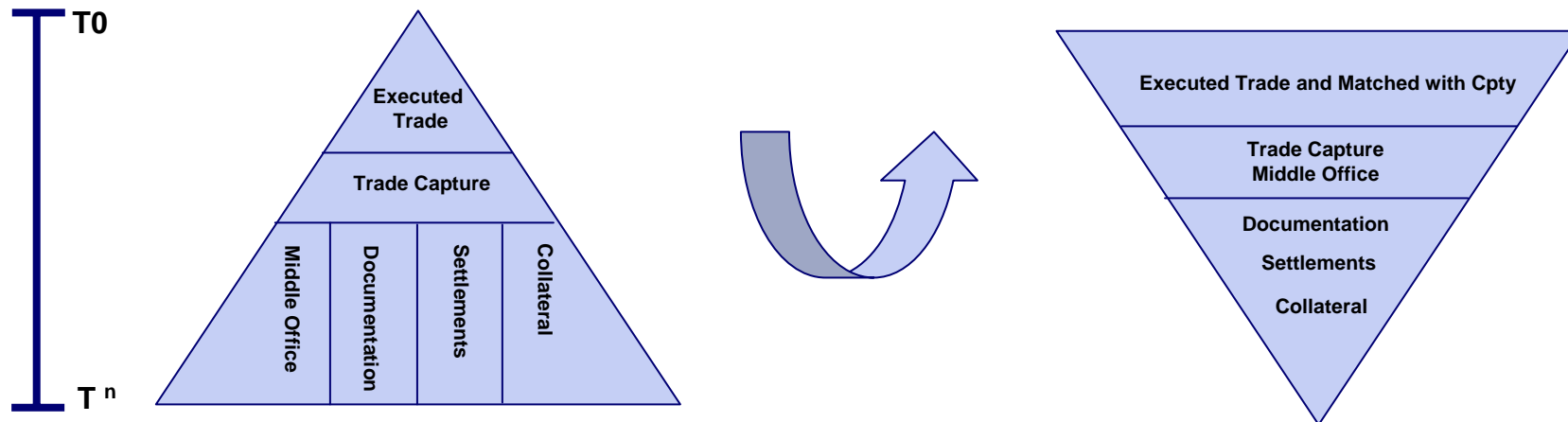
- ❑ multiple institutions
- ❑ multiple processes
- ❑ multiple vendors
- ❑ insufficient inter operability between institutions, processes and vendors



## 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

Note : not complete - for illustrative purposes only

