Equity CCP Connect

The complete matching service enabling connectivity to pan-European CCPs for clearing and netting of broker-to-broker trades

Founded in 2000, Traiana is the market leader for electronically processing over-the-counter foreign exchange, exchange traded derivatives, fixed income, cash equities and CFD equity swap trades. With one connection to Traiana's Harmony network, more than 500 major firms are connected to all of their trading relationships – prime brokers, executing brokers, clearinghouses, buy-side clients, electronic communication net-works (ECNs) and retail brokers – significantly reducing the risk and complexity of these relationships, increasing operational efficiency and providing real-time solutions to the most urgent challenges facing market participants across client service, post-trade risk management, and operations.
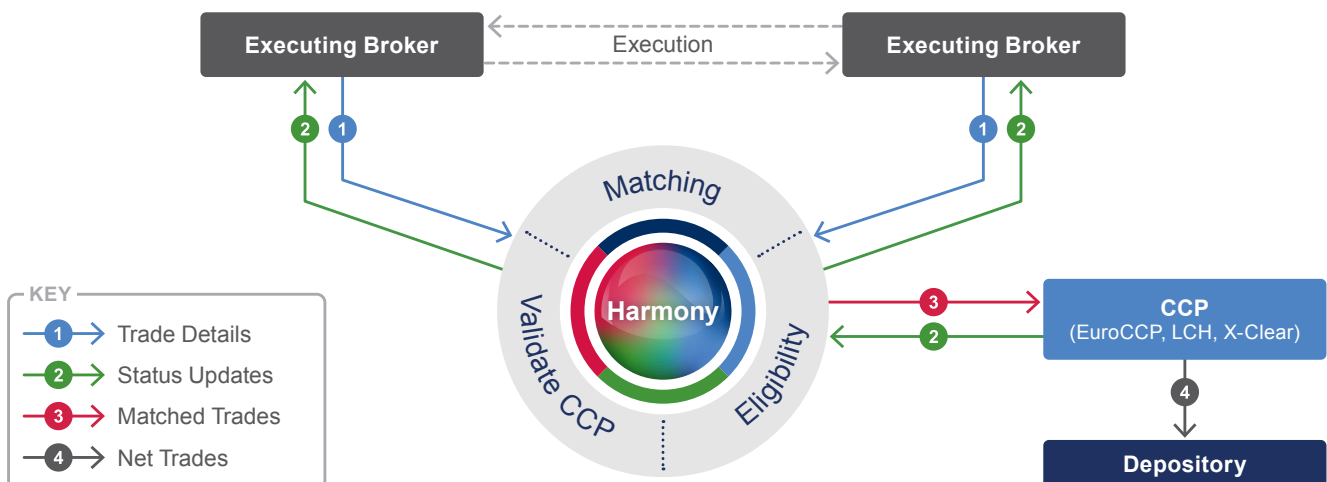
Key Benefits

CCP Connect for Equities provides sell-side firms with the ability to significantly reduce DVP/RVP settlement costs for cash equity trades. Matched and eligible OTC trades are sent directly to your central clearing house (CCP). The CCP novates the trades and comingles the OTC transactions with your onexchange trades to form part of the netting cycle for maximum cost benefit.

It is estimated that the industry can save upwards of $30 million in bi-lateral settlement fees by netting OTC equity transactions.

CCP Connect for Equities Provides:

- Broker-to-broker matching
- ISIN eligibility validity engine
- Connected to EuroCCP, LCH.Clearnet, SIX X-clear
- Fully interoperable model across the pan-European CCPs
- Trade window for netting available until 6 p.m. (UK time)
- Web-based UI to monitor trade and clearing status

Equity CCP Connect Workflow

KEY
1 Trade Details
2 Status Updates
3 Matched Trades
4 Net Trades

Key Benefits of CCP Connect for Equities

- Trades with different counterparties will be netted through a CCP saving on bi-lateral settlement costs. Inoperability between CCP's further enhances the settlement cost savings
- Counterparty risk is eliminated by novating trades to a CCP
- Improvements and standardization in workflow – i.e. matching trades early in life-cycle, routing trades via CCP improves operational efficiency and reduces risk of settlement failure
- As more volume is sent to a CCP, the collateral requirement posted to that CCP often reduces
- Current themes of upcoming European regulation (MiFID II) favor moving OTC trade flow towards a CCP

Settlement and Automation on Broker-to-Broker Trade Flow

OTC equity transactions will be matched against industry agreed matching criteria versus your broker counterparty and any exceptions will be reported in real-time via electronic messaging or the Harmony web-based user interface. Matched trades will automatically be referenced against your chosen CCP ISIN eligibility list and upon successful validation will be passed to the CCP. CCP Connect will provide a real-time status message from the CCP and the trades will enter your pool of on and off exchange equity flow ready for the end-of-day netting cycle. Traiana is connected to pan-European CCP's, EuroCCP, LCH.Clearnet and SIX X-clear to ensure the service offers choice, flexibility and maximum cost benefit to your organization.

Netted transactions (compression rates upwards of 75% have been achieved) will be passed to the relevant depository for settlement resulting in considerably lower settlement costs.

Comprehensive Clearing Connectivity Solution

With CCP Connect, software and IT requirements are minimal and go-live time is reduced. A single connection is all that is needed to connect executing brokers, prime brokers and CCPs.

Complete Monitoring and Exception Management

CCP Connect provides a dedicated dashboard UI and a programmatic interface for connection to an institution's existing exception management systems ensuring timely delivery of post-trade messages to recipients.

Professional Services

Traiana's professional services team, consisting of project management, integration and customer support, has helped many of the world's leading financial institutions implement a comprehensive workflow solution for client clearing via the Harmony network.

Led by one of the industry's largest groups of post-trade processing professionals, the project management and integration teams are responsible for the delivery of complex projects to clients, and have a proven track record of successfully on-boarding and training customers, on time and within budget. The team provides a high-touch, low-cost efficient service delivery, using preferred technical standards and integration tools.

The Traiana customer support team consists of experienced application experts who are available to support the technical, transactional and functional needs of customers.

To find out more contact the Traiana team directly: info@traiana.com

Or visit the website: www.traiana.com