

Affirmation & Clearing

The Requirement

Our client, a tier one global investment bank had three pressing requirements:

1. The need to re-engineer its existing Markitwire affirmation interface to its own in-house front office platform.
2. Put in place a clearing connectivity platform for its house and client trades.
3. Be able to satisfy its future connection requirements roadmap.

Before we were selected, the bank evaluated the viability and risks of opting for an in-house build project versus working with an external vendor. After careful consideration of both possibilities, and after talking with a number of other suppliers, the bank engaged Message Automation (MA) in a proof of concept exercise to assess our ability to address two key requirements, these were:-

- To provide Marketwire connectivity to support a range of trade events for their rates asset classes.
- To deliver CME clearing connectivity for credit products

Key Business Drivers



Improved
Productivity



Time to Market



Control
Costs

The Project

For the proof of concept, the MA **futureLANDSCAPE** platform was installed within the bank's infrastructure and our pre-existing configurations for Markitwire and CME connectivity were also delivered. Within just two weeks elapsed time from the start of the PoC, the bank were confident that by engaging with us they could achieve considerable cost savings as well as accelerating and de-risking a number of these important projects. They also quickly recognized the additional advantages **futureLANDSCAPE** could provide - which included helping to facilitate the decommissioning of ageing and increasingly inflexible in-house systems - and a further significant benefit was our ability to very quickly enable new connectivity to be delivered as soon as they were needed.

A long term partnership

Subsequently, the bank has purchased a number of additional CCP connections for the US, Europe and Asia and has taken new flows for new asset classes through its Markitwire connection. We have built a very strong relationship with the bank and now work closely with them to ensure that they achieve their on-going connectivity road map which was a key component of their original requirements specifications document. For example, we worked closely with the bank to ensure that they were the first institution to be live on the new Japanese client clearing service via JSCC.

Full production within weeks not months

The first phase of our engagement went into production in only seven weeks from project initiation. This included full STP to the bank's primary trading system. Very soon after this a follow up project was commissioned to supply and deliver VCON connectivity. This was configured in four weeks and successfully deployed in production, again within four weeks of delivery. Importantly, hooking into this alternative affirmation service required no new data mapping, as the links between the MA harmonised data format (known as MAML) and the bank's internal systems remained consistent.

The Benefits

The bank has reduced both internal systems and manpower costs, and has a flexible, future-proofed solution able to meet its on-going connectivity needs in a rapidly changing landscape. They have been able to respond to client's needs promptly with addition of new CCP connections, and have avoided expensive in-house development and/or core vendor system upgrades.

About Us

Message Automation is a specialist company completely focused on assisting organisations improve the efficiency of their OTC derivatives processing since 2003. Our clients include several tier one investment banks and buy side firms.

www.messageautomation.com

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