THIS PROGRAM IS CUSTOMISABLE FOR SPECIFIC PRODUCTS / LoBS

In a highly digital world, certain processes seem to need plenty of checks.

Which are the products and processes where this occurs? This perspective on the trade lifecycle helps achieve clarity on the issues associated with pre-matching and checks at each stage in the Trade Lifecycle.

The Product-Market Matrix on which this program is designed helps participants focus on what matters to them; what is it that they are trying to solve?

In each instance, the particular market practices are covered with specific reference to the Product-Market - and NOT the conventional 'one size fits all' coverage of Trade Lifecycles.

Duration:

8 sessions of 1.5 hours each (2 day equivalent)

Program Detailing

1. The Trading Ecosystem

- ☑ What is the broader environment in which a trade takes place
- ☑ What are systemic parts and steps needed to achieve trade completion

2. Classification of Products and Markets

- ☑ How many types of Markets
- ☑ How many types of Products

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- The Product-Market matrix: helps understand where the processes are most and least automated; the least automated ones have the maximum number of 'pre' and 'post' checks at every stage of the Trade Lifecycle

3. Types of Settlement (quick look at each)

- Exchange Traded
- Cleared Trades
- Bilaterally Settled Trades
- Risk Levels & Mission Criticality: Exchange vs. OTC

The Internal View of the Trade Life Cycle

4. Client-onboarding and Contracting

- Who do we agree to trade with
- What documentation does it need (given the risks discussed earlier)
- Globally Accepted Documentation Standards
- Basic Structure of Documentation
- Standard Settlement Instructions
- Authorisations to trade and commit

5. Pre-Trade

- Pre-Trade Compliance in Exchange Trades
- Pre-Trade Compliance in Other Trades
- Pre-Trade Compliance / Trade Limits
- Pre-Trade Compliance / Margin Trades
- Pre-Trade Compliance / Delivery Based Trades
- Pre-Trade Compliance / Price Verification

6. Orders & Trades

- Price
- Quantity
- Order screens
- Order Management Systems

- Matching orders
- Platforms used to match orders
- Execution
- Trade Give-Ups / Take-Ups
- Trade Allocation
- Generation of confirmations after Trade Allocation

7. Post Trade Pre-settlement

- The Outcome of an OTC Trade
- Trade Capture / Typical Input Data
- Trade Capture / Criticality of timeliness, accuracy
- How STP facilitates Trade Capture and other Back Office requirements
- Sample of an STP for Fx/ Reuters Dealing 3000

8. Confirmations

- The Need for Confirmations
- Confirmation / Standard Practices
- Confirmation / Transmission
- Confirmation / Use of SWIFT
- Confirmation / SWIFT / BIC
- Confirmation / Checking
- Confirmation / Amendments
- Confirmation / Escalation Procedures
- Confirmation / Timing

9. Preventing Failed Trades

- The OTC Trade Cycle
- The OTC Trading Ecosystem and Lifecycle
- Understanding Counterparty Credit Risk & The Need for Agreements
- What is Counterparty Credit Risk
- Examples of Counterparty Credit Risk
- Counterparty Credit Risk during the life of a deal
- Agreements revisited

10.Settlements

- Settlement / Trade Validation
- Settlement Instructions
- Standard Settlement Instructions (SSI)
- Standard Settlement Instructions/ Advantages & Disadvantages
- Settlements /Value Date
- Settlements /Netting Off Obligations
- Netting
- Amendments
- Novation

11. Reasons for Settlement Fails

- The Cost of a Fail
- How are Trades Settled
- Preventing Failed Trades
- Settlement Enforcement
- Partial Trade Settlement

12. Post Settlement

- Reconciliation of Securities / Cash Accounts
- Accounting

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