

## Central Clearing Party Capabilities Within TradeFlow™

### Reduce Risk and Enhance Compliance With Standardization for Derivatives

TradeFlow from Fiserv supports Central Clearing Party (CCP) capabilities through MarkitSERV for OTC Derivative Credit and Rates instruments. This straight-through processing connectivity enables TradeFlow to route OTC Derivative trades through MarkitSERV to multiple CCPs, displaying clearing lifecycle status message updates and allowing users to accurately manage clearing exceptions within a single workstation view.

#### In Harmony with the Evolving Regulatory Landscape

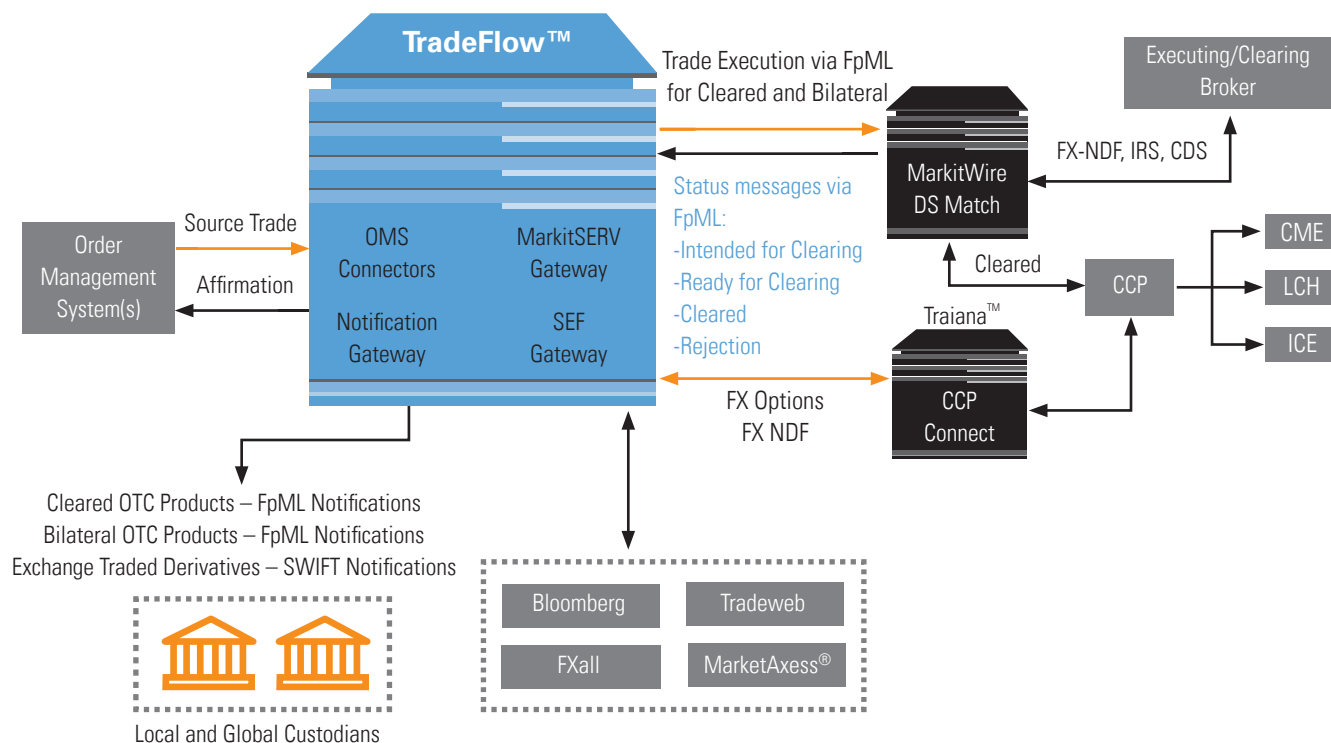
New regulatory requirements have been gradually introduced following the adoption of the Dodd Frank Act and the European Markets and Infrastructure Regulation (EMIR). The rulings within the act have changed the way OTC Derivative contracts are cleared. Regulatory requirements state that all standardized OTC contracts must be cleared through central clearing parties to reduce risk and enhance transparency,

forcing the standardization of contract and data formats as well as messaging protocols. These market conditions have necessitated the development of clearing functionality in TradeFlow.

#### Key Features

- Complete derivatives post-trade transaction lifecycle processing
- Integrated audit trail from clearing to FpML-based custodian notifications

#### TradeFlow™ Derivatives Processing



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- Real time exception management
- Flexible templates to handle settlement notification variations to different custodians
- Comprehensive process management for interest rate swap, credit swaps total return swaps, foreign exchange (FX), commodity swaps and equity options
- Auditing capabilities of the OTC transactions
- Support for FpML translation and upload to the MarkitSERV API
- Status updates back to the OMS
- Separate Workgroup and Folder structure for CCP Clearing
- Unmatched transaction Field Comparison Report
- Support for multiple asset types, including:
  - Interest Rate Swaps
  - Credit Default Swaps
  - Credit Default Index

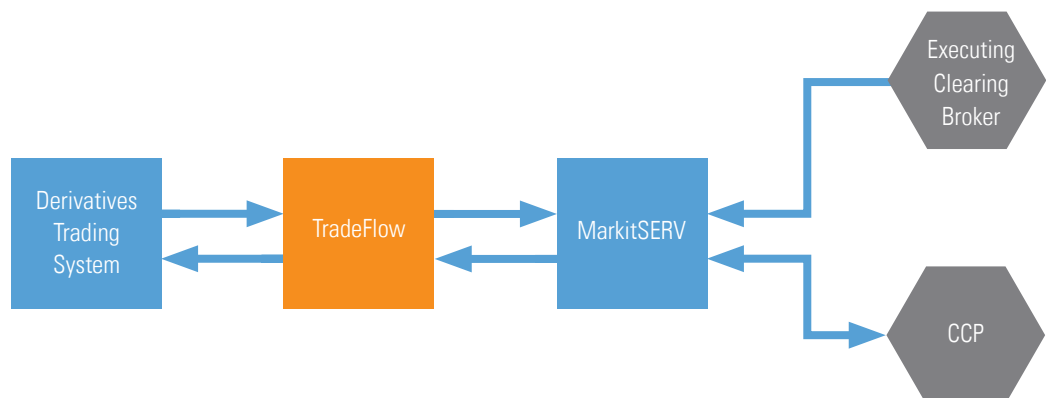
### Functional Description

The central clearing capabilities in TradeFlow allow investment managers to upload transactions for clearing from their

derivative trading systems to TradeFlow in multiple data formats. These transactions are parsed, validated and normalized into TradeFlow, and then translated into FpML format for forwarding to the MarkitSERV API. Any transaction that fails validation can be viewed and managed by the user in the Investigate folder. The use of FpML formats for uploading data to the MarkitSERV API will allow for return status changes to be provided back into TradeFlow.

All transactions uploaded to the API will be processed by MarkitSERV, along with the broker side of the trades, and then sent to the CCPs for clearing. Status updates are then returned from all of the parties in the clearing process, including the executing and clearing brokers and displayed in TradeFlow for monitoring and exceptions management. If the investment manager requires status updates, these can also be sent back to the source system for an accurate and comprehensive audit trail. Status updates returned by MarkitSERV include:

- Intended For Clearing
- Ready For Clearing
- Cleared
- Rejected
- Error



## Extended Benefits

Using TradeFlow to manage the clearing of OTC Credit and Rates Derivatives provides Investment Managers the ability to rapidly onboard new Central Clearing Parties and Clearing Members without additional investment in infrastructure. It also facilitates the adoption of new asset classes as they become eligible for clearing, such as FX Non-Deliverable Forwards (NDFs) and other derivatives instruments.

## Connect With Us

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