

Foreign Exchange Functionality Within TradeFlow™

Increased Efficiencies and Flexibility for Foreign Exchange With Continuous Link Settlement

TradeFlow from Fiserv manages the processing of all foreign exchange deals between third parties and executing brokers. Foreign Exchange functionality supports Electronic Trade Confirmation and Settlement, handling the communication of MT300 messages.



Settlement Messaging

With TradeFlow, upon successful post-trade matching of a foreign exchange confirmation, an MT304 message is generated by the module. The Foreign Exchange module can be configured to facilitate routing transactions sent to a matching, settlement or both. A Continuous Linked Settlement (CLS) workflow is fully supported, including extensive eligibility and exemption criteria, and associated standing settlement instruction (SSI) data.

Functional Description

The Foreign Exchange functionality within TradeFlow has been developed in line with best market practices and guidelines, to allow users to manage exceptions in real time throughout the post-trade confirmation, affirmation and settlement instruction workflow.

Spots, Forwards and Non Deliverable Forwards (NDF), are catered for, the latter being integrated with the payments module.

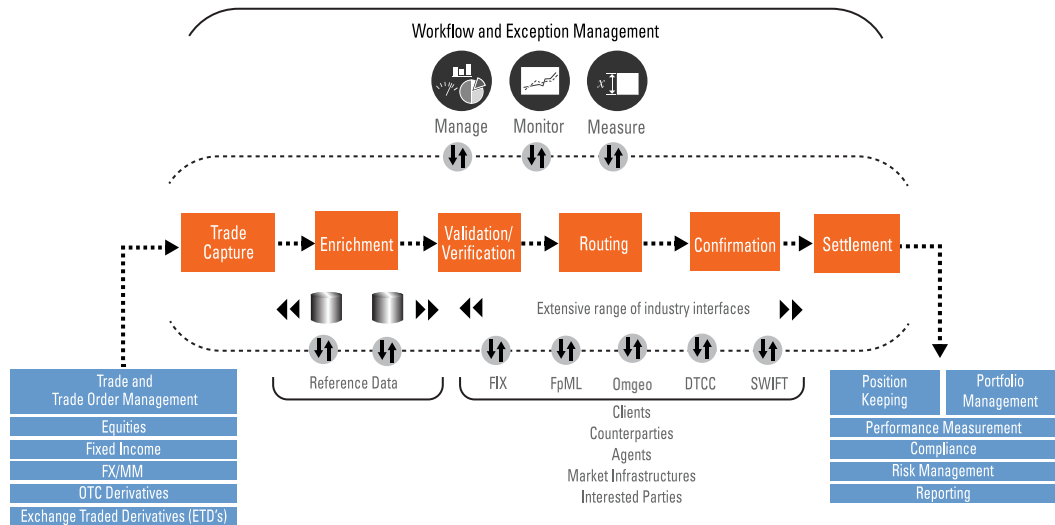
Multiple inbound data formats and connectivity methods, confirmation and affirmation methods and settlement instruction formats can be supported within a multi-entity/client framework.

Key Benefits

- Centralized Netting – foreign exchange matching profiles align with local sources
- Custodian Communication – generate settlement instructions for MT304 messages
- Mapping of SWIFT Messages – continuous link settlement mapping for MT300 and MT304
- Accelerated Settlement available before matching – making the notification process more efficient
- SWIFT messages and SSIs are updated in accordance with the annual SWIFT upgrades
- Business Rules – settlement suppression, value date validation
- High STP rates can be achieved

Trades are captured from the clients' front office environments, parsed, validated at a technical level and stored in a normalized form. Trade data can be enriched using data from internal or external sources. The trade is then validated a second time to ensure that all of the business data required to process the trade has been supplied in an appropriate format and complies with TradeFlow validation rules. If a trade fails

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TradeFlow is a complete post-trade processing solution allowing you to manage confirmation and settlement exceptions within a single integrated environment regardless of carrier, technology, format or method. The solution facilitates business growth enabling you to rapidly add new clients, utilities or instruments onto a common platform.

validation, it appears in an “Investigate” folder and will remain there until archived or action is taken to resolve the exception.

TradeFlow supports a local confirmation method based upon the MT300 message type (Foreign Exchange Confirmation). Mismatched or unmatched trades will appear in “Exceptions” folders, where actions such as: Force Match, Rejection, Accelerated Settlement, and chasing counterparties with emails can be performed, by eligible users. Both pre match or post match affirmation messages destined for the broker are also supported.

Once a trade is confirmed, settlement instructions can be generated. The primary settlement instruction method uses the ISO15002 SWIFT MT304 message type (Advice/Instruction of a Third-Party Deal). Alternatively an out of the box PDF format via email, is available, and FAX is a possible option. All these are available for custodians and interested third parties. Cancellation processing and cancel messages, with manual controls, are included throughout the module.

Full BDI/SSI support is provided within the solution. Both the affirmation and settlement messages associated with the trade are enriched using internally maintained standing settlement instructions (SSIs). If these do not exist, there are multiple SSI instructions available or the outbound message does not comply with SWIFT validation rules then the instruction is forwarded to an exceptions folder and user intervention is required to resolve the exception.

Client specific workflows, for example accounting updates, can be created within editable rules, which are not impacted by upgrades to the core product.

Connect With Us

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