

Factsheet

○ SureVu.

Automating failed trade management to meet SDR



In February 2021 we will see the introduction of the new Settlement Discipline Regime (SDR) that harmonises the way Central Securities Depositories operate across the EU. A key aspect of the regulation is the enforcement of mandatory buy-ins, a step that will add to the pressures and critical deadlines faced by the typical buy-side Operations team.

Pre-settlement and failed trade management tends to be the last bastion of non-automation for a large majority of buy-side firms, who rely on clunky custodian portals or manual reports. With a mandatory buy-in deadline being imposed of T+4 (for equities and fixed income securities) the time frame for resolving failed transactions across the EU is being compressed. This will no doubt require most Operations teams to provide even more oversight

and resource to an already manually-intensive process, reducing the scalability of the team as a whole.

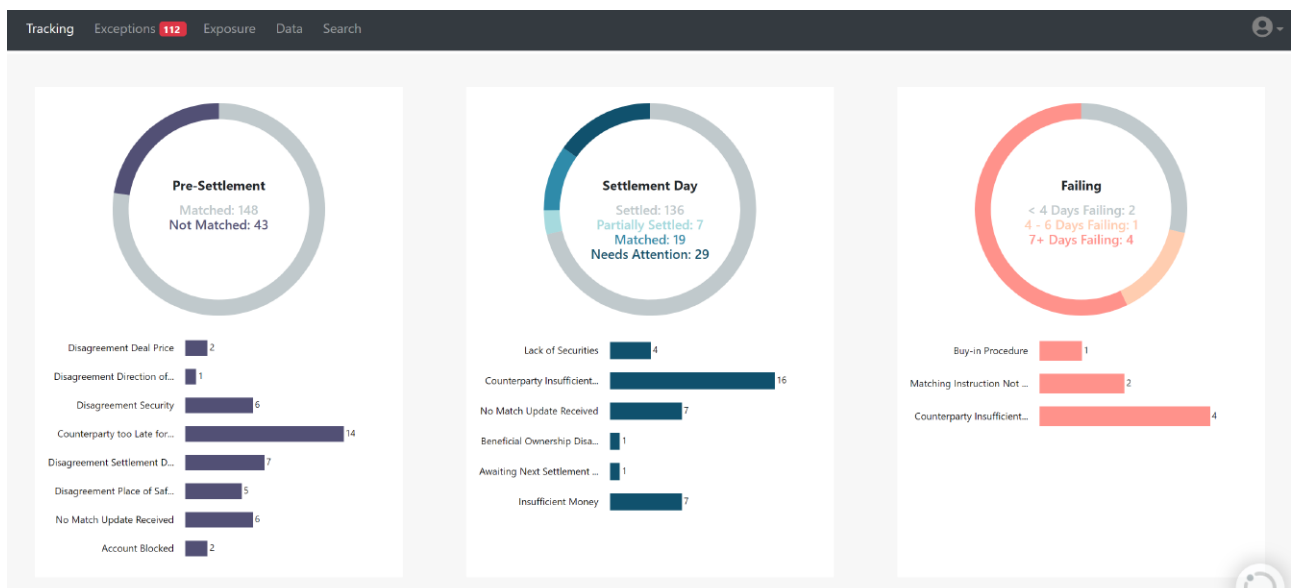
In order to safely navigate the new requirements of the regulation, Operations Managers will have no choice but to automate in order to bring the process under control, maintain operational efficiency and mitigate the buy-in risk down to the smallest possible margin.

SUREVU

SureVu safeguards the buy-side firm from falling foul of mandatory buy-ins by extending Salerio’s proven exception management processing across the full settlement cycle. Communicating with custodians via real-time SWIFT messaging, the Operations Manager can have full oversight of any issues within the settlement chain, identifying potential buy-ins instantly. With the added security of an automated pre-settlement process, the chances of a trade failing in the first instance are greatly reduced.

Available as a cloud-based, fully managed service, SureVu is your consolidated solution for enforcing settlement discipline within your organisation in order to be SDR compliant. The intuitive, easy-to-use software is designed to automate and improve existing business processes, bringing scalability in the face of an ever-increasing regulatory environment (see Diagram 1).

Diagram 1: SureVu tracking screens with context sensitive charts that power issues management and investigation



THE MAJOR ADVANTAGES PROVIDED BY SUREVU

1. Automation of the full settlement lifecycle

Pre-settlement and failed trade monitoring is still a manual process for large parts of the buy-side. SureVu fully automates the process by communicating with your custodians via SWIFT messaging. By employing Salerio’s proven exception management processing, the user is rapidly presented with the most critical issues.

With the introduction of SDR, the Operations team will need to proactively pre-match every trade. This will help ensure settlement and mitigate the risk of a mandatory buy-in (and the resulting costly financial penalties and increased manual workload).

2. Avoidance of mandatory buy-ins

With the introduction of mandatory buy-ins even more pressure is being put on the buy-side firm to have a solid pre-settlement and fails management process.

SureVu is able to track the status of a trade from the issuing of a settlement instruction to a custodian until the physical settlement on the CSD. As the user is kept fully apprised of trade status through the full lifecycle there should be no reason why all trades cannot be matched before settlement date, in order to avoid the costly buy-in penalties that can occur.

3. Show that you are in control

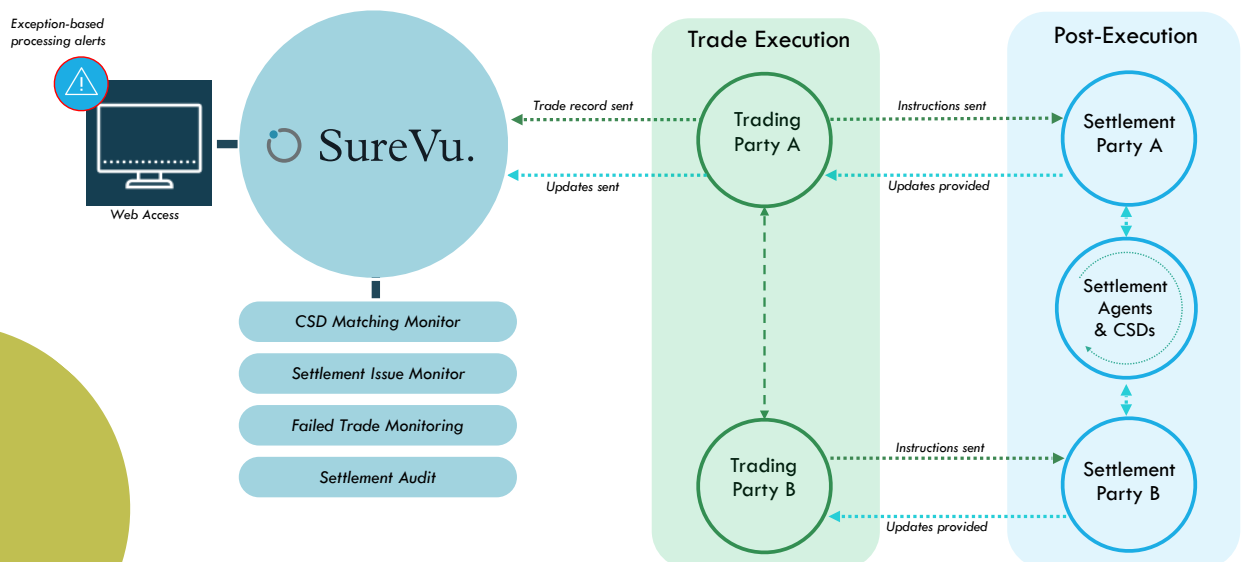
One of the key learnings from the Lehman collapse was the lack of data concerning various exposures. In addition to managing your outstanding settlements and moving them toward completion, we can show you all your unsettled trade risk on one dashboard.

With SureVu you can tackle SDR effectively from your side of the trade AND be aware of your exposure to unsettled trades. SureVu enables you to report with confidence to senior management that you are managing and controlling the situation.

4. Pain-free implementation

A major advantage of choosing SureVu is the short implementation period. SureVu is based within the established Salerio product set which offers true ‘out-of-the-box’ functionality, paving the way for an implementation in a matter of weeks. The technology is provided via a fully managed cloud-based service with a simple and affordable cost structure.

“In an environment that creates more penalties and buy-ins, it will be increasingly important for firms to easily identify the reason for trade failure. SureVu will provide this for all trades, not just those that had problems or ultimately failed. This full settlement audit will help in any retrospective investigations.”





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About corfinancial

corfinancial provides software solutions and advisory services to banking and financial services organisations worldwide. The firm has offices in London, New York and Boston.

There are five key problem areas corfinancial looks to solve through its primary software and service offerings:

BITA Risk provides modular end-to-end private client suitability, portfolio management, risk, ESG and monitoring oversight solutions; brought together in BITA Wealth to mirror and systemise the investment process of wealth managers and private banks and available individually for CIO and investment teams.

Salerio is a post-trade processing solution that enables asset managers, hedge fund managers and securities/fund services firms to automate the flow of securities and treasury trades from matching through settlement.

SureVu empowers buy- and sell-side firms to efficiently monitor and track security trades throughout the settlement lifecycle, enabling users to proactively manage and oversee settlement exposure.

Paragon is a comprehensive front-to-back office fixed income portfolio accounting, processing and reporting solution for banks.

Costars is an investment administration platform for third party administrators, fund supermarkets and wealth management companies.

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salerio.

Automates the flow of securities and treasury trades from matching through to settlement.

bitarisk.


End-to-end private client suitability, ESG, risk and portfolio management with enterprise monitoring and oversight.

costars.

Retail fund/transfer agency solution providing end-to-end administration for collective investments.

paragon.

Fixed-income accounting hub delivers front-to-back office portfolio accounting and processing solutions.

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