



# Cleared Derivatives Reconciliations

Automated reconciliations for derivatives

FIS Cleared Derivatives Reconciliations provides comprehensive, fully automated Total Equity reconciliations of exchange traded derivatives (ETD) and OTC derivatives activity against exchanges, central counterparties (CCPs) and clearing brokers. Reconciliations enables firms to reduce operational and IT costs, ensure control and auditability of the end-to-end reconciliation processes and increase efficiency.

## Consolidated total equity reconciliation

- End-to-end automation all components of the reconciliation, including trades, positions, and cash
- Total equity reconciliation at the omnibus/currency level
- Reconcile additional components against a given exchange or broker, including:
  - Fees and commissions at trade level
  - Net option value/net liquidating value
  - Non-cash collateral positions
  - Execution-only trades
- Integrated with GMI/UBIX and FIS Cleared Derivatives back-office systems for reconciliation

## Flexible and efficient automation

- Matching rules can be fined-tuned for various specific scenarios (for average price trades pre-and post-clearing, exercises and assignments)
- This fine tuning allows users to obtain an auto-matching rate of over 99 percent, and leaves only the “true” breaks to investigate
- AI/RPA is leveraged on Match Rules suggestions to reduce manual work

As an established provider of reconciliation services, FIS offers flexible and secure solutions to help firms manage market change by seeking to:

- Ensure connectivity
- Increase efficiency
- Reduce risk
- Reduce Manual effort
- Faster Onboarding

# CLEARED DERIVATIVES RECONCILIATIONS

## Intuitive Web-based front end

- On-screen reporting to visualize the status of a single or multiple reconciliation
- The summary screen allows users to immediately see for which exchange, omnibus and currency there are total equity, positions or trades breaks
- Users can then drill down to the underlying detailed breaks (unmatched trades, positions, or cash journals records), and escalate those upon investigation
- The summary screen then dynamically updates as a result, allowing the user to confirm that the escalated breaks indeed justify (completely or partially) the total equity and/or position difference that was first identified

## Reduce risk

### Control, auditability, and reporting:

- Event-based workflows ensure that high-risk elements are escalated to appropriate individuals and flagged for immediate response
- Workflows allow the allocation and tracking of trade breaks
- Audit of all user actions within the system
- Both on-screen reporting and standard reports tailored for the needs of sell-side firms to satisfy audit requirements of the reconciliation results and process
- The fees reconciliations capabilities assist in complying with the increased scrutiny by regulators with respect to the handling of exchanges fees and their chargeback to customers, allowing firms to identify discrepancies down to individual trades and client accounts

## Ensure connectivity

### Extensive exchange and CCP interfaces:

- A comprehensive library of exchange templates to support data from exchanges, clearinghouses and CCPs (more than 55 exchanges and CCPs supported)
- Supports the feeds from exchanges and CCPs without the costs and risks of maintaining and updating those interfaces
- The “broker template” API allows to swiftly ingest the feeds from third-party clearing brokers

### Examples of clearinghouses supported in production on Reconciliations

Europe	North America	Asia Pacific
EUREX	CME	HKCC/SEOCH
LCH Clearnet Ltd	ICE Clear US/Canada	ASX Clear
ICE Clear Europe	OCC	ASX Clear Futures
LCH Clearnet SA	MGE	SGX Clear
MEFF	Nodal Clear	TFX
CC&G (IDEM)	CDCC (Montreal)	JSCC (OSE/TSE)
NASDAQ OMX		TOCOM
LME Clear		TFX
ECC		BMDC

# CLEARED DERIVATIVES RECONCILIATIONS

## How is FIS different?

### Deep knowledge and experience

FIS has delivered derivatives processing solutions to clearing businesses around the world for more than 30 years

### Extensive market reach

Our global technology footprint covers more than 135 cleared derivatives markets in over 35 countries.

### Industry leadership

Eight of the top 10 futures commission merchants (FCMs) use FIS for listed and cleared OTC derivatives processing. Utilities client allowed operational excellence in this space

### High security controls

Based on ISO 27001:13, our security practice provides IT controls for Sarbanes-Oxley (SOX) and attestation portfolios (SSAE16) and meets a vast range of global regulations.

### Business continuity processing (BCP)

Our ISO 22301 certified BCP program, disaster recovery planning and testing, and secure data center locations will protect your business from any unforeseen event.

### Dedicated, global services team

Our operations and technology experts manage 10 data centers around the world and support more than 450 servers and over 250 databases.

In the midst of a complex landscape, and in the face of declining commissions and higher capital and margin requirements, brokers are under pressure to achieve growth and reduce operational costs. To do so they need to replace highly manual processes with automated and scalable operational systems, that can help them to:

- Manage complex derivatives reconciliation requirements across a wide variety of asset classes
- Integrate rapidly with new and emerging market entities
- Manage growing transaction volumes
- Reduce post-trade operational costs
- Minimize collateral discrepancies and control fees
- Increase transparency and reduce risk
- Satisfy control and internal audit requirements
- Focus on AI/RPI for processing and reducing manual effort
- Prepackage recs available for faster onboarding against Major CCPs vs GMI/UBIX and FIS Cleared Derivatives

## FIS Operations and Technology

FIS empowers investment banks and securities brokers around the world to adapt and react to market challenges and opportunities, regulatory changes and global complexities to foster increased profitability and competitive advantage. With deep and broad industry expertise across securities as well as listed and cleared OTC derivatives, FIS delivers a cross-asset solution suite that automates middle- and back-office processes and workflows including derivatives reconciliation with exchanges and central counterparties, and daily settlement and contract data coverage for more than 80 derivatives exchanges. FIS' post-trade clearance and settlement solutions drive process and data standardization and integrate with other FIS solutions including investor and advisor platforms and new account onboarding as well as trading, securities financing, collateral management and risk and compliance. FIS' proven managed services and FIS Full Service Operations enable firms to transform the economics, scale and efficiency of their clearing businesses by reducing operational complexity, risk and cost.

## About FIS

FIS is a global leader in technology, solutions and services for merchants, banks and capital markets businesses. We drive growth for clients by creating tomorrow's technology, solutions and services to modernize today's businesses and customer experiences. FIS applies our scale, deep expertise and data-driven insights to advance the way the world pays, banks and invests. We help our clients innovate with purpose and deliver experiences that are more simple, seamless and secure. Headquartered in Jacksonville, Florida, FIS employs 55,000 people worldwide who are dedicated to helping our clients solve for the future. FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index. To learn more, visit [www.figlobal.com](http://www.figlobal.com). Follow FIS on [Facebook](#), [LinkedIn](#) and Twitter ([@FISGlobal](#)).