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MarkitSERV Newsletter

Letter from the CEO

Jeff Gooch / *CEO,* MarkitSERV

Different regulatory roads to the same destination

Although two thirds of the Commodity Futures Trading Commission (CFTC) clearing and reporting deadlines are now behind us, over-the-counter (OTC) market participants cannot rest on their laurels. Fast approaching is the next wave of OTC regulation – specifically, ESMA rules to start implementing EMIR.

Under the current European Market Infrastructure Regulation (EMIR) timetable, from November 2013 both parties to every credit and rates OTC swap trade – cleared or not – must report exactly the same trade data to a designated trade repository.

Regulators could push back the reporting deadline by delaying when trade repositories begin accepting trade reports, but firms should not factor this into their preparation plans and need to act now to meet these new regulatory deadlines.

Unlike the CFTC's regulatory framework, EMIR requires each party involved in a cleared or uncleared OTC trade to submit a report to a trade repository. This will lead to between 1,000 and 2,000 asset managers, corporates and pension funds reporting their side of a trade.

EMIR reporting rules offer firms the option of reporting directly to the trade repositories, delegating the activity to dealers to report on their behalf or to use a middleware service provider, like MarkitSERV, to manage the reporting requirement for them.

For firms that have never reported trades before, selecting a direct linkage can prove a complex and expensive proposition. For dealers, reporting on behalf of clients creates additional legal risk, which they may not want or be able to assume.

The MarkitSERV regulatory reporting solution is an efficient way for dealers and OTC clients to meet mandatory trade reporting obligations, Dodd-Frank, EMIR and beyond. Through MarkitSERV, reporting submissions are integrated within existing confirmation and clearing process workflows. We go into more detail on this topic in the Industry News section.

Reporting, clearing and electronic trading of OTC derivatives are part of a continuum that began with electronic confirmation of trades in 2002. Despite the operational challenges new OTC trading rules present – and which we continue to work closely with all industry participants to alleviate – it is important that participants do not lose sight of the long-term benefits regulation and electronification bring to global financial markets, particularly in respect of increased trading transparency and efficiency. ◆

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INDUSTRY NEWS

EMIR Reporting: are you ready for EMIR regulatory reporting rules?

Simon Todd / *Director,* MarkitSERV

Later this year, likely in November, buy- and sell-side firms will need to begin reporting all credit and interest rates over-the-counter (OTC) and exchange-traded derivative transactions to newly established trade repositories no later than the day after trade date (T+1) to be compliant with European Market Infrastructure Regulation (EMIR).

Regulators also will have market participants report trades in other asset classes, such as equities, starting in January 2014.

Unlike US Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), the EMIR reporting rules require dealers and their buy-side clients to report common and counterparty data to designated trade repositories (TR) without duplication. As a result, each side of the trade needs to agree to use a unique trade identifier (UTI) in submitting the same common trade data.

Each party has the option to report this data to the repositories independently, but it would require each party to establish and support connectivity to one or multiple repositories. Such a connectivity strategy could increase the reconciliation burden on each party due to a lack of standard messaging and reporting protocol standards.

The EMIR reporting rules allow one party to a trade to delegate their reporting obligation, either partially or fully. For example, a dealer could report on behalf of their buy-side client. Each option, however, has its limitations. Firms that delegate a part of their reporting obligation still need to report some counterparty data. Those that fully delegate their responsibilities will need to have their reporting counterparties to maintain static counterparty data (e.g. risk reducing commercial activity or treasury financing on a trade-by-trade basis) for their multiple trading counterparties. To be effective, the fully delegated reporting model requires every client's dealer to agree to report or the firm will still be obligated to report some trades. Even if all of a firm's dealers agree, there is a possibility that not all of a firm's trade counterparties will be dealers in the anonymous world of electronic trading.

With a single connection to MarkitSERV and with minimal change to existing set up users can quickly benefit from a proven, industry standard solution used widely by most dealers today for CFTC and Japan Financial Services Agency (JFSA) regulatory reporting. ◆

For Information on EMIR reporting please read the FAQ:

Get the FAQ document here »

Doing nothing about these new reporting requirements is not an option. Contact us now to ensure that you are well prepared to meet the first impending regulatory reporting deadline. To find out more, contact:

cag@markitserv.com

INDUSTRY NEWS

Regulatory Updates: Understanding SEFs

Marcus Schüler / *Managing Director,* Head of Regulatory Affairs for Markit

On 16 May 2013 the US Commodity Futures Trading Commission (CFTC) approved its final rule regarding "Core Principles and Other Requirements for Swap Execution Facilities (SEFs)."

The SEF rule reflects one of four parts of the G20 Pittsburgh commitments and represents a cornerstone of the CFTC's implementation of the Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank).

The CFTC originally proposed the rule in January 2011; however, the regulator postponed its finalisation several times due to the controversial nature of some of its elements. The new rule comes into effect, 5 August 2013, 60 days after the CFTC published it in the Federal Register. Market participants will need to be compliant with the rules 120 days after their publication. However, SEF operators can run their platforms from the effective date via the CFTC's preliminary approval system.

Meet a SEF

The final rule requires any person operating a facility that offers a trading system or platform in which more than one market participant has the ability to execute or trade swaps with more than one other market participant on the system or platform to register as a SEF or designated contract market (DCM). Given their one-to-many nature, single dealer platforms will not be regarded as a SEF under the final rule.

SEFs are required to, at a minimum, offer an order book and are permitted to also offer a Request For Quote (RFQ) mechanism.

The SEF rule defines two transaction types for swaps: (1) "Required transactions" meaning any transaction involving a swap that is subject to the trade execution requirement; and (2) "Permitted transactions" meaning any transaction not involving a swap that is subject to the trade execution requirement.

A swap trade will be subject to the trade execution requirement if a SEF or DCM determines that the specific swap is "Made Available to Trade" under the CFTC's final rule.

Required transactions, except for block trades, must be executed on a SEF via an order book or RFQ system. In contrast, Permitted Transactions may be executed via any method of execution.

When a SEF uses an RFQ model, it needs to send quotes to at least two unaffiliated liquidity providers the first year, and three unaffiliated liquidity providers thereafter, which is down from the CFTC's originally proposed five unaffiliated liquidity providers minimum. The SEF operators can disseminate the quotes using various media, including mail, email, telephone, internet connections for execution and communication. ◆

INDUSTRY NEWS

Regulatory Calendar: SEF implementation timing

Please note that all future dates may be subject to change.

4 June 2013

- US Commodity Futures Trading Commission (CFTC) published SEF rules in the Federal Register (FR).
- Execution venues can start filing for provisional SEF registration.
- Platform operators need to comply with SEF requirements mostly when they file their registration applications.

5 August 2013 (FR publication date + 60 days)

This is the start date of the rules.

- CFTC will start issuing provisional registrations to SEF operators. Registration for interest rate swaps (IRSs) and credit default swaps (CDSs) execution may begin as early as September or October and later for other asset classes.
- SEFs can start listing swaps. The CFTC has 30 days to confirm or reject whether swaps have been "made available to trade (MAT.)" The industry expects the CFTC to make its IRS and CDS MAT determinations around November or December.

2 October 2013 (FR publication date + 120 days)

- This is the compliance date.
- All SEF operators must have filed their applications and be largely compliant with requirements. ◆

Video: Connecting and supporting the new world of SEFs

Henry Hunter, Managing Director, reviews how MarkitSERV is preparing for when trading on swap execution facilities (SEFs) goes live.

Watch the video here »

INDUSTRY NEWS

End-to-end processing in the new world of SEFs

Christian Kjaeldgaard, Director, MarkitSERV

The US Commodities Futures and Trading Commission (CFTC) finally published its rules governing swaps trading on swap execution facilities (SEFs) in early June, paving the way for electronic trading.

As expected, the rules require trades executed on a SEF to be cleared immediately. US regulators believe that these rules will make the swaps market more akin to the exchange traded futures market, where trades are accepted by a clearing house directly after execution.

Now that the CFTC published its final rules in the Federal Register, the clock has starting ticking with respect to SEF registration and made available to trade (MAT) designations (which require a given swap to trade on a SEF). Timelines are starting to crystallise; however, many firms are starting to delve into what this really means for their organisations. Considerations can vary from selecting execution venues and in some cases, selecting 'standby FCMs', to reviewing operational impact.

Two important areas to consider when looking at the SEF rules:

- Pre-execution trade certainty: Will the clearing broker (CB) or Futures Commission Merchant (FCM) with whom you want to clear this trade accept the credit exposure this trade will create?
- Connectivity and workflows: How will you incorporate SEFs into the existing infrastructure and workflow upon which your operations depend– and ensure you meet the full set of operational or regulatory requirements?

Pre-Execution trade certainty

Let's look at pre-execution trade certainty first. CFTC rules require that every mandatory or MAT trade executed on a SEF must be able to clear which requires - immediately before execution - confirmation of available credit.

The credit lines that clearing brokers extend to their clients will, however, change dynamically in real time.

As such, in order to prevent any delay in execution of a SEF trade, it will be necessary to carry out pre-execution check in a matter of milliseconds prior to "execution".

Further, clients are likely to trade on multiple execution venues and will look to access their full credit line at any venue rather than fragment the line artificially.

To address this issue, MarkitSERV has worked with the industry to build and launch Credit Centre, an ultra-fast pre-execution checking solution that allows clearing brokers to manage credit lines, per client, in real time. Any execution venue, (not just SEFs) can use Credit Centre to check - pre-trade - that a given pair of counterparties has enough credit for the trade to clear. Even better, Credit Centre will 'reserve' or protect this credit to prevent a situation where simultaneous trade execution across SEFs might exceed the credit available to any client.

Solving connectivity woes

Client connectivity, or even operational integration, isn't usually at the forefront of SEF discussions; yet, it is likely to be a hot topic once SEF selections are made. If your firm engaged with only one SEF, one clearing house (DCO or Derivative Clearing Organization) and was fully under CFTC jurisdiction, the puzzle wouldn't be too complex; however that is not expected to be the typical scenario. SEFs may send trades directly to DCOs – but firms may still need to feed important trade attributes, status notifications and identifiers into their own systems. Allocating clients may need to enrich a block execution with their allocations. Further, under CFTC rules and jurisdiction, SEFs are obligated to report every swap into a Swap Data Repository (SDR) but not under EMIR regulation. Since 'one size doesn't fit all', firms operating in both jurisdictions have to consider exactly what regulatory obligations they need to fulfil, and the most effective way of managing reporting flow from SEFs to DCOs.

Firms need to consider what their connectivity strategy is and what are the important notifications or services they still require around SEF trades. Maintaining connectivity to every FCM, SEF and DCO will be resource-heavy, time consuming and expensive. Moreover, this is an evolving environment – as your front office selects new SEFs, your operations and technology will be expected to be ready to meet the connectivity challenge. Consequently, it is important for the execution platforms to integrate with existing market infrastructure to facilitate banks' and clients' integrated STP (straight-through processing) solutions.

Addressing these challenges

MarkitSERV offers an efficient solution to both of these questions. Already well-established in the industry as the predominant middleware solution for OTC derivatives processing, it is already connected to over 70 execution venues and all clearing houses (15 at the last count), and will continue to connect to new DCOs as they emerge.

By offering an entirely agnostic, neutral and equitable access policy to all industry participants needing to send OTC trades for clearing, MarkitSERV makes it easy for market participants to leverage their existing STP links for trade notification, clearing notifications and regulatory reporting and in upcoming quarters, post-clearing allocation delivery and netting instructions.

As such, users only have to mention to their execution platform they want MarkitSERV to route trades for clearing submission and /or other specific process workflow, which will eliminate significant time and capital investments needed to maintain the necessary plumbing.

As such, a client just has to mention to its execution platform that they want to send trades to MarkitSERV – whether for clearing submission and/or specific services - and you are ready for the new world without having to make significant investment of time and money in building the associated (and evolving) plumbing. ◆

More information on MarkitSERV Credit Centre can be found online,

Read the Press Release here »

MARKITSERV IN THE SPOTLIGHT

MarkitSERV Trade Manager (MTM) sports new user interface

Whilst MarkitSERV has historically added new features and functions to MarkitSERV Trade Manager (MTM), it has not forgotten how important the overall user experience is to end-users.

To that end, MarkitSERV introduced the first phase of its enhanced web application in the second quarter of this year, which focused on electronically cleared and non-cleared trades.

The second phase, which will be announced this summer, will incorporate paper-trade workflows and fund administrator features. Once this latest phase goes live, all MTM subscribers will benefit from the new easier to use interface.

New features include:

- Graphical dashboards help managers and operations professionals track in-flight activity and aggregated daily progress via easy-to-read charts.
- A single "client-centric" blotter for all workflows and asset classes. The blotter displays electronic trades from the user's perspective (instead of that of a counterparty) and the work space comes with comprehensive and actionable in-blotter filters.
- Other new and re-designed features also include "read/unread" capabilities, a consolidated audit trail, internal comments on electronic trades, and easy access to exceptions-review information.

Users can be assured that MarkitSERV preserved MTM's core functionality and did not change setups and reports. MarkitSERV is providing a clear and simple way to view and manage an organisation's OTC derivatives activity.

Keep an eye out for training materials and webinar invitations in upcoming weeks. We look forward to helping you meet the growing demands to clear and confirm trades more quickly and efficiently. ◆

Important dates/timelines relating to the migration:

- On-going: Demonstrations of the Phase 1 web application
- July: Phase 2 demonstrations
- 22 July 2013: MarkitSERV will move user acceptance testing (UAT) systems to the new design, so clients begin familiarizing themselves with the system.
- 19 August 2013: The new design goes live and all clients will have the new interface in production.

If you would like to learn more about any or all of these solutions, please contact MarkitSERV Sales at:

sales@ markitserv.com

MARKIT PROCESSING NEWS

Profit & Loss acknowledges MarkitSERV

On May 30, MarkitSERV was named the winner of Profit & Loss magazine's annual Readers' Choice Award for Connectivity.

For MarkitSERV, the connectivity award is direct customer recognition of the quality of our service delivery and the breadth and depth of the FX distributor/end user network. It is also a very positive endorsement of the core MarkitSERV proposition: Connecting all industry participants for trade processing efficiency.

MARKIT PROCESSING NEWS

IRS FATCA registration opens August 19

The registration dates for the Foreign Account Tax Compliance Act (FATCA), a major revision to US withholding tax rules that requires US and non-US firms to disclose the identity of all US investors in non-US domiciled funds and structured vehicles, is approaching quickly.

Failure to comply will result in an additional 30% withholding penalty on certain payments made to non-compliant foreign financial institutions (FFIs) and non-financial foreign entities (NFFEs).

Key compliance dates include:

— 25 October 2013: FFI registration for inclusion in December 2 initial IRS FFI list ends.

— 2 December 2013: The US Internal Revenue Service (IRS) published initial IRS FFI list, which will be updated monthly.

— 1 January 2014: The FFI Agreement, new account procedures and withholding tax for non-compliant account holders go into effect.

Markit and Compliance Technologies International (CTI) have developed FATCA Service Bureau, a comprehensive compliance solution delivered via Markit Counterparty Manger.

The new offering provides end-to-end FATCA compliance, from classification and validation to reporting; connectivity to more than 80 dealers, the highest level of domain expertise and operational efficiency from dedicated tax specialists, operations staff and customer relationship managers; electronic IRS-approved W-8 tax form validation tools and direct integration with Fund Administrator.

Markit Counterparty Manager also supports ISDA Amend and broader know-your-customer (KYC)/anti-money laundering (AML) screening and reporting obligations.

To find out how FATCA Service Bureau can resolve your FATCA and KYC obligations, contact:

fatcaservicebureau@markit.com

Call +1 212 205 1700

MARKIT PROCESSING NEWS

MarkitSERV licensee program

Interested in clearing connectivity through your order management system (OMS)? Below is a list of newly licensed service providers (and platforms) that connect to MarkitSERV for clearing.

Charles River Development

Rates and Credit: Charles River Trader 9.1.4.5.X

Orchestrade Financial Systems

Rates and Credit

Calypso Technologies Inc.

Rates and Credit

For a complete list of OMS vendors, contact your MarkitSERV account manager:

cag@ markitserv.com

To join the MarkitSERV licensee program, please contact Wayne Ashmeade at:

wayne.ashmeade@ markitserv.com

MARKIT PROCESSING NEWS

MarkitSERV Credit Centre

In June, MarkitSERV announced the backing of three major futures commission merchants (FCMs), two execution venues and a leading asset manager for its innovative Credit Centre service for pre-trade clearing certainty. Since then, MarkitSERV has released version 3 of the platform for user acceptance testing (UAT).

The latest version introduces full visibility of orders that a firm has working in the market across execution venues, associated real-time credit utilisation and a kill switch to easily close out all open orders at all trading venues with a single message.

This is in addition to user's current ability to view their credit lines from their FCMs in a single lightweight dashboard, updated in real-time.

MarkitSERV will introduce its End User API, which joins the platform's SEF and FCM APIs; support for strategies like spread, butterfly, one cancels another and two-way RFQ; event broadcasting, pre- and post-trade allocation support and the ability for users to allocate pieces of their lines to any execution venues of their choice in July. ◆

For further information on the Credit Centre product, please contact:

sales@ markitserv.com

Give us your feedback

We would like your feedback on how MarkitSERV can better serve your dynamic business needs. Please share your thoughts about desired future enhancements.
Send all suggestions to :

newsletter@ markitserv.com

DEVELOPMENT INITIATIVES

Clearing Initiatives

Arriving at the New Frontier

Since the organisations designated Category 1 by the US Commodity Futures Trading Commission (CFTC) began their mandated trade clearing in March, the MarkitSERV platform has facilitated the clearing of over 500,000 trades across 280 market participants.

MarkitSERV teams worked with Category 1 and Category 2 clients to help make their transition from a bilateral to a clearing trade processing paradigm as smooth as possible, and look to provide similar service for Category 3 clients. MarkitSERV has updated the platform to streamline management of regulatory obligations. Through the addition of jurisdiction and mandatory clearing flags, firms can identify trades easily with possible regulatory obligations attached to them through either the GUI or API.

In addition to our preparation for regulatory clearing of OTC derivatives, MarkitSERV continues to enhance our platform to maintain our holistic approach to supporting clients' cross asset clearing needs.

High profile clearing enhancements include:

- Full CME R9 support, which includes variable notional support, OIS extensions, additional compounding options and the addition of NZD Calendar.
- LCH.Clearnet LLC Go Live: MarkitSERV is fully integrated with LCH.Clearnet LLC and has facilitated trade submission to the new clearinghouse in testing and production environments.
- Support for ICE Block with Mini-Block Capability: MarkitSERV has added block clearing with mini block capability to its ICE support model. This functionality comes complete with multi-FCM support built in.
- CFTC iTraxx Mandatory Clearing: MarkitSERV is live with iTraxx support to ICE Clear Credit and is able to support a firm's iTraxx clearing needs. The CFTC's mandate for Category 2 organisations for iTraxx transactions goes into effect on July 25. ◆

Do you have questions about timelines or product scopes as they relate to mandatory clearing? Do you know which category your entities fall under? For answers to these questions and more, contact MarkitSERV today at:

mk_mwire.implementation@markit.com

DEVELOPMENT INITIATIVES

Non-Clearing Initiatives

Equity

Project Equity Derivatives Replatform ("EDR")

MarkitSERV will decommission DSMatch for equities derivatives in the second quarter of 2014. Existing clients will be transitioned to MarkitWire.

Phase I clients targeted for migration include those who confirm equity derivative products excluding equity swaps via DSMatch. Phase II clients who also confirm equity swaps, along with other equity products, will be approached to switch to MarkitWire by the decommission date.

Clients have been contacted by MarkitSERV already; additional follow-up should be expected from respective dealers.

New products and regulatory reporting

MarkitSERV will roll out MarkitWire support for emerging market swaps, volatility swaps, and barrier options over the second half of 2013 and for support for 2011 ISDA Definitions and basket swaps beginning in the first quarter of 2014.

The company also is analysing and developing ways to assist clients in their EMIR reporting obligations, which are set to begin on 1 January 2014.

Rates

MarkitSERV has modified its system to comply with the Wheatley LIBOR Board recommendations that adjusted LIBOR tenors published for a number of currencies.

In the July release, MarkitSERV has added support for IRS trades with front and back stubs and those that have different holiday centres on each leg, which is useful for clients trading asset swaps. The release also includes support for communication of-mid-market price to comply with Dodd-Frank Business Conduct Standards.

Credit

MarkitSERV is now live with a consistent workflow for both cleared and non-cleared activity, providing automated solutions for dealer-to-client clearing as well as adoption of electronic allocation delivery features for non-cleared trades on MarkitWire.

Recent improvements include MarkitSERV's successful deployment of mandatory clearing of novations logic to its novation consent and MarkitWire platforms and DSMatch's swaption template, which MarkitSERV enhanced with a "CCP for underlying swap" field. ◆

For futher information regarding equities please email:

MSERVEquitiesProductManagement@markit.com

For more information on these enhancements, please contact the Markit support team at:

support@markitserv.com

DEVELOPMENT INITIATIVES

MarkitSERV PortRec

With the August 2013 mandatory portfolio reconciliation deadline from the US Commodity Futures Trading Commission (CFTC) approaching fast and EMIR's September 15 reconciliation rules compliance deadline following close behind, MarkitSERV's PortRec service ensures that firms stay ahead of their evolving regulatory reconciliation obligations.

Customisable rules for real time identification, tracking and resolution of economic and valuation discrepancies, a dispute management workflow in line with the International Swaps and Derivatives Association (ISDA) dispute resolution procedure and highly configurable daily, monthly and custom reconciliation options ensure users comply with all their regulatory reconciliation obligations.

The July release will introduce support for material terms on which swap counterparties are anticipated to reconcile to ensure compliance.

By using its single-click access to 'confirm' statuses within PortRec, users can view detailed key transaction-level economics and executed confirmations on MarkitSERV Trade Manager, DSMatch and MarkitWire. It also helps user identify and resolve issues in a timely manner.

PortRec also lets users reconcile and verify data that is reported to Swap Data Repositories under Dodd-Frank (and later this year, EMIR Trade Repository) regulations automatically. Users can verify that their economics and valuations data correspond exactly with the 'golden copy' reported to the swaps data repository (SDR) via PortRec as well as automating simultaneous three-way reconciliation with their counterparties and the Global Trade Repository. ◆

For more information on these enhancements or to begin using your PortRec subscription for SDR reconciliations, please contact MarkitSERV support team at:

support@markitserv.com

DEVELOPMENT INITIATIVES

MarkitSERV Trade Manager and Client API

The June 10 mandatory clearing deadline for Category 2 firms has come and gone without incident.

MarkitSERV is proud to report a significant adoption of the MarkitSERV Trade Manager's (MTM's) clearing features leading up to the deadline. We remain committed to refining the depth and breadth of clearing support available through MarkitSERV Trade Manager.

In May MTM released support for clearing amortising/accreting interest rates swaps (IRS) and also delivered the first phase of clearing support for physical settlement swaptions.

Another workflow improvement that we have made is greater transparency of dispute workflows, so that the sell side can act faster to achieve a confirmed or cleared record, and improved matching for post trade events.

Many of MTM's clients process transactions which contain identical trade terms; to ensure the correct trades are terminated users can now use MarkitWire Trade ID to pair trades.

To help prepare for the impending EMIR regulation, MTM is adding additional EMIR-specific features. The platform already has the required timestamps in place and MarkitSERV will add further fields to help users monitor and facilitate reporting on electronic transactions. All the fields will be visible in the MTM web application and available in the Custom Reports feature.

This summer, MarkitSERV launches MTM's new user interface. Users can expect continued support for more products and workflows as well.

As clients move their equity trades onto their MTM workflows, the platform will support the compounding for equity swaps and an improved set of fields used for electronic matching of equity products.

Customers also can expect a continued focus on clearing improvements as MarkitSERV adds support for new clearing statuses, additional mandatory clearing requirements and simplifying the conversion of bilateral trade records to cleared trade records. ◆

DEVELOPMENT INITIATIVES

Foreign Exchange (FX)

MarkitSERV remains the only middleware provider with live connectivity to Singapore Exchange (SGX) and CME Group for foreign-exchange (FX) clearing and continues to build connectivity with other central clearing counterparties (CCPs), particularly in Europe and Asia, which will offer FX clearing.

All member to member volume cleared at LCH.Clearnet is processed through MarkitSERV, accounting for 99.9% of all centrally cleared FX trades globally.

In recent FX news, one MarkitSERV client is in user acceptance testing (UAT) with the SWIFT to MarkitSERV interface and more clients will follow shortly. The interface enables non-deliverable forward (NDF) trade message sent over SWIFT to be matched, or legally confirmed, and automatically routed to a designated central clearing counterparty (CCP), with the clearing broker's acceptance. In return, SWIFT users receive status update messages back via the SWIFT network from MarkitSERV.

MarkitSERV and LCH.Clearnet are in final testing with three futures commission merchants (FCMs), or clearing brokers, to test legally separated operationally commingled operations and two additional FCMs will begin testing shortly.

Now that MarkitSERV has completed the end-to-end FX regulatory reporting and clearing workflow for swaps execution facilities (SEFs), it is analysing requirements for broader possible use, such as with EMIR reporting.

And finally, MarkitSERV TradeSTP is now connected to ParFX, Tradition's new e-FX trading platform, to deliver notices of execution for ParFX clients. ◆

For more information about FX industry connectivity including clearing and reporting workflow integration and other processing initiatives, please contact:

mserv-fx-sales@markitserv.com

MARKITSERV EVENTS

Buy-side working group

The Buy-Side Working Group (BSWG) is a 20- to 30-minute weekly conference call held on Wednesdays at 11 am ET and only is open to buy-side participants.

We keep the conversations informal and never take attendance.

During these call, participants discuss all initiatives and issues affecting buy-side firms. Many of the topics mirror the discussion occurring in major industry groups, such as the Credit and Rates Implementation Group. ◆

If you'd like to participate, please contact Ryan Kelleher at **ryan.kelleher@markitserv.com** or your client account manager for more information.

2013-01-10