



Derivatives Clearing – Title 7 (DFA)

BUSINESS NEED

The client, a major US-based investment bank which specializes in financial and banking services needed to comply with the Dodd Frank Act Title 7 – Derivatives Clearing for real time reporting purposes. The primary need for this Regulatory requirement is to report intraday and end of day OTC derivatives such as CDS, CDI & IRS trades and valuation reports by July 2012. This investment bank is reacting to first mover compliance as a competitive advantage in the current regulatory environment.

OPPORTUNITIES/CHALLENGES

Due to the client's business drive towards complying with the Dodd Frank act for their derivatives clearing (Title 7), the challenges were the current technology environment for OTC trading/clearing does not have the necessary infrastructure to support the real-time reporting objectives of this investment bank.

enableIT SOLUTION

The solution implemented by enableIT allowed this investment bank to meet the Regulatory compliance as the number one priority. Below are some of the functions that were performed by enableIT

- Standardized internal reporting data format.
- Common shared trade bus for public sub based message routing between up-stream systems central reporting engine and the external gateway.
- Standardized Messaging Protocols (headers, properties, receipts, faults)
- Standard adapter framework platform specific implementations.

Also the enableIT solution provided this bank an opportunity to implement much needed infrastructure for front to back office by utilizing the (SOA) Service Oriented Architecture for (STP) Straight through processing to finance, risk and other back office operations.

VALUE OF INVESTMENT

The new solution allowed the bank to be more transparent and reduce systemic risk as a response to the credit crisis plus comply with the DFA and report on a real time basis for all their OTC derivatives clearing.



DOMAIN

OTC Derivatives, cash foreign exchange, commodities, options trading

TECHNOLOGY

Java, .Net and C++, Oracle and Workflow, IBM MQ series