

DTCC Securities Financing Transaction (SFT) Clearing Service

Approved trade submitter



Depository Trust & Clearing Corporation (DTCC) SFT Clearing Service

National Securities Clearing Corporation (NSCC), DTCC'S subsidiary that provides centralized equities clearing, settlement services, and information to the securities industry, is developing a new central clearing offering for overnight equities borrowing, lending, and repo activities. This service is for current full NSCC members and institutional clients intermediated by Sponsoring members or Agent Clearing members.

The new SFT clearing service, expected to launch in the third quarter of 2021, will bring numerous benefits to existing DTCC clients. Among these benefits will be significantly enhancing market access, reducing risk and costs, and offering new participating members new efficiency opportunities.

PARTICIPANT ROLES

Different models will be accessible to financial institutions who want to join the SFT Clearing service through sponsored membership or a direct NSCC membership route.

All full service current NSCC members are eligible to apply to become Sponsoring Members or Agent Clearing Member in NSCC.



BROADRIDGE – APPROVED SFT SUBMITTER

Building on the successful efforts of Broadridge's development and consulting approach to the FICC - Sponsored Repo Service, Broadridge has partnered with DTCC to become an Approved SFT Submitter (ATS) for the new SFT Clearing Program.

With flexible integration to our front-end technology and extensive connectivity to our post trade applications, the solution allows firms to leverage the benefits of the Central Counterparty (CCP) model while at the same time freeing up credit lines, creating more efficient balance sheet usage and trimming current capital charges associated with the business.

WORKFLOWS

As an Approved SFT Submitter to both Lender and Borrower, Broadridge will provide trade matching and submission for all trade types, lifecycle events, returns and recalls. A Lender and Borrower will both submit to Broadridge, via integrated data flows or manual uploads, to match the details of the trade and then either:

1. Identify matched trade and send submission requests via messaging to DTCC for locked in submission and successful made status back to Borrower and Lender
2. Post breaks via messaging back to front office system to the Borrower and Lender for action required or display the breaks on screen for user action.



Submit SFTs

Both Lenders and Borrowers will submit to a shared agreed Submitter



Matching

The Approved Submitter will check details and match or post breaks via messaging back to senders or visualize on screen



Submit to NSCC

Matched trades will be sent to NSCC/DTCC for Locked In Submission



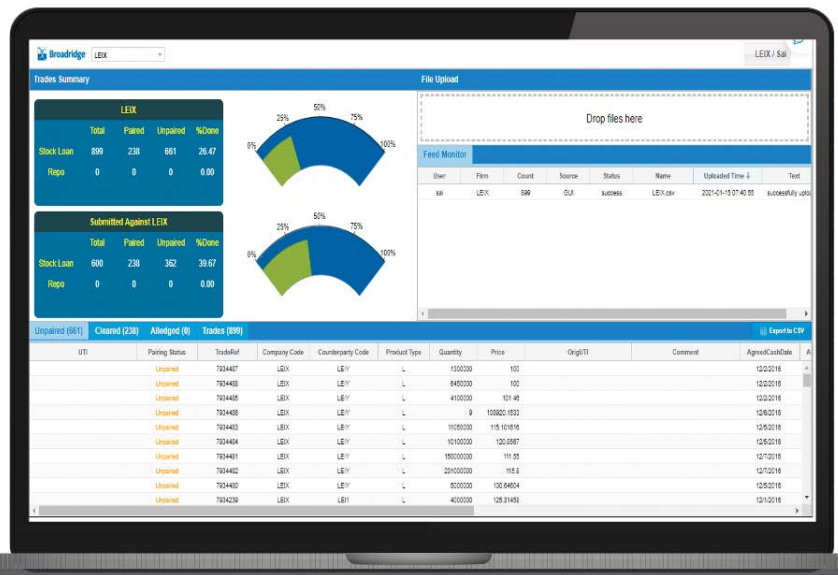
Submission Status

ATS will publish the submission status back to the Borrower and Lender

QUICKER SECURITY FINANCE TRANSACTION (SFT) CLEARING AND TRADE MATCHING

- Settlement balanced daily against new activity to minimize the operational burden of settling overnight obligation and free up capital
- Risks reduced by pre-matching the trade before settlement
- Straight Through Processing (STP) in real-time between Broadridge and NSCC with trade status updates in real-time for efficient analysis
- Simple web interface
- Standard API Interface for simplicity or option of customer API for complex integration
- Low cost of submission
- Optionality to utilize existing Broadridge applications to build on for easy integration
- Custom simple connectivity to an existing application platform

User Interface



CONTACT

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Broadridge, a global Fintech leader with over \$4.5 billion in revenues and part of the S&P 500® Index, provides communications, technology, data and intelligence. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.

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