

Industry advocacy provides real value for clients and the industry at large



Broadridge's advocacy for clients has saved firms throughout the industry millions of dollars.

When industry rules and regulations negatively impact businesses, they need a strong advocate to speak for them and provide innovative solutions. Broadridge Financial Services Business Process Outsourcing operations professionals actively participate in leadership roles on key industry committees to present a unified voice on behalf of clients. By understanding how and when to implement changes, Broadridge business process outsourcing team members continually remove regulatory obstacles and provide lasting benefits for clients and the industry.

CASE 1: COSTLY CONTINUOUS NET SETTLEMENT RESTRICTIONS

After the 2008 financial crisis, the National Securities Clearing Corporation (NSCC) activated modifications that impacted the trading of penny stock and microcap securities. Specifically, the NSCC implemented restrictions to securities eligible for Continuous Net Settlement (CNS), which significantly increased the number of trades settling "trade for trade." This change cost the industry more than \$1 million in settlement fees per year and increased the amount of manual labor required to settle trades.

BALANCE ORDER SOLUTION

Broadridge business process outsourcing leaders recognized the high cost these restrictions brought to clients. Through participation on industry committees, operations leaders advocated for the NSCC to include items in the balance order process without the NSCC trade guarantee, and to process net transactions in the same way it processed certain foreign securities, without the CNS playing a middleman role.

CORE BENEFITS

With Broadridge's advocacy, the NSCC implemented changes to ease the high costs.

- Settlements on Microcap securities were reduced by 90% throughout the industry.
- The industry saved more than \$1 million per year.
- Firms benefitted from netting practices.

CONTACT US FOR MORE INFORMATION

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CASE 2: GLOBALLY LOCKED SECURITIES LIMITATIONS

In 2011, the U.S. Securities and Exchange Commission (SEC) prohibited the movement of globally locked securities between brokers. Due to this, aged trades required a capital charge.

MOVING TRADES OFF THE BOOKS

At the time, Broadridge business process outsourcing clients had thousands of aged trades open. Through its industry participation, Broadridge asked the Depository Trust and Clearing Corporation (DTCC) for temporary transaction processing. This would allow broker-dealers to reinvest their reserves.

BROADRIDGE PROVIDES A UNIFIED VOICE FOR ADVOCACY

Broadridge's highly skilled U.S.-based leadership team actively participates, often as chair or co-chair, on key industry committees, and has representation in both U.S. and international associations.

Broadridge business process outsourcing highly skilled associates serve multiple clients, making it possible for them to represent a unified voice as they advocate for innovation and change on behalf of more than 40 firms. Operations leaders continually seek ways to provide clients with improved processes, opportunities to mutualize their technology and process innovation.

Broadridge business process outsourcing team leaders are also active members of Broadridge's technology steering committees. This enables them to glean insights and influence the strategic direction of Broadridge's product offerings.

Broadridge, a global Fintech leader with over \$4 billion in revenues and part of the S&P 500® Index, provides communications, technology, data and analytics. 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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CORE BENEFITS

Through the efforts of Broadridge leaders, the DTCC granted a specific period for firms to process transactions.

- DTCC provided a three-day window for processing.
- Firms moved trades off their books.
- Many firms discontinued the trading of select securities to avoid future capital charges.

As a result, Broadridge business process outsourcing acts as a strategic partner for firms, advocating on their behalf to help them resolve regulatory issues, save significantly and innovate for the future.

Broadridge operations leaders participate in 15 different Securities Industry and Financial Markets Associations (SIFMA), and DTCC committees and industry societies.



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