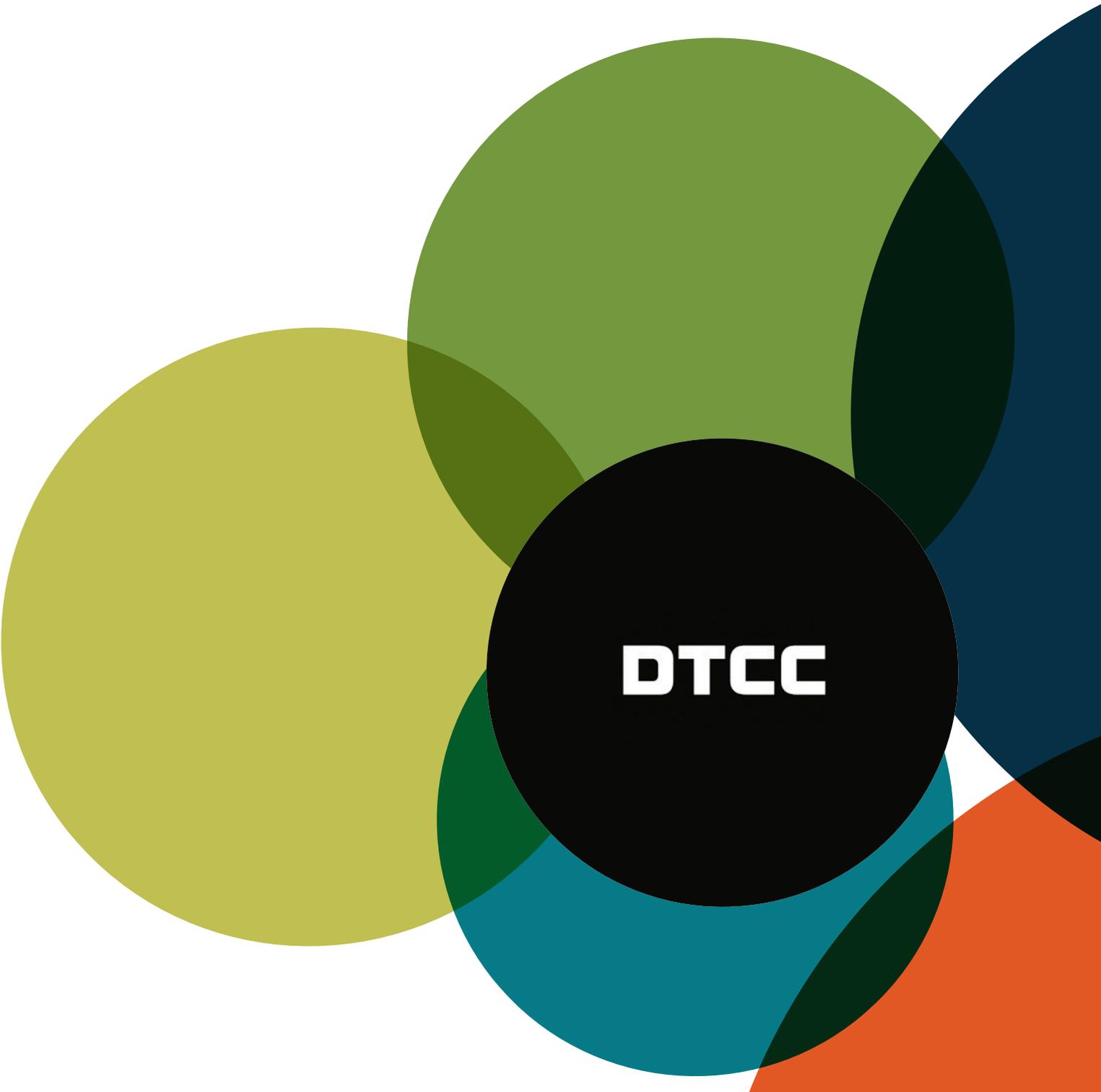


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A guide to the decommissioning
of OASYS



DTCC

PLANS FOR THE DECOMMISSIONING

In 2019 DTCC confirmed its plans to decommission its legacy OASYS™ platform, which is currently an integral part of the initial vehicle for the matching and affirmation of US securities. The date is set at April 2021 (with a

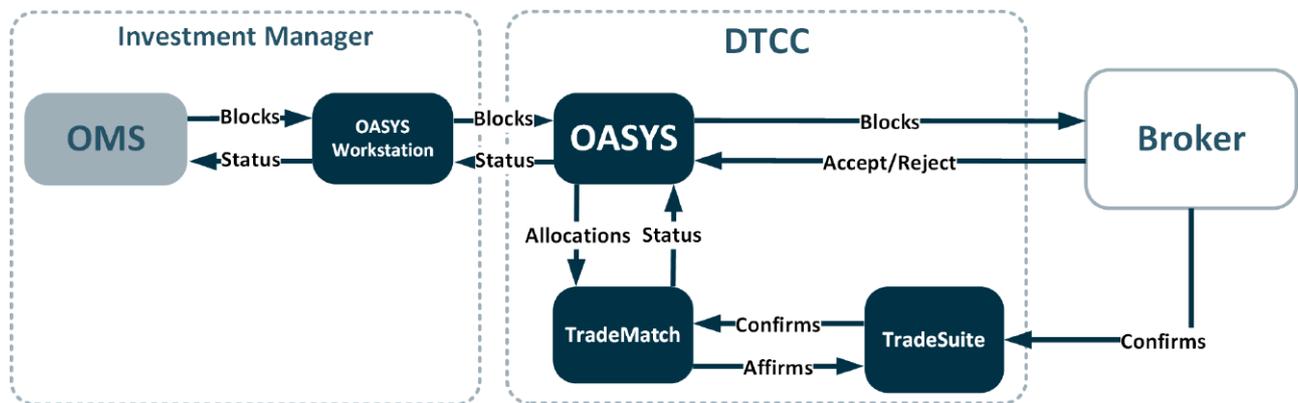
six-month grace period) and existing OASYS users will need to transition to DTCC’s CTM™ (Central Trade Manager) platform by this time.

SCOPING OUT THE CHALLENGE

Many organizations are starting to scope out the task of migrating from their current OASYS implementation to CTM. In many cases, institutions have used the OASYS Workstation as a simple to implement mechanism with which to manage their OASYS connectivity and exception management. Diagram 1 illustrates a typical implementation of the OASYS Workstation within an investment manager’s infrastructure.

Some or all of this illustration may resemble your organization’s current environment. It is likely that the OASYS application has enabled your firm to integrate its US Securities trade confirmation workflow into its infrastructure and your organization may well have used OASYS to manage exceptions around the broker acceptance process.

Diagram 1 – A typical implementation of OASYS Workstation



In addition to this, you may extract updates from the OASYS application to support transaction data updates to other internal systems.

In many instances, investment managers use the OASYS™ TradeMatch solution to automate the matching of their allocations to confirmations submitted by the broker into TradeSuite, enabling the auto-affirmation of both.

Whether you look at this diagram and see your entire OASYS implementation or just a portion of it, you will need to consider how your firm will manage the transition to a CTM alternative.

You will need to consider how your firm will manage the transition to a CTM alternative.



WHAT ARE YOUR CTM OPTIONS?

There are two issues that need to be considered. Firstly, you will need to become familiar with the CTM workflow, which differs from the OASYS workflow. Additionally, your

firm will need to understand and address the technical challenge of connecting to the CTM. There are several integration options.

1 API or CMI

This approach is by far the most advanced but requires considerable development to enable. This method provides the means to communicate blocks and allocation records to CTM and then using query messages, request status changes to both your firm's and your broker's trades. If this does not already exist in your current infrastructure you will need to embark on a complex development project to implement this or purchase a vendor solution.

2 FIX Message

CTM also allows the investment manager to submit and query trades and broker records though FIX messages, which is technically challenging but could be achieved via the utilization of a FIX engine and connectivity programming.

3 MTI

The Message Translation Interface allows investment managers to submit CSV files to the CTM service and then receive CSV extracts, which provide validation issues and trade status updates. Although this is a simpler implementation option it will still require investment managers to develop code and processes to interrogate the output.

HOW CAN SALERIO HELP YOU?

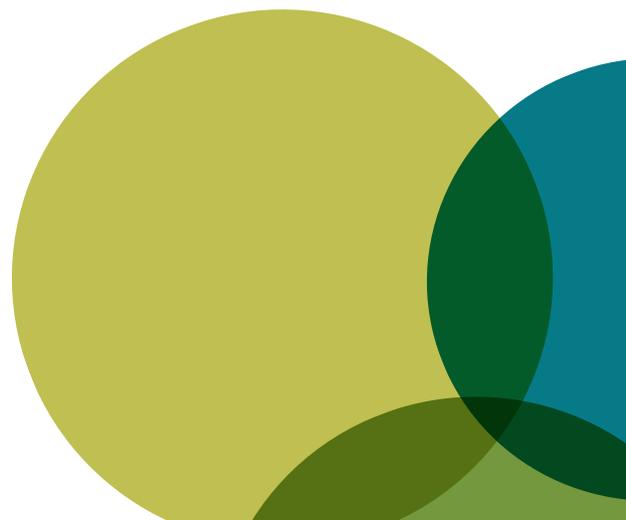
Through its post-trade processing application Salerio, corfinancial has been providing connectivity to DTCC CTM and supporting the CTM workflow for its client base for many years now.

Salerio has been updated with the OASYS parity functionality, such as step-outs and equity options so that the full suite of OASYS capabilities are available within our CTM workflow. Working as an early adopter partner with the DTCC, the Salerio product is now technically conformant with this functionality.

When implemented, Salerio will import your trades, validate and enrich data where required, and ensure robust and efficient communication over our proven connection to CTM. Throughout the trade lifecycle Salerio

interrogates CTM and presents trade or data exceptions to the user for resolution. The user can fully manage workflow via the Salerio interface, thus avoiding the need to directly view the DTCC CTM user interface.

Ultimately, the detail of the CTM workflow is interpreted and transaction data returned to a client's local systems in a simplified and readily-consumed format.



MANAGING THE WORKFLOW

There are two processing model options proposed by the DTCC, both of which are covered by Salerio. These two options are the USDA and USDI workflows. These workflows are illustrated below in Diagrams 2 and 3.

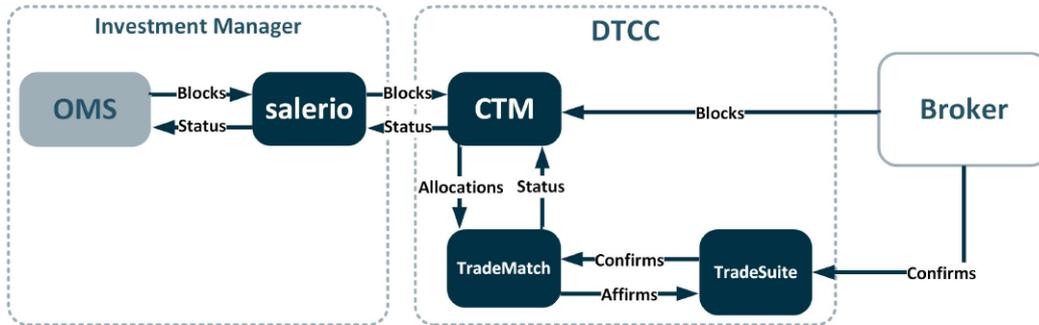


Diagram 2: DTCC USDA Workflow Model

CTM users may start with the USDA model and gradually move to the USDI model once all their brokers can process confirms and allocations directly via TradeSuite

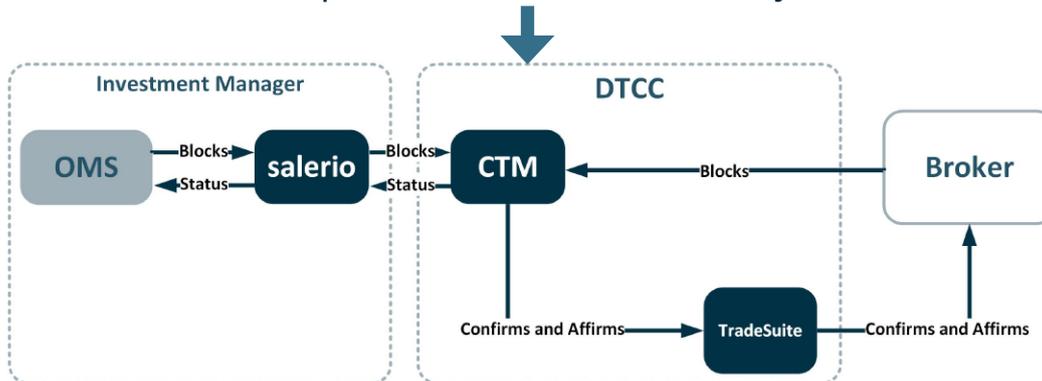


Diagram 3: DTCC USDI Workflow Model

Diagram 2 reflects the interim workflow implementation to assist the OASYS buy-side client base to migrate to CTM. Diagram 3 reflects the ultimate end state. Salerio is built for both USDA and USDI, meaning that there will be no impact to your workflow or further change required as brokers transition.

CONCLUSION

Our conclusion is that the OASYS decommissioning is more complex than it might appear. Even after connecting with CTM firms will still have the task of

managing a complicated workflow. Salerio has an early adopter partnership to work with DTCC, ensuring a smooth transition.

SUMMARY

Salerio clients are insulated against the impact of the OASYS retirement as the static data allows them to migrate to CTM at their own pace. Any new clients can take advantage of Salerio’s proven CTM connection, allowing them to become CTM conformant in a matter of weeks and removing the need for a large transition project.

Salerio is quick to implement due to our standard model approach, and contains fully functional CTM connectivity and workflow. This requires a limited amount of project analysis, build and QA – significantly reducing the project timeline.

To learn more, please contact us at info@corfinancialgroup.com

CONTACT US

Email: info@corfinancialgroup.com

Visit: www.corfinancialgroup.com

ABOUT CORFINANCIAL

corfinancial provides software solutions and advisory services to banking and financial services organisations worldwide. The firm has offices in London, New York and Boston.

There are five key problem areas corfinancial looks to solve through its primary software and service offerings:

BITA Risk provides end-to-end private client suitability, portfolio management, risk, ESG and monitoring oversight solutions; brought together in BITA Wealth to mirror and systemise the investment process of wealth managers and private banks and available individually for CIO and investment teams.

SureVu empowers buy- and sell-side firms to efficiently monitor and track security trades throughout the settlement lifecycle, enabling users to proactively manage and oversee settlement exposure.

salerio is a post-trade processing solution that enables asset managers, hedge fund managers and securities/fund services firms to automate the flow of securities and treasury trades from matching through settlement.

costars is an investment administration platform for third party administrators, fund supermarkets and wealth management companies.

paragon is a comprehensive front-to-back office fixed income portfolio accounting, processing and reporting solution for banks.

other solutions from



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End to end private client suitability, ESG, risk and portfolio management with enterprise monitoring and oversight.



Tracks security trades throughout the settlement lifecycle to manage and oversee settlement exposure.



Retail fund/transfer agency solution providing end-to-end administration for collective investments.



Fixed-income accounting hub delivers front to back office portfolio accounting and processing solutions.

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