



Omgeo TradeSuiteSM 7.1

Elimination of paper confirm disclosures – Omgeo inSITESM

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TradeSuite 7.1 will eliminate the need for brokers to send paper confirms, saving the industry millions of dollars in costs associated with printing, mailing and storing paper confirms.

Background

To mitigate risk, the legal and compliance groups of most broker/dealers mandate that a separate paper confirm listing broker-specific disclosure information be distributed to counterparties in addition to the electronic confirm. Recipients of these supplementary confirm disclosures often pay a third party to store the documents offsite. While broker/dealers are not legally required to send this additional information, it is done to protect broker/dealers in the event of a dispute between counterparties. The result is an enormous cost to the industry for processing, distributing, and storing these documents.

Omgeo worked closely with the Securities Industry and Financial Markets Association (SIFMA) to identify a solution to this industry pain point that would satisfy the operational, compliance and legal requirements of market participants and regulators. The result is the TradeSuite Confirm Disclosure service and corresponding data repository, Omgeo inSITE.

Benefits

The Confirm Disclosure service and Omgeo inSITE benefit not only those parties directly involved, but the industry overall. Key benefits include:

- Cost savings
- Increased efficiency
- Greater compliance
- Going green

Confirm Disclosure Service

The foundation of this proposed solution is Omgeo inSITE - a web-based central repository, built by Omgeo with community input, that stores confirm disclosures for 10 years.

Using pre-defined criteria, broker/dealers post their confirm disclosures within Omgeo inSITE. Each set of criteria generates a URL and reference number. Confirm disclosures are assigned a reference number based upon the criteria met. TradeSuite electronic confirms submitted by broker/dealers are enriched with the URL and reference number. Counterparties are able to view this information by following the URL and using the unique reference number noted on their enriched electronic confirm.

Greater Compliance

Omgeo received a “No-Action” letter from the Securities and Exchange Commission (SEC) in March of 2008. The letter stated that use of the Confirm Disclosure service would not result in enforcement action, essentially declaring that access to electronic confirm disclosures equaled delivery from a 10b-10 compliance standpoint. Furthermore, parties have access to confirm disclosures within Omgeo inSITE for 10 years.

When granting relief to the Confirm Disclosure service, the SEC took the opportunity to require that additional discrete 10b-10 fields be added to the TradeSuite confirm. Accordingly, TradeSuite 7.1 features a revised confirm with these 10b-10 fields, which the SEC requires TradeSuite users to populate by June 30, 2009.



All together now.



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Discrete 10b-10 fields required by the SEC:

- New Values for existing Role Field
- Mark Up / Mark Down
- Current Yield
- Yield to Maturity
- Yield to Call/Redemption
- 3rd Party Remuneration Received Indicator

Going Green

The ability to view confirm disclosures electronically, combined with the SEC ruling, nullifies the existing Mailed Elimination Confirmation Agreement between buy-side TradeSuite users and broker/dealers subscribed to the Confirm Disclosure service. Though once the rule, paper is now the exception and buy-side parties wishing to receive paper confirm disclosures need to contact their broker/dealers directly. Otherwise, broker/dealers subscribed to the Confirm Disclosure service will default to electronic enrichment. By removing the need to generate additional paper confirms, use of this service saves millions of paper confirms and hundreds of trees each year.

Cost Savings

And, it's good for the bottom line. Eliminating the costs associated with printing, mailing and storing paper confirmations results in industry-wide savings.

Increased Efficiency

In addition to cutting costs, increasing efficiency and mitigating risk are among our client community's top priorities. Paper confirms often do not reach the intended party until days after the trade, and sometimes not at all.

However, the Confirm Disclosure service, in conjunction with Omgeo inSITE provides real-time delivery with proof of receipt of each electronic confirmation to help you control settlement risk.

More Information

For additional information on TradeSuite 7.1, the Confirm Disclosure service, or Omgeo inSITE, visit www.omgeo.com/tradesuite or contact Kevin Caulfield, Director of Product Management, at 617-856-1993 or Kevin.Caulfield@omgeo.com.

The SEC 'No-Action' letter can be viewed in its entirety at:

www.sec.gov/divisions/marketreg/mr-noaction/2008/omgeo031208-10b-10.pdf

About Omgeo

Omgeo creates certainty in post-trade operations through the automation and timely confirmation of the economic details of trades executed between investment managers and broker dealers. Every day Omgeo enables an efficient community of more than 6000 financial services clients in 46 countries to manage matching and exception handling of trade allocations, confirmations, and settlement instructions. Leading organizations rely on Omgeo to help manage an increasingly complex investment industry by providing operational stability and solutions that complement the focus on profitability in an era of escalating trade volumes. Across borders, asset classes, and trade lifecycles, Omgeo is the global standard for operational efficiency across the investment industry. Formed in 2001, Omgeo is jointly owned by the DTCC and Thomson Reuters.

For more information about Omgeo, please visit www.omgeo.com.



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