



Omgeo inSITE®

To mitigate risk, the legal and compliance groups of broker/dealers mandate that a separate paper confirmation listing broker-specific disclosure information be distributed to counterparties in addition to the electronic confirmation. Confirmation disclosures are intended to protect broker/dealers in the event of a dispute between counterparties. Recipients of these supplementary confirmation disclosures often pay a third party to store the documents offsite. The result is an enormous cost to the industry for processing, distributing and storing these documents.

Through ongoing participation with the Securities Industry and Financial Markets Association (SIFMA), Omgeo learned of the costs affecting industry participants and the disclosure requirement issues surrounding Rule 10b-10. Given Omgeo's role facilitating electronic trade confirmation processing, it was a logical step to leverage the Omgeo TradeSuite confirm in an effort to address this industry pain point.

Omgeo worked closely with SIFMA to identify a solution that would satisfy the operational, compliance and legal requirements of market participants and regulators. The result is our confirmation disclosure service, Omgeo inSITE.

In November of 2007 Omgeo, along with industry representatives, met with the Securities and Exchange Commission (SEC) regarding this proposed solution. As a result, Omgeo received a "No-Action" letter from the SEC on March 12, 2008. The letter stated that use of the Confirm Disclosure Service would not result in enforcement action, essentially declaring that access to electronic confirmation disclosures equaled delivery from a 10b-10 compliance standpoint.

www.omgeo.com

- ALERT
- Benchmarks
- Central Trade Manager
- Connect
- OASYS
- OASYS-TradeMatch
- ProtoColl
- TradeHub
- TradeSuite**

Benefits

Omgeo inSITE benefits not only those parties directly involved, but the industry overall. Key benefits include:

- Increased efficiency — quick access to economic details along with a URL link to confirm disclosure information puts all details at your fingertips.
- Cost savings — electronic delivery obviates the need for paper mailings, postage and mailroom support personnel.
- Eco-friendly — paper reduction supports 'green' initiatives.

Omgeo inSITE

Omgeo inSITE is an Omgeo-built, web-based central repository that stores confirmation disclosures. Using pre-defined criteria, broker/dealers can post their confirmation disclosures within Omgeo inSITE. Each set of criteria generates a URL and reference number associated with a particular confirmation disclosure. TradeSuite electronic confirmations submitted by broker/dealers will be enriched with the URL and reference number of the confirmation disclosure appropriate for that trade. Counterparties will be able to view this information by following the URL and using the unique reference number noted on their enriched electronic confirmation. The ability to view confirmation disclosures electronically will eliminate the need to generate additional paper confirmations, resulting in cost savings for both the buy- and sell-side.



Enrichment Criteria

With the criteria below, broker/dealers are able to use system logic or a user-defined disclosure code to determine which enrichment information will be included on the electronic confirmation.

- TradeSuite Broker-Dealer ID #
- Effective Trade Date
- Security Asset Class
- Security Type
- Settlement Location
- User Defined Disclosure Code

When using system logic to enrich the confirmation disclosure, broker/dealers must identify the asset class and settlement location or the individual security type and settlement location. This ensures that submitted TradeSuite confirmations are enriched with the correct URL and reference number.

10b-10 Information

As a condition to granting exempt status, the SEC required Omgeo to include further discrete 10b-10 fields (listed below) on the TradeSuite confirmation.

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

Effect on Paper Confirmations

As a result of the no-action relief granted by the SEC, access to Omgeo inSITE replaces the Broker Mailed Elimination Confirmation Agreement (BMECA) between buy-side TradeSuite users and broker/dealers subscribed to the service. Though once the rule, paper will be the exception and buy-side parties wishing to receive paper confirmation disclosures will need to contact their broker/dealers directly. Otherwise, broker/dealers subscribed to Omgeo inSITE will default to electronic enrichment.

Subscription Details

Omgeo inSITE is a subscription-based service for broker/dealers. Investment managers, custodian banks, and interested parties who currently use TradeSuite, a SAS 70 certified solution, do not need an additional subscription to receive the enriched confirmations. While Omgeo inSITE currently stores confirmation disclosures for TradeSuite users, Omgeo continues to explore additional uses for the repository to benefit our global community.

About Omgeo

At Omgeo, we are the operations experts, automating trade lifecycle events between investment managers, broker/dealers and custodian banks. We enable 6,500 clients and 80 technology partners in 52 countries around the world to seamlessly connect and interoperate. By automating and streamlining post-trade operations, we enable clients to accelerate the clearing and settlement of trades, and better manage and reduce their counterparty and credit risk. Our strength lies with our global community and our ability to adapt our solutions to enable clients to realize clear returns on their investment strategies, while responding to changing market and regulatory conditions. 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, please visit www.omgeo.com.

Copyright © 2012 Omgeo LLC. All rights reserved. All Omgeo service names appearing herein are either registered trademarks or service marks of Omgeo LLC in the United States and elsewhere. Several Omgeo services are regulated by the U.S. Securities and Exchange Commission. For more information, please visit www.omgeo.com/regulation. JP 03/2012

Americas

Omgeo LLC
22 Thomson Place
Boston, MA 02210
askomgeoamericas@omgeo.com

Europe

Omgeo Ltd
Aldgate House
33 Aldgate High Street
London EC3N 1DL
askomgeoeurope@omgeo.com

Asia

Omgeo Pte Ltd
18 Science Park Drive
Singapore 118229
askomgeoasia@omgeo.com

Japan

Omgeo K. K.
Palaceside Building
1-1-1, Hitotsubashi, Chiyoda-ku
Tokyo 100-0003
askomgeojapan@omgeo.com

Omgeo. All together now.®

A DTCC | Thomson Reuters Company

