

Market Infrastructure



TCS BONCS





Market Infrastructure institutions are increasingly faced with the need to re-invent themselves in order to effectively respond to the changing trade and post-trade landscape. With growing competition and greater regulation, it has become imperative for them to maintain a competitive edge by offering superior, reliable and cost-effective services with compliance to regulatory and market initiatives such as EMIR, T2S, CSD-R and CPMI-IOSCO Principles for Financial Market Infrastructures (PFMI).

Timely investment in technology holds the key to enabling organizations stay at the forefront of change, adapt quickly and ensure service excellence to their customers at lower costs and with lesser risks. Tata Consultancy Services (TCS) continues to be the leading, independent player in the Market Infrastructure space, and we are stepping up our investments in this space with our offerings to cover the entire Market Infrastructure value chain from Clearing, Settlement, Depository/Registry Services to Exchange Trading and Market Surveillance.

The Market Infrastructure solution from TCS BaNCS helps institutions drive Straight-Through Processing (STP) by providing the ability to support multiple markets and asset classes on the same platform. The solution can thus support end-to-end trade and post-trade functions including trading, risk and collateral management, surveillance, clearing and settlement, account management and other depository functions over a common reference data layer. These features, combined with support for global messaging standards such as ISO, FIX, FIXML and FpML has helped our customers achieve greater automation, significantly reduce operating costs and transform the markets in their countries.

Strate and TCS have a long standing association which dates back to over 10 years ago when Strate was first implemented. It is through working in partnership with organisations like TCS that we have been able to implement world class financial markets infrastructure in South Africa.

- Ms. Monica Singer, CEO, STRATE

Overview:

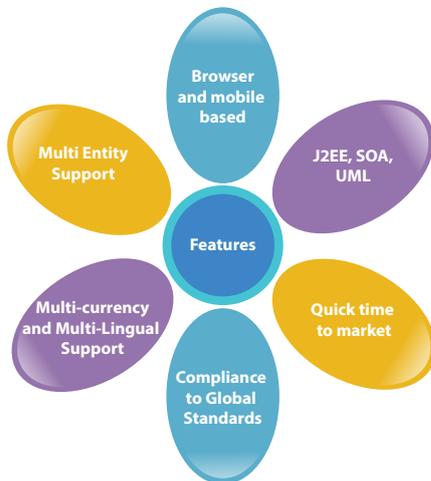
In the last few years, the return of growth in capital markets and the increased regulatory push for transparency and harmonized processes have resulted in the need for solutions that support transformation of market infrastructure firms with industry standard business processes and increased STP. The shortened settlement cycles from T+5 to T+3 and now T+2 necessitate real-time interfaces, including those with stock exchanges for pre-validation of trades in some markets and the support for full dematerialization virtually everywhere. In an increasingly interconnected world, there also is a need to link ICSDs with domestic CSDs (as well as with the T2S platform in the case of Europe) to ensure better flow of foreign investment into these markets.

It is imperative for organizations to maintain a competitive edge by lowering risks and providing faster execution, lower latency, transparent pricing and efficient surveillance.

The need is for an integrated technology solution that can facilitate high performance Trading and Central Counterparty (CCP) for Exchange and OTC markets, in cash and Derivative segments with the ability to cater to multiple assets and markets on a single platform.

The Market Infrastructure solution from TCS BaNCS is a comprehensive, web-enabled solution addressing STP across the entire market infrastructure value chain encompassing Depository/Registry services, Clearing, Settlement, Central Banks, Exchange and Market Surveillance and extending into downstream areas such as Registrars and Transfer Agents (RTA) Services. From helping leading CSDs to global CCPs and exchanges in Europe, Middle East, Africa and APAC, the Market Infrastructure solution from TCS BaNCS has been a catalyst in driving transformation in many countries. This solution can help your organization retain - and hone its competitive edge, transform business processes and increase operational efficiency and profitability.

Components for Market Infrastructure Institutions



Complete coverage for Trading and Post-Trade needs

- Multi-asset class capability**
 - Equities, Fixed Income, Commodities, Index
 - Currency Pairs, Interest rates, Energy, Carbon
- Multi-market solution**
 - Cash, Derivatives & OTC markets
- Global best practices and standards**
 - G30, BIS settlement models and payment methods
 - T2S Ready, EMIR compliant, ISO 20022, 15022, FIXML
- Value Added Services - a complete solution**
 - Risk Management, Collateral management
 - Issuance of debt instruments, IPO Services, SLB
 - Corporate Action, Pledge and Repo Services

An overview of the Market Infrastructure solution from TCS BaNCS

Upgrading the core CSD systems (using the Market Infrastructure solution from TCS BaNCS) brings us closer to readiness for T2S.

- Mr. Yannic Weber, Chief Executive Officer of Euroclear Finland and Euroclear Sweden

Benefits:

Backed by strong domain expertise in the market infrastructure space, the Market Infrastructure solution from TCS BaNCS provides a comprehensive solution comprising components that are modular, loosely coupled and that can be assembled as per the needs of the customer. The solution is highly scalable and deployable in an integrated STP mode. The solution provides multi-entity support for flexible business models. Based on modern and proven technology, these solutions can help organizations by providing:

Rich functionality

- Multi-currency, multi-asset class, multi-market support
- Regulatory compliance in the form of compliance with CSD-R, IOSCO-PFMI, EMIR, DFA and FATCA regulations among others
- Comprehensive accounting models to support omnibus and segregated views with double entry book keeping for transactions
- Unified Clearing with support for Multiple BIS settlement models and payment methods with internal / external money accounts
- CCP Clearing for a variety of Exchange Traded and OTC products with integrated risk and collateral management
- Futures and Options on commodities
- Cash and physical settlement of derivatives and complex asset classes
- High performance low latency Exchange Trading
- Integrated Exchange surveillance and market data dissemination

- Mutual fund services
- Support for securities lending, repo, pledge, IPO, AGM and proxy voting services
- Rule-based sophisticated alert and case management

Complete STP

- High level of automation through use of industry standard messages – ISO 15022, ISO 20022, FIX, FIXML, FpML
- STP for cross-border processing and easy access to new markets
- Co-existence of ISO 15022/20022 standards to help participants gradually adapt to newer standards

With this (TCS BaNCS for Market Infrastructure) key-project going live, Maroclear is making a strong and decisive contribution to the modernization of the Moroccan capital market. Maroclear has made a great leap forward in terms of performance, safety and high availability of its infrastructure. More importantly, Maroclear is now able to build up on its new infrastructure and provide a wider spectrum of value-added services to the financial community, within Moroccan boundaries and beyond.

- Madame Fathia Bennis, Chief Executive Officer, Maroclear

Features:

The Market Infrastructure solution has been designed in a modular form to ensure easy deployment — either as an integrated or as a standalone solution for an individual service — based on your needs. The solution provides 'freedom from platform dependence' and is designed to help you achieve a lower Total Cost of Ownership (TCO).

TCS BaNCS for Market Infrastructure offers the following solutions:

- **Depository** – The solution supports depository operations including Demat/Remat, immobilization/upliftment, account transfers and settlement transfers. Double entry book-keeping of multiple asset classes including equities, fixed income instruments and mutual funds is supported on a single platform. The solution is T2S-ready with the ability to settle with other CSDs and ICSDs. The solution offers support for a variety of Corporate Actions events in compliance with industry standards like SMPG, CA-JWG standards. It also supports real-time interfaces with exchanges, clearing corporations, RTA/Registry firms, external CSDs and with participants/Custodians.
- **Unified Clearing** – The solution supports multiple BIS Settlement models (Model 1, 2 and 3) and Central Counter Party (CCP) services with integrated risk and collateral management. It facilitates clearing of diverse asset classes over a single platform. Clearing organizations can introduce new derivative products and financial instruments within quick timeframes, ensure enforceability of the trade, and provide choice of settlement venues to market participants.
- **OTC** – This provides matching and clearing services for multiple asset classes and provides the ability to clear OTC trades using the Central Counterparty (CCP) model, thus mitigating risks arising out of bilateral OTC trades. The solution also provides a platform to register, clear and settle OTC derivative products such as Interest Rate Swaps over the entire lifetime of the product.
- **Central Bank** – Facilitates managing capital of a country through services comprising Issuance of Government Securities, REPO and Reverse REPO and Pledge/Lien of securities. The solution also facilitates secondary market trading of these issued government securities through the Exchange Trading module or as OTC trades. Corporate Actions for Interest and Redemption are also part of the Central Bank offering portfolio.
- **RTA** - Allows RTAs to deliver high quality services to different customer segments such as issuers and shareholders, distributors, custodians, and fund houses, while servicing equities and mutual funds. By enabling an online interface with CSDs, the offering enables STP, which is vital for market infrastructure organizations.
- **Exchange** – Designed to provide stock exchanges with a robust technology platform for quick execution of trades, our solution for exchanges includes a high performance matching engine, market data maintenance and dissemination, index computation and a trading front-end to handle Spot and Derivatives, including Spread contracts.

- **Surveillance** – Enables stock exchanges, Self-Regulatory Organizations (SROs), and Market regulators to maintain integrity and transparency in markets, thus ensuring investor confidence and increased participation. The system allows real-time monitoring of capital market transactions and helps detect and prevent manipulative and abusive trade practices.
- **Digital offerings** are being developed to support the digital evolution sweeping the entire globe. These include Insights – A data warehousing and reporting application, MI Archives – A data archival application, Monitor – A job scheduling and system monitoring App and Mlapp – A cross-platform mobile access app for the Market Infrastructure solution.

We are excited that with this (Market Infrastructure solution of TCS BaNCS) deployment we will be ushering our depository into a unique position in the Central and Eastern European market landscape. This opens up new avenues for us as we enhance our capabilities and offerings and be on time for T2S.

- Mr. Gyorgy Dudas, CEO, KELER Ltd.

These Market Infrastructure solutions are easy to configure, enable quick product launches, facilitate customization, as well as facilitate the introduction of additional business services. They also seamlessly integrate the organization's systems and processes to the capital markets value chain, while ensuring regulatory compliance with global standards.

In addition, development Tools for TCS BaNCS allow for flexibility around deployment of business services. The solution helps you:

- Change parameters, processes and manage user access needs efficiently
- Ensure rapid and easy integration of external services with TCS BaNCS
- Provide superior connectivity options to market participants
- Configure 24/7 operational profile for solution deployment, including defining of period-specific operations

The choice of the TCS BaNCS platform was a critical step in our vision for the PDS Group. We view TCS Financial Solutions as more than just a provider of one of our most essential systems; TCS is our partner in market development, providing the lifeblood to PDTC's core services and value-added components.

- Mr. Vicente Castillo, Former CEO of the PDS Group

Why TCS BaNCS

The TCS BaNCS product suite for banking, capital markets and insurance enables business transformation in financial services. Increasing operational efficiency and helping financial institutions stay agile, our solutions deliver a competitive edge with unmatched certainty! We aspire to be better than established benchmarks, which is why we have embedded an Alpha ("α"), representing superior returns delivered to our customers, consciously and prominently within our brand. The plug and play, component-based product suite consistently turns in impressive benchmark results, with a fine-tuned, highly scalable technology architecture that supports financial institutions with the highest capacities for transaction volumes, peak transactions per second, and transaction history size. With such a track record, it is only natural that the TCS BaNCS product suite can help financial institutions of any size gain a distinct, competitive edge.

For more information, visit: www.tcs.com/bancs

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Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India's largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

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IT Services Business Solutions Consulting

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