



TCS BaNCS for Corporate Actions - For Broker-Dealer and Investment Banking



Asset servicing while becoming more standardized is certainly not getting any simpler. There is a growing need for a comprehensive solution that not only offers high levels of Straight-Through Processing (STP) with a clear focus on processing by exceptions, but also one that must incorporate the latest developments in technology and offer a good end user experience. With operating units spread across the globe and a follow the sun processing model, ensuring that the client is given the best service at all times, places an onerous responsibility on management to be able to control and oversee processing and risk while also being equipped with the right technology and tools.

Add to this the prevailing regulatory landscape that requires management, risk control and reporting, all of which need to happen seamlessly with minimal impact on day-to-day activities. Finally, providing enriched and personalized services to a client who now has more choices alongside lowering fees/costs becomes critical. All these elements and considerations need to be met while, at the same, there is an ongoing demand to reduce costs, risks and improve efficiency.

The TCS BaNCS Corporate Actions solution meets all of these needs and more for the sell-side/ investment bank user. With over three decades of development, the solution offers a comprehensive rules-based driven processing engine with high rates of STP, which can seamlessly interface with any external system, via an Integration Layer or API, plus a wide range of complimentary tools and services which reside seamlessly within the product to address the operational needs, client expectations, management control and regulatory reporting. It also comes with apps customized for the operational user, manager and end client, bespoke (risk) driven dashboards and a host of Artificial Intelligence features.

Corporate Actions Processing from a Single Platform

TCS BaNCS for Corporate Actions has been a market ready solution for asset servicing for multiple business segments, including custodians, broker-dealers and asset management firms, amongst others, for over two decades.

TCS BaNCS for Corporate Actions offers an end to end solution for the processing of corporate action, income and related tax events. The functional modules cover the processing of Announcement Capture and Comparison, leading to the creation of a Golden Copy Event. The Entitlement and Eligibility calculation and reconciliation. Notification Management, through web channel portals, email or by post / fax. The management, control and application of received client elections and their respective custodian / counterpart elections. The posting of accruals, account updates, transactions to reflect entitlements and management of withholding tax, its reclaim and reporting and the settlement of market claims on open / failed trades and stock borrowing and lending activity.

TCS BaNCS for Corporate Actions offers enhanced features institutional brokerage and prime brokerage, lending & borrowing, collateral management and the processing of derivatives, giving full support for these business lines and products. TCS BaNCS for Corporate Actions is fully ISO15022, ISO20022 and DTCC20022 compliant, with automated end-to-end processing for all types of events, multiple product types, including derivatives, across all global markets. For the Investment Bank and Broker-Dealer it offers and supports:

Stock Grids, which can be updated, end of day, intraday or live, identify and balance all Long (Payable) positions to all Short (Receivable) positions. The grid can be frozen near deadline dates to allow for manual allocation, if required.

Processing for Derivatives, by either creating the event from a (vendor) feed or by linking the derivative instrument to the underlying instrument event. Once the event is created, there is position extract and eligibility and entitlement calculation, notification and position/trade updates as required. Derivatives can be processed along with any hedge / underlying to reduce P+L swings.

Short Positions, can be taxed differently to Long positions, and treated separately or offset to other positions, across the Book or the Desk, to ensure greater control of P+L and liability on stock entitlement events.

Election / Instruction Allocation, can be set up to ensure default or certain choice elections (received from Long positions) can be automatically allocated to the desired Short positions. Allocation can be by Position type Borrow to Loan, P+L / Manufactured Tax, Deadlines Offered, Elections Received, Defaults or Agreed Elections. Alternatively, manual allocation can be done if required; or, if a correction or override is required.

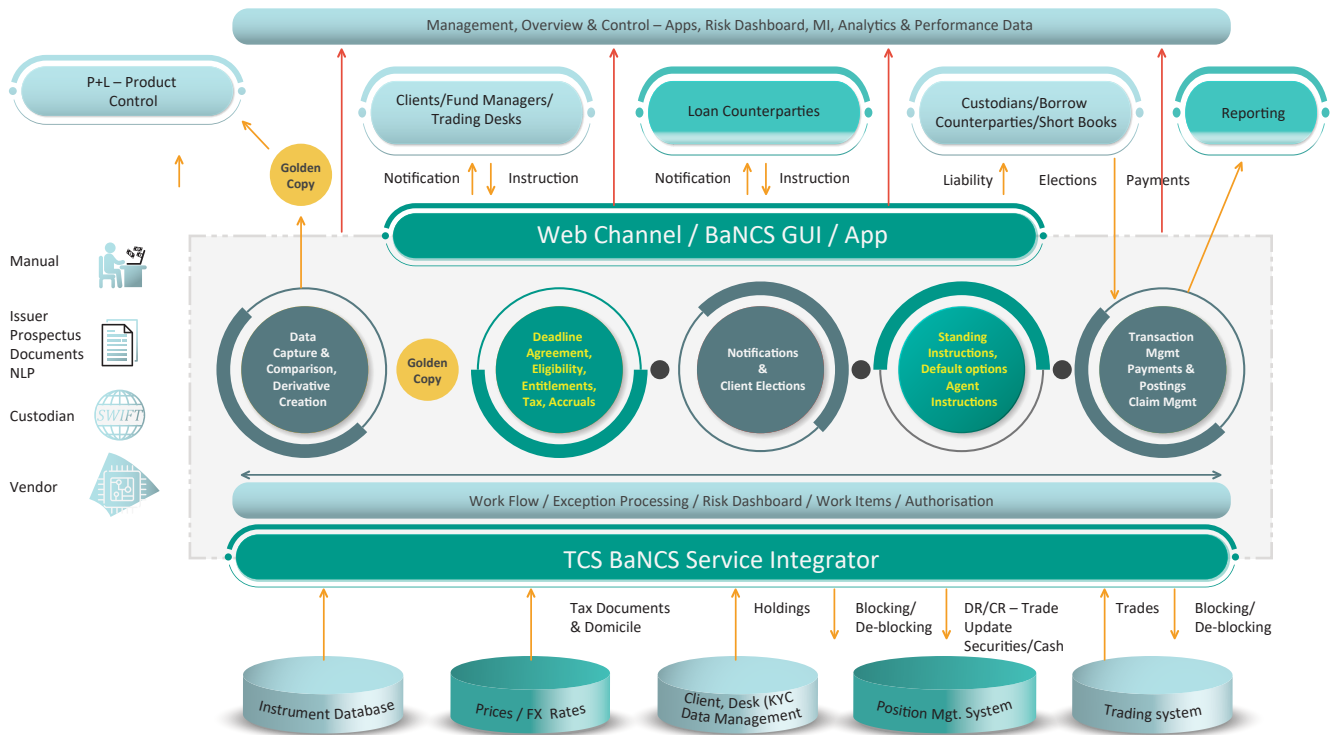
Notifications and Liability Notices, can be sent to Book, Counterpart, and Client with position details amalgamated or kept separate at a trade / position level.

Future Proof and Market Ready

A comprehensive operations dashboard presenting metrics and alerts for critical events and work items, based on event risk, ensuring that users only take action when needed, by being directed to the right place where the task is completed and the issue corrected. The risk parameter criteria and values that are applied to events and the subsequent work items ensure that users are presented with the work that has to be completed first and which needs immediate attention. The solution's screen layout, views and preferences can be set at user or team levels.

Customer servicing is achieved through a secure web-based portal providing the end user with event information and updates, tracking and capturing of elections, or via apps that provide analytical data to measure pre-defined SLA performance.

"Follow the sun" approach allows for operational users to process the same event, work items, instructions for the same book in any location, though not at the same time, effectively allowing 24 / 7 support to the front office and clients.



Ease of integration with other in-house, third-party systems using the TCS BaNCS Service Integrator and APIs, allowing for live updates of event data and position / entitlement / eligibility information.

Cost Reduction and improved operational efficiency, to ensure that processing costs are kept at a minimum.

Regulation & Risk management, ensuring that corporate actions processing and reporting meet the various regulations and is flexible to meet upcoming market changes.

Addressing Market & Technology Risks by offering Artificial Intelligence solutions including, Machine Learning, NLP, RPA to ensure alignment to latest technology.

Benefits

TCS BaNCS for Corporate Actions is an award-winning solution deployed at more than 40+ clients worldwide. The product is continually evolving with clients proactively contributing to the development of its roadmap, making it a solution designed by the users and for the users. In addition, TCS brings its vast technology experience and knowledge to the product to ensure its development is aligned with market trends and the solution is future proof. With TCS BaNCS for Corporate Actions, financial institutions benefit from:

- Automation of End-to-End (and beyond) of corporate actions processing on Long, Short, Collateral, Derivative and Hedge positions
- Real-time Management Reporting, to enable operation management at a global level. Gives an overview of current processing, historical performance and forecast analytics to allow for capacity and risk management.
- Operational processing driven by risks within an event, as based on several criteria that are unique to the event; these criteria are given values, which when combined give an overall Risk Rating for the event, which is also attached to any work items or actions that are created from the the event during its processing lifecycle.

- A clear focus of what is important and what carries a higher level of risk, which ensures that users process work items and events in the correct order, leading to better work distribution and resource utilization.
- Client / Desk / Front Office servicing via Chat bot offering, user GUI and Apps

The TCS BaNCS Advantage

The TCS BaNCS Corporate Actions product has been processing corporate actions and income events for over three decades. The product's rule and interface configuration and its flexibility, lend itself to standardized processing, while also allowing users to customize and enhance the workflow and the process as per their preferences or to adhere to internal processes and controls.

- New and hybrid events and products can be easily incorporated and processed seamlessly.
- Greater levels of management and control can be placed on certain clients or position types as needed.
- Processing resources and effort can be assigned to more riskier events or work items, making the best use of resources, knowledge and experience
- Flexibility of deadlines dates/times based on event, option, position type, client and the allocation of received and expected elections, allows for an efficient election process with reduced risk. Using both custodian and borrower deadline dates, the user can select the earliest date and apply it to the various Long positions and use time off sets, to give the best deadline available.

TCS has further expanded the asset servicing horizon by adopting new technologies towards achieving the goal of "Zero touch" in operations. This includes usage of AI/NLP tools for reading unstructured information (CA prospectus, Election e-mails), Chatbot services for client servicing and machine learning for processing errors and automated repairs.

About TCS Financial Solutions

TCS Financial Solutions is a strategic business unit of Tata Consultancy Services. Dedicated to providing business solutions to financial institutions globally, TCS Financial Solutions has compiled a comprehensive product portfolio under the brand name of TCS BaNCS. The TCS BaNCS universal financial solution is designed to help financial services institutions enhance end customer experience, enabling them to embrace open and innovative technologies that embody true digital customer engagement. Deployed at more than 450 installations worldwide, it is the largest collection of components, enterprise and consumer apps for the financial industry made available through the cloud, helping firms become more agile and intelligent by leveraging the power of new and extended ecosystems.

To know more about TCS BaNCS, please visit: <https://www.tcs.com/bancs>
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About Tata Consultancy Services Ltd (TCS)

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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