

Custody



For custodians the world over, the foremost challenge is maintaining a synchronous balance with technological trends, while re-examining their business processes, rationalizing application portfolios and re-engineering systems to accommodate transaction processing. Custodians need to adhere, adopt and adapt to global standards in technological and operational areas in addition to the emerging and ongoing pressures, due to regulations and volatility in financial markets. Technological innovation, with an eye on cost, client servicing and regulatory pressures holds the key.

The custody solution from TCS BaNCS provides custodians with a robust trade, corporate actions and cash processing platform focused on real-time processing with enhanced functionalities, and enables them to scale significantly for multi-entity deployments and processing, which is becoming a norm in the custodian world today. Enhanced and futuristic technology, superior quality and low cost of maintenance resulting in enhanced market share make our custody solution from TCS BaNCS a strong platform of choice.

Overview

The custodian market continues its transformation spree that commenced over the last decade, with newer challenges becoming a necessary corollary. They face an urgency of staying competitive in the rapidly changing global market. Further, with globalization, firms have to deal with diverse offshore hedge-funds markets as also diversified financial instruments. Adaptation to new technology and processes, managing trading volumes and transparency in handling volumes, global expansion, cost containment, digital customer insights, regulatory compliance, and, most importantly, client servicing are challenges that assume gargantuan proportions. Digital banking is no longer a 'nice to have', but it is a 'must have' capability.

The custody solution from TCS BaNCS ensures a highly scalable processing infrastructure, which manages high volumes of local as well as cross-border trades apart from the increased diversity and complexity of financial instruments. In this manner, the solution caters to the challenges posed by the investors' relentless appetite for cross-border assets for emerging markets, a wider range of financial instruments and trading volumes. With the custody solution from TCS BaNCS, firms benefit from a solution that maximizes operational efficiency, and provides flexibility to handle further growth in the business while keeping abreast with latest technology and dynamic nature of market standards. With such universality, our solution has already been deployed in most of the major markets across Australia, Asia, Europe, USA, Africa, South America and the Middle East.

Benefits

The custody solution from TCS BaNCS offers a wide array of benefits that meet these challenges head on. These are:

- Enhances Transaction Processing - the solution enables asset managers, custodians, and brokers/dealers to offer superior client services by providing timely and accurate information and execution. High levels of STP – from trade capture through matching, settlement and accounting – coupled with efficient SLA driven exception management in turn help improve the firm's operational efficiency

- Supports Local, Regional & Global Custody in the same application instance
- Supports multiple asset classes, markets and currencies
- Direct connectivity with local CSD/ICSD - this facilitates smooth integration with external market infrastructure such as brokers, depositories (CSD/ISDs), custodians, and internal systems (Cash/GL Systems) with the help of the service integrator solution from TCS BaNCS
- Automation of end-to-end processing of corporate actions - ensures minimal manual intervention, thus mitigating the risk involved in corporate actions processing
- Multiple corporate actions announcements formats - helps in securing a clean 'Golden Copy' as per market rules, for a complete downstream corporate action processing
- Global coverage - comprehensive event type and market coverage for multiple markets
- Ensures a highly scalable processing infrastructure, which handles high volumes of local and cross-border trades and increased complexity of financial instruments
- Reduced TCO through open and highly interoperable technology components
- Offers a 24x7 processing environment to service the global securities markets across multiple legal entities and operational units in different time-zones
- Compliance to Global Standards: Supports compliance to SWIFT - SMPG and NMPG guidelines 15022 and 20022 standards
- Business Intelligence Tool enables customized reporting
- Modular architecture and rule driven business processes ensure a high degree of reusability to cater to a new market which in turn leads to a quick time to market for roll-out

As part of periodic TCS BaNCS user groups, our customers have the opportunity to interact with other players in the market, and collaborate to guide the product roadmap as per future business needs, not to mention the benefits from sharing of best practices



An overview of our custody and corporate actions solution

Features

As a validation of the benefits highlighted earlier, we present the features of the custody solution from TCS BaNCS:

- Comprehensive automated end to end trade settlement processing and safekeeping in a multi-entity environment
- Direct connectivity to depositories in various markets in APAC, USA, Latin America, Europe & Middle East as well as global custodians
- Fully Compliant with 15022/20022 standards as well as support for a wide range of SWIFT messages
- Highly granular and flexible 24x7 client and street-side position keeping model, real-time positions update Safekeeping of multiple asset classes, and view of different types of balances such as settled, pending receive, lent, collateral, blocked, available among others
- Client-level standing instructions and rule-based processing for automated trade enrichment and processing enabling high rates of STP
- Automatic work item allocation to the user along with options for severity/flow/reassignment Direct access for customers of the bank via web channels and upcoming mobility tools
- Acts as the hub of an electronic network of systems, connected to markets, information providers, and street-side entities
- It also provides trade affirmation and pre-matching services, while also supporting contractual as well as actual settlements
- Multi-party communication - The solution automatically captures the corporate actions announcement in multiple formats from various sources and automates end-to-end corporate actions and income-based event processing
- Multi-currency, multi-entity, multi-time zone, 24x7 processing capabilities
- Rule-based engine - This enables high levels of Straight-Through Processing (STP) with ready, configured rules for major markets and industry segments with complete Securities Market Practice Group (SMPG) compliance
- Pre-defined templates - These templates can be readily used for notifications in the preferred mode of correspondence such as e-mail, SWIFT and fax, using a comprehensive baseof standing instructions
- Comprehensive portal - This highly-intuitive web channel presents individual clients, advisors and portfolio managers with a front-end application to manage client corporate actions instructions

In a market where compliance to global standards, technological innovation, STP, multi-market, currency, entity support, increased trading volumes, and cost containment are of paramount importance, the custody solution from TCS BaNCS offers a complete solution to allay these concerns. It is a complete, robust and integrated platform with a constantly evolving yet cost effective technology for custody services enabling custodians to surmount every challenge.



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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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