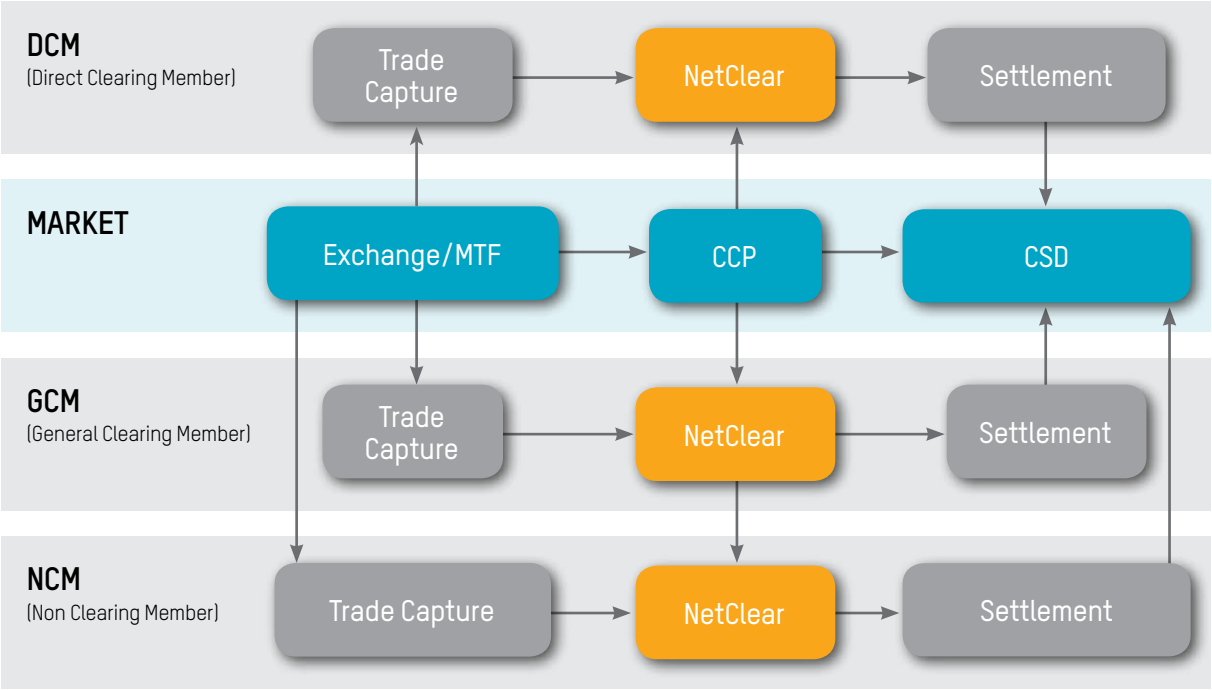
NETCLEAR

The Tool to Support Your CCP Operations

NASDAQ OMX® offers NetClear — a multi market solution that creates effective and stable clearing & settlement processes for banks and brokers, trading in markets supported by CCP structure. NetClear works as an integration hub between the CCPs and the underlying settlement systems for a GCM/DCM.

For a NCM, NetClear can be used to reconcile market place trades and the GCM net settlement instructions. The same process is used to integrate between an NCM and their GCM. With NetClear you can minimize your investments, simplify and streamline the process of adapting and maintaining your in-house systems.



FAST FACTS

- With NetClear market participants are provided with a tool for automating the management of CCP trades with an end to end business flow between exchanges/ MTFs – CCPs/GCMs – in-house systems.
- By using NetClear to manage CCP trades, a market participant can reduce clearing & settlement operations as well as the operational risk.
- NetClear is designed around the principle of STP processing with exception management. This enables operational staff to handle only the exceptions and let STP processes flow through the system without manual intervention.
- NetClear creates the flexibility for a market participant to change its clearing model from being a Direct Clearing Member on a CCP to being a Non Clearing Member of a CCP using a GCM, and the other way around.

INCLUDED IN NETCLEAR SOLUTION

Reconciled Net Settlement Instruction

When trading on multiple exchanges and/or MTFs with clearing through one or multiple CCPs and/or GCMs, NetClear collects gross transactions from the exchanges and CCPs. This gives you the opportunity to reconcile all transactions intraday and start your exception management already on trade date. NetClear mirrors the market participants account structure as set up with each CCP and each GCM and provides netting according to this structure.

Risk Monitoring

The Risk Monitor is designed to monitor Trading Participants pending settlement exposure grouped by currency, CSD, trade and settlement dates. The risk is expressed as the profit and loss in the relationship between market price and the underlying instructions settlement amount. The Risk monitor is a valuable tool for a GCM that has trading participants that act as settlement agents i.e. acting only as a clearing party. The user can define thresholds that NetClear will monitor and notify if reached.

Statistics

The user can easily create complex queries to support the need of keeping track of the extensive business information that is passed through NetClear. All data presented in the user interface can be exported to e.g. Excel.

Fee Management

With a CCP a new fee structure appears. NetClear keeps track of your fees and simplifies your audit trail. NetClear also provides statistics as e.g. number of trades per exchange/MTF.

Collateral Management

CCP's are normally sending a daily updated view of the collateral account and margin requirements. NetClear presents all data on trading participant level and by integrating all CCP's in the same solution this gives the user an easy access to and overview of this very business critical data.

CCP report viewer

All CCP's are sending a large number of instructions, data files and reports. In NetClear the user easily accesses this kind of data through a single function without need of printing or time consuming administration of data files. This solution helps the user in an efficient way to keep control of all data sent from the CCP.

Technology

NetClear is built on a service oriented architecture, using industry standards such as Java/J2EE, web services interface/API, Swing client distributed over the Internet/Intranet using Java Web Start and messaging using ISO15022 or proprietary formats.

More Information

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