

Credit Derivatives Operations - 2008 Industry Commitments

The Operations Management Group (OMG) which comprises dealer firms, buy-side institutions and industry trade associations issued a letter on March 27, 2008 to the Federal Reserve Bank of New York in support of its mission to effect fundamental change in the processing of OTC derivative transactions. The expectation is that all credit derivatives market participants should meet the minimum operating standards below. The goal is to align the processing of other electronically eligible OTC derivative products to these standards as well.

Use of Electronic Confirmation Platforms:

Market participants should onboard onto electronic confirmation platforms promptly and should submit or accept alleged transactions electronically within 60 calendar days of each new product or service launch.

Electronic Confirmation Targets:

The industry goal is to match as many trades as possible on trade date. As a major step toward this goal, all market participants should strive to meet the following objectives and targets for electronically eligible trades:

	Objectives	2008 Targets
Submission	Majority of trades submitted on T+0 with the remainder by T+1 Trades submitted accurately	90% of trades submitted on T+1 (or affirmed within 1 day of submission) 90% of trades matched without amendment
Matching	Majority of trades matched on T+0 with the remainder by T+5	92% of trades matched by T+5
Standard Identifier	Standard identifiers submitted accurately for Reference Entities and Reference Obligations	RED subscribers to accurately submit 9-digit RED codes on 100% of index trades and 90% of single name trades

Allocations:

All trade allocations should be provided on T+0 in order to meet the goal of matching trades on trade date. Participants are expected to invest in allocation automation through vendor or direct solutions during 2008.

Novations:

The industry objective is to have novation requests for electronically eligible trades submitted via electronic platforms rather than emails. Market participants are expected to invest in a strategic, interoperable novation workflow solution through 2008.

For Further Information:

- [Click here](#) to view the letter to the Federal Reserve Bank of New York dated March 27, 2008.
- *Industry Trade Association Contacts:*
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Securities Industry and Financial Markets Association (SIFMA): Douglas Taggart dtaggart@sifma.org
- *Service Providers (non-exhaustive list):*

Bloomberg	www.bloomberg.com	Omgeo	www.omgeo.com
Calypso	www.calypso.com	SwapsWire	www.swapswire.com
DTCC Deriv/Serv	www.dtcc.com	T:Zero	www.tzero.com
Front Arena	www.frontarena.com	Tradeweb	www.tradeweb.com
MarketAxess	www.marketaxess.com	Traiana	www.traiana.com
Markit	www.markit.com		