

Clearing Services

Service Overview

The adoption of the Dodd-Frank Act in the U.S. and the European Market Infrastructure Regulation (EMIR) in the EU require Credit Default Swaps (CDS) to be cleared with a central counterparty on trade date.

ICE Link provides specialized clearing workflows and connectivity to the ICE Clear Credit LLC and ICE Clear Europe clearing houses for CDS clearing to meet the requirements of these new regulations. Additionally, ICE Link serves as the portal to the ICE CDS clearing house.

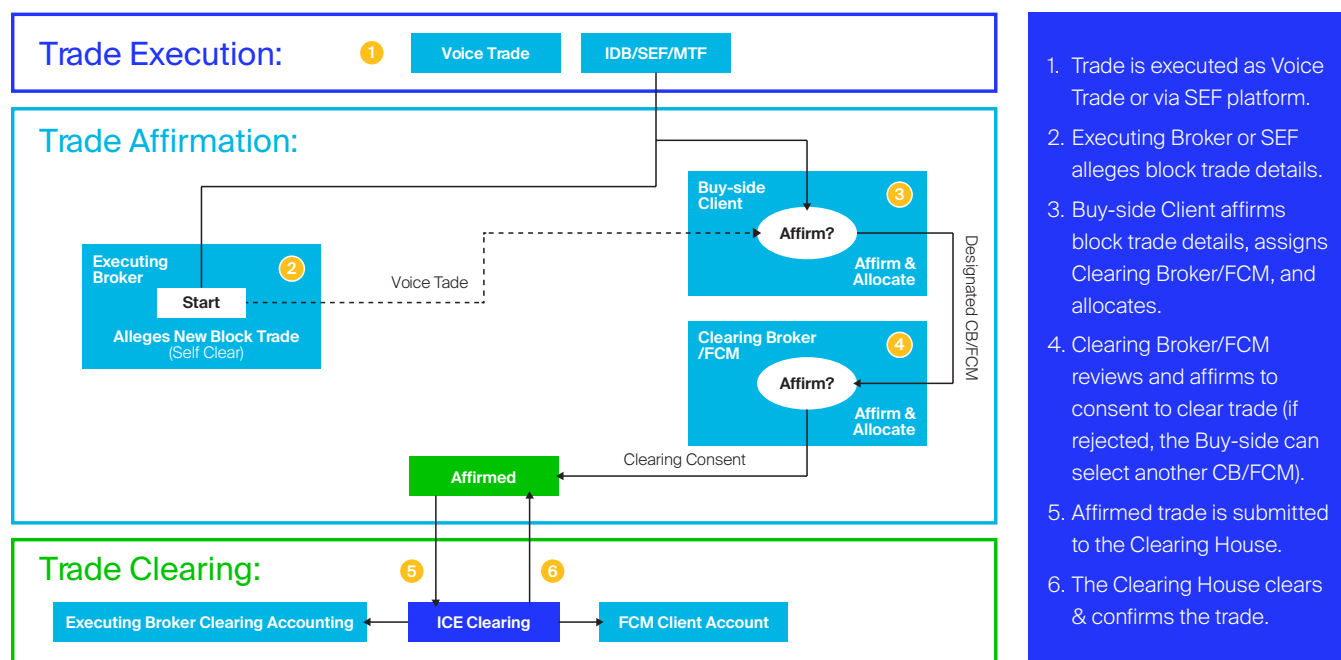
Trade date clearing demands the timely and accurate capture of trade data within minutes of trade execution. Accordingly, this core principle of efficient operational processing is now more important than ever before.

As the most widely adopted post trade affirmation service for CDS, ICE Link's unparalleled CDS connectivity and workflows allow market participants to electronically agree trade details within moments of having executed a deal, communicate clearing instructions to their Clearing/FCM Broker, and receive the clearing house status.

Operational Benefit

The mitigation of counterparty risk is not the only benefit to be derived from the adoption of clearing. ICE Link's trade date clearing services will bring real and demonstrable benefits to Buy Side participants through greatly enhanced operational processing.

Realtime Clearing Workflow



Reduced Operational Cost

Clearing and settling of CDS trades on trade date will significantly reduce the operational costs involved in trading CDS.

Remove Operational Risk

Economic errors on trades are identified, resolved and corrected at the beginning of the trade life cycle, minimizing economic losses.

Scalability

ICE Link delivers accurate data, automation and STP allowing Buy Side participants to trade more actively while reducing processing costs.

Client Clearing Tools

ICE Link's complete clearing solution offers uniquely sophisticated features yet remains simple to use and deploy.



ICE Link Clearing Features

- New Trade Clearing Affirmation Workflow
- Clearing Broker/FCM consent and trade allocation processing
- Clearing Status/Audit
- Clearing Back-load, Portability, Fund-to-Fund and FCM Transfer Workflows
- Automated Affirmation Matching service
- Integrated Third Parties (OMS/Trade Capture, IDB/SEF, Fund Administrators and Custodians)
- Daily clearing reports
- Margin Analysis/Pre-Clear ("What-if") Margin Tool

The screenshot displays the 'Investment Advisor' interface with a 'Clearing' tab selected. The main table lists clearing transactions with columns for 'Clearing Status', 'Sync', 'My Position ID', 'Modified', 'Trade Date', 'Description', 'Term', 'ISIN', 'Notional(M)', 'Buyer', 'Seller', 'City Desk ID', 'My Super ID', and 'My Desk ID'. Below the table, there are several tool buttons: 'Monitor Clearing Status', 'Backload Historical Positions' (with 'FCM Backload' and 'Pre-Clear Margin' sub-buttons), 'Margin Analysis' (with 'Margin' sub-button), 'Portability' (with 'FCM Transfer' and 'Fund-to-Fund Transfer' sub-buttons), and 'Reporting' (with 'Clearing Reports' sub-button).

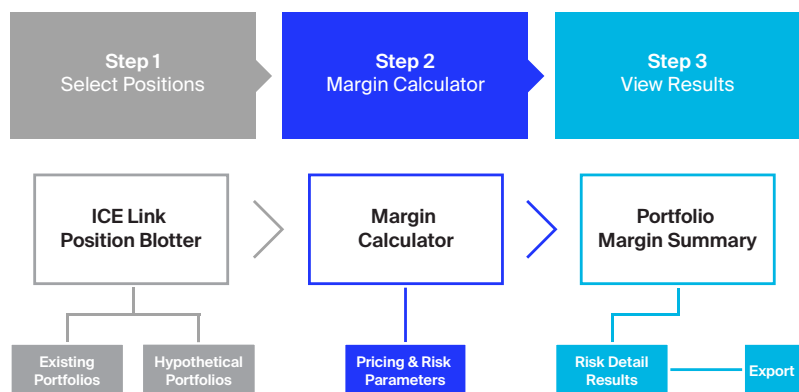
Daily Client Clearing Reports

- Clearing reports available in test and production
- Reports delivered via web based GUI, API system-to-system interface and secure FTP
- Delivery at end of day local time

Report	Description
Clearing Eligible Instruments	A full list of indices and single names eligible for clearing; includes ICE Clear Credit and ICE Clear Europe eligible instruments
Clearing Activity	Provided at allocated trade level; includes new trades cleared on a specific day
Cleared Positions	Provided at allocated trade level; includes all open cleared positions from current day (available in a per trade or net level format)
Gross Margin	Provides the portfolio level margin requirements (initial margin and mark-to-market)
EOD Pricing file	Provides end-of-day closing Clearing house prices
Mark-to-Market Margin Interest Report	Provides the daily interest earned on margin collateral using the MTM balances
Netting	Provides netting results for accounts set to net; includes terminations and new net trades
Backload	Provides results of any backload transactions; includes terminations of the bilateral non-cleared trades and the new cleared trades

Clearing Margin Calculator Analysis Tool

- Available to all clients through the ICE Link GUI
- Provides full transparency into our ICE CDS initial margin methodology with results broken down by component
- Run what-if scenarios on existing positions or custom portfolios
- Select existing positions in the ICE Link Positions Blotter
- Ability to upload custom portfolios directly into Calculator
- Review Margin Results/Export in CSV format



For more information, please contact:

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