

OPTIMIZE SECURITIES AND FUNDS PROCESSING AT THE FEDERAL RESERVE BANK

Processing large dollar value trades with the Federal Reserve Bank can also create large risks if tasks aren't automated and users cannot see a full view of their transactions. In addition, rising volumes and increasing value of transactions can put severe pressure on areas that rely on manual operations such as Fedline Terminal access. Automation can reduce costs and errors while allowing staff to focus on more important issues at the right time.

A workflow-based, real-time tool that is designed to work within a firm's existing infrastructure, Stream TXpress (formerly known as TXpress) processes both funds and securities transactions through a single, direct interface with the Fed. This allows users to access information about both classes of transactions simultaneously.

Intuitive interfaces provide a real-time view of all trades and positions, while specific screens allow users to proactively monitor activity. If the funds and securities transactions are booked to the same Federal Reserve Bank account, consolidated cash balance screens will display both funds cash postings and securities cash postings.

Because Stream TXpress was built to meet the specific needs of organizations dealing with the Fed, it provides all of the key features for processing and managing the business, from trade capture to enrichment and interaction with the Fed. As a result, users no longer have to find "workarounds" or accept gaps.

Users can model the processing flows and then let Stream TXpress handle the processing for functions such as auto-matching and turnarounds, automated linking of reversals, and repetitive and template processing, allowing staff to concentrate on critical or value-added tasks. However, they can also intervene manually to improve productivity and avoid costly errors.

Stream TXpress also supports settlement and payment instructions, real-time status updates and P&I. Other functionality includes real-time position and cash balance monitoring at the account and ABA level, daylight overdraft reporting, multiple ABA support in a single instance, and extensive security features.

The solution helps ensure compliance by interfacing with third-party vendor products to screen transactions for Office of Foreign Asset Control (OFAC) compliance. Stream TXpress is also compliant with the new Fed IP protocol.

Scalable and flexible

Stream TXpress is designed to be scalable and flexible, so it can support small, low transaction volume customers with simple business processing requirements, as well as very large, high volume firms with more complicated requirements and multiple internal systems and users.

The following features are available for both funds and securities transactions:

- An interface to the OFAC security control module to prevent deliveries to, and flag incoming transactions from, restricted parties
- Real-time cash balance monitoring at both the Stream TXpress Account and the ABA level. ABA thresholds may be posted to control funds deliveries as desired.
- Automatic release of securities and funds based on availability, and a pending release feature using a variety of release algorithms
- Full transaction management, including input, verification, cancellation, modification and partialling of pending delivery and expect to receive securities and funds transactions
- Complete processing of incoming securities transactions, including matching, buy-in, DK, a back-out function, and linking for incoming reversals. Both matching and linking may be configured to occur manually or automatically, and both DK and link functions may reference historical transactions.
- Ad-hoc online inquiries and reports, dynamic summary displays, and access to historical transactions. All display screens feature drill-down capabilities to allow users to review all transactions comprising the display value and to take action upon those transactions.
- Integration with Microsoft Excel® to allow export of data. File export is also available.
- Reconciliation with the FRB, and the corresponding tools and edits

- Automatic security master file update based on information received from the Fed
- Securities and funds transactions created by external feeds via message interfacing or bulk files. Funds default values for BFC and type code may be configured per account.
- Confirmations generated to update customer systems via message interfacing
- Internal processing based on universal format, with mapping from other system generated formats
- Daylight overdraft reporting encompassing both funds and securities data
- Department workstations with a flexible and granular security control and access restricting functions
- Futures file for items to be executed on a specified date
- Multiple level of account hierarchy for view and control
- Standing instructions database to define counterparty information. These instructions may be segregated by client or business area.

The following features are available for securities transactions only:

- Association of buy and sell transactions to effect original issuance deal processing and binding and turnaround processing, with a real-time display of these deals. This association can be assigned across accounts and even across securities, providing sophisticated deal support, not just a simple turnaround process.
- Real-time position monitoring at both the Stream TXpress Account and the ABA/Fed Account level
- Complete support of Original Issuance accounts and transaction processing, including specialized delivery rules and Original Issuance Redemption based on data found in the clearing summary

The following feature is available for funds transactions only:

- A repetitive template file that includes pre-defined drawdown requests and payment instructions. A Quick Entry function utilizes these repetitive templates for efficient transaction entry.

KEY BENEFITS OF STREAM TXPRESS:

- Offers a single platform for funds and securities, helping to simplify operations and provide a full view of activity
- Helps improve risk management through position management and cash position monitoring across both funds and securities activity, as well as daylight overdraft reporting for both funds and securities data
- Helps increase productivity and reduce errors by eliminating duplicate entry to the host securities system and providing automatic/bulk matching, automatic turnaround and proactive exception management
- Helps ensure compliance and reduce the risk of penalties by interfacing with OFAC database

NEED MORE INFORMATION?

Contact your sales representative at +1-800-825-2518 or visit us at www.sungard.com/streamgateways.