

Press release

News from the International Capital Market Association (ICMA)

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Please see foot of release for contact details

ICMA/2006/21

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Release: Immediate

Enhanced matching functionality for derivatives and repo with TRAX2 - the MiFID ready trade matching and regulatory confirmation system for the OTC market.

(LONDON, UK) The International Capital Market Association (ICMA) Ltd today announced that TRAX2, the MiFID ready trade matching and regulatory reporting system for the OTC market, has successfully added enhanced its Repo, SQL and derivative matching functionalities.

TRAX2 allows firms to manage their operational risk effectively by matching trades that have been done 'over the counter' i.e. not on an automated trading system, in real time with their counterparties, eliminating failed trades at settlement. Further, TRAX2 enables users to fulfil their transaction reporting requirements in a range of financial instruments to a number of specified regulatory authorities throughout the EU.

Repo:

After engaging with market participants through the European Repo Council (ERC) and Association of Foreign Banks (AFB) ICMA has provided extended matching to include Buy-Sell-Backs on Floating Rate Notes (FRNs) an increasingly important sector of the business.

Archive dates have been increased to a year with Repo chart dates being extended beyond 42 days allowing the system to better support mature repo and allow subscribers greater access to market data for analytical purposes.

More follows/...

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Trade matching:

ICMA has enabled new fields to offer narrative on 'Update' and crucially 'Denial' of transactions so that counterparties can indicate why there are unable to match a trade. TRAX2 has also been amended to accept zero as a value for 'Strike Prices/Exercise Prices' for derivative transactions allowing for more efficient reporting and derivatives can even be matched off database providing counterparties are in agreement.

Industry standards:

To meet the latest industry standards, support easier systems integration and to ensure that TRAX2 offers subscribers greater flexibility, ICMA has upgraded TRAX2 to support Microsoft SQL Server 2005 and Microsoft SQL Express and Microsoft regional settings allowing TRAX2 to be aware to the differing needs of subscribers. ICMA will continue to support Microsoft SQL Server 2000 and MSDE for additional 6 months.

TRAX2 uses the new XML (20022) in addition to ISO 15022 messaging formats allowing for easier systems integration.

TRAX2 is live and has been adopted by financial institutions including Goldman Sachs International, J.P. Morgan Securities Ltd, Nomura International plc, Credit Suisse Securities (Europe) Ltd. TRAX2 is available to any financial institution active in the international capital market, to ICMA members and non members alike, assisting financial institutions with their matching, reporting and regulatory requirements.

TRAX2 builds on the success of the original ICMA trade confirmation and risk management system (TRAX) that has been operating within the capital market since 1989. TRAX is a tried and tested system which has over 200 subscribers and is now processing 5 million transactions every month. TRAX2 has extended the use of this proven technology to reduce operational risk for firms trading in the rapidly expanding repo sector.

- Ends-

More follows/...

Notes for editors

1. TRAX2 Capabilities:

TRAX2 is the ideal trade matching and reporting solution it offers subscribers:

- Full repo matching capabilities
- Rapid identification of problem trades and greatly reduced failed trades
- Regulatory reporting hub to facilitate MiFID Article 25
- Real time trade matching and reporting of bonds, derivatives and equities
- Real time exchange of standing settlement instructions (SSI's) between counterparties
- New ISO 15022/20022 messaging allowing for easy systems integration
- Highly competitive transaction costs

TRAX2 already offers multiple reporting to:

- Financial Services Authority (UK)
- London Stock Exchange (UK)
- Virt-x (UK)
- Bank of Belgium

For more information about TRAX2 visit www.TRAX2.org or contact ICMA's Business Development team by telephoning +44 20 7538 5656 or e-mailing: info@TRAX2.org

2. International Capital Market Association (ICMA)

The International Capital Market Association is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 48 countries across the globe, including all the world's main financial centres, and currently number some 400 firms in total. ICMA performs a crucial central role in the market by providing and enforcing a self-regulatory code of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market.

www.icma-group.org

3. Contact details for further information

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