

Securities Message Matching



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Increased regulatory compliance is putting pressure on financial institutions to mitigate any operational risks facing their business. Aqua Global's Securities Message Matching (SMM) is a user friendly, cost effective solution that matches securities orders and confirmations from all parties involved in the securities settlement chain.

Functionality

SMM proactively provides an Institution with details of exceptions and mismatched trades, is highly flexible and scalable and can easily cope with any electronic message formats.

Benefits include:

- **Support for 2 or 3 way matching between the institution, custodians and brokers**
- **Automatically matches outward and inward messages as appropriate**

User involvement is focused on:

- **Exception management**
- **Investigation management**
- **Automated learning dramatically improves the matching rates**

SMM holds a full audit trail of any actions (e.g. cancellations) that have been automatically processed. The technology can be used to further integrate with the back office system by automatically authorising the associated trades once the confirmation has been matched.

Securities Adapter

SMM's capability is further enhanced when used in conjunction with AquaGlobal's other back office module such as:

- **Automatic deal booking from front office systems**
- **Automatic generation of confirmations and payment messages from back office systems**
- **Automatic cancellation and reversal processing**
- **Automatic message matching**
- **Initiation of workflow process based on a confirmation match**
- **Confirm settlement status in core back office system**





Flexible Matching Rules

System wide matching rules may be added for matching all confirmations whereas counter-party specific rules may be added to manage counter-party specific requirements.

Exception Processing

SMM automatically highlights exceptions (e.g. mismatches) enabling the user to focus on resolving them immediately. Users can add notes to a transaction to aid future investigations if required.

Alternate Details Learning

Alternate details learning increases the automatic matching rates. A typical example is where you would match a bank's name against a BIC or clearing code. These types of mismatches prevent automatic matching but are easily defined by users and dramatically increase automatic match rates. The system automatically suggests alternate rules whenever a manual match takes place. The details need to be authorised before the system can use it for automatic matching.

Compliance, User Security & Audit

User accessibility and static data changes are managed under dual control. Users can be allocated to, or prevented from performing specific functions and processes. Comprehensive audit logs of all changes are available for the appropriate staff.

All data changes are date and time stamped. All processing events (system and user) are logged on the audit trails and attached to each message.

Automatic Matching

After confirmations have gone through the matching process, they are categorised as follows:

- **Matched**
- **Possible match**
- **Unmatched**
- **Superseded**
- **Cancelled**
- **Deleted**
- **Duplicates**
- **Partial Match**

Investigation Rules

SMM monitors the 25D Status Code in inbound MT548 Settlement Status and Processing Advices and sets previously received confirmations to an investigate status.

Possible Match

Some differences between confirmations are often minor and 'non critical'. Users can confirm if the details should be matched or not. If the suggested pairing is accepted the user will be prompted to submit the details to 'alternate details learning' to increase future match rates.





Manual Matching

The solution safeguards against mismatching value differences by only enabling the manual match button when the value difference is zero; or within the manual matching tolerance for a specific user.

Unmatched Items

Users need to investigate and manually match unmatched items in order to resolve the exceptions. A range of facilities are provided to assist with the resolution of issues e.g. query and answer management facilities.

The combination of user defined rules and the alternate details learning process allow users to improve the automatic matching rates without the need to amend static data in host systems.

Other general features include:

- **Processing any of MT5XX message**
- **Cancellations**
- **Advanced search**
- **Linked message viewing**
- **Export and import**
- **Reporting**
- **Single sided manual matching**
- **Message statistics**

AUTOMATIC MATCHING

For all parties in the
securities settlement chain



About AquaGlobal

Aqua Global is a leading provider of financial message management solutions and has been for over 40 years. We provides solutions to the world's top financial institutions producing high levels of Straight Through Processing (STP) and operational efficiency, whilst minimising risks and costs. Headquartered in London, Aqua Global also has a support and development hub in Poland, as well as several global business partners.

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