

# Market Conformity Check and Best Execution Policy Monitoring of OTC Transactions



## Your advantages:

**Directive-compliant, transparent checking and documentation** of market conformity/ best execution policy for OTC transactions

**Increased efficiency in the post-trade and risk management process** by using TTMzero's expertise in the independent valuation of OTC derivatives

Fully automated processes enable **time savings** and **cost optimisation**

**Reduction of data costs** through data retrieval via fully automated standard API by valuation specialist TTMzero

Increasing the **quality and transparency of the examination process**

**Simple editing and commenting of check results** via the MCC Web Interface

Detailed reports to ensure the traceability of price identification and examination ensure **auditability**

With the Market Conformity Check (MCC) for standard OTC transactions, gd inside in cooperation with TTMzero offers a fully automated service for the examination, processing, approval and research of FX spots, FX forwards, money market loans and deposits, interest rate swaps and cross currency swaps in over 80 currency pairs.

## Combination of IT and valuation expertise

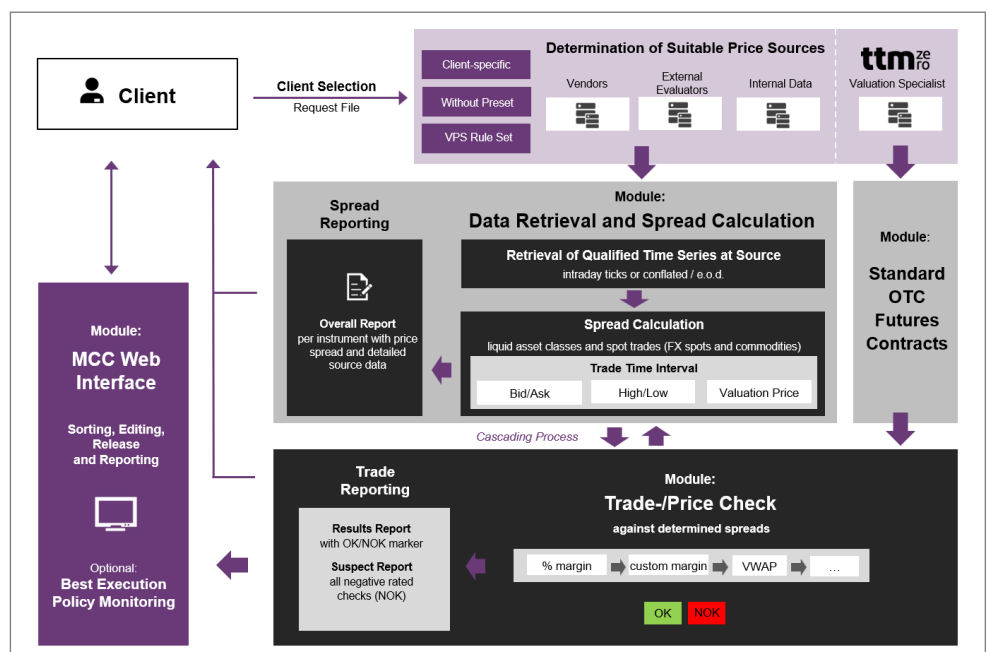
In addition to extensive data, the Market Conformity Check of OTC transactions requires special financial mathematical skills and knowledge of the examination procedures to be applied.

In order to offer clients a comprehensive service from a single source,

gd inside cooperates with TTMzero, a technology company that offers solutions for professional capital market participants.

Based on its proprietary pricing technology and its real-time data analytics platform accessing the data feeds of the most important trading venues, TTMzero performs independent valuations of financial instruments and OTC derivatives.

By combining the financial mathematical know-how of TTMzero and the expertise of gd inside in terms of business management, licensing and technical market data know-how, the MCC Service offers the added value of a single source for the calculation, examination, processing, release and research of standard OTC futures transactions.



MCC Process Overview

## Fully automated processes

In order to streamline the review process and minimize the cost of data procurement, gd inside and TTMzero have jointly developed an API for the MCC service, which enables automatic retrieval and processing of the market data required for the validation of OTC trades.

The interface is integrated into the functionalities of the MCC service and enables both the checking/commenting of trades and access to extensive search and reporting functions.

## Computation based on model prices

For the validation, the OTC trade price is compared with a theoretical reference price, which is determined using market data of liquid standard instruments at the time of the trade.

For each trade, TTMzero provides a theoretical price range for the time of the respective trade (valuation corridor). If the traded price lies within the specified valuation corridor, it can be considered as being in line with the market. Outliers can be classified as not in conformity with the market.

## Processing of check results via the MCC Web Interface

The MCC Web Interface provides a user-friendly system for processing and releasing the automatically generated test results. Via the Web Interface, the checked OTC trades can not only be displayed, but also commented, edited, released and stored in an audit-proof manner.

## Extensive research functions

In addition to the generation of automated audit files, which document the processing and release of the daily examination steps, the MCC web interface optionally offers extensive filter and research functions.

Filtering can be carried out via the web interface according to parameters defined by the customer, e.g. in freely defined time periods according to ISIN, by general execution quality, by brokers or clients, by costs, within stored margins of tolerance etc.

All research results can be automatically generated in configurable evaluations and reports for customers in various output formats (csv, xls, docx, PDF), to be downloaded via the MCC Web Interface.

## Reduction of data and operating costs

The Market Conformity Check and monitoring of the best execution policy of standard OTC futures transactions is available as a stand-alone application or as part of a comprehensive MCC solution. By licensing multiple services, both data costs and operating costs of the infrastructure and service components can be significantly reduced.

## Single platform for all asset classes

Thanks to the solution's multi-provider-compatible approach, additional asset classes to be checked are possible at any time through service enhancements or newly integrated data sources (including internal data).

The MCC service thus offers the advantage of a directive-compliant, transparent examination and documentation of the market conformity or best execution policy of all asset classes on a common platform.

## Short profile

gd inside offers modular solutions and services with a focus on multi-provider connections in market data and process management.

The independent, owner-managed company with many years of specialist market data and IT expertise acts as an interface between functional/regulatory requirements and technical implementation, and as a link between the vendor and the customer.

On request, gd inside can provide all the relevant services within a market data project - from expert advice, the procurement of special data, technical integration and development to the operation of individual components or entire solutions including business logic and continuous support during operation.

In addition to professional and technical consulting, the range of services includes tried-and-tested services in the areas of market conformity testing, best execution monitoring, transaction cost determination, valuation, reporting and monitoring.

The technical core is the gd inside Financial Gateway transfer, processing and monitoring platform, on which all services and customer-specific developments are set up and operated as integrated solutions or individual modules.

  
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