SIX Telekurs to Help Clients Facilitate Risk Management, Launches Intra-Day Ref Data Delivery Service

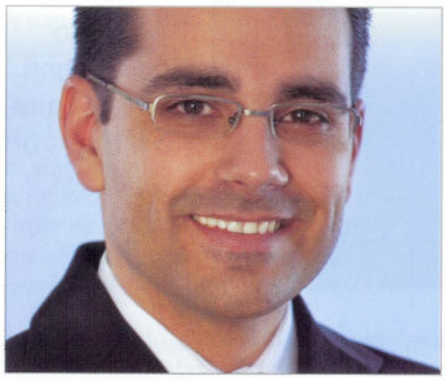
ZURICH—SIX Telekurs is enhancing its reference data products to help clients comply with regulatory initiatives and meet new demands for faster data delivery to facilitate efficient risk management, officials tell *Inside Reference Data*.

Following the increased market focus on timely reference data, SIX Telekurs is planning to increase the frequency of its reference data feed VDF, providing data every 15 minutes.

At the moment, VDF data can be obtained once a day, every eight hours or via 'ad-hoc queries' at any time, but the new add-on to the standard deliveries, VDF Pulse, will distribute a subset of VDF data approximately every 15 minutes. The details will be announced after the pilot phase in Q4/2009.

"These deliveries will transmit basic reference and cross-reference data on new institutions, instruments and listings as soon as they are created in our database, allowing customers to automate these intra-day openings that were traditionally opened manually, taking information from our displays," says Zurich-based Ivo Bieri, head of marketing, SIX Telekurs.

SIX Telekurs is also changing the reference data feed to help improve STP rates. Previously, many firms were unable to fully process the data due to its cashflow-based approach, mainly designed for back-office related processing of payment events. This system was also suited to show complex repayment conditions on the displays to non-technical users, but the analysis systems wanting to process this information to evaluate the risks and compare structured instruments offered by different issuers have data models that cannot easily import such cashflow-based structures.



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Ivo Bieri, SIX Telekurs

"We are thus changing the repayment conditions for complex instruments, including the underlying linkage structure, so that analysis/risk data models can import the data in an automated fashion. This will not affect the 'traditional' cashflows—payment events during the lifetime of an instrument," says Bieri.

With the growing focus on evaluated prices, SIX Telekurs is improving its fair-value pricing service. Bieri says the enhancements, currently under development, are focused on adding valuations for money market papers and floating rate notes with multiple interest payment schedules. This, scheduled to be rolled out in Q2 and Q3 this year, will bring the total number of instruments valued by SIX Telekurs to around 90,000, adding around 4,000 new instruments.

UCITS III Check

Meanwhile, in March, Cetrel Securities launched a pre-trade UCITS III check system, using SIX Telekurs VDF data with its own system. Bieri says the aim of the product is to help fund asset managers assess whether buying a specific instrument is compliant with the UCITS directive, which would mean the fund can maintain their status as a UCITS III compliant fund.

The Cetrel offering is an ASP application, which would typically have an automatic connection to the client's order routing system. Luxembourg-based Carlo Houblie, executive vice-president, Cetrel Securities, explains users can send a request to the system and will then be told if the instrument is legible or illegible according to the UCITS III directive.

It is currently being marketed in Luxembourg, but the vendors plan to launch it in other markets as well—especially in the 'fund cluster' markets.

Tine Thoresen

Succession Events to Benefit from Isda Committee and Markit Service

NEW YORK—The idea behind the Markit corporate actions service, aimed at helping the industry determine if a succession event happened, is being taken one step further, with the International Swaps and Derivatives Association introducing a determination committee, officials tell *Inside Reference Data*.

Information provider Markit is currently putting out factual summaries of complex events to help the market agree on succession events. Going forward, the outcome of these event types will be determined by a committee.

In March, Isda launched a new hardwiring supplement and protocol report aimed at improving consistency, transparency and liquidity in the CDS market. A key part of the process is a determination committee, which will ensure everyone comes to the same conclusion on these events.

Edward Chidsey, Markit

The committee will review information about an event and vote to reach a definite conclusion. It will consist of eight global dealers, two regional dealers, five buy-side representatives and one non-voting buy-side member.

In a web seminar connected to the launch, David Green, general counsel, Isda, said the types of questions the committee will look at include whether or not a credit event has occurred, what type of credit event that is, any challenges to the list of deliberate obligations and whether a succession event has occurred and who the successor is.

The decision will be published by Isda and committee discussions are confidential during the determination process. Yet, if the vote results in less than 80% agreement, the information will be reviewed by an external review panel of senior lawyers.

"I think the idea is to move to a more binding decision," says New York-based Edward Chidsey, managing director at Markit, explaining Markit could potentially provide its factual summary information to the determination committee.

The Markit service, launched at the end of 2007 and heavily used throughout 2008, synthesizes facts of corporate actions and facilitates events from a CDS perspective, explains Chidsey. This could, for example, be about split debt, where debt moves in different ways.

Tine Thoresen