



## Central matching service

Manual matching processes, insufficient data quality, increased operational risk and a lack of timely information continue to contribute to post-trade costs and settlement failures. The provision of an automated central matching service immediately exposes exceptions in the post-trade process, helping to reduce the risk inherent in the complex workflows that may occur between prime brokers, broker dealers and hedge funds.

### Barriers to automation

While many areas of the financial industry have advanced greatly in their levels of automation, there remain numerous processes where manual labour is still employed to verify the accuracy of data. Manual processes lead to delays in the trade lifecycle and may compound rather than eliminate errors in the data. This increases the likelihood of costly settlement failures as well as the risk of non-compliance with regulatory requirements.

A number of systems already exist to facilitate the central matching of data in a number of specific workflows. In many cases, these systems are not easily adaptable to changes in workflow, they are constrained by asset class and are not easily accessible to a global workforce. They also require expensive infrastructure and implementation projects, all of which lead to an extended return on investment.

In some industry areas, smaller participants may find it undesirable to participate in an automated service due to its cost – this not only affects the participant themselves, but also everyone else who does business with them.

An ideal solution would be to allow participants of all sizes to connect to the same service, optimising the extent of automation without incurring cost. Such a solution should also be adaptable to different workflows to keep up with the evolving business requirements in global markets.

Within the hedge fund industry, the process of ensuring that post-trade data is matched across all participants is one that is often still manual. This leads to data that is transferred late, incomplete, or in a format that makes it hard to match manually.

## UnaVista – flexibility and ease of integration

The London Stock Exchange's Broker Matching Utility (BMU) aims to facilitate such matching. The BMU runs on UnaVista, the Exchange's matching, data integration and reconciliation service. UnaVista is hosted at the Exchange's data centres and is an entirely web-based service.

The BMU allows prime brokers, executing brokers and hedge funds to share and match post-trade data in an automated, centralised manner without the need for costly hardware or integration projects. Matching exceptions are highlighted and workflow implemented so that they are dealt with quickly and efficiently in a fully auditable manner.

Users can interact with the BMU through a browser-based interface, allowing firms to collaborate and share exception information to ensure timely resolutions. A graphical dashboard clearly shows current exceptions and matching rates. System-to-system integration is equally simple, and achieved through various straightforward interfaces.

UnaVista is powerful enough to cater for the largest institution's requirements – at the same time, the cost of integration is very small, allowing all industry participants to benefit, whatever their size.

For further information on UnaVista please visit [www.londonstockexchange.com/unavista](http://www.londonstockexchange.com/unavista).

Alternatively, if you would like to discuss how this service can help fulfill your business requirements, please contact the UnaVista team on **+44 (0)20 7797 1214**.

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