



Derivative SEDOL

Uniquely identifying the world's exchange traded derivatives

SEDOL Masterfile (SMF) provides reference data on over two million global exchange traded derivatives, each uniquely identified using our universal SEDOL code.

Reference data makes up 40 per cent of all financial information and is considered to be the building block for automation of financial transactions.

Typically, in the post trade process, the documentation department needs to use a number of derivative attributes to identify the security. The lack of a common derivative identifier across global exchanges, vendors, front and back offices creates inefficiencies in the documentation process and hinders STP.

According to the FIA, global exchange traded derivative contracts increased by 28 per cent in 2007 and with rising volumes the risks related to identification issues are magnified.

A common global identifier for all derivatives

To solve this issue, SEDOL Masterfile has migrated to the UnaVista reconciliation service platform, providing customers with a new website and a global derivatives package. This enhancement enabled the allocation of two million SEDOL codes to identify unique global exchange traded derivatives sourced from over 80 global exchanges.

London Stock Exchange – the UK's National Numbering Agency

As the UK's National Numbering Agency and the source of ISIN and global SEDOL codes, the Exchange has 30 years of experience in providing the industry with timely and accurate global reference data. SMF data provides unique, market-level, global security identifiers designed to lower costs, streamline post-trade processing and settlement, as well as minimise the risk of cross-border trade failures.

Revolutionise your documentation for post-trade processing of derivatives

The new service aims to help customers improve efficiencies in the documentation process and minimise the risks and costs associated with late settlement and trade failures.

Every derivative contract is identified at the exchange level by using the standard SEDOL seven digit alphanumeric format, providing a common global identifier for all derivatives.

Derivative SEDOL codes will:

- cover over 80 global markets including around 30,000 issuers
- link to the underlying issuer via the ISIN code
- incorporate GB ISIN for all derivatives on UK based markets including LIFFE, EDX and the London Metal Exchange
- provide additional reference data required by regulations such as MiFID – for example the CFI code.

According to the ISDA 2008 Operations Benchmark survey, mismatched identifiers and associated reference data issues are the most common errors in trade documentation.



Collect data directly from the source

SEDOL codes are incorporated in most major data vendor solutions worldwide, but there is no substitute for collecting data directly from the source. As such, Derivative SEDOL codes are available in a downloadable format and through a web services API, allowing participants to access data on a daily basis to automate their reference data systems.

With Derivative SEDOL you can:

- streamline data feeds
- enable your front, middle and back office to seamlessly communicate
- trade with confidence with the thousands of other SEDOL and ISIN users across all time zones
- reduce the dependence on concatenating multiple reference data attributes.

Benefits	Features
Reduced operational risk	Worldwide coverage and open standards ensures derivative SEDOL codes are used by most global institutions and data vendors, helping to assist in cross-border communications and automate trade processing.
Reduced operational costs	Using SEDOL codes to identify derivatives enables potential discrepancies to be identified before trade inception, which minimises the need to manually repair trade failures. Also, the SMF database is cross-referenced to alternative industry identifiers, thereby removing the overheads associated with maintaining direct connectivity to multiple reference data suppliers.
Increased ability to trade in new issues	Earlier identification of new issues provides more time for instrument set-up, reduces the risk of unwelcome 'dummy' securities/codes being introduced and identification codes differing in front and back offices.

To discuss how Derivative SEDOL can increase your firm's effectiveness please contact us on:

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