



IHS Markit™

TradeServ Credit FAQ

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Introduction

Currently the MarkitSERV DSMatch platform and Deriv/SERV Trade Information Warehouse share systems architecture. MarkitSERV will retire its DSMatch system and replace it with a modern cloud based system architecture called TradeServ. The Deriv/SERV TIW will re-platform to a cloud based system that will leverage distributed ledger technology (DLT). MarkitSERV and Deriv/SERV are working together to ensure that client-facing change is limited and that connectivity between our platforms remains as seamless as possible.

MarkitSERV and DTCC Historical Timeline

2003	• Deriv/SERV established as a global matching service to automate the paper intensive process for credit default swaps
2006	• Deriv/SERV launches its TIW
2009	• Markit and Deriv/SERV launch MarkitSERV as a joint venture that combines the firms confirmation services within the OTC space
2013	• Deriv/SERV sells its stake of MarkitSERV to Markit. • Markit owns confirmation/matching; Deriv/SERV owns event processing/payments
2016	• Successful Proof of Concept (POC) with Deriv/SERV, IHS Markit and 6 banks demonstrating CDS processing managed on DLT
2017	• Agreement from IHS Markit and Deriv/SERV to work in parallel in migration to new technologies
2018	• Integration, Scripted, and Open User Acceptance Testing TradeServ and TIW DLT
2019	• TradeServ and TIW phase 1 go live

General

1. Why is IHS Markit updating the technology platform on which MarkitSERV is based?

Upgrading the platform is part of our broader technology strategy that will improve service delivery and client experience. The first phase of this project will deliver a new platform which will replace DSMatch for the processing of Credit and FX derivatives.

2. What is the name of the new platform?

The name of the new platform is TradeServ; it uses the cloud and modern system architecture to deliver higher levels of flexibility, customization and utility.

3. What products are supported on the new platform?

All Credit products supported on DSMatch today will be supported on TradeServ.

4. Is DTCC also updating their technology platform for Credit and the Trade Information Warehouse (TIW)?

Yes. In a highly coordinated migration, both MarkitSERV and DTCC TIW are upgrading technologies. We are working together to ensure that customer-facing change is as limited as possible and that connectivity between our platforms remains seamless.

5. Will MarkitSERV and DTCC's new platforms still function as they do today for the confirmation and warehousing of credit derivatives?

Yes, both firms will continue to provide the same services. TradeServ will offer improved service delivery and a better client experience. In the new structure, both platforms will connect to facilitate seamless confirmation and warehousing of credit transactions.

6. Are the MarkitSERV Credit confirmation, clearing and regulatory reporting services changing?

There will be slight changes to some current workflow but TradeServ will continue to support credit confirmation, clearing and regulatory reporting functionality and workflow, and will make it easier for us to expand our services in the future. The majority of these changes will be agnostic to the parties with the inbound confirmation messages that you submit into DSMatch today remaining the same for TradeServ

- Only once a transaction (new or post trade event) is legally confirmed on TradeServ, will it be sent to the TIW which differs from today's process where trades are matched, confirmed and registered in one step
- TradeServ will respond with a confirmation message prior to the successful insertion into the TIW. TradeServ will then also update with a secondary message inclusive of DTCC TRI once registered
- For post trade events TradeServ will 'reserve' the applicable notional at the TIW until such time that transaction is confirmed
- TradeServ (after agreement from the industry) will be sun setting the following transaction types
 - Increase, Outside Assignment, Outside Termination

- TradeServ will also introduce new error codes that state the reason for submission failure
- For TIW, clients will continue to receive payment and settlement messages as today, with no changes to formatting, etc. Additionally, firms will continue to use the existing options to submit adherence messages

7. What are the client benefits of the new platform?

- IHS Markit is modernizing the trade matching capabilities that feed into the new TIW, built on a micro-services based platform called TradeServ. IHS Markit TradeServ will become the backbone (multi-asset) for all trade processing capabilities over the next few years. All of these changes are to modernize existing solutions, which in turn will provide exciting new opportunities for additional services in the marketplace
- Increased agility as a business - Running on a modern micro services cloud-based platform provides us with greater flexibility to deliver updates and new services to market without impact at a faster pace.
- All applications and networks follow stringent security practices (well-formed architecture reviews) and review, with security and confidentiality of data at the center.

8. When will the new platform go live?

After scripted and open testing concludes, both firms are targeting to go live in Q1 2019.

9. How and when will our trades be migrated to TradeServ?

MarkitSERV will manage the Production trade data migration, in coordination with the TIW. UAT trades will not be migrated.

10. How can clients prepare for UAT and Production go-live?

Participants are encouraged to:

- Visit our documentation and download portal: <https://products.markit.com/home/login.jsp>
- Visit our TradeServ landing page: <https://ihsmarkit.com/products/tradeServ-markitserv-credit-re-platform.html>
- Contact us with any questions: tradeserv.queries@ihsmarkit.com

11. What should clients be aware of?

GUI and Log In's	<ul style="list-style-type: none"> ➤ New UI: A new TradeServ GUI will replace the DSMatch GUI. Usernames for TradeServ should remain the same, but users will be asked to reset their passwords when first logging into TradeServ.
Workflows	<ul style="list-style-type: none"> ➤ Schema Validation: The MarkitSERV product team is working with firms who submit schema invalid XML messages into DSMatch to help them identify and correct errors prior to participation in TradeServ testing. ➤ Messaging: MarkitSERV aims to keep messaging changes as limited as possible. One consequence of TradeServ and the TIW becoming separate platforms is that the legal confirmation and TIW registration become separate steps. Firms will be able to opt in to receiving an additional confirmation message at the time of legal confirmation or wait and receive the default single message at time of TIW registration mirroring today's one step process. ➤ Error codes: Clients will have to update internal systems to consume new error codes. These new codes will be made available to clients in advance of UAT scripted testing.
Onboarding	<ul style="list-style-type: none"> ➤ Account setup: today on-boarding for both platforms occurs via one team, with the separation of technologies; firms must on-board with the MarkitSERV onboarding team as well as the DTCC onboarding team. ➤ Self Service portal: A new MarkitSERV portal will be provided for managing accounts, products, and permissions. The self-service portal will replace the existing DTCC CRS
Connectivity	<ul style="list-style-type: none"> ➤ Lease lines: Firms who have existing lease lines for MarkitWire will leverage these existing connections for direct connectivity into TradeServ. ➤ VPN: for firms who do not connect direct via lease lines, VPN connectivity is available. ➤ Web GUI/CSV upload: a new UI will be provided for manual trades and CSV uploads
Regulatory Reporting	<ul style="list-style-type: none"> ➤ MarkitSERV and DTCC have agreed that TradeServ will take on regulatory reporting of all transactions.
MIS Reporting	<ul style="list-style-type: none"> ➤ TradeServ will offer a much more nimble and interactive experience, allowing firms to build, download, and schedule their own reports on the web. ➤ SFTP delivery will be supported on the new platform.

User Acceptance Testing (UAT)

12. Q1: When will UAT testing begin?

User acceptance testing for TradeServ credit consists of three phases. Please contact our project team as the project progresses for more details: tradeserv.queries@ihsmarkit.com

Phase	Description	Dates
Integration	MSERV and DTCC integration testing of all credit confirmation and clearing workflows	July 2018 – Aug 2018
Scripted	Scripted testing for G15 dealers	Sept 2018 – Nov 2018
Open	Open testing for all firms	Nov 2018 – Jan 2019

13. How will users connect to UAT?

Private line (lease line), VPN, CSV and/or direct GUI access will be offered for the new platform.

14. Will I need a new username and password?

Your username should remain the same, but once the new UI is available users will be asked to log in for the first time and reset their passwords.

A web based self-serve administration tool will be available to manage static information on the new platform.

Data Migration

1. Who will manage the trade migration?

MarkitSERV will manage the Production trade data migration, in coordination with the TIW. UAT trades will not be migrated.

2. What is the schedule for the Production cut-over?

The detailed plan will be circulated in the coming months. Production cutover will happen on a weekend. The exact weekend is still to be determined.

For any TradeServ credit queries please contact our team at:

Tradeserv.queries@ihsmarkit.com