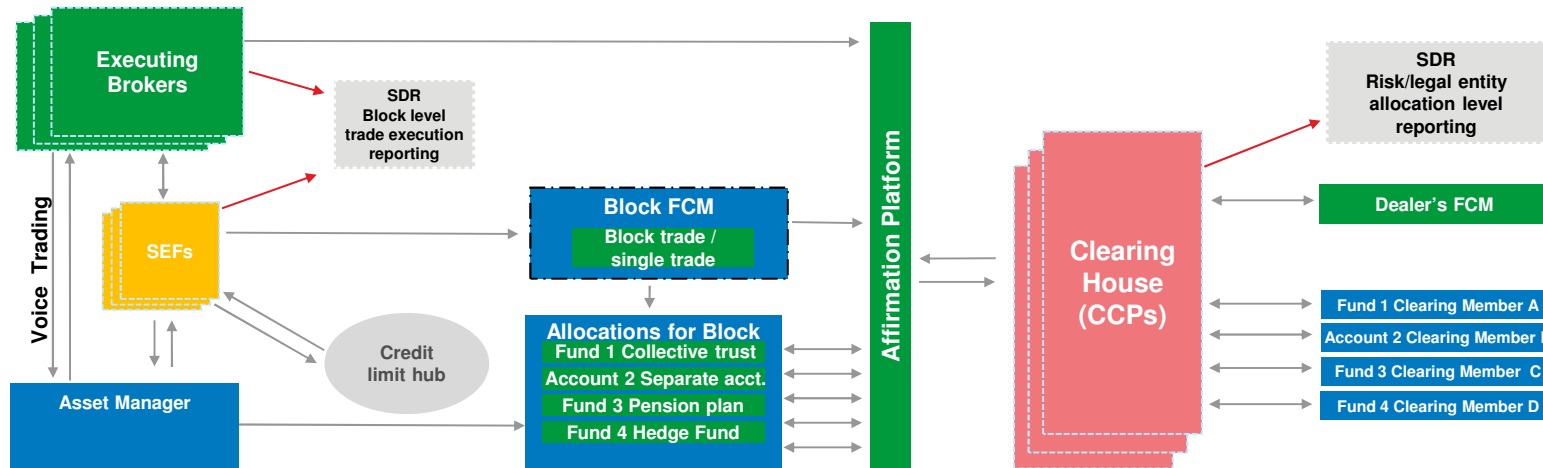


Client clearing trade execution



Trade execution

- Execution of trade takes place either via voice or electronically
- Trading protocols include voice, Request for Quote (RFQ), central limit order book
- Electronic platforms will need to register as swap execution facilities or designated contract market
- Fully automated trades will require real-time acceptance of clearing at time of trade execution
- Real-time acceptance of clearing will require a clearing member to guarantee clearing on behalf of the market participant
- Regulation requires clearing members to define credit limits for market participants

Client readiness

- Execution agreements in place with multiple executing dealers
- Clearing member selection and agreements (futures agreement addendum) in place with clearing members.
- Affirmation platforms selection and agreement in place with executing dealers
- Clearing house selection and user agreements in place with clearing houses

Clearing

- Affirmation platform will match trades from both market participants and send trade to the clearing house
 - For single trades, the trade is matched at the affirmation platform and sent to the CCP and clearing members for clearing
 - For block trades once real-time acceptance for clearing is required, the block will be matched and sent for clearing to the clearing house and the clearing member immediately upon execution for clearing. The allocations will follow and the CCP will collapse the cleared block and the allocations as the clearing members accept the trades for clearing

Other

- Determination of designation – US person vs. non US person
- Business conduct compliance
- Fee and commission agreements with CCPs and clearing members
- Reporting obligations