



Solving the securities post-trade transparency challenge

Your challenge

The securities industry has improved automation and straight-through processing (STP) rates over the past decades. However, transparency and end-to-end visibility on the status of transactions along the settlement and reconciliation value chain continues to be a challenge for all involved, causing time-consuming inefficiencies and costs. This is exacerbated by regulatory and market initiatives such as the EU's Central Securities Depository Regulation (CSDR) and the global move to T+1.

How Swift can help

As a neutral, global cooperative, Swift is collaborating with market participants to digitally transform the securities industry. We're working with the securities industry to adopt the Unique Transaction Identifier (UTI), which will enable increased end-to-end transparency throughout the entire lifecycle of a securities transaction. This, in turn, will allow firms to identify transactions at risk of failing, and take corrective action.

Benefits of adopting the UTI in securities settlement



Improve STP, reduce operational risks and costs, and enhance overall settlement efficiency



Improve interoperability between systems and counterparties and support the digital transformation in securities



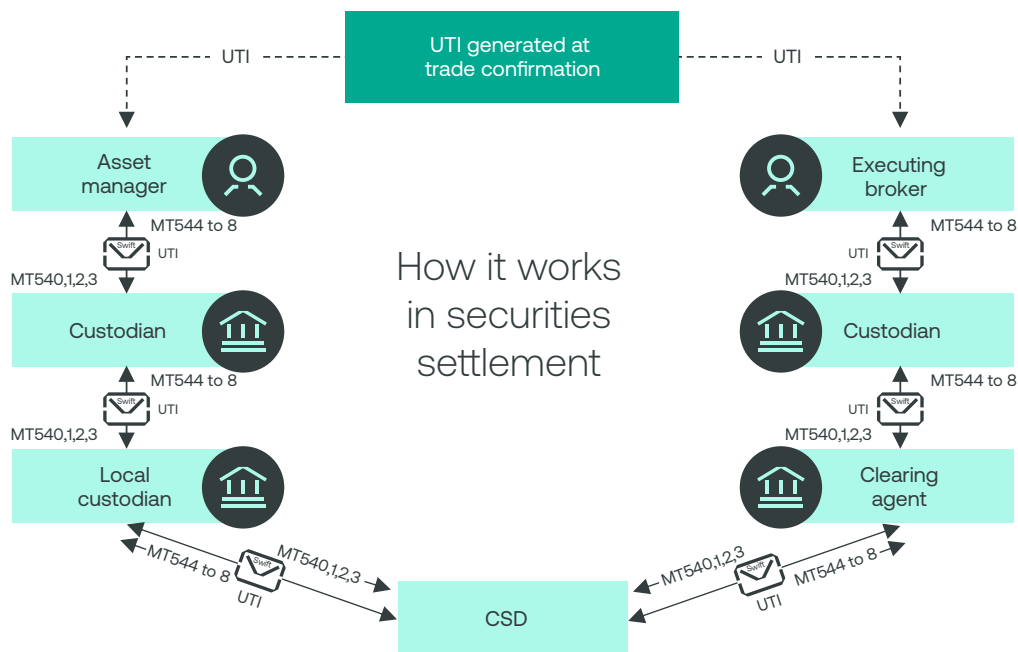
Provide transparency and facilitate consensus between counterparties



Enhance the experience of all parties involved

The Unique Transaction Identifier (UTI)

is a unique 52 character alpha-numeric code that is already used for securities financial transaction reporting. By adopting it more widely in the securities settlement process, the industry can reduce operational risk, improve settlement and reconciliation efficiency, support interoperability, enable digital transformation and enhance customer experience.



How the UTI improves securities settlement

“Wider adoption of the Unique Transaction Identifier should improve visibility for market participants to identify transactions that might be at risk of failing and address potential settlement issues quicker, and even before they occur. Expanding the use of UTIs should therefore make it more efficient for service providers, such as ourselves, to respond to client queries about the status of their transactions”

Paul Baybutt, Global Head of Middle Office for Securities Services, HSBC

Enables end-to-end tracking

Following market guidelines, a UTI can be generated and communicated to buyers and sellers by key trade matching platforms or bilaterally during the trade allocation/confirmation process. Once transmitted unaltered and on both sides of the transaction through the settlement chain, the UTI will enable end-to-end transaction tracking and visibility to all parties involved.

Improves operational efficiency

Thanks to a unique identifier, potential settlement issues and data discrepancies can be detected and resolved faster, with greater automation. Better metrics and root cause analysis also support permanent process improvements across all counterparties.

Enables digital transformation

A UTI enables the digital transformation in securities. By improving interoperability between systems and counterparties, the UTI allows linking traditional and next-generation technologies for future innovation.

Benefits the whole industry

Over ten different types of securities market participants are involved in trade settlements. The UTI provides a single and consistent way to refer to a securities transaction throughout its lifecycle. All parties to the transaction benefit from the transparent and secure exchange of data enabled by the UTI, especially buyers and sellers.

For more information about the Unique Transaction Identifier and its value in securities post-trade settlement, contact your Swift relationship manager or email securities@swift.com.