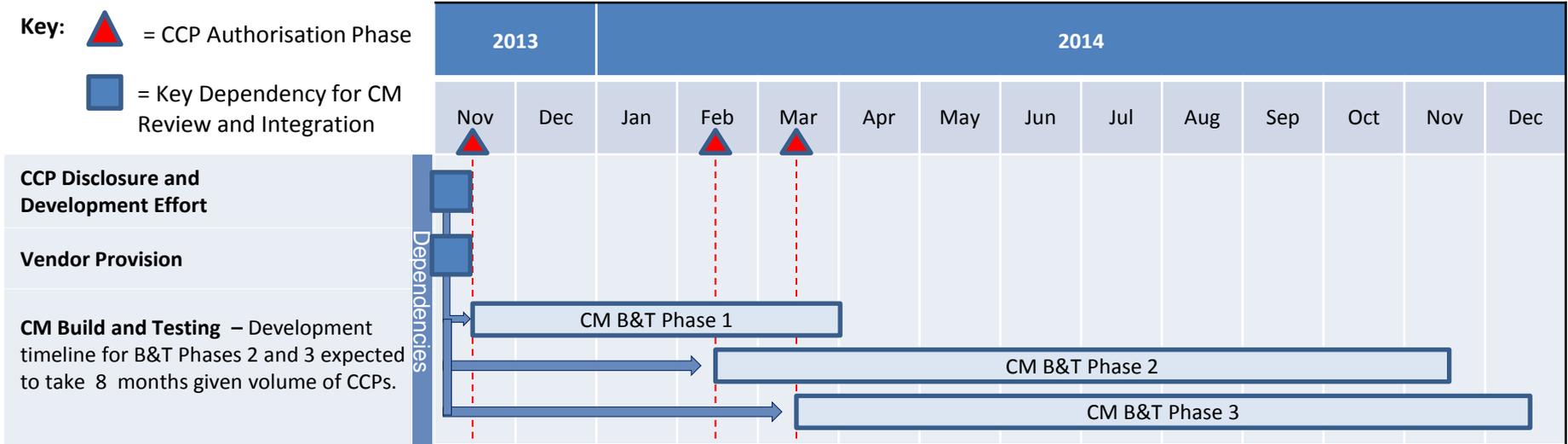


Clearing System Build & Migration - Dependencies

There remain a number of critical development items still to be disclosed by CCPs and Vendors. Without which, the Industry cannot build complete or scalable processing solutions



Key Dependencies that could impact the EMIR implementation timeline

<p>CCP Disclosure and Development Effort</p>	<ul style="list-style-type: none"> Finalised Rule Books and technical specification are yet to provided (and are unlikely to be released prior to CCP re-authorisation). Without these, CMs are unable to finalise proposed system architecture or develop a scalable build prior to current go-live. CCPs are yet to develop any automation around collateral / excess / margin movements etc.). Certain CCPs are proposing fax instruction for these moves. This is an unacceptable operational solution. Confirmation is yet to be provided of CCP incremental roll-out/onboarding plans across the industry. Testing schedules and implementation plans are yet to be finalised with Clearing Members. This is a major hurdle as testing capacity will be limited with only 1 CCP being able to test with a CM, per weekend.
<p>Vendor Provision</p>	<ul style="list-style-type: none"> The majority of CMs are reliant on a small number of Vendor systems which form a core part of their system/processing architecture. They are yet to complete and test their systems developments as they too are reliant on CCP technical specifications. One major Vendor is requiring all their clients to upgrade to the latest back-office system software version before clients can benefit from any EMIR functionality – is a major migration project in itself. Following which Vendors must perform development testing, pilot client testing, resolution of ‘bugs’ and integrated front-to-back system testing.
<p>CM Review and Integration</p>	<ul style="list-style-type: none"> CMs must assess CCP models and determine which they will offer to clients as their Omnibus and ISA offerings Adequate processing capacity must be assessed and the development timeline adjusted accordingly. End to end testing with both Clients and CCPs must take place.

Clearing System Build & Migration – Standard CM Timeline

Below we can see the impact of the key dependencies on the Standard CM Timeline.

