Process documentation

Organization:	Universität Ulm
Author:	Marvin Völter
Creation date:	30.12.2023
Version:	1.0.0

Table of contents

1 115_model

Diagram Type	Business Process Diagram (BPMN 2.0)
Path	Shared documents / SAP-SAM
Author	Marvin Völter
Revision Number	1
Last modified	Dec 30, 2023
Diagram Link	https://academic.signavio.com/p/editor?id=0c26bb19d76942b49c5eee35b04cfe94

1.1 Diagram
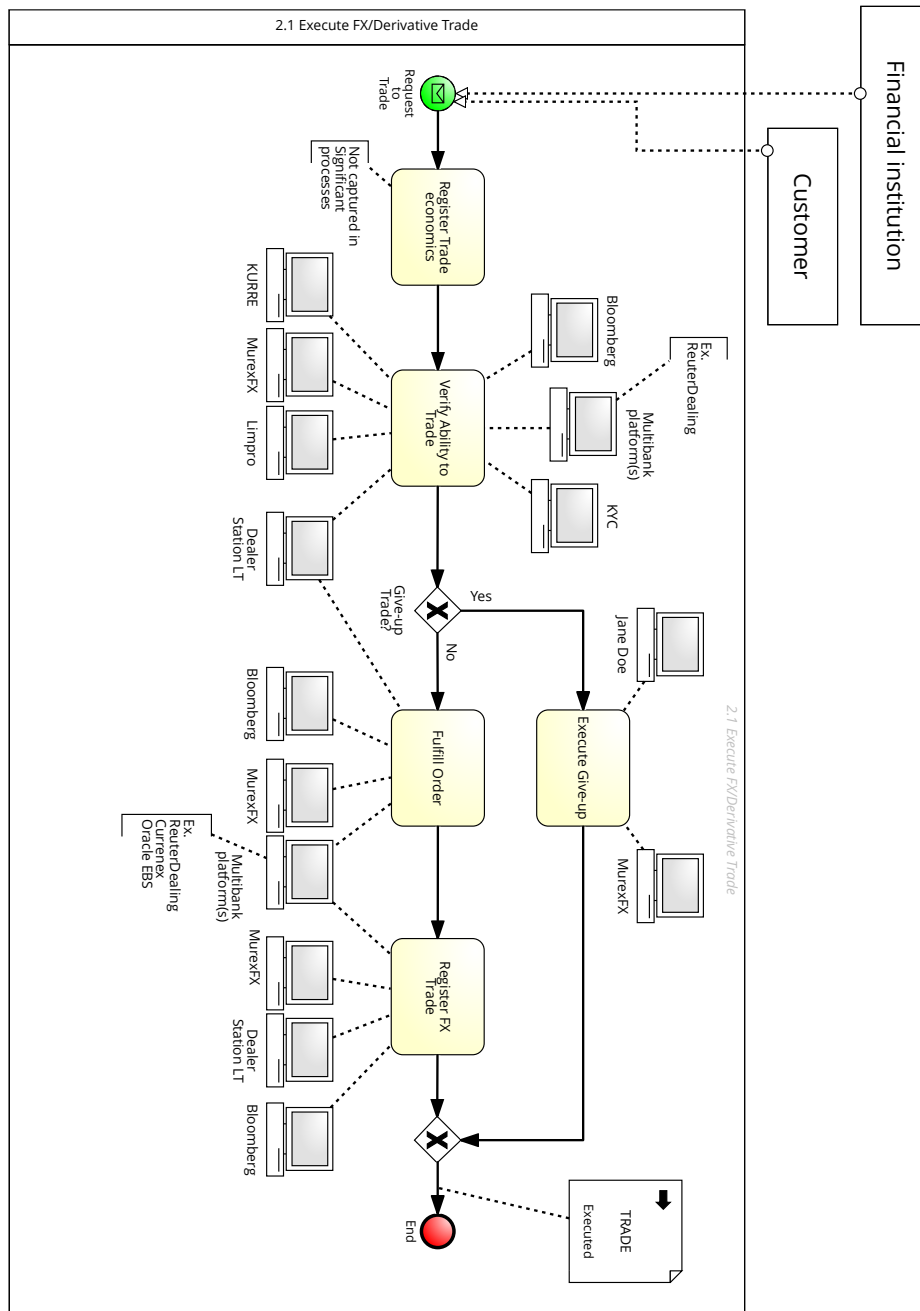
1.2 Elements

Process elements

Request to Trade

Start Message Event

Organization units: 2.1 Execute FX/Derivative Trade

Register Trade economics

Task

Enter derivative trade into a system to enable pricing. This step does not apply to "simple" trades, such as listed derivatives, standardized OTC or cash bonds.

Decisions made: Trade can be registered correctly.

BR - Duality: Trade registration is subject to 4-eyes validation.

BR - Law & Regulations:
MIFID/MIFIR, Dodd Jane Doe, , clearing house listing, Short selling directive.Comply

Organization units: 2.1 Execute FX/Derivative Trade

Verify Ability to Trade

Task

Decisions made:
Verification that the customer has a credit line in place and that suggested trade ticket fits within set limit is done.

Credit Value Adjustment desk calculates cost of credit - forward risk.
Potential Future Exposure is measured - cross-product limit is verified.
Customer onboard, set up status and agreements are verified (limits, Know your Customer).
Profitability analysis is performed (e.g. consideration of Credit Value Adjustment desk charges or other charges in relation to risk profile).
Trade details are verified.
Customer Legal Identification Number (LEI) is verified

BR - External Agreement: Relevant agreements with customer should be in place: such as ISDA, CSA. Agreements required for a limit to be input in the system.

OP Risk - Processes - Data Quality: Ability to trade can be verified based on the incorrect market data, incorrect information of existing customer position, incorrect limit information.

OP Risk - Staff - Human Error: There is a risk of wrong conclusions about trading ability due to erroneous or perfunctory verification.

Organization units: 2.1 Execute FX/Derivative Trade

IT Systems:

    Bloomberg

    Dealer Station LT

    KURRE

    KYC

    Limpro

    Multibank platform(s)

    MurexFX

Give-up Trade?

Exclusive (XOR) Gateway

Organization units: 2.1 Execute FX/Derivative Trade

Execute Give-up

Task

Input the trade into systems in an executed state so that it affects the Jane Doe in regards to risk and profit and loss. The fact that it's a give-up trade is conveyed by the trader selecting the customer-clearing check box on the MarketWire interface. The customer will, at the affirmation-stage, fill out details on who is the clearing broker for the customer.   BR - L

aw & Regulations: MIFID/MIFIR, Dodd Jane Doe, .   with f

ollowing internal policies and procedures: Bond Policy, OTC Derivatives Policy, Credit Policy for Repo Transactions. BR - Timeline

: Trade should be registered before currency cut-off time.   OP Risk - Sta

Organization units: 2.1 Execute FX/Derivative Trade

IT Systems:

    Jane Doe

    MurexFX

Fulfill Order

Task

Decisions made: Evaluation of the best trade execution.

Customer or Front Office places specific order for foreign exchange trade which gets executed under certain price conditions.

Customer request is met in terms of preferred trading channel, response to customer request to quote or trade takes place.

Record keeping conditions are met - capturing quotes both internal as well as external.

Front Office need to adhere to the Global FX Code, follow order execution policy and published guidelines such as Ex-ante margins

Possible trading channels/ execution types: Voice trade, order placement at marketplace, electronic execution over single or multibank portal, smart order routing, pricing and quoting.

BR - Timeline: Order should be handled before currency cut-off times.

OP Risk - Staff - Human Error: There is a risk of incorrect trade detail entry.

OP Risk - Processes - Data Quality: Market data can be incorrect.

Organization units: 2.1 Execute FX/Derivative Trade

IT Systems:

Bloomberg

Dealer Station LT

Multibank platform(s)

MurexFX

Register FX Trade

Task

Trade notification and trade execution.

BR - Timeline: Trade should be registered before currency cut-off time.

OP Risk - Staff - Human Error: There is a risk of incorrect trade detail entry.

OP Risk - Processes - Data Quality: Market data can be incorrect.

Organization units: 2.1 Execute FX/Derivative Trade

IT Systems:

Bloomberg

Dealer Station LT

Multibank platform(s)

MurexFX

Exclusive (XOR) Gateway

Exclusive (XOR) Gateway

Organization units: 2.1 Execute FX/Derivative Trade

Data objects: TRADE

End

End Event

Organization units: 2.1 Execute FX/Derivative Trade

Data objects: TRADE

Organization units

2.1 Execute FX/Derivative Trade

Pool

Customer

Collapsed Pool

Financial institution

Collapsed Pool

Lane

Lane

Organization unit: 2.1 Execute FX/Derivative Trade

Data / IT-Systems

Bloomberg

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

Dealer Station LT

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

Dealer Station LT

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

Jane Doe

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

KURRE

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

KYC

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

Limpro

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

Multibank platform(s)

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

Multibank platform(s)

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

MurexFX

IT System

Organization unit: 2.1 Execute FX/Derivative Trade

TRADE

Data Object

Organization unit: 2.1 Execute FX/Derivative Trade

Input/Output: Output
State: Executed