

Manual Pricer: Credit and Tenor Overrides

In previous releases, when a customer request was routed to the Manual Pricer workflow for a credit breach or tenor restrictions, the trader had to use the Admin application to make adjustments to the credit limit or tenor before pricing the RFQ. This resulted in a delay in pricing.

The system can be now configured so that traders with a new permission can override credit breaches and bypass tenor restrictions from within the Manual Pricer interface in their trading application.

The new workflow applies to both credit managed in the Integral Credit Service and in external credit systems.

When a request is routed to a Manual Pricer trader with the new permission, the **Override Credit** checkbox is added to the following UI components:

- Manual Pricer request popup window
- Manual RFQ Status panel
- Manual RFQ Edit window

The checkbox is added to price requests for single, static quotes (Manual RFQ) and for streams of quotes (Dealer Intervention - Streaming Quotes).

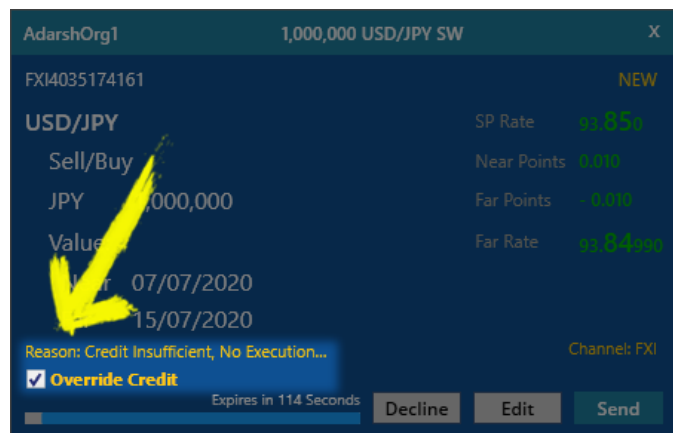


Figure 1 Override Checkbox in Manual Pricer Request Popup Window

The **Send** button is disabled at first. The trader must select the **Override Credit** checkbox to enable the button and send the quote.

If the trader does not have the new permission, the system behaves as in previous releases. The trade must use the Admin application to adjust credit or tenors to price the request.

1 Permissions and Configuration

Manual Pricer users must have the "OCXT Manual Pricer Credit Override" permission to access the **Override Credit** checkbox. Please contact your Technical Account Manager to configure your organization for this new functionality.

2 Workflow Scenarios

The following scenarios detail the behavior of the system when overriding failed credit and tenor checks to price customer requests.

2.1 Credit Limit Override: Integral Credit Engine

1. Customer requests an amount that is more than the available aggregate or daily credit limit.
2. The request is routed to the Manual Pricer workflow.
3. The trader or salesperson selects the **Override Credit** checkbox and clicks **Send**.
4. The customer sees the quote.
5. If the customer trades, credit is breached. The credit limit is unchanged.
6. The audit log includes the name of the Manual Pricer user who sent the quote.
7. An alert email is sent to the email addresses configured on the credit module.

See [Auditing and Alerts](#) on page 3 for sample email alerts and credit audit logs.

2.2 Credit Limit Override: External Credit Engine

1. Customer requests a quote.
2. The credit check is routed to the external engine and returns with a limit check refused.
3. The request is routed to the Manual Pricer workflow.
4. The trader or salesperson selects the **Override Credit** checkbox and clicks **Send**.
5. The customer sees the quote.
6. If the customer trades, the execution notification for the external credit check is bypassed.
7. The audit log includes the name of the Manual Pricer user who sent the quote.
8. An alert email is sent to the email addresses configured on the credit module.

See [Auditing and Alerts](#) on page 3 for sample email alerts and credit audit logs.

2.3 Credit Limit Override: Both Integral and External Credit Engines

The Integral credit limit will be breached.

The external credit check will be bypassed.

2.4 Tenor Min/Max Check Override

1. Customer requests a quote for a tenor that is outside of the trading range configured on the Integral credit engine.
2. The request is routed to the Manual Pricer workflow.
3. The trader or salesperson selects the **Override Credit** checkbox and clicks **Send**.
4. The customer sees the quote.
5. If the customer trades, the tenor check is ignored.
6. The audit log includes the name of the Manual Pricer user who sent the quote.
7. An alert email is sent to the email addresses configured on the credit module.

See [Auditing and Alerts](#) on page 3 for sample email alerts and credit audit logs.

2.5 Credit Limit and Tenor Min/Max Fail in the Same Request

1. Customer requests a quote that is outside of the tenor range and exceeds the available credit.
2. When the workflow detects that tenor is outside of the trading range, the request is routed to the Manual Pricer workflow.
3. The trader or salesperson sees the "Tenor outside of the range" error message.

NOTE: The Manual Pricer user does not see a separate credit failure message. Only one credit-related message is displayed at a time.

4. The trader or salesperson selects the **Override Credit** checkbox and clicks **Send**.
5. The customer sees the quote.
6. If the customer trades, tenor check is bypassed and the credit limit is breached.
7. The audit log includes the name of the Manual Pricer user who sent the quote.
8. An alert email is sent to the email addresses configured on the credit module.

See [Auditing and Alerts](#) on page 3 for sample email alerts and credit audit logs.

3 Auditing and Alerts

Selecting the checkbox and sending the overridden request is logged as an audited credit event in the credit Audit screen in the Admin app (**Counterparty > Credit > Audit**).

| | | | | |
|------------------------|----------|----------|-------------|--|
| 07/01/2020 11:55:53 AM | CustUser | CustOrg1 | CustOrg1le2 | BrkOrg: Credit overutilization and/or tenor restrictions bypass due to override for CustOrg1 and CustOrg1le2 FXI4035808045 CustOrg1le2 BUY/SELL 1,000,000.02 USD/1,000,000.01 USD USD/CHF BrkOrgLE by user: AuthorizingUserID. |
|------------------------|----------|----------|-------------|--|

Figure 2 Typical Credit Audit Entry

If you configure credit alert emails, the system sends alert emails when you override a failed credit or tenor check. The following is typical text for an alert email for a failed minimum tenor check (highlighting added):

From: <fxinside@integralsupport.com>
 Date: Thu, Jul 2, 2020 at 11:23 AM
 Subject: Credit Alert: BrkOrg for CustOrg1
 To: <CredTeam@brkorg.email>, <risk@brkorg.email>
Credit overutilization and/or tenor restrictions bypass due to override by User: AuthorizingUserID
 Counterparty Organization: CustOrg1
 Counterparty Organization Name: CustOrg1
 Counterparty Legal Entity:
Minimum Tenor: 1Y
 Maximum Tenor:
 TradeDescription: FXI9064924806 CustOrg1le1 SELL 1,000,000.00 EUR EUR/USD MCBL 13-Jul-2020
 Credit Methodology: Aggregate Gross Settlement
 Value Date:
 Utilized %: 0.11
 Utilized Limit: 1,118,430.00 USD
 Available Limit: 998,881,570.00 USD
 Limit Amount: 1,000,000,000.00 USD
 Credit Methodology: Daily Gross Settlement
 Value Date: 13-Jul-2020

Utilized %: 0.11

Utilized Limit: 1,118,430.00 USD

Available Limit: 998,881,570.00 USD

Limit Amount: 1,000,000,000.00 USD