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Broker Load submission process expanding to include CDS Indices

To continue to build out and offer flexible trade processing and clearing solutions for our clients, Tradeweb is expanding the Broker Load submission process to MarkitSERV to include CDS Index trades. Tradeweb will be able to support submission of bilateral and Intended To Be Cleared (ITBC) trades executed on TW SEF and non-SEF platforms.

Following recent developments on our Rates submission process and in order to further support the Commission's swaps straight-through-processing requirements ("**STP Guidance**"), the submission process for SEF ITBC trades will adopt MarkitSERV's "auto-processing" functionality. This will be mandatory for all participants executing cleared trades on TWSEF.

For CDS index trades executed **non-SEF**, where the client has specified the trade is to be sent indirectly to the clearing house via MarkitSERV, either Tradeweb or the Executing Broker may submit the trade to MarkitSERV.

Trades submitted to MarkitSERV by Tradeweb will follow a similar process to the existing Rates submission:

- Tradeweb as a "broker" **will submit both sides of the trade** using the "Broker Load API" immediately:
 - o post execution for non-allocating companies
 - o upon submission of allocations for allocating companies
- Tradeweb will use the following "broker codes":
 - o **TWEB** for bilateral, uncleared trades
 - o **TWEBCCP** for ITBC trades
- All relevant SEF related tags will be included in the submission message to MarkitSERV (USI, SDR Location, RCP, ExecutionVenue=SEF etc)
- ITBC trades to be cleared indirectly **at CME, ICE Clear Credit, ICE Clear Europe and LCH SA** will be supported
- Cleared statuses are received back from MarkitSERV and published to participants as per existing cleared processes

What does Auto-processing mean?

Trades executed on TWSEF and submitted to clearing via MarkitSERV will include a new bilateral flag

<swbAutoProcessing>**TRUE**</swbAutoProcessing>. The new flag indicates whether MarkitSERV should **auto process** on behalf of both parties. Auto-processed trades flow directly to the clearing-house without any API or User interaction in MarkitSERV and the following actions will be performed automatically by MarkitSERV:

- Pick up
- Accept
- Affirm
- Release
- Send for clearing

Auto-Processing and “Books”

We understand from current dealers there are concerns on how the “book” would be managed effectively under the auto-processing workflow. To help satisfy these concerns, Tradeweb will support receiving “book” from the dealers as part of the trade negotiation/pricing process via the Trading API. We also understand MarkitSERV allows counterparties to default the “book”.

Scope

Trades flagged for auto-processing by Tradeweb are: **all Index** trades which are **Intended To Be Cleared (ITBC)** and are **executed on TW SEF**. Bilateral trades executed on TW SEF, including PB, and all trades executed non-SEF, will not be flagged as auto-processing.

Timelines

Tradeweb will support the CDS submission process to MarkitSERV including the auto-processing functionality in our **DLR_DEV environments from middle/end December** for dealer testing and we will confirm exact dates closer to the time. Please be aware this will impact all SEF ITBC trades submitted to MarkitSERV in these environments. **Production Go Live Date is scheduled for January 23rd**.

Please contact the Clearing Operations team with any questions at ClearingOps@tradeweb.com or +1 866-202-1511 (NY)/ +44 207 776 0989 (LDN).