Informatica Counterparty/Legal Entity Reference Data Management Solution

Addressing the Growing Need for Trusted and Authoritative Counterparty/Legal Entity Data

The need to improve transparency and accuracy in counterparty risk is in great demand following the recent financial crisis. New regulations including Basel III, MiFiD II, and Dodd Frank all depend on having comprehensive, accurate, and trustworthy counterparty/legal entity data. Unfortunately, years of traditional business silos, duplicate data vendors, lack of formal governance policies, and no standard global identification system has led to counterparty data fragmentation and discrepancies that pose significant threats to the global financial industry and economy. These issues include:

- Invalid counterparty names and legal entity information
- Poor data quality from incoming sources
- Duplicate records across systems
- Inaccurate or incomplete legal hierarchy information
- Lack of cross referencing between counterparties
- Difficulty sharing counterparty data between systems

Introducing the Informatica Counterparty Reference Data Management™ Solution

The Informatica® Counterparty Reference Data Management™ solution addresses the complex yet common challenges of managing counterparty/legal entity data, including:

- Comprehensive access to existing data from internal and external sources
- Onboarding and ongoing management of new data sources
- Proactively managing data quality errors, such as duplicates, invalid values, and incorrect information
- Managing complete and accurate legal hierarchies and corporate actions
- Effective cross-referencing of legal entities by securities instrument
- Seamless data integration and delivery to downstream systems

Benefits

- Improve visibility into counterparty risk and capital reserve allocation ratios
- Ensure compliance with new and existing regulations with trusted reference data
- Gain business efficiencies across risk management, regulatory compliance, and information technology

Why Informatica for Counterparty Reference Data Management?

- Integrated data access, management, governance, and syndication
- Support for other reference datatypes including securities/instruments and clients
- Flexible and customizable data models and rules

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Key Features and Benefits

Data Acquisition. Flexible and scalable data acquisition facility to integrate and bring on-board data from external vendors and internal systems.

- **External data onboarding** leverages prebuilt adapters to bring onboard data from SWIFT, DTCC, Bloomberg, Reuters, and other sources.

- **Business-driven, proprietary, and custom feed management** enables rapid onboarding of custom sources with no programming and with visual and automated exception monitoring; error handling facilities identify and address unforeseen data quality errors.

- **Universal data connectivity allows** access to existing counterparty-related data in mainframe platforms, all relational databases, XML, flat files, messaging queues, and major packaged business applications, including salesforce.com, Siebel, and Oracle.

Data Management. Configurable, scalable, and business user-friendly solution to manage counterparty/legal entity and securities reference data

- **Prebuilt data** models include comprehensive counterparty/legal entity information from internal and external sources.

- **Data model management** provides a flexible approach to extending predefined models or building custom data models to fit your business needs.

- **Legal entity hierarchy management** handles parent/subsidiary relationships based on ongoing corporate actions and events and enables export of hierarchies to existing risk and compliance applications.

- **Cross-entity relationship management** links existing counterparties to each other based on contracts, position, and obligations, including securities instruments and agreements.

Figure 1. The Informatica Counterparty Reference Data Management Solution
**Data Syndication.** Universal connectivity and seamless delivery of required reference data to downstream systems

- **Universal connectivity** to any target system, databases, or application ensures seamless delivery of counterparty data to downstream risk and compliance systems
- **Configurable data transformation** capabilities convert counterparty data into the necessary formats for downstream systems and avoid the cost and risks of custom scripts
- **Right time syndication** enables real-time or batch integration to downstream risk and compliance systems
- **Scalable and proven** architecture supports enterprise level delivery

**Customer Success Story**

A large, U.K.-based investment bank implemented Informatica for Counterparty Reference Data Management to improve the efficiency of its operations—in particular, to reduce its straightthrough processing failure rate due to incomplete and incorrect counterparty information. The failure rate was reduced by more than 50 percent as a direct result of improved counterparty reference data. The business benefits included:

- A one-time savings of $12.5 million in its IT capital expense budget by replacing an antiquated system
- Annual savings of around $2 million due to fewer failed trades that had to be fixed manually
- An annual reduction of $50 million in the cost of capital thanks to increased liquidity that resulted from fewer “stuck” trades

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**Figure 2.** Manage reference data more effectively: Provide access to reconciled and related reference data.
About Informatica

Informatica Corporation (Nasdaq:INFA) is the world’s number one independent provider of data integration software. Organizations around the world rely on Informatica to realize their information potential and drive top business imperatives. Informatica Vibe, the industry’s first and only embeddable virtual data machine (VDM), powers the unique “Map Once. Deploy Anywhere.” capabilities of the Informatica Platform. Worldwide, over 5,000 enterprises depend on Informatica to fully leverage their information assets from devices to mobile to social to big data residing on-premise, in the Cloud and across social networks.