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FINTECH IN SECURITIES TRADING

FRONT, MIDDLE, BACK OFFICE FUNCTIONS

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Wall Street Fintech Club



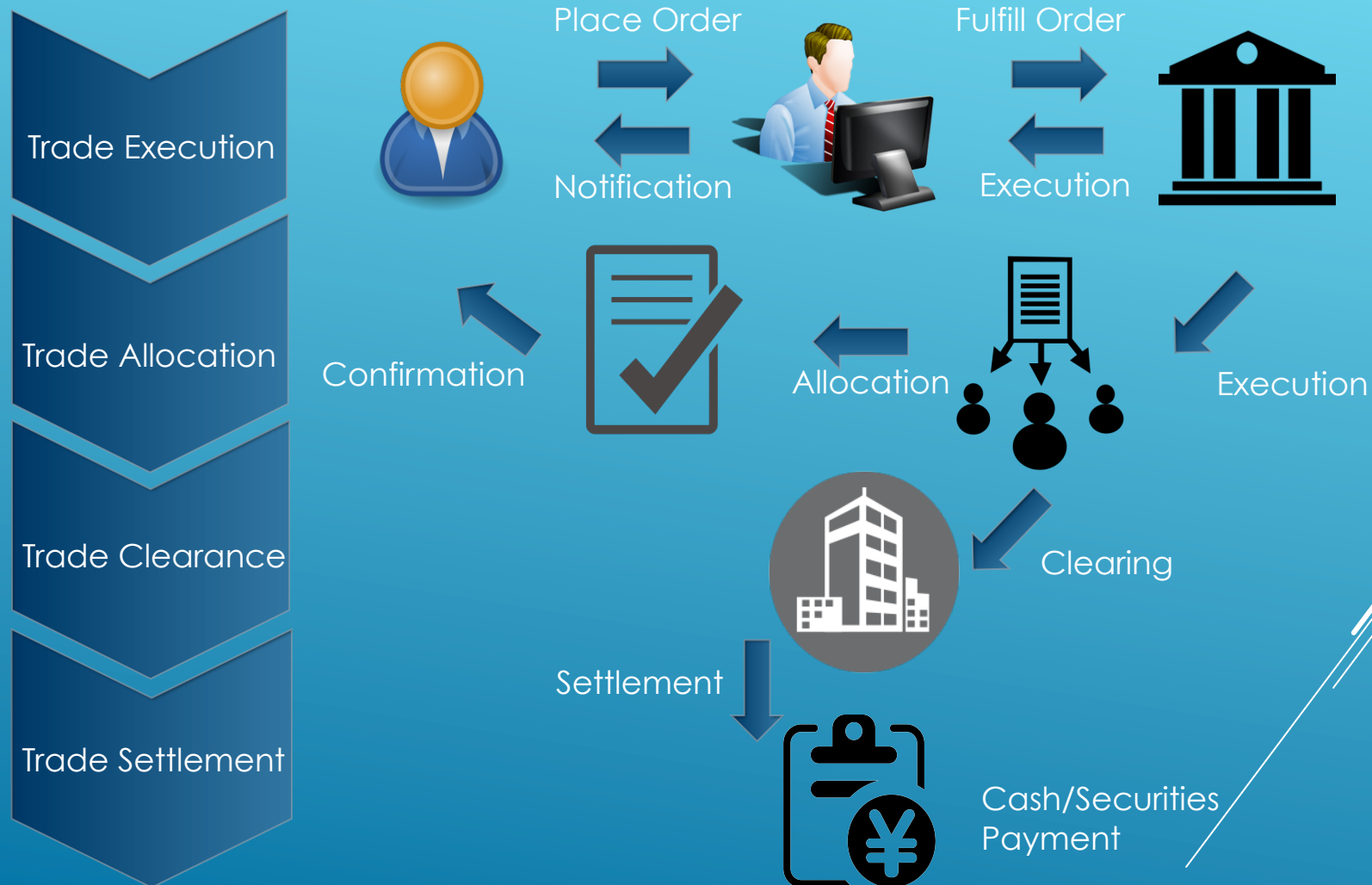
Transaction And Settlement Period

- People think a transaction takes place immediately
- Actually, not ... Transaction date and Settlement date are different



- Most transactions have $T + n$ settlement
 - ✧ CD, Commercial Paper: $T+0$
 - ✧ US Treasuries: $T+1$
 - ✧ Foreign Currency: $T+2$
 - ✧ Stock: $T+2$, $T+3$
 - ✧ Derivatives OTC Contract: up to a month or more
- Longer settlement period, more risk
- There are a lot happening after a trade is made

After A Trade Is Made



Front, Middle, Back Office Functions



Fintech In Front Office Domain

- Online Trading Platform – Low cost trading services, Low latency, Many brokerage firms opens online trading services to public too



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- Trading Strategies – Platforms to build, exchange, provide, and discuss trading strategies. Some platforms provide coding environments for professional quants, some provide easy-to-use UI for public, and some aim for both.



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Fintech In Middle Office Domain

- Centralized Matching – Provide a centralized place to match clients' and brokers' trades. Realtime allocation matching.



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- Client confirmation and regulatory reporting – Standardize client confirmation processing and regulatory reporting. Reduce the brokerage firms' burden to meet regulatory requirements.

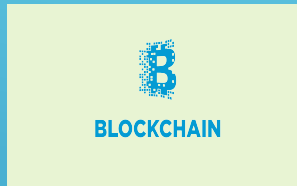


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- Streamline allocation processing

Fintech In Back Office Domain

- Blockchain



- Realtime settlement – reduce the settlement period and aim for realtime settlement

