

## Solution Brief

### Interwoven Scrittura P2P Solution

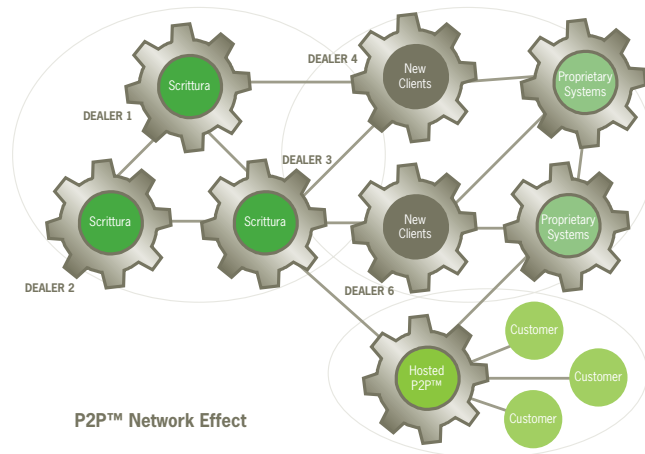
To mitigate long term risk and quickly improve operational processes for OTC derivatives, Interwoven introduces Scrittura P2P™, the first and only solution that automates the post-trade confirmation process directly between financial parties without third-party intermediation; drastically shrinking backlog to reduce risk and improve liquidity of these important products.

#### The environment: The regulatory spotlight

The financial market's recent struggle to clear trading confirmations and operations backlogs has exposed an industry-wide vulnerability—back offices do not have adequate system infrastructure to keep pace with rapidly burgeoning front office transaction volume.

Though substantial progress has been made since the issue was called to attention by regulators, the industry remains manually intensive, with little focus on more risky complex structured products—trades that tend to be outstanding the longest. The challenges are significant:

- **Lack of universal standards:** Standards continue to evolve and it is nearly impossible to lock all clients into a single set of requirements.
- **Numerous bespoke products:** New complex financial instruments are created on



a continuous basis – few of which adhere to common standards or structures.

- **Lack of back-office system infrastructure:** The share of T+1 and T+0 electronically matched trades is a small fraction, making the market inherently risk-prone.

#### Ultimate STP: Prompt, accurate processing between any and all parties

With Interwoven's Scrittura P2P, financial institutions are finally able to achieve 100% accurate, real-time Straight Through Processing (STP) via a peer-to-peer infrastructure that enables the direct transfer of messages between any two independent systems.

This breakthrough technology abolishes the need for third-party message brokers who limit financial parties to rigid,

often proprietary message formats. With Scrittura P2P, traders and their counterparties define their own unique bilateral message, eliminating the risks, constraints, and delays that result from trying to adhere to brokered and common-standard messages.

In addition, multiple counterparties can be automatically signed-up to the P2P connection, streamlining multi-lateral transactions such as Novations (assignments). Also, because message transfers are limited only to the parties involved, the risk of exposing confidential financial data to third-parties is abolished. Financial organizations are assured of an easy and extensible, yet confidential and secure exchange of proprietary trade details to ensure a prompt and accurate confirmation process.

## **The flexibility:**

### ***Format-independent, rich message structure is user defined***

The drive for innovation in financial products is stronger than ever as traders continue to create new and more complex derivative securities. Scrittura P2P supports this continuous innovation because bilateral messages are unique for each set of counterparties and can be easily updated as requirements evolve. This eliminates the cumbersome 'one-size-fits-all' structure required by current systems, an inflexibility that forces the majority of transactions to be processed manually outside these systems contributing to increased backlogs. Scrittura P2P provides the power and flexibility to attain true T+0 operational communication efficiency through:

- **Rich, universal message structure:** The P2P message architecture can accommodate virtually any message-type and complexity.
- **Independent of transport-mechanism:** P2P messages are agnostic to the nature of the transport - whether email, FTP, middle-ware, API-based, etc.
- **Communication via any message protocol:** The messages are designed to be compatible across all message protocols in use today such as FpML, XML, JMX / RMI, etc.

## **The power:**

### ***Automated matching and reconciliation***

Scrittura P2P reduces confirmation processing times by identifying the message type and dynamically routing messages through a pre-defined workflow. This brings two powerful capabilities that have not been available to date:

- **Mirrored actionability:** Messages can require specific actions to be taken upon receipt and reply. Actions are mirrored across counterparties, enabling real-time monitoring of trade affirmations statuses; or even complex trade Novations process statuses across multiple parties.
- **Automated matching and reconciliation:** A powerful parametric, tolerance-based matcher module runs automated matches across hundreds of counterparty trades for mission-critical processes such as trade affirmations and settlement instructions. Alternately, incoming counterparty messages are matched with their local equivalents to mitigate downstream errors and speed settlement.

## **The network:**

### ***The exponential power of the P2P network***

Beyond the technological advantages that P2P brings, there is another core value that is intrinsic—the network effect. Each new user that signs onto the P2P network sees and provides an exponentially increasing benefit from and to the overall network.

## **Scrittura:**

### ***Next generation messaging***

Interwoven's Scrittura P2P is the next generation message and workflow sharing solution that provides financial institutions the infrastructure to take the right long-term steps to ensure backlog problems are permanently resolved. It is available as an independent solution or can operate seamlessly with Interwoven's Scrittura solution suite, a market-leading family of products for end-to-end processing of over-the-counter (OTC) derivatives.

## **Interwoven is a global leader in content management solutions**

Interwoven's software and services enable organizations to effectively leverage content to drive business growth by improving the customer experience, increasing collaboration, and streamlining business processes in dynamic environments.

Our unique approach combines user-friendly simplicity with robust IT performance and scalability to unlock the value of content.

Today, nearly 3,800 enterprise and professional services organizations worldwide have chosen Interwoven, including: adidas, Airbus, Avaya, Cisco, DLA Piper, the Federal Reserve Bank, FedEx, HSBC, LexisNexis, Microsoft, Samsung, Shell, Samsonite, White & Case, and Yamaha. Over 18,000 developers and over 300 partners enrich and extend Interwoven's offerings. To learn more about Interwoven, please visit [www.interwoven.com](http://www.interwoven.com).

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