Nasdaq

Central counterparty clearing support product of the year

Nasdaq has extensive experience of central counterparty (CCP) clearing support as a solutions provider to 21 CCPs worldwide, as well as an operator of a multi-jurisdictional CCP in the Nordics, and exchanges in the Nordics and the US. This has given the company a deep understanding of the complexity of clearing and the underlying technology required to meet operational and regulatory requirements, to manage risk effectively and to support and service clients.

Through the Nasdaq Financial Framework (NFF) for CCPs, the company combines multi-asset and real-time clearing, settlement and risk management technology. The NFF is a harmonised approach to delivering robust end-to-end solutions to financial infrastructure providers in an open and agile environment. With a single operational core, it ties together different functionalities and allows CCPs, central securities depositories and marketplaces to integrate easily with each other and with third-party solutions.

The NFF for CCPs provides the critical post-trade functions of clearing, settlement and depository, as well as risk and collateral management. It covers multiple asset classes, including securities, exchange-traded derivatives and over-the-counter (OTC) derivatives across equities, fixed income, currencies and commodities. It handles registration, matching, affirmation, confirmation, pre-novation checks and position-keeping of complex and non-complex OTC contracts.

Traditional margin calculations, advanced risk analytics and backtesting are supported. Real-time risk capabilities can be adapted to the specific needs of different CCPs, asset classes and clearing members. To ensure accuracy, risks are continuously recalculated in response to position, price and reference data changes.

Research and development is at the forefront of Nasdaq’s strategy. The company has more than 2,000 technologists, representing 40% of its overall staff, spread across the world, in New York, Boston, Stockholm, Umeå, Sydney, Bangalore and Vilnius. The NFF is cloud-ready and supports emerging technologies, such as distributed ledger technology, for cost, scalability and efficiency improvements.

Nasdaq is continuing to build on the capabilities of the NFF, while integrating technology from the recently acquired Swedish clearing and trading technology provider, Cinnober.

Judges said:
“Nasdaq is a global giant with incredible product, technology and support. It has made significant improvements in transparency and reporting.”

“Continuously innovating and meeting client needs in terms of functionality and technology.”

“Nasdaq has a huge, functionally rich offering based on longevity in the marketplace, a buy/build/share development model and a large pool of resources and industry specialists.”

Magnus Haglind, senior vice-president, head of product management, market technology at Nasdaq, says:
“Nasdaq is the technology partner of a growing number of leading CCPs in all regions of the world. As we integrate our solutions on the cloud-enabled NFF, we enhance our capabilities to support clearing houses across the globe. Close partnerships with our customers allow us to develop market-leading, real-time, multi-asset clearing solutions with abilities to manage cash, derivatives and OTC clearing in one. Our team look forward to continuing the journey to deliver comprehensive solutions that uphold market integrity in the global economy.”

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