



“At Curve Securities we pride ourselves on offering clients a highly professional service offering the best market pricing. When we refer clients to ETOS we know that the same high level of service will be offered through the whole transaction cycle. We’ve been working with ETOS for the past seven years and none of our clients have had a bad word to say about them. In fact, we don’t hear anything at all – which means a job well done.”

OVERVIEW

Outsourcing your Austraclear settlements to an independent expert can increase controls and reduce risks when managing Australian Securities. Austraclear membership gives you full control without third party custodians but requires expertise and appropriate staffing levels to maintain segregation of duties. Appointing back office treasury experts as your Austraclear proxy takes care of resourcing issues, keeps securities in the owners’ name and brings complete transparency and independence to the transaction.

ETOS has processes in place to create a safer environment for investment holdings – and client feedback confirms that the consistent delivery of prompt, accurate settlements supports their good name in financial circles.

Outsourcing to an Austraclear proxy is an approach that is fully endorsed by Curve Securities. “We recommend ETOS services to our clients,” said Interest Rate Markets

Director, Dave Flanagan. “They are specialists in back office operations so their focus is on operating best practice procedures and deliverables without the distraction of other revenue streams. This arrangement protects our clients and allows us to side step the conflict of interest caused by one broker having visibility of pricing across all trades in the client portfolio.”

With ETOS acting as a proxy within Austraclear, all securities are registered in the owner’s name and all coupons and maturities paid automatically into their bank account by the issuer as same day Real Time Gross Settlements – without going via a third party custodian or a bank.

ETOS back office team monitors coupons and maturities due for settlement in Austraclear, records any new trades, provides transaction reports daily and auditable Portfolio reports monthly to create complete transparency.

Outsourcing also takes away the burden of regular testing, documenting and updating

Business Continuity Planning – a key requirement for Austraclear membership. “Our own Business Continuity Planning covers our Austraclear clients,” explained Lesley Mitchell, Executive Director at ETOS. “We have best practice BCP in place that we test on a monthly basis to ensure that our clients are fully covered. As proxy, all the work involved in BCP becomes our responsibility.”

Segregating the front end deal from the back end settlement service also gives clients the extra security of knowing that they have spread their risk through the transaction cycle, Dave Flanagan commented:

“If a broker offering settlement as an add-on service runs into trouble or breaches his licence, settlements could easily be affected. An overnight delay could cause a default on loan payments or a missed payment deadline on purchased securities – in some cases this could cause a shortfall of \$5 million to \$10 million not to mention damage to the client’s reputation for prompt, accurate settlements.”