Markets and Securities Services

Citi® Execution to Custody (E2C)
Total Trade Life Cycle Management

Diverse challenges in the investment industry have brought a new level of focus on the costs and risks associated with the end-to-end transaction lifecycle. Increasing competition, regulation and globalization have driven the need for increased efficiency, transparency and entry into new markets while safeguarding against increased operational risks, complexities and costs. In response to these challenges, Citi has developed its Execution to Custody (E2C) offering. E2C is an end-to-end transaction lifecycle service that enables clients to access the global presence and expertise of Citi’s Capital Markets and Citi Custody services through an integrated and efficient service.

Challenges in the Market
The sustained expansion of regulatory schemes and trading venues globally, coupled with continued increases in messaging, matching and other transaction costs, has given rise to a remarkably complex and costly global investment landscape. At the same time, technology developments have forced many market participants onto a treadmill of continued upgrades and enhancements to keep up with the straight-through-processing (STP) and utilization of electronic trading required to remain competitive. For many, these challenges can distract organizational focus and resources away from core competencies or can impede the execution of a growth strategy.

Citi’s E2C Solution
Citi’s Execution to Custody is an electronic platform automating the trade execution, post trade enrichment, clearance and settlement processes in markets and liquidity pools around the globe. With Citi entities as the providers of both execution and settlement services, the transaction life cycle is streamlined and expenses are reduced. The E2C service enables our clients to avoid the complexity and cost of establishing operations locally in multiple countries or modifying operations on a per market basis. Clients can take advantage of Citi Markets’ extensive market access and execution technology as well as Citi’s unrivalled custody network through a single connection that facilitates industry-leading STP rates, while automating the generation of settlement instructions to reduce operational complexities.

Citi’s global presence makes the E2C offering uniquely effective, providing unparalleled in-market expertise on regulation, practices, fees and taxes. Citi owns and operates its entire value chain in many markets, allowing transparency into transaction statuses and providing an external record of transactions as a validation source against your internal systems.

Citi Markets gives clients access to a range of multi-asset products including equities, warrants, fixed income and exchange-traded funds.

Benefits at a Glance
- Only one connection to Citi for both execution and custody enabling seamless Straight-Through-Processing (STP)
- Enables clients to move from fixed to variable cost for execution and settlement
- E2C’s OTM tool automatically generates settlement instructions and client-directed allocations
- Higher STP rates and increased operational efficiency for trades executed by Citi Markets with settlement and custody provided by Citi Custody
- Best execution through Citi Markets’ industry-leading Smart Order Router and best execution logic
- Access to Citi’s unrivalled network in 74 equities markets and 98 custody markets, with a proprietary custody network of over 60 markets

E2C’s Process Automation Advantage
E2C automatically generates your settlement instructions based on predetermined information supplied during implementation, eliminating
the need for your middle or back office to send settlement instructions for every transaction. This results in fewer fails, higher STP rates and, as a result, lower costs per trade. The E2C product connects to clients’ internal systems in the front, middle, and back office, which relieves duplicative entry and reduces the risk of errors.

Citi is able to internalize the entire transaction lifecycle for Citi E2C trades. This capability allows Citi’s E2C clients to completely eliminate the expense and risk created by utilizing an external matching utility.

**Order and Trade Manager (OTM)**

E2C’s OTM tool automates the entire life cycle of a trade from execution to settlement, for multiple asset classes using a standardized straight-through process for all covered markets. Accessible via CitiDirect® for Securities, Citi’s web-based platform, the OTM tool allows for a significant reduction in pass-through costs and allows for the elimination of vendor and communication fees. OTM automatically conducts trade matching, allocations, net configuration validation, and sends settlement instructions on T+0, without need for manual intervention.

OTM has a 10+ year track record of accuracy and reliability in internalizing message flow for clients around the globe and easily integrates into clients’ existing infrastructure, allowing for a short setup which preserves future flexibility. Supported channels include SWIFT, VPN, Internet and FIX.

By providing access to an extensive network and managing the end-to-end trade life cycle, Citi is able to act as both a global and local bank, managing exceptions, minimizing costs, optimizing rates, and reducing risk.

**Citi Markets**

Clients can take advantage of Citi Markets’ global execution network in 74 equities markets. As a member of all major exchanges and trading venues, Citi Markets is able to solve the liquidity fragmentation challenges many clients face today. To achieve best execution in this landscape, Citi Markets employs its best-in-class Smart Order Router (SOR). This SOR gives Citi Markets the ability to access displayed and hidden liquidity including Citi Markets’ internal liquidity via CitiMatch℠, and to optimally source the best prices while minimizing market impact and preserving anonymity.

Further, Citi Markets’ innovative algorithmic offering provides you with the same execution optimization tools developed for its own trading team. Citi Markets’ algorithms span 32 countries and ten core strategies, each with a diverse parameter set to allow customization.

**Citi Custody’s Global Presence**

Citi’s award-winning custody network services almost 100 custody markets globally, including over 61 proprietary branches, covering 98% of the world’s market capitalization. In addition, Citi Global Custody (GC) maintains global windows in eight of the world’s most significant market centres: Americas, Hong Kong, Jersey, London, Luxembourg, the Middle East, Shanghai and Singapore. Citi was recently ranked #1 in Global Custody Services by Global Custody Magazine and is consistently ranked as a top service provider across all regions.

For more information about Citi® Execution to Custody, please contact your Citi Relationship Manager or Account Manager.