



OTC Clearing RFP in the Context of FRANDT

INTRODUCTION:

This document is for prospective OTC clearing clients interested in obtaining OTC clearing services from Standard Chartered Bank (SCB). The purpose of this document is to provide prospective OTC clearing clients with an example RFP (request for proposal) which they may choose to send to SCB as part of an enquiry to obtain OTC clearing services. Please note that prospective OTC clearing clients can also submit their own RFP templates with their own questions to SCB in relation to OTC clearing services.

If you intend to submit the below RFP please complete section 1 and send this to PrimeServices-Sales@sc.com

Once SCB receives completed Section 1 of the RFP along with required documents, SCB will be completing sections 2 to 10 of this RFP. To the extent a client has further questions for SCB which have not been covered by sections 2 to 10, section 11 allows for additional questions to be asked by client. Equally, section 11 can also be used by SCB to provide any additional clarifications, information, assumptions or disclaimers not provided for in sections 2 to 10 where required.

Name of the clearing firm (the Clearing Firm):	
Contact details of the individual at the Clearing Firm who is responsible for this RFP:	
Name:	
Telephone number:	
Email address:	
Date this RFP was completed	

Next steps once prospective client submits Section 1 to SCB:

1. SCB will assess the requirements, review the risk and capital impacts of the portfolio(s) to be cleared, along with other contractual requirements and provide clear pricing and terms
2. SCB will then supply customers with a completed Proposal detailing fees, scope of service, any nonstandard contractual terms, collateral and haircuts, etc.
3. If the prospective client accepts SCB's proposal this will be submitted for internal business approval before proceeding to onboarding. Depending on the outcome of internal review, SCB will inform prospective client of the decision
4. If SCB and prospective client agrees to proceed with the proposal, SCB will ask client for below documents* for Credit review and KYC to kick start onboarding process:
 - a. Audited Financials
 - b. Net Asset Value ("NAV") information
 - c. Performance history (3-years or life of fund if shorter)
 - d. Due Diligence Questionnaire
 - e. Prospectus Tax returns

- f. Sanctions confirmation
- g. Certificate of incorporation, LLC Agreement
- h. Organizational Chart
- i. List of directors
- j. List of executive management
- k. Tax Form
- l. CRS Form

**this list is not exhaustive and may vary from client to client*

- 5. Depending on the review of above documents, SCB may ask for additional documents for further review and process will then proceed to legal documentation stage
- 6. The final stage will be to open accounts with SCB and externally

ONBOARDING TIMELINES:

Tentative timelines for various stages/process are as below but this may vary from client to client depending on any specific requirements and clients' turnaround time to provide various documents/details as per onboarding requirement.

Task	Estimated Time for Completion
SCB responds to RFP	2 weeks
Commercial Terms/Fee Schedule sign off	2 weeks
KYC	2-3 weeks
Legal Agreement	4-6 weeks
Set ups and onboarding	2-4 weeks

REQUEST FOR PROPOSAL:

INFORMATION ABOUT PERSPECTIVE CLIENT		
1. GENERAL		
1.1 General information		
1.1.2	Name (legal and other business names used, if applicable)	
1.1.2	Principal address	
1.1.3	Registered address (if different from 1.1.2)	
1.1.4	Telephone number	
1.1.5	Email address	
1.1.6	Link to website	
1.1.7	Jurisdiction of incorporation	
1.1.8	Jurisdiction of incorporation of your parent entity (if relevant)	
1.1.9	Legal form of the Clearing Firm	
1.1.8	Legal entity identifier (LEI)	
1.1.9	Financial counterparty (FC) or non-financial counterparty (NFC) under Regulation (EU) No 648/2012?	
1.1.10	Subject to the clearing obligation in accordance with Articles 4a or 10 of Regulation (EU) No 648/2012?	
1.1.11	Sector of activity	
1.2 Entity and group profile		
1.2.1	Please provide your current group structure chart or a high level description of the corporate structure (including legal relationships) for relevant group companies	
1.2.2	Please provide your current credit rating(s) from S&P, Fitch and Moody's, if applicable	
1.2.3	Please provide copies of your latest audited financial statements or annual report	
1.3 Regulatory information		
1.3.1	Please provide details of relevant regulatory regime(s) under which you operate which are relevant to your provision of OTC clearing services and your classification under these regime(s), as applicable	
1.3.2	Please provide details of any current regulatory licence(s) that you hold	
1.3.3	Please provide the name(s) of the regulator(s) relevant to 1.3.1 and 1.3.2 above	
1.4 Client communications		
1.4.1	Please provide details as to how you support relationship management and client communication on an ongoing basis	
INFORMATION ABOUT CLEARING FIRM		
2 SCOPE OF OTC CLEARING SERVICES		
2.1 General		
2.1.1	Please explain how your OTC clearing business is structured	
2.1.2	Please describe the structure of your OTC clearing team and client service model	
2.2 Access to CCPs and OTC clearing services		
2.2.1	Please provide:	
	(i) a list of CCPs which you have access to as a direct clearing member for OTC clearing purposes; and	

	(ii) for each CCP listed in (i), a list of OTC clearing services that you subscribe to and offer to clients	
2.2.2	For each CCP and OTC clearing service listed in 2.2.1 above, please provide:	
	(i) a list of account structures supported and key features of those account structures;	
	(ii) the collateral accepted;	
	(iii) the applicable haircuts;	
	(iv) the criteria for acceptance of orders;	
	(v) the conditions for the suspension of any clearing services or the liquidation or close out of any positions;	
	(vi) the conditions for the termination of the agreement for the provision of clearing services;	
3 ONBOARDING		
3.1	Please provide an outline of the onboarding process (including key milestones and an indicative timeline of the key elements of the process)	
3.2	Please list any assumptions or dependencies on prospective clients in relation to 3.1 above which could affect the indicative timeline provided	
3.3	Please confirm what requirements and information you expect from clients as part of the onboarding process	
3.4	Please provide an explanation of how the outline detailed in 3.1 above may differ by:	
	(i) CCP;	
	(ii) OTC clearing service;	
	(iii) product type; or	
	(iv) account structure	
4 CONTRACTUAL DOCUMENTATION		
4.1 Overview		
4.1.1	In respect of your OTC clearing offering, please list the key contractual agreements (including annexes, modules etc.) required to enable OTC clearing	
4.1.2	Please confirm to what extent the documents listed in 4.1.1 above are based on industry standard templates (i.e. those published by FIA and ISDA) as opposed to in-house templates	
4.2 Key contractual terms		
4.2.1	Key contractual terms in the agreements listed in 4.1.1 above will include:	
	a. events of default (including failure to pay and bankruptcy) in respect of the client;	
	b. a termination provision in respect of Clearing Firm default;	
	c. a termination provision in respect of CCP default;	
	d. voluntary termination provisions;	
	e. other events allowing parties to terminate the OTC clearing arrangements;	
	f. provisions entitling the client to request the Clearing Firm to transfer transactions to another clearing firm;	
	g. consent required amendments;	
	h. unilateral amendments by the Clearing Firm;	
	i. a limitation of liability provision;	
	j. an indemnity provision;	
	k. disclosure of confidential information;	
4.2.2	For each document listed in 4.1.1 above, please specify the relevant governing law.	

4.2.3	For each document listed in 4.1.1 above, please specify the relevant jurisdiction clause.	
5 DEFAULT MANAGEMENT		
5.1	Please provide details on the portability of positions and margin in the event of a Clearing Firm default	
5.2	Please provide details on the liquidation of positions and margin in the event of: (i) a CCP default; and (ii) a Clearing Firm default	
6 MARGIN		
6.1 General		
6.1.1	Please confirm the standard legal basis on which the client posts margin to the Clearing Firm (i.e. title transfer or security interest).	
6.1.2	Please confirm the current legal basis on which the Clearing Firm posts margin to the CCP in respect of each OTC clearing service listed in 2.2.1 above (i.e. title transfer or security interest)	
6.1.3	Please confirm whether you pass through the CCP's call for variation margin and initial margin in respect of each OTC clearing service listed in 2.2.1 above	
6.2 Margin calls		
6.2.1	Please describe the process for calling margin (including the timings involved) and please confirm whether this is the same for each OTC clearing service listed in 2.2.1 above	
6.2.2	Please confirm whether you will make one call or separate calls between variation margin and initial margin and whether this is the same for each OTC clearing service listed in 2.2.1 above	
7 RISK MANAGEMENT		
7.1	Please provide a high level summary of your business continuity and/or disaster recovery policies as relevant to OTC clearing	
7.2	Please provide a high level summary of your cyber security and information security policies as relevant to OTC clearing	
7.3	Please provide a high level summary of your data protection policy as relevant to OTC clearing	
7.4	Please provide a high level summary of your conflict of interest policy as relevant to OTC clearing	
8 FEES		
8.1	Please describe the fees you charge for providing OTC clearing services.	
	a. Transaction fees	
	b. Portfolio maintenance	
	c. Haircuts	
	d. Reporting fees	
	e. Compression	
	f. Other fees	
9 REPORTING		
9.1	Please provide an overview and samples of standard reports and extracts that you will provide and the timing of when the reports will be made available. Is customization available and how these reports will be accessed?	
9.2	At what level do you report initial and variation margin, i.e. trade, sub account legal entity, other?	
9.3	Please detail your life cycle management process and what services you provide clients i.e. notification of last trading date, exercise and expiry management.	

9.4	Do you offer web-based, real-time customised reporting capabilities?	
9.5	Are you capable of delivering reports in multiple formats, including web-based, FTP and email?	
10 SUPPORT PROVIDED		
10.1 Technology		
10.1.1	Please provide details of any technology platform provided in respect of your OTC clearing offering.	
10.1.2	Please confirm whether clients are able to track transactions via a report or a system as they pass through clearing. If this is done by way of:	
	a report, please confirm:	
	whether this is available in real time or	
	provided at a specific time / the end of the day;	
	what format this is provided in; and	
	whether this is tailored to the client	
11 ADDITIONAL INFORMATION		
11.1	[To be completed by the client or Clearing Firm as required]	