

# SPARC

## STANDARDIZE AND AUTOMATE RFQ NEGOTIATIONS WHILE REDUCING RISK

### I CHALLENGES

Trading OTC derivatives is often a slow, cumbersome process. For many complex swap products, buy- and sell-side desks rely on a combination of legacy chat, email and phone calls – with no way to standardize or automate the process. Switching between multiple windows, manually re-keying instructions and limited, if any, STP efficiencies are sadly expected in the trade negotiation process. It's a recipe for miscommunications, errors and operational headaches – not to mention frustrated clients.

These problems plague both buy-side and sell-side desks – especially when negotiating RFQs for complex OTC products like interest rate and cross-currency swaps.

#### Buy-side traders:

- Cut and paste between windows and applications to send the same instructions to multiple counterparties
- Manually organize and aggregate dealer responses to their pricing requests

#### Sell-side desks:

- Manage inbound and unstructured RFQs from multiple clients – limiting automation opportunities and increasing the potential for errors

#### All counterparties:

- Rely on legacy, closed solutions with limited STP capabilities or potential to add time-saving options like bots or integrations
- Operate without an efficient product standard for complex OTC derivatives
- Accept unnecessary operational, compliance and business risks that come with non-integrated, manual RFQ processes

## I SOLUTION & BENEFITS

Symphony can address these issues with SPARC, a solution for standardizing, automating, and reducing risk in OTC derivative negotiations. SPARC leverages existing secure Symphony chat rooms used by both Buy-side and Sell-side sales and trading desks. It provides:

### STRUCTURE:

Leverage systematic product definitions for complex OTC derivatives like interest rate and cross-currency swaps to enable automation and standardization

### EFFICIENCY:

Enhance workflows by eliminating manual steps, saving time and creating a more seamless way to manage the RFQ process

### OPENNESS:

Ongoing innovation by enabling front-to-back integration with OMS/EMS providers, chatbots, pricing systems and other productivity-enhancing tools

### COMPLIANCE:

Readily accessible and structured audit log reduces risk archiving all details of end-to-end RFQ communications in one place, using the trusted, commercially friendly Symphony experience

The screenshot displays the SPARC interface within a Symphony chat environment. At the top, a search bar and navigation icons (Mentions, Inbox, Market, Network, Help, Settings) are visible. The main content area is titled 'SPARC' and shows a structured RFQ process for 'IRS 6M-LIBOR-BBA CHF LCH (UK) start 2y tenor 10y DV01 USD 25k 2-WAY'. Below this, three dealer pricing cards are shown:

Dealer	You rec	You pay
Dealer 1	0.0997	0.09985
Dealer 2	0.09965	0.09975
Dealer 3	0.0997	0.0998

Below the pricing cards, two chat windows are open. The 'Dealer 3 Room' chat shows a message from 'Omar Ahmed' (16:06) with the quote '0.0997/0.0998' and a 'Price received' notification from the 'Silverloop SPARC Bot' (16:06). The 'Dealer 2 Room' chat shows a message from 'Scott Bell' (16:18) asking 'can you refresh? seeing better levels away', followed by a response from 'Hiromi Watanabe' (16:18) with the quote '0.09965/0.09975' and a 'Price received' notification from the 'Silverloop SPARC Bot' (16:19). The interface includes a sidebar with navigation options like 'Filter List', 'CHATS', 'SIGNALS', and 'APPLICATIONS', and a bottom input field for sending messages.

## I SYMPHONY FINANCIAL WORKFLOWS: SPARC

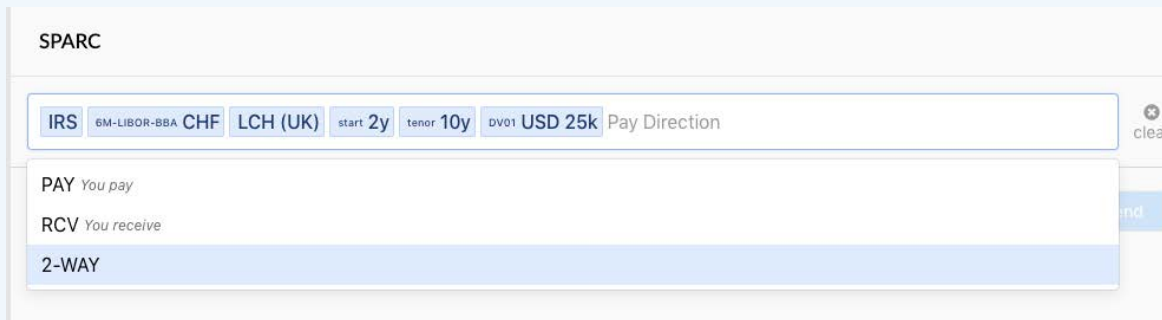
Sales and traders don't have to regularly copy and paste, or rely on phone calls and other non-integrated, manually-intensive legacy tools to negotiate complex OTC derivative products. Symphony provides an efficient, structured, open and compliant alternative.

With SPARC, Buy-side traders can easily create RFQs in seconds. They can then use the same tool to seamlessly view and interact with multiple bilateral dealer responses. Using their existing Symphony chat rooms, SPARC users can type, click or integrate via an API to complete an RFQ. A comprehensive audit log is always available.

Here's how SPARC works:

### 1 Create a Customized RFQ in Seconds

Just tap the first few characters of the product's attributes (type, size, currency, start and end dates, etc.) using ToolTips / AutoComplete. The tool produces a complete, structured, ready-to-quote product. Buy-side traders can also stage the RFQ into SPARC via an API for enhanced STP.



The screenshot shows the SPARC interface with a form containing the following fields: IRS, 6M-LIBOR-BBA CHF, LCH (UK), start 2y, tenor 10y, DV01 USD 25k, and Pay Direction. Below the form, there is a dropdown menu with options: PAY You pay, RCV You receive, and 2-WAY. A clear button is visible on the right side of the form.

### 2 Send Bilateral RFQs to Multiple Dealers at Once

Choose dealers from a prepopulated list of your available counterparties. Start the RFQ discussion with one click, and without switching windows or serial copying and pasting.



The screenshot shows the SPARC interface with a form containing the following fields: IRS, 6M-LIBOR-BBA CHF, LCH (UK), start 1y, tenor 5y, DV01 USD 50k, 2-WAY, and PV Interest Rate (optional). Below the form, there is a dropdown menu with options: Dealer 1, Dealer 2, and Dealer 3. A Send button is visible on the right side of the form.

### 3 View and Communicate – All in One Place

Simplify negotiations by displaying all responses in a single window. Buy-side traders can point-and-click, use structured commands or engage in free-text typing to ensure a smooth RFQ experience.

The SPARC interface displays three dealer pricing windows for an RFQ. The RFQ details are: IRS, 6M-LIBOR-BBA CHF, LCH (UK), start 2y, tenor 10y, DV01 USD 25k, 2-WAY.

Dealer	You rec	You pay	Time	Trader	RFQ
Dealer 1	0.0997	0.09985	16:04:52	Carol Lim	0.0997/0.09985
Dealer 2	0.09965	0.09979	16:08:46	Hiromi Watanabe	0.09965/0.09979
Dealer 3	0.0997	0.0998	16:06:26	Omar Ahmed	0.0997/0.0998

Sell-side desks use their existing Buy-side chat rooms to acknowledge, negotiate and accept the RFQ terms. Both sides need to confirm the pricing terms to complete an RFQ negotiation (i.e. Sell-side retains "last-look.")

The chat room interface for Silverloop Room shows the following messages and actions:

- Silverloop SPARC Bot** (39m): Price sent. Dealer 2 bid: 0.09965, Dealer 2 offer: 0.09975.
- Respond by typing:**  E.g. 1.75/3,  E.g. 1.75/,  E.g. /3,  Off Price,  Pass.
- Scott Bell** (37m): pay 0.09975.
- Silverloop SPARC Bot** (37m): Client 1 agrees to pay 0.09975. Dealer 2 bid: 0.09965, Dealer 2 offer: 0.09975 ✓.
- Respond by typing:**  Agree trade,  Off Price,  Pass.
- Hiromi Watanabe** (37m): done.
- Silverloop SPARC Bot** (37m): Done. Dealer 2 agreed. Client 1 pays @ 0.09975.

RFQ ID: ec40ba18-e1ba-4f6f-9c07-b27ebf5f6f0e  
Agreed by Hiromi Watanabe in message with ID: cOM5FpZRYek...kw7WUyn\_\_pTM2a5rbQ

#### 4 Capture Comprehensive Details for Auditing and Compliance

Why search through multiple systems for all the required RFQ information for compliance or other business purposes — or worry that it wasn't properly captured? Keep all details of trader conversations and RFQs stored in a readily available, structured audit log.

## I SPARC'S SUMMARY BENEFITS

### STRUCTURE:

Common product definitions and framework for complex OTC derivative products like interest rate and cross-currency swaps, among others, unlocks automation and standardization advantages.

### EFFICIENCY:

Eliminate manual steps and unnecessary context-switching from RFQ workflows. Save time and reduce business risk with a seamless and automated RFQ solution.

### OPENNESS:

Continually add new productivity-enhancing tools and integrations to your trading workflows. Unlike legacy solutions that are closed, proprietary and expensive, Symphony encourages connectivity and collaboration. We provide open APIs, chat bots and support for integration with a wide range of internal and external systems.

### COMPLIANCE:

Your data and communication history should be at your fingertips. SPARC's audit log gives you a comprehensive audit trail, all in one secure place.

**Get Started Now**

SPARC is available now. Contact your Symphony Sales team for more information to get started.