MEGARA©

Newsletter Issue 7 | Q3 | 2021

VERMEG

Market changes, new standards

Introduction

In this quarter, we focused on market changes and new standards. MEGARA is committed to be continuously up to date with the industry and market needs.

VERMEG is committed to ensuring MEGARA is always up-to-date industry needs and delivers value to the financial community. In this issue, we will see how MEGARA is being enhanced with new functionalities, including blockchain, tax breakdown, performance fees and MegaCash.

SWIFT Release 2021

Securities Settlement 2021

Corporate Actions 2021

Collateral Management 2021

We are glad to announce that the latest release of MEGARA was certified compatible SWIFT application for:

- **MEGARA Securities Settlement:** a clearing and settlement solution that automates the full lifecycle of securities transactions. It manages a wide variety of transactions types and offers native connectors to major CSDs, custodians and other market infrastructures.
- **MEGARA Corporate Actions:** a flexible solution designed to relieve the customers from the burdens of managing the complexity and risk inherent to Corporate Actions. This solution offers a full automation of the process and natively embeds the international standards and all Best Practices recommended by the regional Corporate Actions Working Groups.
- **MEGARA Collateral Management:** a solution automating the processing of collateral for several possible uses and purposes: SBL, liquidity & monetary policy management, etc.. This solution is being used by some major Custodians and Central Banks in Europe and elsewhere.

Designed with state-of-the-art technology, MEGARA© is an award-winning modular suite that is used by key players in the Securities Services industry in five continents.
MEGARA was designed to increase Straight Through Processing, thus allowing customers to focus only on managing exceptions through pre-built comprehensive dashboards

MEGARA was among the very first products worldwide to be certified by SWIFT since the creation of the SWIFT Certification labels many years ago. More than two decades after, it continues to lead the way and has been awarded this prestigious label each year.

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Newsletter

Issue 7 | Q3 | 2021

VERMEG

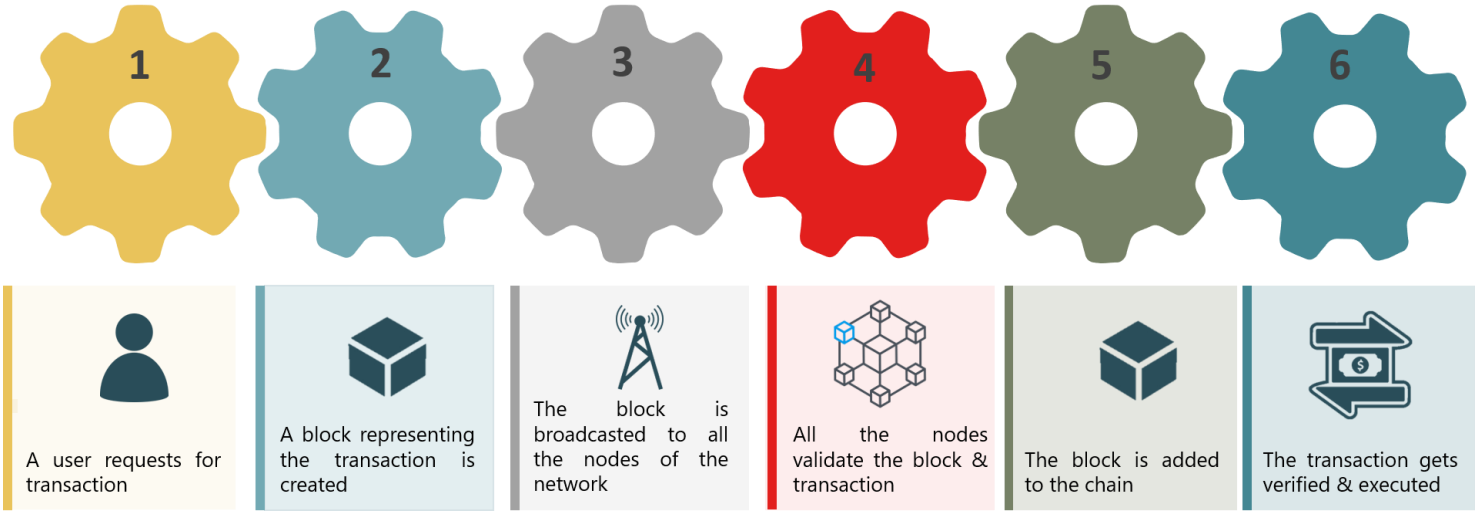
Blockchain : a transformation for Custodians is here

For years blockchain technology has been considered a disruptive technology that will completely change the way the financial industry is structured.

Today, the world of cryptocurrency and blockchain is gaining in maturity. A new phenomenon is emerging since investment funds and regulated institutional investors started paying attention to the crypto market. Attracted by the large margins and expansion possibilities for their portfolios, they are looking for custodian services for cryptocurrencies. Therefore, banks and depositaries are today acquiring blockchain startups and partnering with modern service providers in order to be able to afford Crypto Custody Service.

VERMEG can offer this personalized experience and help our customers be major actors in this asset class. To provide such a hybrid use, we have upgraded MEGARA to connect to blockchain platforms and manage digital custodies and portfolios such as cryptocurrencies, securities or stocks.

How a Blockchain works



Automatic consideration of WTRC tax instruction

To complete the tax breakdown mechanism which is already available in MEGARA, we have added the option to instruct the tax beneficial owner details in a separated WTRC event.

Now, it is possible to link a WTRC event with an income event such as dividend or an interest payment. MEGARA will then automatically consider beneficial owner details instruction received on the WTRC event when computing the proceeds related to income events.

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Newsletter

Issue 7 | Q3 | 2021

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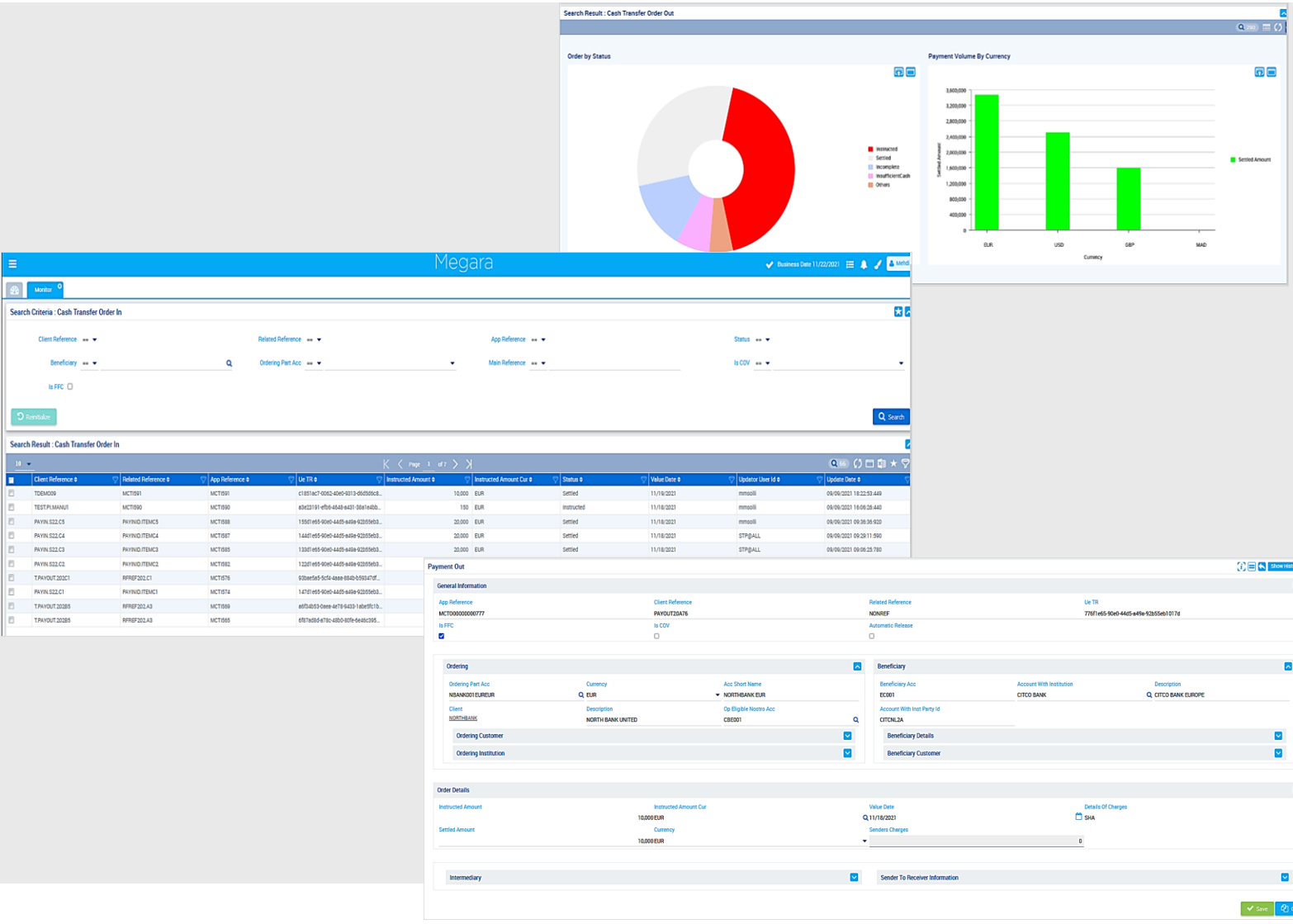
Performance fees

A new feature required by most fund administrators to configure performance fees of Fund/ Portfolios in MEGARA is now available.

Performance fees are calculated when Fund NAV overperforms compared to its Benchmark.

MEGARA, calculates it by comparing NAV performance to a single Index or Basket of Indexes performance.

New version of MegaCash

A new version of MegaCash is now available. This version is built using the new PALMYRA 21 technology and becomes part of the MEGARA 12 suite.

This version can be used for cash payment and liquidity transfers and supports both MT and MX messaging.