Confirmation Workflow

In Arbor Portfolio Manager (APM) the confirmation workflow has two options:

- Position Independent Confirmation (P.I.C)
- Position Dependent Confirmation (P.D.C)

The principle difference between these two workflows is how the positions are processed around the confirmation cycles. Confirmations can be manual (from the Trade Query Graphical User Interface) or automated via external processes (Unavista or Omgeo). The source of confirmation is set by the client and manual authorisation must be performed by a different user in the system.
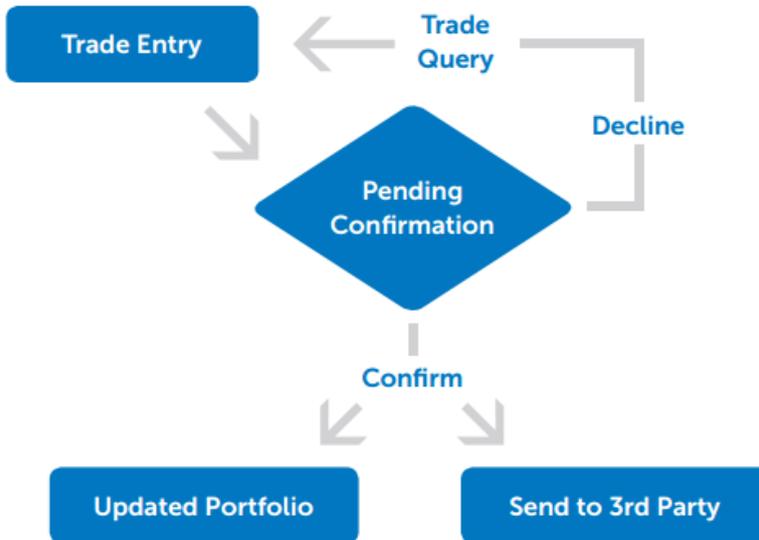
Confirmation Cycles
Position Independent Confirmation (P.I.C)

When a trade is entered in the system, the portfolio will be immediately updated in the Position Page and the confirmation status will change to "pending." If the trade is confirmed, it will be available to be reported to the third party in the next reporting cycle. If the trade is not correct, then it will need to be declined. Declined trades will not be available to be reported to the third party, but will remain as positions in the portfolio. If the trade is completely wrong and not amended, then it will need to be cancelled to roll back the associated position.

Position Dependent Confirmation (P.D.C)

When a trade is entered into the system, the confirmation status will change to "pending" and the portfolio will not be updated in the Position Reporting page until the approver confirms the trade.

If the trade is confirmed, the position will be processed in the portfolio and the trade will be available to be reported to the third parties in the next reporting cycle. If the trade is not correct, then it will need to be declined. Declined trades will not be available to be reported to the third party and will not be processed as a position in the portfolio; they will not need to be cancelled.

Confirmation Processing

Methods of Confirmation

The confirmation status of transactions is visible from the Trade Query page. Users with approval entitlements can confirm or decline the transactions waiting for approval. All changes to the confirmation status are logged, including the approver's ID, date and time and how the transaction is confirmed (manually, Omgeo, etc.). All transactions have a version, allowing the confirmation and amendment life cycle of a given trade to be viewed by unchecking the 'Get Latest Version Only' option. For declined trades, submitters will have to return to the Trade Query page and amend the trade. This newly amended trade version will then be presented for confirmation, repeating the cycle.

Transactions with pending approval will appear as green on the page, orange if they are declined, and blue if they have been confirmed and processed successfully. Confirmation requirements are set at product type level (equity, futures etc.), broker or custodian level. Trades of products that do not need confirmation will automatically be given a confirmation status of 'Confirmed' and processed accordingly. Their confirmation source and timestamp will be blank.

If a transaction is not confirmed but is subsequently amended, then the older version will not need to be confirmed. Only the latest version can be amended/declined.

The following illustration of Trade Query shows the various confirmation statuses and how to enact the confirmation.
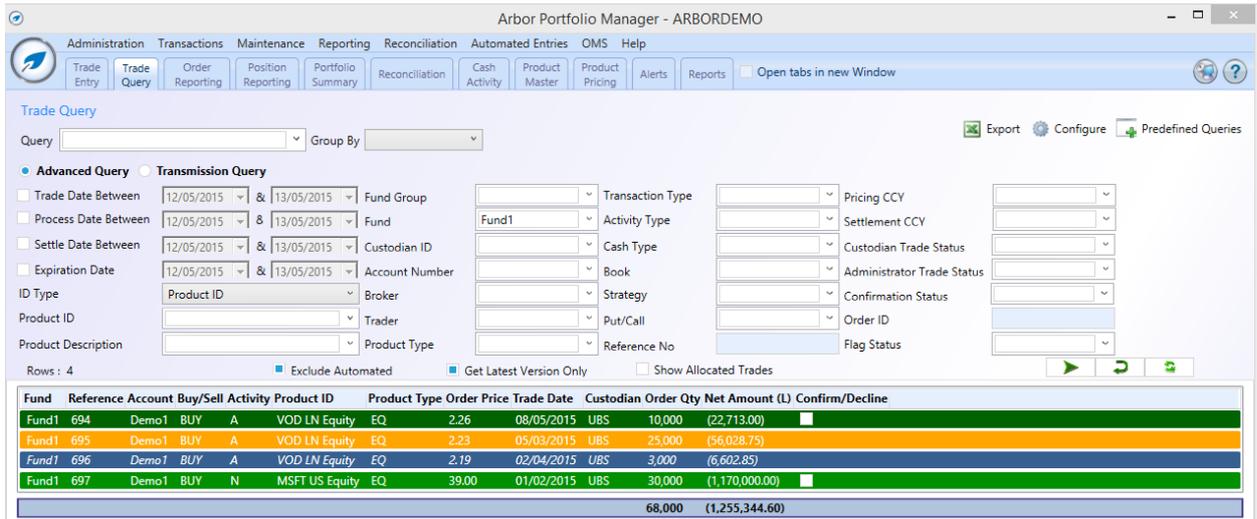
It is possible to manually confirm transactions by selecting the appropriate trade, right clicking the line and selecting the Confirm/Decline option. This will load the full Trade Entry page and allow you to see all the transaction details and then decide whether to confirm or decline the particular transaction. You can add comments at this stage, but cannot make trade amendments.

For purposes of efficiency, it is possible to confirm/decline multiple transactions in one go. For transactions awaiting confirmation, you will be presented with a checkbox column that allows you to select the transaction you wish to apply the 'Confirm/Decline' to. Once selected, you then simply hit either the 'Confirm All Checked' or the 'Decline All Checked' button.

The image shown below illustrates the view and options when selecting the Confirm/Decline option by right clicking a line in Trade Query that is to be confirmed. You will see that the Confirm or Decline options at the bottom only allow comments to be added. Trade details cannot be changed.
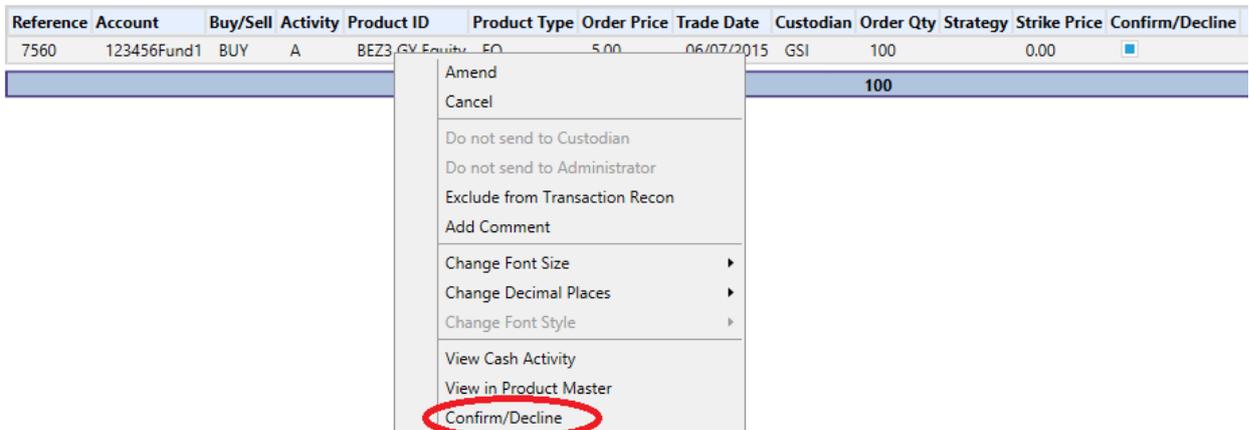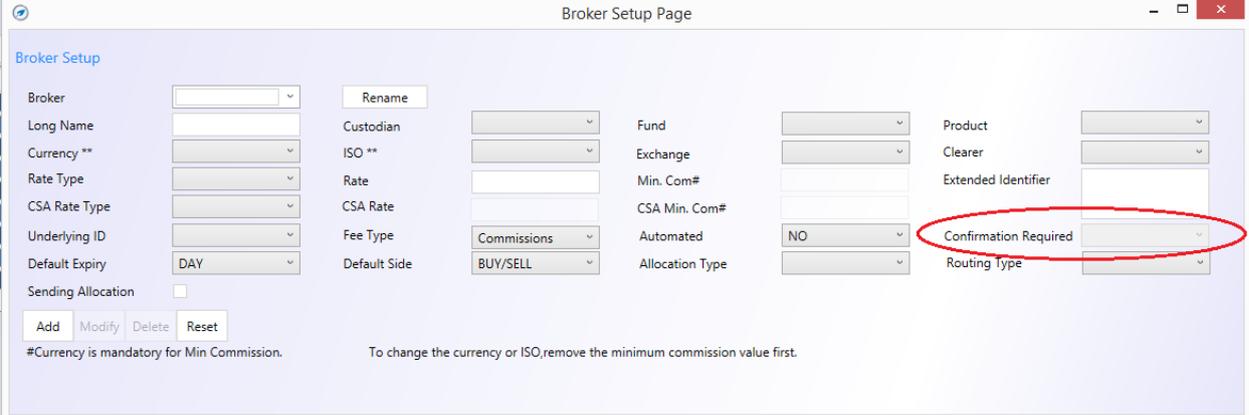

Confirming Cash Transactions

Like other product types, it is possible to configure cash transactions to be confirmed. However, as many types of cash transaction are possible in APM (fees, subscriptions, dividends, etc) it is possible to define the cash transaction type that needs to be confirmed. For instance, subscriptions can be set to need confirmation with all others set otherwise.

Confirmation Setting For Different Levels

Confirmations can be set at system level, fund level or broker level. When confirmation is set at system level, every trade that is put in the system will be highlighted in green with confirmation status as waiting. Users can set confirmation by broker as well; Under Fund 1 we can set trades with Broker MS not needing confirmation, while with GS confirmation is needed.

Custodian/Administrator Transaction Reporting

Transactions that are configured with their Broker/Custodian/Type combination for transaction reporting will not be set in a 'ToBeSent' status until confirmed. Declined trades will also not be sent, even if the Custodian/Broker/Type combination is configured to be reported. If a declined transaction is subsequently amended and then confirmed, then that confirmed version will be available for transaction reporting.