

FRANDT Onboarding Process

Onboarding Clients for OTC services

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1. On-boarding: Managing the Onboarding Process

Citi's dedicated Onboarding teams work with the client throughout the duration of the project and beyond. On average, an OTC onboarding for a typical client may take around 8-10 weeks. We have highlighted an example onboarding plan with the steps that would typically be involved.

Phase 1

Documentation and Regulatory

- Kick off on-boarding meeting
- Perform AML and KYC due diligence checks
- Credit review of underlying funds
- Legal documentation review and sign off
- Agree commercial terms

Target: Weeks 1-6

Phase 2

Trading and Technology

- Agree trade confirmation process (T+0)
- Finalise trade date +1 reconciliation process
- FIX Connectivity
- Electronic & voice requirements
- Give up agreements

Target: Weeks 2-4

Phase 3

Operational

- Agree all standard and regulatory reporting
- Open all accounts
- Hard code commission and interest terms
- Finalise treasury flows
- Define close out, expiry and delivery processes

Target: Weeks 2-5

Phase 4

Testing and Go Live

- Velocity/CFO training
- Testing of all trade feeds and interfaces
- Sign off all reporting
- Complete FIX testing
- Migration of positions

Target: Weeks 6-8

2. Key Onboarding Steps – an overview

We have also summarised below a more detailed overview of the key onboarding steps within a typical onboarding process:

1. Business review

- Complete Citi RfP or Client's own RfP review
- Pricing review
- Credit Risk review
- In Business Risk review

2. **Commercial, operational and technical review session with the client** – Citi Sales to review detailed client requirements and commercial framework to ensure mutually agreeable terms of engagement and pricing structures are agreed.

3. **Business submit request to Client Onboarding** – request submitted with client identifiers detailing specifics of the onboard, i.e. products to be traded and Citi legal vehicle to be onboarded to. Business will attach pre-approvals and Deal Report. Client Onboarding will review the request and create any internal Citi identifiers

4. **Credit Approval** – Client Onboarding obtain any required information and documentation and submit a request for Credit Risk Approval

5. **Legal Documentation** - Once Credit Risk Approval is provided, Client Onboarding will submit the request to Citi's internal Legal department to initiate legal discussions and subsequently move to the execution of the client clearing agreement

6. **KYC** –Client Onboarding will collect any required KYC documentation and record this within their KYC system. The record is independently reviewed for accuracy and completeness by KYC Operations before approval by the Relationship Manger or business owner.

7. **Tax Approval** - Client Onboarding will source relevant tax documents and submit these to the Citi Tax team for approval. Approval from Citi tax team is prerequisite for certain type of accounts and additional documents may be requested to ensure accurate tax classification of the account. Citi doesn't provide tax advice and tax forms need to be completed by client (in consultation with their tax advisors, if required).

8. **Account Opening and Implementation** – Once the KYC requirements have been satisfied, the relevant legal agreements executed and any additional requirements satisfied, Client Onboarding will proceed to request a new account opening by the Accounts Control Group. Once the account is opened, Client Onboarding will instruct the respective Operations teams to complete their set ups in the various downstream systems before providing the client with their account numbers and confirmation they are operationally ready to trade

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