

FCP Modules

1. Introduction to Lloyd's Faster Claims Payment (FCP) solution
 2. Onboarding to Vitesse
 3. New placement or Renewal of a binder
 4. Transfer of an active binder
 5. Payments to beneficiaries
 6. FCP replenishment
 7. Reconcile BDX to Vitesse cash payments
 8. Submit BDX to ECF
 - 9. Reconcile MA signings to Vitesse funding activity**
 10. Refunds and recoveries
-

Objectives



Understanding process of submitting data for matching and receiving reporting



Understand roles and responsibilities



This process reinforces the real time information available in the funding account today

Overview



All lead MAs are strongly advised to use the back-office matching service if they choose not to, they can reference the Appendix of this learning.

Lead MAs should submit summarised data at UMR level from FCP non-cash SCMs received from DXC to the market matching service.

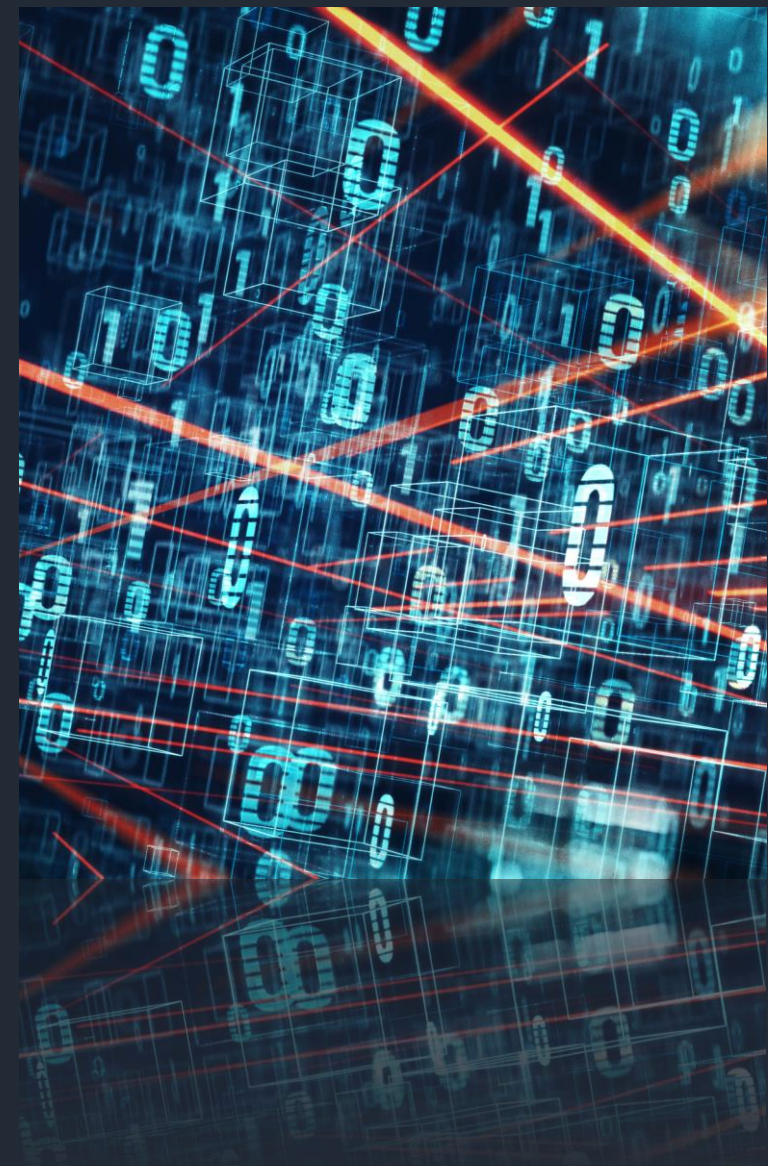
What is meant by signings (or back-end) 'matching'?

- For FCP, weekly (or monthly for non-core currencies) funding top-up requests from Vitesse to Lloyd's central services (*ARCS / **STFO) will trigger a cash movement from the MAs' trust fund(s) into Vitesse to replenish the MA funding accounts (see section 6 – FCP replenishment)
- Signings 'matching' is a monthly accounting control service that seeks to provide MA Finance teams with materiality support for the funds moved from MA's trust fund(s) into the FCP process by UMR.
- This month-on-month position matches latest money movements to latest non-cash messages and can be used to build up an over time view of the UMR concerned.
- To assist the MA in tracking outstanding issues, the DCA must submit the BDX in a timely manner to the receiving party (usually the broker) for processing in ECF, such that SCMs are generated swiftly to the MA.

Why should the figures in the Vitesse funding account report be compared to the MA signing messages?

- Cash movements that correspond to FCP Vitesse top-ups should be matched to signings generated by the BDX for financial accounting and audit purposes
- If signings aren't matched against Vitesse top-up activity, the MA finance credit control ledger will build up an outstanding cash position

Overview



What does the service deliver?

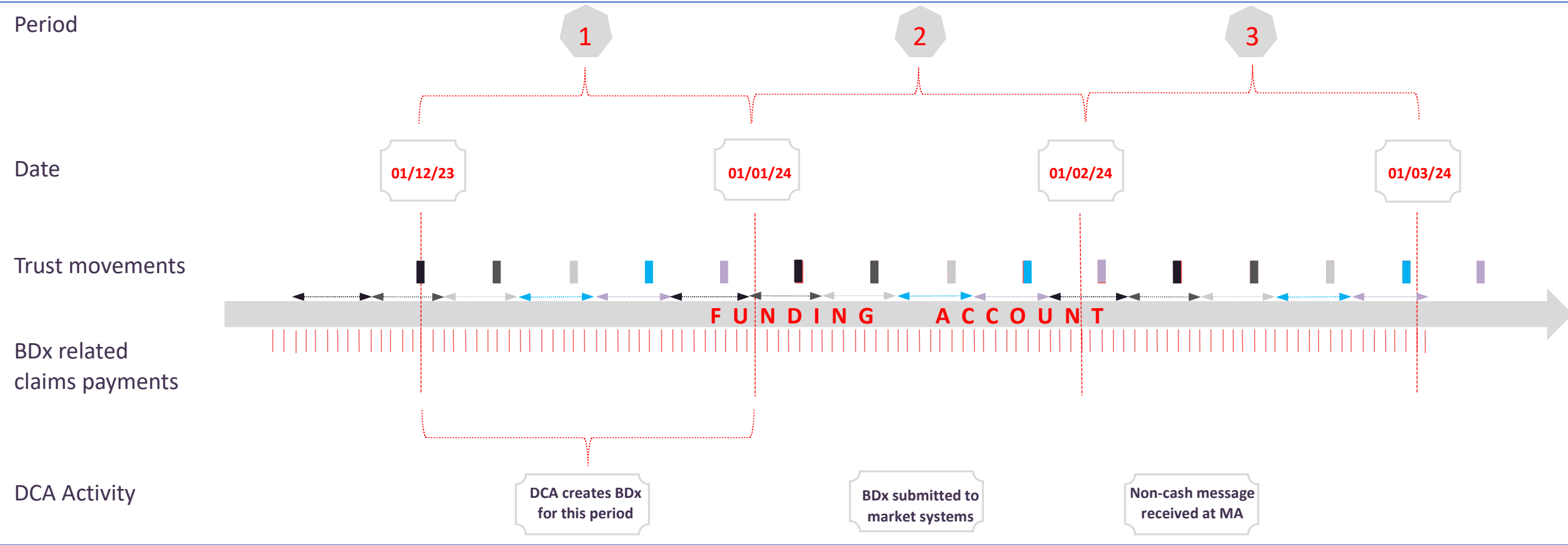
- A centralised 'matching' process to compare ARCS urgent or scheduled liquidity credits credited to the funding account in the prior month with non-cash market messages received by the Lead Managing Agent in the prior month at UMR level. Subsequent reporting sent to lead and follows.
- A Finance focused monthly comparison at UMR level of lead provided non-cash market message data with ARCS / STFO processed transfers.
- Excel format reporting output including UMR level difference analysis.

How was it defined and how is it being managed going forward?

- The service scope was decided upon by the FCP Market User Group and delivered via a Change Order under the existing contract with Vitesse to provide a market standard matching service.
- Vendor oversight and governance to assure processes provided by LIMOSS as part of existing FCP related contractual agreement.

Back Office matching data selection

As agreed by the market representatives and then passed to Vitesse via LIMOSS, the back-office matching service will match non-cash messages received by the Managing Agent in Period 3 with Trust movements posted to the Funding Account in Period 3.



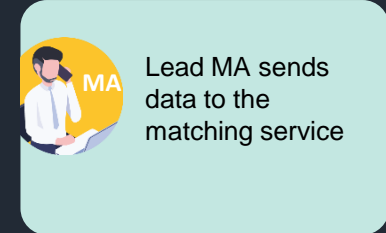
Daily liquidity pull claims movements to Payment Accounts

Weekly movements from MA trust bank account to Vitesse Funding Account credited on a Tuesday (multiple colours)

Transactions that relate to each weekly movements from MA trust bank account to Vitesse Funding Account from Thursday to Thursday (multiple colours)

Step by step

Steps 1 of 3 : Ingestion of data



Ingest

- ✓ Retrieve Funding Account reporting for the prior month.
- ✓ Obtain latest data mapping information from Payment Account metadata.
- ✓ Receive non-cash message reporting from lead MA's in standard format.



Preparing matching data – MA and Vitesse activity

Managing Agent



Lead MA only sends summarised non-cash FCP messages received in the prior month to FCPMatching@vitessepsp.com within 5 working days of the start of the month in the below format:

| Message Currency | Syndicate | Date Received | Amount | UMR |
|------------------|-----------|---------------|---------|-------------------|
| USD | 9999 | 01/12/2023 | 1100.00 | B9999XXXXX9999999 |

Column Format:

| | |
|------------------|---|
| Message Currency | ISO 4217 three character alphabetic code |
| Syndicate | 4 digit Lloyd's code (padded with 0 if less than 3) |
| Date Received | DD/MM/YYYY |
| Amount | numerical, no currency identifier |
| UMR | Lloyd's format - see note |

Excel File Naming format:

| Example | Narrative |
|---------------------------|------------------------------------|
| NonCashData_9999_December | NonCashData_Syndicate Number_Month |

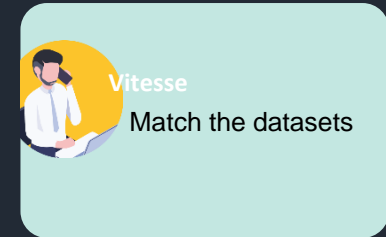
Vitesse



Obtain reporting on previous month funding accounts STFO credits by UMR and latest payment account metadata including funding splits. :

Step by step

Step 2 of 3 : Processing Data



Process

- ✓ Open blank month matching template.
- ✓ Update data mapping sources and control checks process.
- ✓ Pivot both datasets by Syndicate, UMR and value showing differences by UMR.



Processing matching data – Vitesse activity only

Vitesse



Collate complete market position to ensure where MA's are lead and follow that a comprehensive report is produced. Apportion total value USM from lead against all parties funding the UMR.



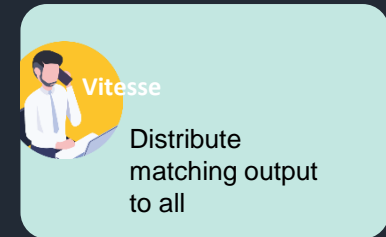
Summarise both data sets by UMR.



Match both data sets by UMR and produce difference.

Step by step

Step 3 of 3 : Reporting of data



Output

- ✓ Produce per Syndicate report in standard output format.
- ✓ Complete four eyes check on each output produced.
- ✓ Distribute password protected report to appropriate Syndicate contacts.



Report on matched data – Vitesse and MA activity

Vitesse



Sort output matching data by Syndicate across all UMR's and prepare matching output in the below format:

| Currency | UMR | ARCS Scheduled Liquidity Credits Value | Non-Cash Message Value | Difference | |
|----------|-------------------|--|------------------------|------------|--|
| USD | B9999XXXXX9999999 | 9999.99 | 8888.88 | 1111.11 | |
| | | | | | |
| | | | | | |



Complete review process and distribute.

Managing Agent



Ensure finance team are subscribed to the Funding Account Scheduled ARCS alert in the [Vitesse Merchant Administration System](https://merchant.vitessepsp.com/) (<https://merchant.vitessepsp.com/>)

i Step 1 - please select the event this notification is for and the type of notification to create.

| | |
|-------------------------------------|--------------------------------|
| Event* | Funding Account Scheduled ARCS |
| The event this notification is for. | |
| Notification Type* | ARCS Processed Email |
| The type of this notification. | |



File the received reports to support fund movements to FCP as needed.

Service related Frequently Asked Questions:

Who is the principal audience for this report and what do they need it for?

As defined by the MUG, the Managing Agent Finance Teams are the principal users of this report. They need to support the movements from trust bank accounts to the Funding Account to claims payments in the absence of the Loss Fund BDx top-up process which is now a non-cash entry.

As a follow do I need to do anything?

Quick answer, very little. You may wish to ensure that the lead you follow is submitting data to the central matching service, so you receive your reports. Also review the standard report format in the Appendix so you know the data structure that will be received.

Is this just for FCP? What current market processes does this align with?

Yes, this is just for FCP and does not expunge any current responsibilities for matching cashbook entries to a BDx rather it supports that “Front Office Match” with a “Back Office” equivalent. FCP plus this process aligns / replaces some elements of the historic end of life Loss Fund reconciliations, repatriations and associated costs.

How can I see non-cash signings in all my USM messages?

The USM has a payment date and non-cash signings have a 0 date which defaults to 01/01/1900 as no payment occurred. Depending on how you take in the USMs in your system, you can use this field to assist.

Overview



MAAs should reconcile the Vitesse funding account activity against SCMs received from DXC into their Policy Administration Systems (PAS), for accounting purposes.

What is meant by signings (or back-end) 'reconciliation'?

- For FCP, weekly funding top-up requests from Vitesse to Lloyd's central services (*ARCS / **STFO) will trigger a cash movement from the MAs' trust fund(s) into Vitesse to replenish the MA funding accounts (see section 6 – FCP replenishment)
- Signings 'reconciliation' is an accounting control that seeks to match the weekly cash movements (reflected in the Vitesse funding report) to the SCM messages received by an MA from DXC (based on the BDX); it is strongly recommended that signings reconciliation is completed monthly for each binder
- Due to the timing differences between the Vitesse top-ups (weekly) and receipt of signings by the MA (monthly), an expected monthly reconciliation difference will be carried over until the account is closed; each payment is associated with an individual top up request, so MAs will be able to account for all cash movements, or identify discrepancies to be rectified
- To assist the MA in tracking outstanding cash movements, the DCA must submit the BDX in a timely manner to the receiving party (usually the broker) for processing in ECF, such that SCMs are generated swiftly to the MA

Why should the figures in the Vitesse funding account report be compared to the MA Signings?

- Cash movements that correspond to FCP Vitesse top-ups should be reconciled by MA finance teams to signings generated by the BDX for financial accounting and audit purposes
- If signings aren't reconciled against Vitesse top-up activity, the MA finance credit control ledger will build up an outstanding cash position

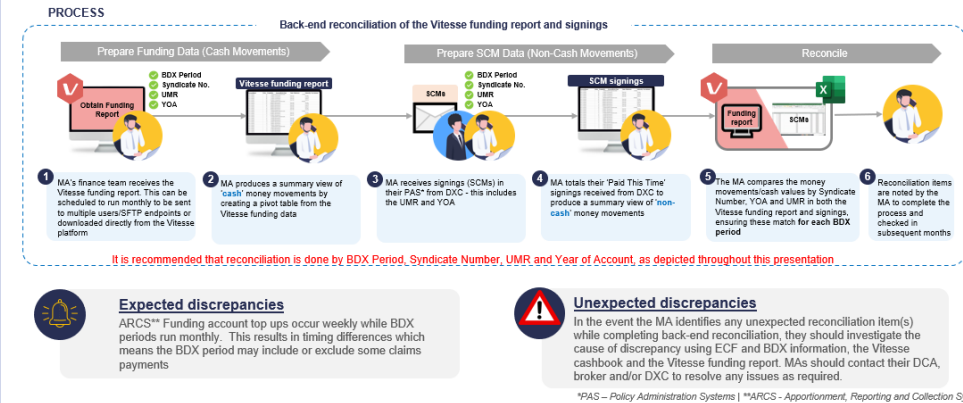
Overview

A high-level process flow is shown in the following section with a more detailed description of each of the steps as you proceed through the learning.

Process: reconcile MA signings to Vitesse funding activity

OBJECTIVE:

Signings 'reconciliation' is an accounting control that seeks to match the weekly cash movements (reflected in the Vitesse funding report) to the SCM messages received by an MA from DXC (based on the BDX). If signings aren't reconciled against Vitesse top-up activity, the MA finance credit control ledger will build up an outstanding cash position



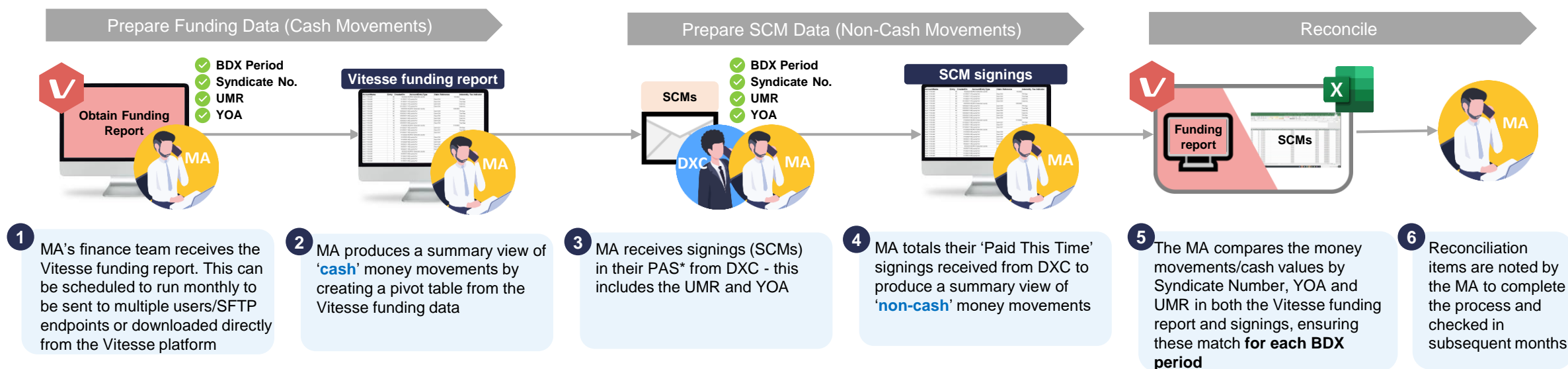
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Signings 'reconciliation' is an accounting control that seeks to match the weekly cash movements (reflected in the Vitesse funding report) to the SCM messages received by an MA from DXC (based on the BDX). If signings aren't reconciled against Vitesse top-up activity, the MA finance credit control ledger will build up an outstanding cash position

PROCESS

Back-end reconciliation of the Vitesse funding report and signings



It is recommended that reconciliation is done by BDX Period, Syndicate Number, UMR and Year of Account, as depicted throughout this presentation



Expected discrepancies

ARCS** Funding account top ups occur weekly while BDX periods run monthly. This results in timing differences which means the BDX period may include or exclude some claims payments



Unexpected discrepancies

In the event the MA identifies any unexpected reconciliation item(s) while completing back-end reconciliation, they should investigate the cause of discrepancy using ECF and BDX information, the Vitesse cashbook and the Vitesse funding report. MAs should contact their DCA, broker and/or DXC to resolve any issues as required.

Step by step

Steps 1 & 2 : Download & pivot the Vitesse funding report



- 1 Download & pivot the Vitesse funding report
- 2

Preparing the Vitesse funding account report data

A pivot table will prepare the Vitesse funding data for comparison against SCM signings. Item A should reconcile to SCM and Items B and C will give expected discrepancies.

- A pivot table allows the Vitesse funding activity to be viewed in line with the data in the SCM from DXC – i.e. by **Period, Syndicate, YOA and UMR**.
- **AccountEntryType** should be used to remove all entries that are unrelated to ARCS replenishment activity. Filter to only show records for “Liquidity Pull”, “ARCS Scheduled Liquidity” and “ARCS Urgent Liquidity”.
- By including the field **ARCSSettlementDate**, all UMR debits related to an ARCS credit will be grouped together.

Step by step

Steps 1 & 2 : Download & pivot the Vitesse funding report

Preparing the Vitesse funding account report data

ARCSSettlementDate groups the related debits and credits. If the settlement date is blank the ARCS process has not yet been triggered

Filter and include only any of:
ARCS Scheduled Liquidity
ARCS Urgent Liquidity
Liquidity pulls

A

The broker will upload the BDX to ECF (often done automatically by their internal claims system) as a settlement transaction, while noting that it is to be processed as 'non-cash'

B

Any liquidity pulls that have an ARCS Settlement Date, but no corresponding ARCS Liquidity credit have been included in an ARCS replenishment request, but the funds are yet to be received. As a result, this reflects a timing difference

C

Any liquidity pulls that do not have an ARCS Settlement Date will have no ARCS liquidity credit, as they have not yet triggered an ARCS liquidity pull.

Note

Due to replenishment timings, any 'Liquidity Pull' line items that do not directly match to the 'ARCS Scheduled Liquidity' entry will be captured in subsequent ARCS Scheduled Liquidity movements. By combining consecutive monthly funding reports a cumulative view can be generated to ensure breaks due to timing have been resolved.

| AccountName | ARCSSettlementDate | CreatedOn | UniqueMarketReference | YearOfAcco | AccountEntryType | Sum of Debit | Sum of Credit |
|--------------|--------------------|------------------|-----------------------|------------|--------------------------|--------------|---------------|
| Synd 002 USD | 16/11/2022 | 11/3/2022 13:48 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 2,025.77 | |
| Synd 002 USD | | 11/3/2022 14:12 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 1,653.06 | |
| Synd 002 USD | | 11/4/2022 11:55 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 120.32 | |
| Synd 002 USD | | 11/4/2022 17:26 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 8.33 | |
| Synd 002 USD | | 11/6/2022 13:02 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 363.18 | |
| Synd 002 USD | | 11/8/2022 12:41 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 10,916.53 | |
| Synd 002 USD | | 11/8/2022 14:12 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 648.37 | |
| Synd 002 USD | | 11/8/2022 19:27 | UMR_00002 | 2021 | Liquidity Pull | 1,966.15 | |
| Synd 002 USD | | 11/9/2022 16:38 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 1,995.78 | |
| Synd 002 USD | | 11/9/2022 17:30 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 3,467.89 | |
| Synd 002 USD | | 11/17/2022 15:54 | (blank) | (blank) | ARCS Scheduled Liquidity | | 23,165.38 |
| Synd 002 USD | 16/11/2022 Total | | | | | 23,165.38 | 23,165.38 |
| Synd 002 USD | 22/11/2022 | 11/10/2022 14:18 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 7,284.78 | |
| Synd 002 USD | | 11/10/2022 15:27 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 83.04 | |
| Synd 002 USD | | 11/11/2022 16:49 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 2,622.07 | |
| Synd 002 USD | | 11/12/2022 10:05 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 3,320.88 | |
| Synd 002 USD | | 11/15/2022 18:24 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 118.05 | |
| Synd 002 USD | | 11/15/2022 21:33 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 863.63 | |
| Synd 002 USD | | 11/16/2022 15:26 | UMR_00002 | 2021 | Liquidity Pull | 1,158.38 | |
| Synd 002 USD | | 11/16/2022 20:39 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 6,256.58 | |
| Synd 002 USD | 22/11/2022 Total | | | | | 21,707.41 | |
| Synd 002 USD | (blank) | 11/17/2022 13:32 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 867.07 | |
| Synd 002 USD | | 11/17/2022 17:37 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 130.33 | |
| Synd 002 USD | | 11/17/2022 19:56 | UMR_00002 | 2021 | Liquidity Pull | 425.53 | |
| Synd 002 USD | | 11/17/2022 19:57 | UMR_00002 | 2021 | Liquidity Pull | 273.51 | |
| Synd 002 USD | | 11/17/2022 21:14 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 2,987.38 | |
| Synd 002 USD | | 11/21/2022 14:46 | UMR_00002 | 2021 | Liquidity Pull | 8,254.15 | |
| Synd 002 USD | | 11/21/2022 16:55 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 248.77 | |
| Synd 002 USD | | 11/21/2022 18:42 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 10.00 | |
| Synd 002 USD | | 11/21/2022 18:58 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 208.43 | |
| Synd 002 USD | | 11/21/2022 19:04 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 103.05 | |
| Synd 002 USD | | 11/21/2022 21:28 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 622.24 | |
| Synd 002 USD | | 11/22/2022 20:17 | UMR_00002 | 2021 | Liquidity Pull | 4,121.45 | |
| Synd 002 USD | | 11/24/2022 16:00 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 0.33 | |
| Synd 002 USD | | 11/25/2022 17:00 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 0.33 | |
| Synd 002 USD | | 11/28/2022 13:14 | B1511GQ423K22A000 | 2022 | Liquidity Pull | 1,441.47 | |
| Synd 002 USD | (blank) Total | | | | | 19,694.04 | |

Step by step

Steps 3 & 4 : Record MA signings data for reconciliation



3 Record MA signings data for reconciliation

4

Preparing the MA signings data

MAAs will receive signings from DXC into the Policy Admin System (PAS). This data will also need to be recorded and prepared for comparison against the Vitesse Funding Report.



Record all associated Syndicate Paid This Time values from SCMs received by Syndicate Number, Year of account (YOA) and UMR for each BDX period

Step by step

Steps 3 & 4 : Record MA signings data for reconciliation

Preparing the MA signings data

A The amount displayed '**Syndicate Share Amount**' / 'Paid This Time' is taken from the SCM. The total is summed for each combination of Syndicate, YOA, UMR and BDX period

B The signings from the bureau are received in an aggregated format using a '**Claims Office Reference (COR)**'. There could be more than 1 COR because of non fundamental splits processed by DXC.

C '**CurrNarA**' and '**CurrNarB**' is what is used to populate the BDX period by DXC based on the Lead MAs instruction in the private comments in ECF (see Section 8; Submit BDX).





Note

Signings received by a MA may vary in how the information is displayed (e.g. different field names) and is dependent on how a MAs policy admin system has been configured to receive bureau messages.

MA signings (SCMs)

May 2022

| UMR | Syndicate Number (SYN) | A | | B | | C | |
|-------------|------------------------|---|-----------------------|-------------------------------|--------------|------------------------|--|
| | | Syndicate Share Amount / Paid This Time (PTT) | Year of Account (YAC) | Claims Office Reference (COR) | CurrNar A | CurrNar B | |
| BMR00001234 | 1100 | (500.00) | 2022 | N616220610 | May 2022 BDX | May 2022 BDX/ NON CASH | |
| BMR00001234 | 1100 | (500.00) | 2022 | N616220611 | May 2022 BDX | May 2022 BDX/ NON CASH | |

  Syndicate 'Paid This Time' = **\$1,000.00**



Reminder

Timely submission and processing of the BDX enables more signings to be matched to the cash top-ups recorded in the Vitesse funding report.

Step by step

Steps 5 & 6 : Reconcile Vitesse funding report to MA signings



5 Record MA signings data for reconciliation

6

Reconcile the Vitesse funding report to signings received by the MA

The Vitesse funding data has been aligned to the SCM signing data and reconciliation can now commence

- Compare the Vitesse funding report and SCM signings at a Syndicate Number, YOA and UMR level for each BDX period to track the value of '**Reconciling Items**'
- Any reconciliation items should be noted by the MA and checked in subsequent months to complete the process

Step by step

Steps 5 & 6 : Reconcile Vitesse funding report to MA signings

Reconcile the Vitesse funding report to signings received by the MA

A 'Account Name' is derived from the Syndicate Number which is against each MA's Vitesse funding account.

B The 'Signings Value' (SCMs) is obtained from the MA Signings from DXC.

C The 'Cash Value' is the sum of all **ARCS Scheduled Liquidity Credits** (top-ups) from the Vitesse Funding Report Pivot Table.

D 'Reconciling items' relate to timing differences of ARCS top-ups of cash received in Vitesse funding accounts compared with the non-cash signings received in a MA's policy admin system.

Vitesse funding report figures

| Created on Date (BDX Period) | Cash Paid | | Syndicate Share % | | Syndicate Share Amount | ARCS Top-Ups |
|------------------------------|------------|---|-------------------|---|------------------------|--------------|
| May 2022 | \$2,000.00 | X | 50% | = | \$1,000.00 | \$1,062.50 |
| Jun 2022 | \$225.00 | X | 50% | = | \$112.50 | \$150.50 |

Back-end reconciliation summary

May 2022

| UMR / Cash Reference | YOA | Account Name | BDX Period | Signings Value | Cash Value | Outstanding |
|----------------------|------|--------------|------------|----------------|--|-------------------|
| BMR00001234 | 2022 | 1100 | May-2022 | (1,000.00) | 1,062.50 | 62.50 |
| | | A | | B | C | |
| Totals | | | | (1,000.00) | 1,062.50 | 62.50 |
| | | | | | Reconciling item difference | 62.50 |
| | | | | | Apr liquidity pulls included in May ARCS top-up in funding a/c | D (100.00) |
| | | | | | May liquidity pulls due in June ARCS top-up in funding a/c | 37.50 |
| | | | | | | (62.50) |

Summary

Reconciling Items = (\$1,000.00) + \$1,062.50 = \$62.50
Reconciling Item(s) = (\$100.00) + \$37.50 = (\$62.50)

The discrepancy of \$62.50 is expected because it is the net movement of:

- Liquidity pulls of \$100.00 from April included in ARCS top-up for May, which should be **excluded**
- Liquidity pulls of \$37.50 from May included in ARCS top-up for June which should be **included**
- This net amount is a reconciling item to be carried over next month
- There will be a rolling reconciling item amount until the account is closed at the end of the year

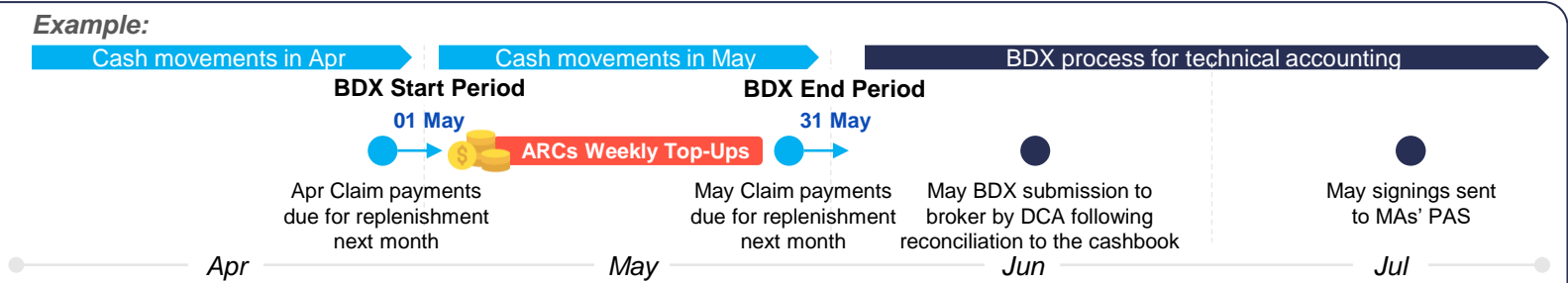
Timing of ARCS replenishments in Vitesse and signings received by the MA

An example showing a timeline of cash movements in the Vitesse funding report and the BDX process for technical accounting for the May BDX period:

Weekly replenishment vs. monthly BDX period

A comparison of weekly ARCS top-ups within a MA's funding account to signings against the monthly BDX period is done to note timing differences.

Timing differences with the opening and closing ARCS top-ups for the BDX period may include claim payments outside the BDX period and may exclude claims inside the BDX period; these should be noted to complete the reconciliation process.



Early Settlement Advice - tab details for ARCS transfers

REMINDER: MA finance teams can set up rules to automatically assign ARCS transfers to aid reconciliation by using the below ledger posting details from their Early Settlement Advice notice, which includes the tab number.

TAB 265 **A**

Example

ACCOUNT HOLDER: 1100

C SYNDICATE 1 LTD

D VITESSE FCP REPLENISHMENT (SCHEME)

SETTLEMENT CURRENCY: USD **B**

BANK A/C TYPE: LDTF

SETTLEMENT DATE: 31 May 2022 **E**

INVOICE NUMBER: DSX22/000005

TAX POINT: 26 May 2022

| DESCRIPTION | | | | AMOUNT | VAT RATE | VAT AMOUNT |
|--|------|------|-----------------|--------------|----------|------------|
| Account Year | | | | | | |
| Syndicate | 1100 | 2022 | Syndicate Total | 485.00 | Q | 0.00 |
| | | | | 485.00 | | 0.00 |
| NET AMOUNT | | | 485.00 | VAT AMOUNT | | 0.00 |
| Your account will be adjusted on the settlement date above | | | | TOTAL AMOUNT | 485.00 | H |

- A** The tab number for the ledger is **265**
- B** The currency in which the MA funds will be replenished
- C** Syndicate name
- D** Description of the replenishment request (where it has originated from)
- E** Date by when the request will be settled (it takes 3 working days to complete the replenishment process)
- F** Syndicate number
- G** Year of account
- H** Total amount which will be debited from the MAs trust account and be credited to the MA funding account in Vitesse

Best Practice

Reconciliation best practice



Managing Agent



Timely submission of the BDX by the DCA, and its **validation in ECF by the lead MA** (and broker) in ECF reduces the risk of bottlenecks for downstream reconciliation



MA's will have an established process of receiving SCMs, and should **agree a method (internally) of comparing their SCMs against the Vitesse funding report**



Reconciling on a BDX Period, Syndicate Number, UMR and YOA basis between the Vitesse funding report and non-cash signings enables an easier comparison for each binder and account



It is strongly recommended that MA's complete their back-end reconciliation activities **monthly**



Top tip

To supplement the BDX submission by DCAs, MA's may want to additionally request that DCAs send them a summary of their front-end reconciliation activities (i.e. Vitesse cashbook vs. BDX 'Paid this month' values).



SCM signings reconciliation tied to ARCS top-ups

Reconciliation of SCMs to cash movements cannot take place in the absence of ARCS top-ups (funding account levels that are too high will result in these top-ups not taking place). If this occurs, reconciliation can be provisionally completed by comparing SCMs to the liquidity pulls within Vitesse, based on the date/time of these pulls. Once an ARCS top-up occurs, this activity should be repeated to maintain oversight of cash movements and reconciling items.



Identifying discrepancies during reconciliation

In the event the MA identifies any unexpected reconciliation item(s) while completing back-end reconciliation, they should investigate the cause of discrepancy using ECF and BDX information, the Vitesse cashbook and the Vitesse funding report. MA's should contact their DCA, broker and/or DXC to resolve any issues as required.



Top tip

MA finance teams can refer to their Early Settlement Advice notice to see the monies that are due to be drawn to replenish their funding account in Vitesse.

Potential reasons for differences when reconciling MA signings to Vitesse funding activity



Every party involved in the review or submission of the monthly BDX financials must ensure the corresponding money movements are reflected in Vitesse to avoid unexpected reconciling items. In the event the reconciling items have not been accounted for, corrective action will need to be taken to identify these. The two scenarios below highlight the different steps that MAs should take when reconciling SCMs to Vitesse funding activity when an unexpected difference is identified.



Scenario 1

MA reconciles the Vitesse funding report against SCMs and identifies that there are outstanding credits in their funding account

- The MA should determine the materiality of the outstanding credits and decide to either leave this in their funding account or contact Vitesse to determine the best method of returning a refund to the MA's trust account
- Should the MA choose to send outstanding credits back to their MA trust account, Vitesse will validate and execute the payment request from the MA



Scenario 2

MA reconciles the Vitesse funding report against SCMs and identifies that there have been no scheduled ARCS top-ups in their funding account for a period of time

- Upon identifying this error, the MA should query with Vitesse and determine the appropriate resolution (for example; reconciling against the liquidity pulls within the Vitesse funding report until the ARCS top up recommences)
- If the funding account is overfunded, it can be resolved either by increasing the pre-agreed threshold balance or by withdrawing funds from Vitesse and returning these to the MA's trust account



Reminder

ARCS top-ups may not occur every week if funding levels are held at such a level above the pre-agreed balance that the claims activity isn't enough to trigger a request.



Note

Back-end reconciliation can be provisionally completed by comparing SCMs to the liquidity pulls within Vitesse, based on the date/time of these pulls until an ARCS top-up re-occurs.



Note

In the event the BDX for FCP gets processed incorrectly as 'cash' the MA should contact the broker (see the different scenarios at the end of [section 8 – Submit BDX to ECF](#)).

End

Faster Claims Payment

