

BBH Affirmation Models

Investment adviser choices and BBH models

Investment Advisers (IAs)* have two basic options for how they can affirm their US trades. They can have their **custodian perform affirmations on their behalf** or they can **perform the affirmations themselves**, either directly or with the help of a third party. BBH can support any affirmation model chosen by the IA by means of the below models which will be applied to the corresponding BBH custody account.



*Investment adviser: Defined under the Investment Advisers Act as referenced in the final SEC T+1 Rules which can be found at <https://www.sec.gov/rules/final/2023/34-96930.pdf>. A list of registered Investment advisers can also be found at IAPD - Investment Adviser Public Disclosure - Homepage (sec.gov)

Market and provider conditions for success

In order to support the IA's chosen affirmation models certain configurations must take place and conditions must be met that will allow the affirmation to be successfully completed. Some of the most important of which are summarized below.



TradeSuite ID (TSID)

- All affirmations are processed in DTCC's Institutional Trade Processing (ITP) platform
- In order to affirm a trade a **TradeSuite ID must be obtained** from DTCC ITP
- The configuration and owner of the TSID may vary based on the affirmation model chosen



Standing Settlement Instructions (SSIs)

- Successful affirmations are dependent on the information provided to Brokers and Counterparties through SSIs
- Critical details include but are not limited to: **Agent ID, TSID, Local Account at Agent**
- The details provided in **SSIs must align with the affirmation model chosen** by reflecting the correct IDs for the above entities



Custody Account Set Up

- Regardless of which affirmation model is chosen by the IA, it is critical all Custodians and Account Operators between the adviser and DTCC be informed of the chosen affirmation model.
- **Account coding** to reflect the chosen model and **ID linkages** (e.g. between the chosen TSID and custodian account) **will likely be required** at each Custodian/Account Operator



Trade Instructions

- Affirmations can replace the need for a trade instruction but not in all cases so determining **where instructions will be sent and where they will not be critical** to a successful trade settlement. These decisions must be communicated to providers along with the affirmation model
- Trade instructions must adhere to DTCC and provider deadlines. Late or missing instructions may result in an unaffirmed trade or a failed trade so **timing of instruction delivery is critical** to both the affirmation process and the settlement process

Have questions? Contact one of our experts:



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