



TRADEGATE AG
WERTPAPIERHANDELSBANK

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PART OF  UNITED FINTECH

Case Study:

Entering the market as a new issuer of structured products

About Tradegate

Tradegate AG Wertpapierhandelsbank is a Berlin-based bank with a wide range of financial services. In addition to traditional retail banking, asset management and advisory services, Tradegate provides market making services for several thousand global securities, primarily on its Tradegate Exchange (its trading platform for financial instruments for retail clients) and on the Frankfurt and Berlin stock exchanges.

The Challenge

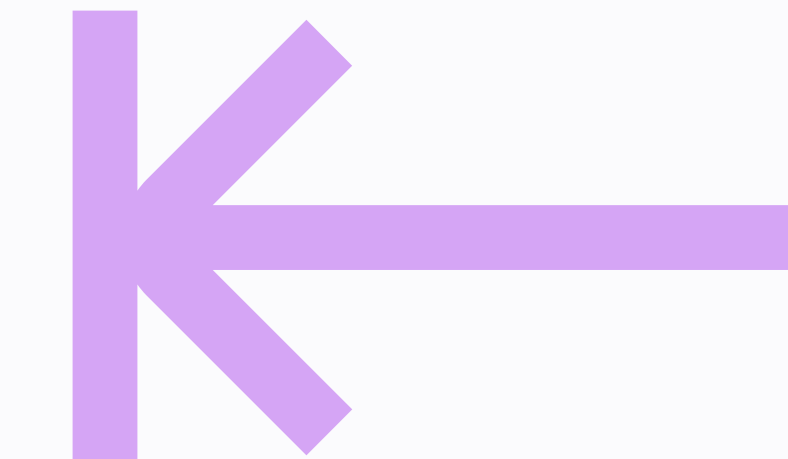
In 2021, as part of its growth strategy, Tradegate decided to enter the market as a new issuer of structured products, beginning with the popular category, Mini Futures (long & short).

They needed to find a partner with an industry-standard technical platform to support their market entry in Germany, one of the largest markets for Structured Products and OTC derivatives. They wanted to partner with a renowned firm with many years of experience in the area and a proven technology solution for fully automated workflows and document creation, with technical interfaces to the most important data hubs and supervisory authorities, and with the expertise to perform all required MiFID and PRIIPs calculations in-house.

Tradegate had a number of key requirements. Firstly, all workflows had to be fully automated, adhering to PRIIPs and MiFID II regulatory requirements at all times, especially publication and reporting issues. For this purpose, the new platform also needed to provide reliable MiFID data such as target market classification and cost transparency, risk indicators and performance scenarios for PRIIPs KIDs as well as relevant key figures for structured products.

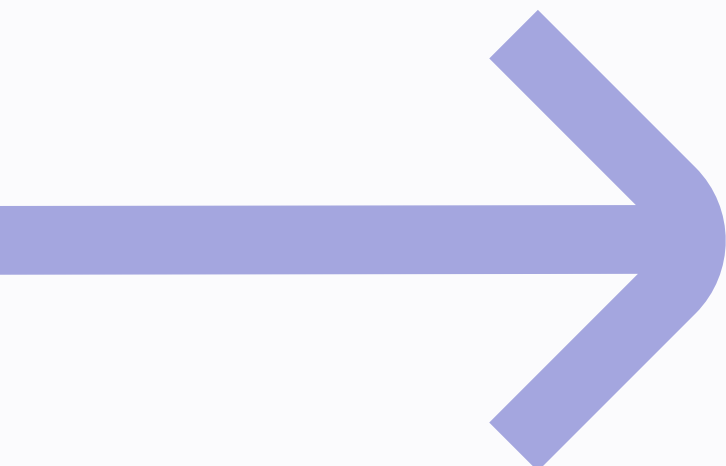
The Solution

TTMzero has two main areas of expertise: the valuation of financial instruments and the automation of issuance processes of structured products including all related pre- and post-issuance workflows. Its “Financial Instruments Automation Platform” (FIAP) offers various modular micro-services with fully automated processes which meet industry standards and comply with regulatory requirements.



Secondly, as a new player in the structured products market, Tradegate required a fully automated solution for document creation and the delivery of documents and product data to supervisory authorities and third party vendors.

Tradegate selected to partner with TTMzero, a Berlin-based specialist technology company with a strong track record in automating the issuance production chain for large manufacturers of structured products.



To establish Tradegate as a new issuer of structured products in the market, Tradegate was onboarded onto TTMzero’s multi-tenant automation platform, FIAP, with a customer gateway tailored to Tradegate’s individual needs as the entry point to TTMzero’s infrastructure.

Subsequent workflows were set up, starting with the computation of the regulatory required PRIIPs and MiFID figures such as risk indicators, costs, target market classification, performance scenarios and key figures for structured products. Following that, processes were established for the creation of Final Terms, PRIIPs KIDs and the distribution of the data and documents via data hubs to third parties.. The platform was set up to automatically admit the product with clearing houses, electronically file the product with regulators and list it with the exchanges..

TTMzero’s agile project management guaranteed a seamless setup of the necessary workflows in close collaboration with Tradegate’s project team.

Key Success Factors



Proven Technology

TTMzero's proven and flexible infrastructure, with its wide range of modular microservices and APIs, have been paramount in onboarding Tradegate as a new client. Thanks to TTMzero's team of experienced financial engineers, the technology also enables all regulatory required calculations to be performed in-house, speeding up the issuance process.



Significant experience in structured products

Prior to founding TTMzero in 2013, its two managing partners Simon Ullrich and Sönke Blunk had many years' experience in developing and pricing structured products. They have built on this extensive knowledge to create TTMzero's FIAP platform, and have grown a team of experts in structured products and OTC derivatives, who are fully up-to-date with relevant regulations and requirements. The experience of the TTMzero team was instrumental in ensuring that all aspects of Tradegate's market entry and subsequent issuance processes were accommodated to the highest of standards and that Tradegate was able to enter the market as a new issuer quickly.



Mutual trust and collaboration

The collaboration between TTMzero and Tradegate has been excellent from the outset. The communication on both sides has been extremely open and transparent, with regular onsite meetings.

The combination of TTMzero's technology, experience and high levels of service resulted in Tradegate achieving its objectives, successfully establishing itself as a new issuer in the structured product business.



Partnering with TTMzero to launch our issuance business was the best decision we could have made. Onboarding on TTMzero's business-ready platform resulted in a very short time to market. TTMzero's broad network of third party connections to regulators, custodians and data vendors provided all the essential components for building a fully automated production chain from scratch. Their highly experienced team and hands-on mentality have been a key success factor.



Dennis Puschmann, Product Manager at Tradegate

About TTMzero · Part of United Fintech

TTMzero is a German technology company specializing in the independent valuation of financial instruments as well as the automation of issuance processes and life cycle management of structured products. TTMzero performs PRIIPs and MiFID calculations and assists financial institutions in complying with regulatory and reporting requirements.

In 2021, TTMzero became a part of United Fintech, which has offices around the globe and more than 120 employees.