



# Business Entity Data service

## Avox entity level data incorporated into FTS<sup>SM</sup> service

Through its Pricing and Reference Data business, Interactive Data's Business Entity Data service aims to help customers meet their requirements for risk management and compliance under regulations such as UCITS III and the Capital Requirements Directive (Basel II).

### ■ Overview of Business Entity Data service

Avox's parent-issuer level content has been combined with Interactive Data's issue level reference data content to enhance the Business Entity Data service provided via FTS<sup>SM</sup>.

Increasingly, regulation has fuelled an immediate requirement for financial organisations to source entity level data as it applies to an organisation's holdings e.g.

**UCITS III** - As of February 2007, UCITS compliance requires that Fund managers identify an issuer's ultimate parent entity in order to group issuer's for the purposes of monitoring concentration risk limits. Fund manager's need to establish and maintain issue-issuer-parent entity linkages to ensure they remain within the limits set out by the regulator at each level.

**Capital Requirements Directive (Basel II)** - CRD compliance requires more stringent Credit risk management, increased transparency and reporting methodologies.

Banks are required to map between issues and issuers as well as monitor relationships between counterparties.

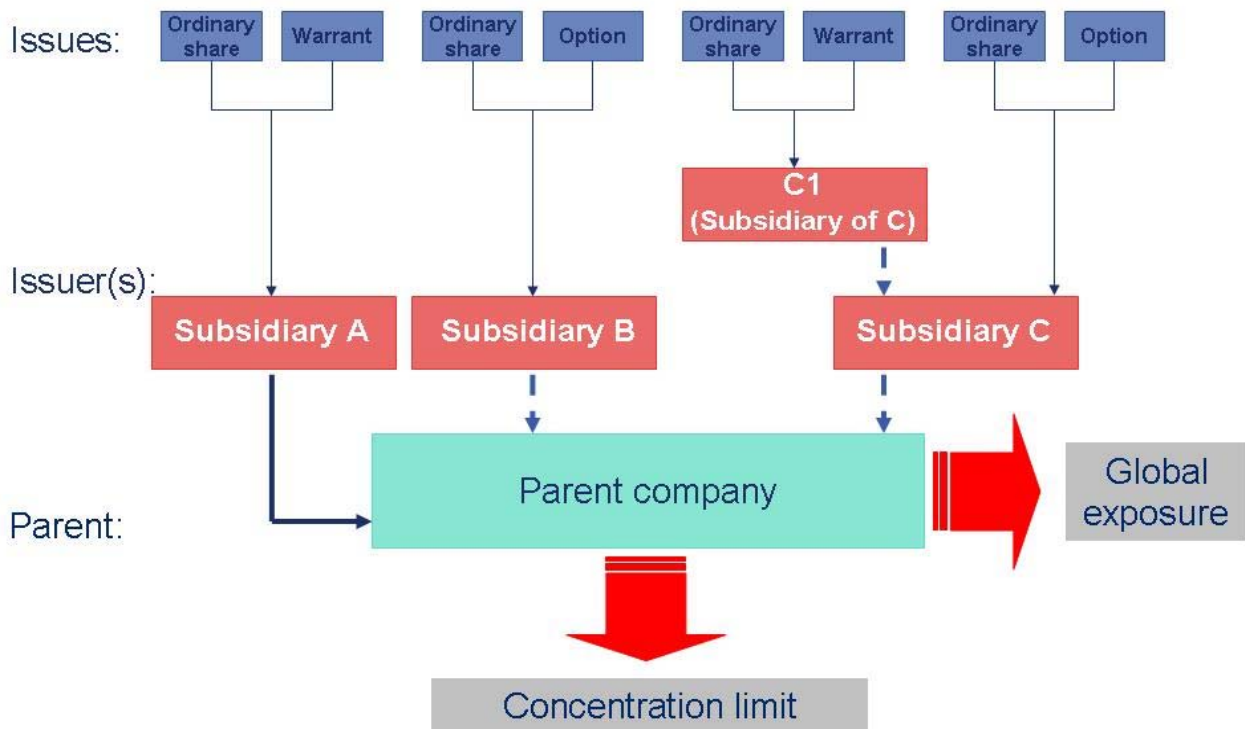
In the first phase of the service, Interactive Data will provide a subset of entity level data from Avox via its FTS service, the securities administration tool.

Interactive Data will also provide the linkages required between issues, issuers and their parent entities to enable customers to determine the 'ultimate' parent of each of the securities in their existing FTS universe for post-trade compliance requirements.

### ■ Benefits of FTS enhanced with Avox entity level data

- Identify risk - Creating such linkages will enable customers to identify their risk exposure at both the issuer and issuer group (defined by the ultimate parent) levels. The definition of legal entity that will be used within this service is >50% ownership
- Customised - The service will be based around a customer's securities universe and therefore would include any entities (issuers) that are requested by the customer
- Functionality - An online look up facility based on a customer's universe will be provided
- Data quality - The Avox model of sharing, validating and enriching non-proprietary data that is used by all customers results in the overall quality level of the data improving while the cost and time required to achieve this improvement diminishes
- Timeliness - Reference data is often incorrect simply because it is out of date. Avox participants publish all changes they see through their daily activities into the Avox data pool where a team of analysts revalidate and broadcast them back out to the community. 70% of all changes registered at Avox come from current customers

# Issue – Issuer – Parent entity linkages for risk management



## ■ Value of Business Entity data

Increased global risk management requirements are fuelling a growing need for business entity and business entity linkages data.

Business Entity data relates to legal entities (usually issuers of securities) and includes: Full Legal Name, Registered Address, Country of Incorporation, Legal Form and, where applicable, Regulating Body.

Business entity linkages refer to the identification and maintenance of relationships between parent organisations and their subsidiaries.

Typically this includes: identifying whether the entity is a parent organisation or a subsidiary, identifying the ultimate parent of the entity and the % ownership held by the parent based on share capital.

In order to identify potential risk exposure, fund managers need to actively monitor the parent-sub subsidiary relationship as it relates to their holdings by identifying:

- Which issues link into which issuers
- Which issuers link into which parent entities

## ■ How does the service work?

- On a daily basis Interactive Data provides Avox with a list of all available unique issuers/entities held within the customer's universe in addition to a unique Interactive Data issuer code
- Avox research each issuer and return the Avox data items with the Interactive Data issuer code publishing any changes to the universe on a daily basis
- The Interactive Data Issuer code is used to match the Avox data to all corresponding issues/securities that are linked to the issuer code for distribution to customers via FTS
- Data is delivered to customers in 'csv' format via ftp on a daily basis by Interactive Data

The Business Entity Data service creates and maintains linkages between Avox's entity-level data and Interactive Data's securities data. Subscribers will receive the full legal name of a business entity plus the full legal name of that entity's ultimate parent organisation in addition to further descriptive data (as defined below) provided by Avox.

## ■ Additional data included in the service\*

The following Avox data fields are included in the first phase of the service to enrich Interactive Data's high quality securities data:

- Full legal name of business entity
- Country, state, province, region of Incorporation (where applicable)
- Registered address (of business entity)
- Legal form (denotes entity type)
- Regulated by (Entity regulator)
- Company registration number
- % Owned by ultimate parent
- Ultimate parent (full legal name of ultimate parent of business entity)
- Avox proprietary entity codes for business entities and ultimate parent entities
- Customer proprietary code (if required)

For subsequent phases Interactive Data plans to further enhance the service by providing additional data sets driven by customer demand driven by further regulatory requirements, such as Basel II / Capital Requirements Directive and MiFID (Markets in Financial Instruments Directive).

*\* Data fields are populated where authoritative sources are available*

## About Interactive Data Corporation

Interactive Data Corporation (NYSE: IDC) is a leading global provider of financial market data, analytics and related services to financial institutions, active traders and individual investors. The Company's businesses supply time-sensitive pricing, evaluations and reference data for more than 3.5 million securities traded around the world, including hard-to-value instruments. Many of the world's best-known financial service and software companies subscribe to the Company's services in support of their trading, analysis, portfolio management and valuation activities. Through its businesses, Interactive Data Pricing and Reference Data, Interactive Data Real-Time Services, Interactive Data Fixed Income Analytics, and eSignal, the Company has approximately 2,200 employees in offices located throughout North America, Europe, Asia and Australia. The Company is headquartered in Bedford, Mass. Pearson plc (NYSE: PSO; LSE: PSON), an international media company, whose businesses include the Financial Times Group, Pearson Education, and the Penguin Group, owns approximately 62 percent of the outstanding common stock of Interactive Data Corporation.

## Interactive Data Pricing and Reference Data

Interactive Data Pricing and Reference Data provides global securities pricing, evaluations and reference data designed to support financial institutions' and investment funds' pricing activities, securities operations, research and portfolio management. Interactive Data Pricing and Reference Data collects, edits, maintains and delivers data on more than 3.5 million securities, including daily evaluations for approximately 2.5 million fixed income and international equity issues. Interactive Data Pricing and Reference Data specialises in 'hard-to-get' information from emerging markets and evaluates many 'hard-to value' instruments.

## About Avox

Avox Limited utilises an entirely new approach to validating, correcting and enriching business entity data. The firm has established a shared pool of business entity data regularly contributed by a growing number of clients including Citigroup, Clearstream, Bank of Scotland, Barclays Capital, Dresdner Kleinwort Wasserstein, Standard Bank and Deutsche Börse. This industry data is combined with up-to-date content from other authoritative sources including regulators, business registries and company filings. Customised reporting and content are then provided on a pre-scheduled basis to each client. Changes made by any of Avox's clients to a data record are immediately revalidated by an Avox analyst and, if proven correct, they are broadcast, complete with a full audit trail, to all other clients holding the same record. The data in Avox includes corporate hierarchies, address information, industry sector codes, company identifiers, regulatory content and links to issued securities. Avox has offices in London, New York, Paris, Toronto, Johannesburg and Wrexham (Wales). Avox is a majority owned subsidiary of the Deutsche Börse Group, one of the world's largest financial exchange organisations.

For further information please see: [www.avox.info](http://www.avox.info).

The services, including evaluations, of Interactive Data Pricing and Reference Data, Interactive Data Real-Time Services and Interactive Data Fixed Income Analytics business lines are made available in Europe through Interactive Data (Europe) Ltd

For more information about Interactive Data and its businesses, please visit [www.interactivedata.com](http://www.interactivedata.com).

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### London

Interactive Data  
Fitzroy House  
13-17 Epworth Street  
London EC2A 4DL  
UK  
Tel: +44 (0)20 7825 7800  
Fax: +44 (0)20 7490 2667

### Luxembourg

Interactive Data  
5th floor  
28 boulevard Royal  
L-2449  
Luxembourg  
Tel: +352 26 20 66 1  
Fax: +352 26 20 66 266

### Paris

Interactive Data  
9 rue de Téhéran  
75008 Paris  
France  
Tel: +33 (0)1 56 69 50 61  
Fax: +33 (0)1 56 69 50 65

### Dublin

Interactive Data  
Park House  
195 North Circular Road  
Dublin D7  
Ireland  
Tel: +353 (0)1 805 9164  
Fax: +353 (0)1 805 9154

email: [eu-info@interactivedata.com](mailto:eu-info@interactivedata.com)

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