

Fidelity tests global messaging

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international market," he said.

Equinet is designed to supplant the current practice of exchanging hard copies of transaction orders over telex facilities. Financial institutions have to compare copies of the order stored in each party's computer system, a cumbersome task frequently leading to mistakes that delay the movement of funds from buyer to seller.

Fidelity receives some 300 telexes a day, with data in a variety of formats, Sullivan said. Those telexes are checked against records residing in Fidelity's IBM System/38 minicomputer, which maintains orders in yet another format.

With Equinet, a broker enters completed orders on an IBM Personal Computer AT using a FITEL proprietary message format. A batch file is then loaded into Equinet's Tandem Computers, Inc. Nomadsp II host system in London over a 1,200 bit/sec or 2,400 bit/

sec asynchronous line provided by GENSCO.

Once a file is received, the Tandem system sorts it and reads output files destined for other brokers, investors or financial institutions. If those other parties are linked to Equinet, they access and download the files to their on-site IBM Personal Computer AT. Equinet will also send a telex message to any party involved in the trade that is not linked to Equinet. FITEL charges between \$25 and \$30 per transaction to provide the Equinet service.

Supporting 130M bytes of storage, the on-site Personal Computer AT stores Equinet files in a Cosmos, Inc. Revelation data base management system supplied by FITEL. With that data base, the local user is able to prepare reports detailing which transactions have been confirmed as well as which have hit a snag.

Equinet is designed to supplant the current practice of exchanging hard copies of transaction orders by telex.

Fidelity's Sullivan said he was

pleased to learn that some key financial institutions were also testing the service. "The one pleasant surprise is that a couple of large companies had a lot of data on the system. We were willing to do this even if only 10 or 20 transactions a day were on it. But we found more than that on there," Sullivan said.

Equinet is designed to operate in much the same manner as a New York-based automated system that distributes electronic copies of domestic transaction orders to brokers, investors and financial institutions. That system was developed in the 1960s by Depository Trust Corp. (DTC), an affiliate of the National Securities Clearing Corp. (NSCC).

"If you've got efficient transactions, as you have in the domestic trading system, you need fewer people. And the people, in effect, manage the exceptions to the rule, instead of all the routine work,"

said Sullivan.

FITEL will not be alone in this market. Reuters Holdings p.l.c. of London, which provides financial information services in addition to its news operations, recently acquired the Toronto-based Securities Clearing International Corp. and its Instant Link network. Currently being offered in Europe, Instant Link is a real-time system that keeps one central transaction order record and allows users to access and update it. NCCS also has plans to create an international version of its DTC.

"Whether it's FITEL or some other vendor, there has got to be a more efficient way to do this checking," Sullivan said. "In the U.S., just about everyone uses the DTC system and it works." That approach must now be extended to the international arena, he added.

When dealing with various cultures, it could be difficult to agree on a single system, Sullivan admitted. "But, the international market is big enough to support more than one of these types of systems." Z