

# PROJECT OVERVIEW

ASB was identified as the partner to enable a Major Financial Institution to meet the 2020 European Market Infrastructure Regulation Reporting Requirement.



## OUR SOLUTION:

ASB Resources built a system and process to reconcile trades with Regulatory Reporting entities as well as generate exceptions based on rules defined by the business. Additionally, we were engaged to enhance the existing Global Regulatory Reporting Platform for the following regulatory requirements:

### Regulatory Reporting Transformation:

- Implementation of New Regulations.
- Technology and Functional Road Mapping
- Built Controls for Reporting, Review, and Reconciliations.

Helped businesses become compliant even in partially implemented solutions.

- ▶ Worked with an existing product to reduce time to market.
- ▶ Completed clear-choice study for off-the-shelf regulatory products which were best suited for the client.

Aggregated data at various levels across functions of the bank (front/middle/back office) providing better visibility, across the portfolio and all asset classes.

### EMIR – Transaction Reporting Remediation:

- Supported reconciliation across all asset classes.
- Enabled reconciliations between the following:

- Front office and Swap Data Repository / APA for real-time reporting.
- Front office and Trade Repository / Swap Data Repository / ARM for transaction and position reporting.
- Front office and National Competent Authority.
  - ▶ Maintained reconciliation records for audit and compliance including a copy of the source data for reference used for reconciliation.
  - ▶ Helped delegate reporting with communications to clients via in-house built client portal.
  - ▶ Enhanced the existing Cling UI to handle EMIR Transactions & other asset classes.

## TECHNOLOGY USED:

EZOPS



SQL



# KEY SUCCESS FACTORS/ACCOMPLISHMENTS

## ISSUE 1 - RECONCILIATION OF DATA

The Regulatory Technology team was dealing with multiple data systems involving manual, and redundant processes, globally spread-out teams, shrinking budgets, and a frustrated workforce constantly under pressure to deliver more with less. The team had to process millions of daily transactions on a conglomeration of systems that included a home-grown solution, Microsoft Excel, and a legacy industry reconciliation platform that could not handle complex products like OTCs, Options, Futures, or CFDs and offered no integrated workflow or mechanism for reporting. The client had hundreds of reconciliations specialists spread across 3 continents and could not onboard clients without incurring significant delays or costs.

## SOLUTION

We partnered with EZOPS platform. Business users were able to map and configure data for simple and complex products with minimal IT help. The solution leveraged the entire breadth of EZOPS solutions from data mapping, reconciliation, exception manager, predictive analytics, and reporting. The client deployed the platform on their in-house cloud and EZOPS maintained and supported the predictive analytics AI engine externally in our secure cloud.

## ISSUE 2: REGULATORY REPORTING

The Client's regulatory reporting process was entirely assembled by compliance staff pulling data from multiple sources to cobble together a report in Microsoft Excel, which was prone to errors and omissions. Systemic limitations to maintain traceability of reported trades resulted in misreporting causing significant fees to be incurred due to non-compliance.

Daily monitoring included hundreds of manual steps across 6 trading systems and 7 compliance tracking systems with low auditability. Both compliance staff and management were frustrated because this time-consuming manual process drained staff resources from other tasks and was prone to errors and omissions. Furthermore, their reconciliation process only covered one out of six required asset classes and it was not scalable to support the other five.

Additionally, the firm immediately needed to find an independent validation platform to comply with Article 15 of RTS 22 under MiFID II.

## SOLUTION

ASB implemented a custom reconciliation platform using EZOPS. It provided independently sourced transaction details regarding fixed income, exchange-traded derivatives, interest rate swaps and foreign exchange transactions from front office systems and applied data transformation filters and validations to confirm reporting eligibility.

After cross-referencing this data against independent services to identify pre- and post-transaction reporting eligibility, EZOPS created detailed reports that enabled the client to comply with post-trade transparency and transaction reporting required by MiFID II, swap data reporting required by the Dodd-Frank Act, and other similar global reporting requirements. The result was an easy-to-use reporting structure that enabled the client to see matched, unmatched, and partially matched records with high accuracy and filter out true breaks from mere data format issues.

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