Reporting control

EY Transaction Reporting Advanced Data Analytics platform

EY

Building a better working world

The EY Transaction Reporting Advanced Data Analytics platform helps firms meet their trade and transaction reporting testing requirements.

You will be aware of the need to report, but have you thought about the way to demonstrate ongoing control?

What is the need?

- In addition to the requirement to produce reports, there is a regulatory expectation[1] for firms to perform end-to-end testing of their trade and transaction reporting processes.
- Many firms are unaware or underprepared to demonstrate completeness, accuracy and timeliness of reports to regulators.
- Reporting integrity is highly visible to regulators and is an area of likely scrutiny. Regulators are using data profiling techniques to review the quality of submissions.

EY solution

- EY provides a technology-enabled service to review your firm's trade and transaction reporting.
- EY teams have built an automated, high volume, detailed population test platform for:
  - Completeness, accuracy and timeliness
  - Advanced data profiling
- The EY Transaction Reporting Advanced Data Analytics platform has the capability to analyze global transaction reporting regimes with results linked to regulation and is presented in an intuitive user interface.
- We also have a service offering for all reporting aspects and a service delivery capability across the globe (see page 3).

Why EY teams

- EY teams have deep experience of global trade and transaction reporting.
- EY Transaction Reporting Advanced Data Analytics platform includes reporting logic on the basis of the intellectual property we have built up from working with investment banks, asset managers and market infrastructure firms.
- We offer a range of service models that we can tailor according to your needs.

[1] Article 15(3) of Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 supplementing MiFIR with regard to regulatory technical standards for the reporting of transactions to competent authorities.

Example regulation experience

Europe

- Markets in Financial Instruments Directive (MiFID II)
- European Markets Infrastructure Regulation (EMIR)
- Securities Financing Transactions Regulation (SFTR)
- Sterling Money Market Daily (SMMD)
- Money Market Statistical Reporting (MMSR)
- Swiss Infrastructure and Exchange (FinFrag SIX)

Canada

- Canadian Transaction Reporting (CAN)

United States

- Dodd-Frank Act Parts 43 & 45
- Dodd-Frank Act Part 20
- Securities Based Swap Dealer (SBSD)
- Consolidated Audit Trail (CAT) reporting
- Order Audit Trail System (OATS)
- Trade Reporting and Compliance Engine (TRACE)

Hong Kong

- Hong Kong Monetay Authority (HKMA)

Singapore

- Monetary Authority of Singapore (MAS)

Australia

- Australia Securities and Investment Commission (ASIC)

Service offerings

Strategy

- Strategic planning and market insights
- Architecture design and future technology
- Governance and operating model

Testing

- Independent testing of 100% of execution population for completeness, accuracy and timeliness
- Advanced data analytics

Managed service

- Regular testing service
- Technology and operational support
- Advisory support

Governance and control review

- Independent review of strategy, process, governance, people and culture, data, infrastructure and change management

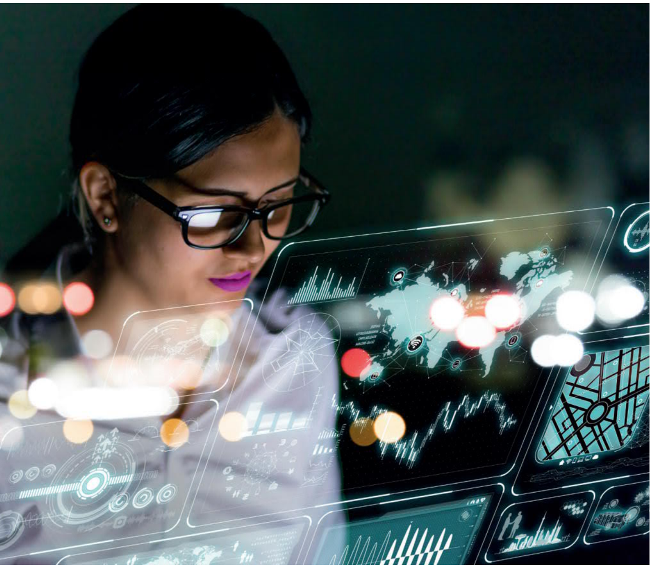
Remediation and transformation

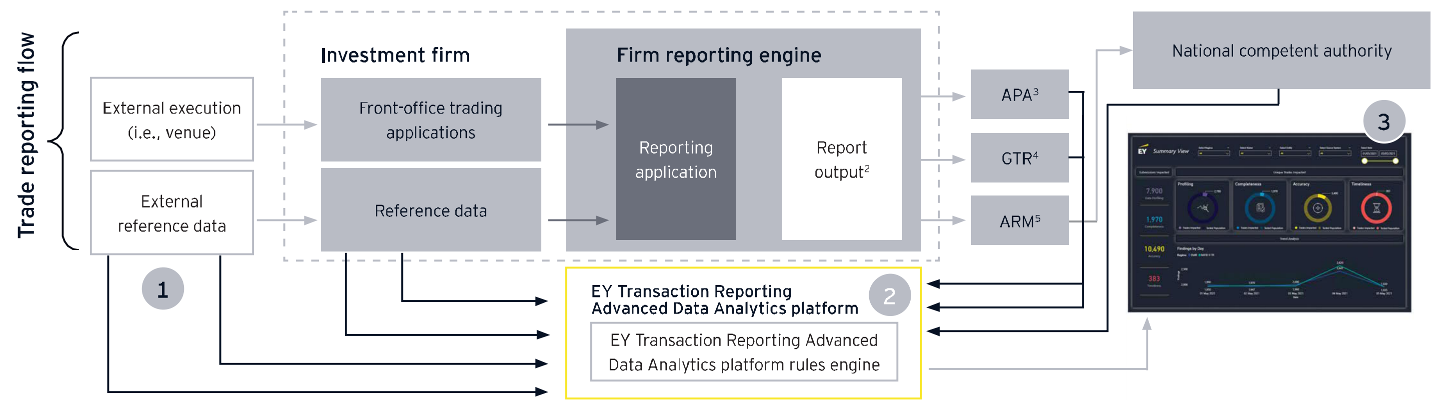
- Analysis and backreporting of issues
- Technology remediation and transformation
- Vendor integration

Independent advice

- Independent advice for ongoing compliance with current and future regulatory requirements

How does EY Transaction Reporting Advanced Data Analytics work?





1 Our platform ingests data from internal and external sources and systems.

2 Configurable business logic produces expected reports. The firm's actual reports are compared with our expected reports. We also perform advanced data analytics to identify data anomalies indicative of poor data integrity.

3 Results and exceptions are provided through an interactive userface. Users can analyze data to perform root cause analysis.

Challenges	How EY teams can help	Outcomes
Different market interpretations of regulation	Rules consist of regulatory reporting requirements and scenarios, and support customization of firm-specific scenarios	Greater confidence over reporting integrity
Managing differing requirements across asset classes and products	Uses adaptable business logic for for consistent, detailed testing across asset classes	Consistency with peer reporting
Enhancing infrastructure to perform repeatable and high-volume automated testing	The EY Transaction Reporting Advanced Data Analytics platform is based on automated test rules to handle high volumes	Increased confidence through substantive testing of large populations
Mapping, sourcing and standardizing various data formats and taxonomies	The platform is based on consistent test rules that can ingest various file formats	Quicker, easier and cheaper to perform regression testing of changes
Time-intensive and costly root cause analysis and exception management	The EY Transaction Reporting Advanced Data Analytics platform helps investigators visualize and identify individual and thematic root causes more quickly	Quicker resolution of issues at lower cost
Oversight and governance to monitor compliance on an ongoing basis	Adaptable management information and KPIs[6] to evidence compliance	Evidence-based management information

[2] Regulatory Reporting Output
[3] APA – Approved publication arrangement
[4] GTR – Global trade repository
[5] ARM – Approved reporting mechanism
[6] i.e., KPIs – Key Performance Indicators

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Learn more at ey.com/transactionreporting

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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ED None

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