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Inside Reference Data

Best Enterprise Data Management Initiative: SmartStream RDU

IMD/IRD Awards 2018



With headlines claiming new regulation could cripple the financial industry, and the rush to comply, there was one topic on every agenda last year. The revised Markets in Financial Instruments Directive (Mifid II) was a key driver of investments in market and reference data management programs, as firms prepared for the January 3, 2018 go-live date. Not surprisingly, the vendor awarded the Best Enterprise Data Management Initiative was on hand to help clients be compliant by the deadline—SmartStream's Reference Data Utility (RDU) for its Mifid II Reference Data Service and Systematic Internaliser Register.

SmartStream RDU has been celebrated at the *Inside Market Data/Inside Reference Data Awards* for the past two years following its launch, as it focuses on bringing together and integrating reference data, including data for regulatory reporting. To help clients with compliance, SmartStream RDU launched its Mifid II Data Service for firms that require access to reference data to support pre- and post-trade price transparency and transaction reporting. Peter Moss, CEO of SmartStream RDU, says the service is currently used by a number of customers to help them provide approved publication arrangement (APA) or systematic internalizer (SI) services. The intraday application programming interface is particularly helpful when automating the trade workflow required for over-the-counter derivatives.

Although some large firms have started taking on the SI role, it is optional until September 1, 2018, and Moss explains this has led to SmartStream continuing talks with customers—those that have opted to wait and those looking to create more resilient processes. Of those that set up as SIs from January, “there are a number [of firms] that are making decisions around what they need to do to turn this into a 10-year sustainable business process,” says Moss.

According to judges, “SmartStream edges out the others by being a bit more cutting-edge,” and offers an “innovative service that serves multiple banks and financial institutions.”

What makes the winning entry truly unique is its Systematic Internaliser Register, which was jointly developed by a group of APAs and SmartStream RDU. APAs collect data from their SI customers and then provide it to SmartStream RDU, which consolidates it and administers it back out to the market to help users determine who is an SI in which instrument. “The fundamental problem we’re trying to solve is that you need to understand if a counterparty is an SI or not,” says Moss, adding that this is a great example of how financial market participants can work together to solve industry problems.