



SmartStream fills a gap in the market for accurate regulatory reporting for MiFID II

By Julia Schieffer | on March 15, 2022 |

SmartStream Technologies, the financial Transaction Lifecycle Management (TLM[®]) solutions provider, today announces how their AI-enabled technology, combined with specialist reference data in the cloud will help firms meet reporting obligations.

This is the first solution in the industry to combine reference data with reconciliations – with SmartStream RDU (Reference Data Utility) and SmartStream Air (Artificial Intelligence Reconciliations) – the new solution Transaction Reporting Reconciliation and Reporting Decision Control will provide comprehensive disclosure capabilities for MiFID II.

SmartStream has developed this new product to help financial firms demonstrate to the regulators the completeness and accuracy of their transaction reporting process. At the heart of this is SmartStream's AI-based application, SmartStream Air – which will handle huge complexity and large volumes of data in the cloud. It will reconcile all fields firms may need to enter for MiFID II transaction reporting purposes – offering near real-time matching. SmartStream Air will manage diverse data structures typically found in financial institutions' source systems – with the new product, firms can now prove the integrity of their data, but without the effort and overheads associated with several reconciliations systems.

SmartStream Air is complemented by SmartStream RDU's API that will allow firms to validate whether a financial instrument is Traded on a Trading Venue (ToTV), and therefore reportable. SmartStream RDU will offer a wealth of data from regulatory and industry bodies, assisting firms with their trade and transaction reporting, including avoiding either under or over-reporting.

Jethro MacDonald, Product Manager – Innovations Lab, SmartStream, states: "Clearly the FCA is already taking tough measures and has recently imposed large fines on banks where it considers failings have occurred on an extensive, long-term basis. Complying with the demands of MiFID II transaction reporting is complex, also proving data integrity to regulators can place a real strain on firms. This new solution will add an invaluable control for investment firms, allowing them to spot both data, and reporting decision irregularities in one control framework – showcasing to regulators that they've taken all the necessary steps to ensure their transaction reporting is both complete and accurate".

In addition, the solution will also provide market participants with the necessary data to support their decision to file a report, or not, should that decision be questioned by regulators. In the future, it may even be possible to make anonymised correlations between users, creating a benchmark so that firms can check whether they are reporting in line with their peers.