



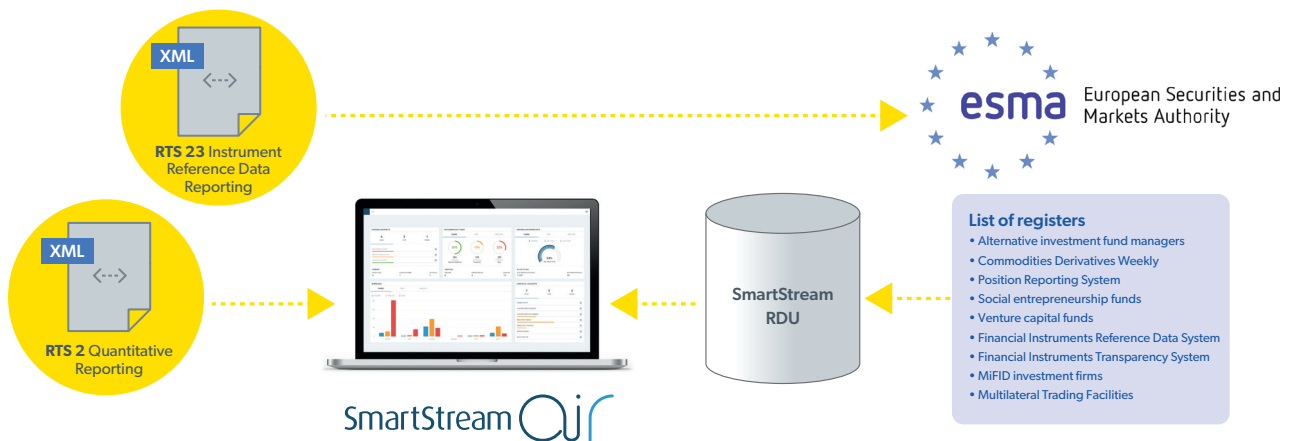
Trading Venue Quantitative Reporting Outlier Reconciliation

Harnessing sophisticated AI-based technology to alleviate the burden of post-Brexit data continuity checks

The Business Challenge

In the wake of Brexit, trading venues must tackle a new and unexpected layer of complexity when fulfilling MiFID II RTS 2 transparency requirements. Post-Brexit, ESMA has increased the data continuity checks trading venues must perform when reporting instrument reference and instrument quantitative data to it.

Any irregularities have to be accounted for and mistakes re-reported, so that ESMA can meet its timelines in publishing instrument liquidity, size-specific-to-the-instrument, and large-in-scale calculations. At present, trading venues typically check their records retrospectively, on a three-month basis, against massive ESMA data files. This highly complex exercise imposes a considerable operational burden, and one which is also potentially costly.



Our Solution

To alleviate this burden, a trading venue can now submit a single daily file of instrument quantitative data to SmartStream Air, as part of SmartStream's Trading Venue Quantitative Reporting Outlier Reconciliation. SmartStream Air then compares this with the instrument reference data for the trading venue, which it consumes directly from ESMA. SmartStream Air also deploys instrument CFI codes from SmartStream's reference data, which it uses to check that the instrument included on the instrument reference data report is not one reportable under the quantitative transparency reporting regime. The process is carried out proactively and on a daily basis, removing the need for trading venues to check their records every three months against large ESMA data files, thereby helping ease the administrative effort and cost they face.

About SmartStream

For more information visit:
smartstream-stp.com

SmartStream is a recognised leader in financial transaction management solutions that enables firms to improve operational control, reduce costs, build new revenue streams, mitigate risk and comply accurately with regulations.

By helping its customers through their transformative digital strategies, SmartStream provides a range of solutions for the transaction lifecycle with artificial intelligence and machine learning technologies embedded – which can also be deployed in the cloud or as managed services.

As a result, more than 2,000 clients – including 70 of the world's top 100 banks, rely on SmartStream Transaction Lifecycle Management (TLM[®]) solutions to deliver greater efficiency to their operations.