

DTCC

DTCC Consulting Services

OUR EXPERTISE. YOUR ORGANIZATION.

LET THE POST-TRADE EXPERTS HELP
YOU TRANSFORM YOUR REPORTING
CONTROL FRAMEWORK

The Challenge

Combined with the abundance of rules already on the books – from Dodd-Frank to SFTR – the array of changing trade reporting regulations are straining firms' operations to a heightened degree. Increased regulatory scrutiny, greater focus on accuracy and data quality, and readiness for upcoming rules changes are all clear and present pain points for firms today. And when a firm's infrastructure and related control framework is already a patchwork of functionalities from a decade of adapting to the regulatory evolution, firms face mounting pressures.

Did you know?

Since 2017, the Financial Conduct Authority (FCA) has fined firms nearly **£100 million** for failure to comply with Markets in Financial Instruments Directive (MiFID) and European Markets Infrastructure Regulation (EMIR) rules. Since 2019, the Commodity Futures Trading Commission (CFTC) has fined firms nearly **\$20 million** for similar breaches in CFTC reporting.* Many of these breaches were exacerbated by a lack of a clear control framework and governance around remediation items.

Effective control frameworks may not only mitigate the threat of fines but can also help **avoid** some of the time-consuming and costly activities associated with examinations, attestation, remediation, and ongoing supervision by establishing a construct that focuses on **early-identification and prevention**.

**Data derived from the FCA and CFTC websites.*



The Solution

With the help of our post-trade experts, we can help you address these challenges and help you get ready for the swathe of regulatory changes taking effect over the next few years.

DTCC Consulting Services experts leverage our proprietary Reporting Control Framework Model to conduct a deep dive diagnosis and propose an implementation plan to enable firms to enhance their reporting processes with the aim to help increase operational efficiencies, drive down costs, and mitigate risks.

Reporting Control Framework Model & Library

The DTCC Consulting Services Reporting Control Framework Model helps clients evaluate gaps and implement improvements within their organizations.

- > Access a library of **60+ control assessments and best practices** which can be applied to all major derivatives reporting jurisdictions.
- > Each observation has been categorized for thematic analysis and includes criteria developed by a broad panel of **experts** within DTCC.



GOVERNANCE &
QUALITY ASSURANCE

CORE REPORTING PROCESSES



PRODUCE
DATA



MODEL ROUTE &
STORE EVENTS



PROCESS &
SUBMIT EVENTS



RECEIVE
REPORTS



WORKFLOW, EXCEPTION
MGMT & RECONCILIATION



MANAGEMENT INFORMATION
& ANALYTICS

The Reporting Control Framework Outcomes

THE REPORTING CONTROL FRAMEWORK MODEL PROVIDES BEST-IN-CLASS EXAMPLES OF FUNCTIONALITY SO FIRMS CAN IDENTIFY CRITICAL AREAS OF IMPROVEMENT.



DTCC helped us quickly assess our control gaps and provided expert practical advice on how to address them.

- TOP TIER INVESTMENT BANK

REPORTING CONTROL FRAMEWORK OUTCOMES



IDENTIFY GAPS & INEFFICIENCIES

Understand the current state of your processes (process maturity across jurisdictions) and prioritize areas for immediate focus.



GAIN GREATER AUTOMATION, REPEATABILITY & SCALABILITY

Discover how more mature processes will result in higher levels of automation, independence, ongoing repeatability, and future scalability across a comprehensive set of use-cases.



IMPLEMENT THE CONTROL FRAMEWORK YOUR FIRM NEEDS

Corroborate if controls exist and if they are fit for purpose given your organization's risk profile, trade volumes, and considering the changes to be adopted by the upcoming rewrites.



BE INFORMED AND EMPOWERED

Inform and empower your decision-making by providing justified recommendations based on our deep expertise and experience.



ACCESS INDUSTRY INSIGHTS

Gain access to peer insights, vendor opportunities and industry benchmarks to aid with the planning of regulatory rewrites and the remediation book of work.

Example Engagements

We assist clients with diagnostic assessments and reporting control framework enhancement and implementation.

CLIENT NEED

Identification of control weaknesses

and peer benchmarking

Review of defined solutions and enhancement of controls to **mitigate known control gaps**

Addressing existing reporting issues in preparation for **upcoming regulatory changes**

Tools to enhance and/or automate specific reporting controls or processes

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Reporting control framework diagnostic

- › Compare versus control framework target state, control inventories and maturity assessment. Identify pain points leveraging on industry knowledge, perspectives, DTCC GTR data and peer comparisons.

Reporting solution review and remediation support

- › Provide independent validation and enhancement of proposed solution design.
- › Design and implement specific controls, leveraging DTCC and industry expertise.

Combined target state and gap analysis

- › Holistic view of global processes and controls considering regulatory reporting harmonization.
- › Conduct an analysis of client's regulatory reporting solution, controls and data quality against the regulatory requirement to proactively address issues in preparation for the upcoming rewrites

Assessment of tools to address control enhancements

- › Analysis and benchmarking of vendor solutions to support elements of control framework and reporting process.

As the world's leading expert in post-trade processing, DTCC is uniquely positioned to provide you with consulting services that tap into the breadth and depth of our experience to help you transform your post-trade business operations, increase efficiencies, reduce risks and drive down costs. For over 45 years, our clients have trusted us to solve the biggest issues facing the global financial services industry. This unique vantage point has enabled us to develop techniques and tools that can help drive innovation and transformation. DTCC Consulting Services offers a framework that not only is adaptable to a variety of project environments, but centers on capabilities that deliver value to our clients.

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