

DTCC

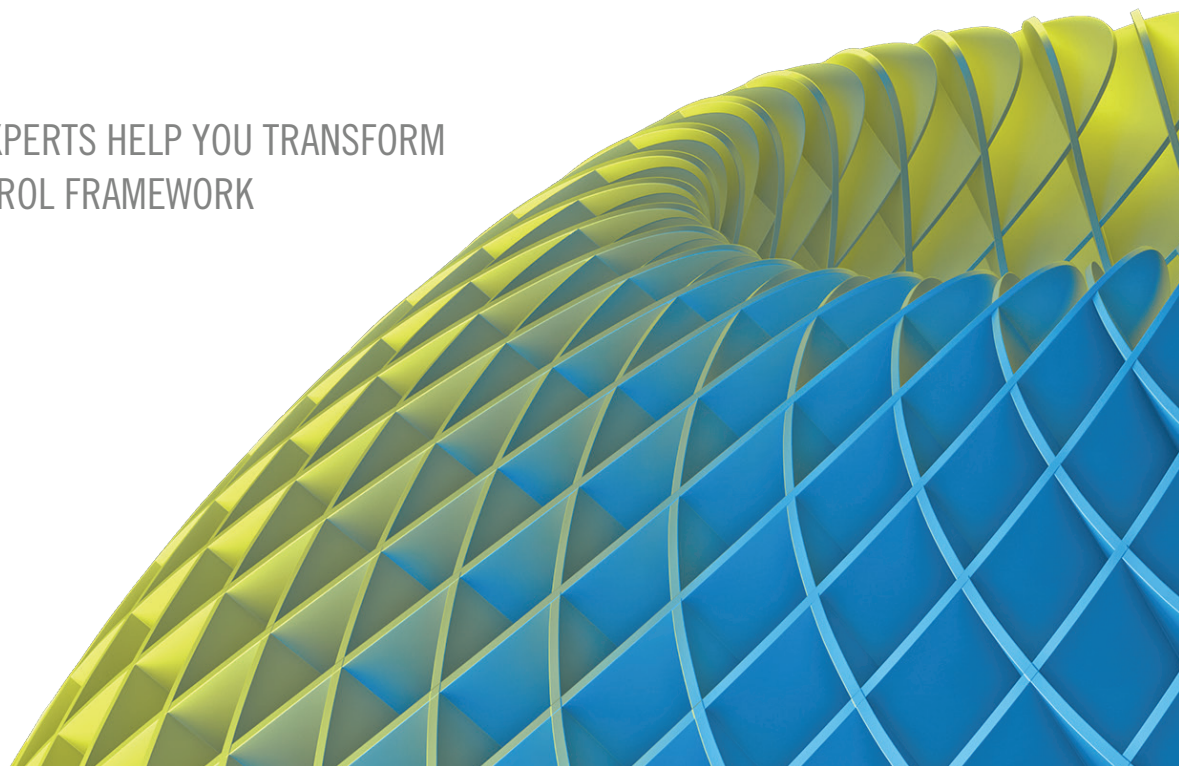
ADVANCING FINANCIAL MARKETS. TOGETHER.™



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 a fine 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.

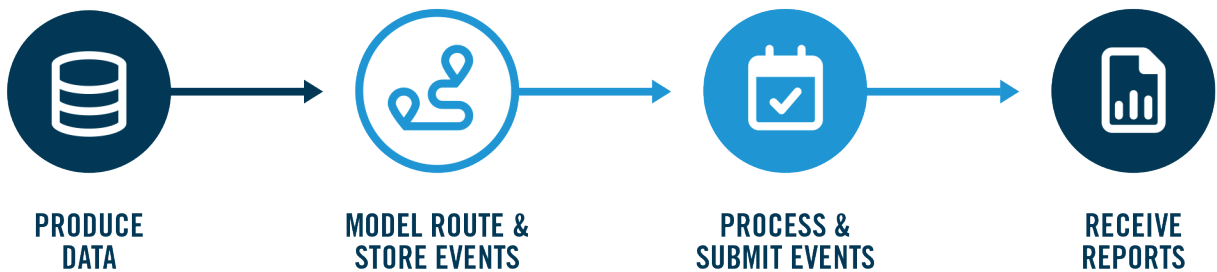
REPORTING CONTROL FRAMEWORK MODEL & LIBRARY

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 various reporting jurisdictions. The framework was developed to be used for G20 and MiFID reporting.
- Each observation has been categorized for thematic analysis and includes criteria developed by a broad panel of **experts** within DTCC.

KEY

- Core Capability
- Optional Core Capability
- Data Source/Recipient
- Overarching Controls



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



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, etc.



BE INFORMED AND EMPOWERED

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



ACCESS INDUSTRY INSIGHTS

Gain access to peer insights, vendor opportunities and industry benchmarks to aid planning.

EXAMPLE ENGAGEMENTS

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

CLIENT NEED



DTCC CONSULTING SERVICES

Identification of control weaknesses and peer benchmarking

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

Reporting control framework diagnostic

- Comparison versus control framework target state, control inventories and maturity assessment.
- Leveraging industry knowledge, perspectives, DTCC GTR data and peer comparisons.

Reporting remediation analysis, design and implementation support

- Design and implementation of specific controls, leveraging DTCC and industry expertise.
- Provision of independent validation and enhancement of proposed solution design.

Combined target state and gap analysis

- Analysis of requirements against regulatory changes and process, data, system and control gaps.
- Holistic view of global processes and controls considering regulatory reporting harmonization.

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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