REGULATORY
REPORTING

CUSTOMER STORY

Why a leading global investment management firm chose LSEG Post Trade to centralise multiple regulatory reporting obligations

Overview

This leading global investment management firm operates in 30 countries with over 120 investment teams. With a significant proportion of its operations in Europe, the firm is required to fulfil global regulatory reporting obligations, including the European Market Infrastructure Regulation (EMIR), Markets in Financial Instruments Regulation (MiFIR) and other global jurisdictional regulatory reporting regimes.

Business challenge

Many investment firms are required to fulfil multiple global regulations, which leads to complex operational and technical challenges. Operating from multiple geographical locations and engaging with counterparties of equal complexity can make regulatory compliance daunting. This often leads to fragmentation in reporting information and processes, increased technology costs, and inconsistency in business insight. The investment management firm switched its EMIR reporting to LSEG Post Trade based on the experience it had with MiFID reporting. This switch provided the firm with an enriched user interface that is intuitive and easy to navigate.

Solution

To combat this fragmentation and reduce operational and regulatory risks, the firm opted to use the Regulatory Reporting platform to help:

- Manage the significant increase in volume of transactions under MiFIR transaction reporting, providing advanced functionality, including an enriched user interface, advanced management reporting dashboards and advanced filtering
- Simplify reporting processes, including normalising, validating and enriching data before routing to the appropriate regulator
- Improve visibility and control of transaction reporting information
- Centralise multiple regulations

Why LSEG Post Trade?

EMIR

Although the firm had initially used another vendor for its EMIR reporting, it found it was not gaining sufficient visibility or control over its reporting. In 2017, based on the experience it had with LSEG Post Trade, the firm decided to consolidate and include switch EMIR flow.

The switch provided the firm with an enriched user interface that is intuitive and easy to navigate. The management information dashboard enables the firm to easily visualise its transaction reporting information and proactively monitor for potential anomalies, while the advanced filtering capability of the platform enables its users to view information that is relevant to their job functions.

The firm worked very closely on the transition project with leadership from a dedicated professional services consultant from LSEG Post Trade who provided a single point of contact to manage the onboarding project.

The potential challenge that the firm faced when switching trade repositories lay in maintaining the matching and pairing rates of its trades with its brokers who used a different trade repository for their EMIR reporting. However, with effective collaboration, the firm maintained a consistently high matching rate after moving its EMIR reporting to the Regulatory Reporting platform.

The project involved completely mapping the firm's existing source data to LSEG Post Trade's format and storing this data logically as per the regulator's request. The efficiency and responsiveness of both project teams also led to a smooth and expedient transition from the previous trade repository.

MiFIR

With the introduction of MiFIR, this global investment management firm took the natural next step of extending its relationship with LSEG Post Trade as its ARM of choice to fulfil its transaction reporting obligations across all asset classes.

It worked closely with LSEG Post Trade to automate and handle the increased volume and complexity under MiFIR. To further enhance its reporting, the firm selected the eligibility reference data service to help avoid instances of over- and underreporting.

FinfraG

In addition to the EMIR and MIFIR, the firm scaled up its use of the Regulatory Reporting platform to include FinfraG Swiss reporting through to SIX. It is currently looking to expand this to other G20 Regulatory Reporting regimes in the future.

Conclusion

With changes to existing regulations and the introduction of altogether new ones, global financial services firms continue to seek sophisticated solutions that do more than just reporting. Firms can gain invaluable insight into their businesses and processes by using the transactional data that they report through the Regulatory Reporting platform.

The plethora of global regulations has prompted many leading investment firms to harmonise their reporting regimes through a central regulatory hub, enabling them to focus on core business with the peace of mind that their regulatory reporting obligations will be fulfilled. In addition, having one solution that can fulfil multiple reporting regimes reduces the need for, and cost of, IT infrastructure.

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