

Accelerating Dodd-Frank Solutions

Establishing readiness for current
and future development

The Dodd-Frank Wall Street Reform and Consumer Protection Act and corresponding new European regulations for the OTC derivatives market aim to promote market integrity through

- Registration and regulation of swap dealers and major swap participants
- Imposition of clearing and trade execution requirements
- Creation of real-time reporting and data repositories

Addressing these changes presents significant challenges, both operationally and technically, to overhaul existing platforms.



Challenges

Some of the major challenges financial Institutions face today in implementing a new system for Dodd-Frank regulations for derivatives includes the following:

Business challenges

- » Regulatory uncertainty as many of the proposed rules are still under finalization process
- » New entities like SDRs and CCPs that are changing the business model and organization structure
- » Multiple regulatory agencies adding to complexity in compliance
- » Increase in cost of operations and compliance that reduces profitability
- » Additional Investment in new technologies and infrastructure
- » Reporting requirements driving need for data quality
- » Time to Market with in the compliance deadlines

Volante contributions to Dodd-Frank readiness

Volante integration and data management technology is uniquely suited to expedite the development of solutions to the challenges market participants face in adhering to Dodd-Frank regulation. Additionally it streamlines and simplifies both extended development and ongoing maintenance costs and efforts. Here is a brief rundown of the Volante advantages:

Rapid development

With Volante tools, existing infrastructure can be leveraged and new technology can be quickly integrated.

- » Volante's ease of configuration enables quick connectivity to market venues such as SEFs, CCPs and SDRs and adaption to asset class-related messaging standards
- » Standard message types are available out-of-the-box, including FIX, FpML, FIXML as well as generic data structures such as XML, CSV and Fixed Width files, variants of FpML such as MarkitSERV, DTCC Deriv/SERV, LCH and variants of FIX/FIXml such as VCON and CME

Leverage existing infrastructure

- » Seamless integration with any technology (database, application, cloud or network) allowing the processing of all derivatives messages and status updates from any source
- » With maximum configuration facility and minimum coding, acceleration of design and development saves costs and time

High scalability with proven low-latency

Highly scalable integration model (horizontal and vertical) for quick extension to:

- » New market venues
- » New products
- » New messaging standards
- » Modify existing messaging layouts

Integrated reporting

- » Versatile WebForms development tool speeds creation of reporting dashboards and risk monitors, as well as instant query facility for compliance personnel
 - » Flexible ad hoc report generation
 - » Function-specific report generation (best bid-offer, etc.)
- » Dashboard
 - » Easy-to-generate query-based dashboard, combining multiple databases
 - » Online dashboard to monitor entire trade lifecycle
- » Reports generation in multiple formats, including Word, Excel and PDF

Complete audit trail

- » Complete audit trail is available with capabilities to build drill down functions for compliance monitoring

Total quality assurance

- » In built test harness with ability to generate / import test data
- » Ensures 100% coverage for unit testing thus reducing the errors at design and development stage itself

Automatic documentation

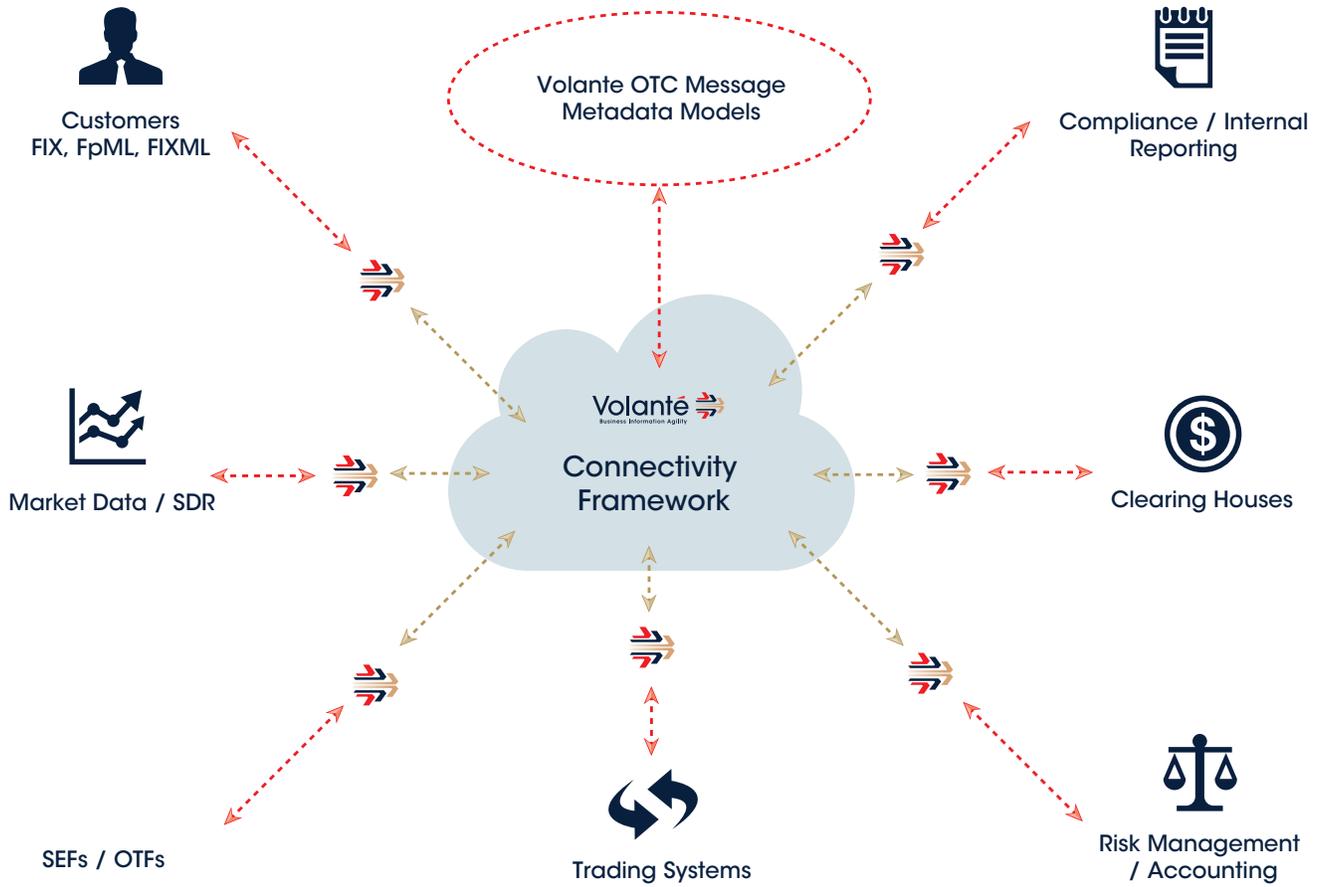
- » Automatic documentation that facilitates compliance audit

Challenges

Technology challenges

- » Changing requirements affecting project execution
- » Managing changes to existing message standards as well as new ones
- » Scalable solution that can accommodate new entities, messages and systems
- » Difficulty of maintaining applications with frequent changes in rules and messages
- » Integration issues with current legacy and new systems
- » Data and code quality issues that can lead to heavy noncompliance penalties
- » Availability of resources with deep understanding of complex FpML ISDA validation rules

The Volante framework for Dodd-Frank



Across asset classes the structure of markets is changing with new information flows between traders, venues, clearers, depositories and regulators. The re-writing of the landscape is not about to stop any time soon, requiring flexibility to respond quickly is crucial as change becomes market practice.

For more information about Volante tools for integration and data management, please contact us at info@volantetech.com or contact one of our regional offices below