



Mindtree

*Welcome to possible*

## European Market Infrastructure Regulation (EMIR)

The Over-The-Counter (OTC) derivatives market is unregulated and builds risks within the financial services industry. To control this, EMIR (European Market Infrastructure Regulation) has introduced new requirements that minimize risks. This requires all standardized OTC derivatives to be cleared through Clearing Counter Parties. EMIR also contains provisions related to the confirmation process, collateral mechanisms, independent valuation and reporting of OTC transactions to trade repositories.

### Challenges faced by market participants

- Interpreting regulations for business and technical requirements
- Connectivity between market participants and financial market utilities
- Interfacing with Trade Repositories (TRs) to meet reporting obligations for banks, large broker dealers and services providers, for publishing trade details, confirmation and risk and collateral information
- Implementing FpML and SWIFT message protocol for conducting and sharing derivatives trading and message transformation into a standard format
- Difficulty in reporting trades to the trade repository and identifying clearing related data, risk and lifecycle events with time value and format bound business rules (including multiple identifiers relates to legal entities, trades and products)
- Record-keeping and data reporting requirements (including an audit trail and daily as well as historical trading records) on all OTC derivatives
- Acquiring data from disparate sources and identifying data fields for real-time or regulatory streams

### Business need

- Systemic risk management
- Improvement in governance processes, access to information and the ability to act in a timely and appropriate fashion
- An effective market and trade practice surveillance process / system
- A data aggregator to gather data from disparate sources in the enterprise to meet reporting obligations
- Creation of trade data repository for real time regulatory data reporting

### Mindtree services

In order to combat said challenges, Mindtree's capital market Centre of Excellence (CoE) has been at the forefront of tracking development in EMIR. We work closely with our customers in monitoring changes and developing solutions that comply with regulatory and reporting requirements. We have strong capabilities in building and interfacing with TR for banks, other market participants and service providers and Application Programming Interface (API) for market participants to connect to financial market utilities.

- Business impact analysis
- End-to-end solution implementation
- Technology integration
- Reference data management
- Trade message submission
- Data warehousing and archiving
- Real time reporting
- Analytics to mine business drivers and values

## OTC trade reporting solution for market participants

Multi-asset class support (equity / credit / interest rate / currency / commodity)

### Reference data management

- Product identifiers
- Counterparty identifiers
- Event identifiers
- Market data plug-ins
- Data acquisition
- Plug-in development
- Data mapping
- Data storage

### Trade messaging

- Trade data
- Valuation data
- Confirmation data
- Event data
- Messaging interface design
- Message validation
- Real time submission to regulators
- MQ, FpML, FIXML support

### Reporting

- Compliance reports
- Position reports
- Valuation reports
- Real time trading reporting
- Exception reports
- Recording for audit trail

Leveraging Mindtree's competency

Custom application development

DAS

EAI BPM

Quality assurance

## Our differentiators

A few things in common with most regulatory projects are ambiguities in requirements, tight timelines and above all, the customer's reputational risk and fear of high penalties. We understand this. Hence we deploy experienced resources to work closely with customers, to mitigate any risks and deliver high quality projects, on time.

- Initial assessment of the impact of EMIR on the existing business model
- Strong project management processes and controls
- Increased market transparency, reduced operational risk, promotion of data accuracy and comprehensiveness
- Real time access for regulators
- Periodic / ad hoc reporting of both trade-related and position data
- Reduction in process overheads through automation
- Cost reduction through process improvement
- Improve TAT

## About Mindtree

Mindtree is a global information technology solutions company with revenues of over USD 400 million. Our team of 11,000 experts engineer meaningful technology solutions to help businesses and societies flourish. We enable our customers achieve competitive advantage through flexible and global delivery models, agile methodologies and expert frameworks.