

Refinitiv FX Ecosystem

Ensuring compliance during times of disruption

As the financial markets settle into the “new normal” way of working during the COVID-19 pandemic, market participants have been forced to adopt widespread alternative working patterns and processes. The practice of social distancing has become common, supported globally by staff working from home or across multiple back-up sites, which inevitably impacts internal and external communications and processes.

The use of technology remains pivotal to financial institutions’ ability to access FX liquidity and track trades, including analysis and reporting, to ensure compliance. During these times of dispersed workforces, the importance of monitoring people, machines and transactions cannot be overstated.

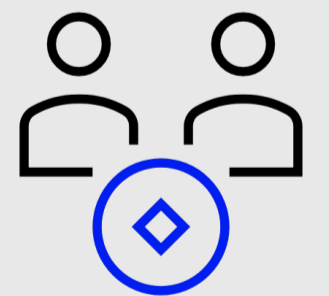
CHALLENGES

Compliance is more important than ever during market disruption

The extensive adoption of Business Contingency Planning in the FX market means that while market participants have access to systems which facilitate trading and business operations, even during periods of disruption, compliance processes may be either unavailable or less effective than usual.

However, the need to track behaviors and trades does not stop. It is essential that compliance teams continue to monitor market activity via people or algos, operate automatic call monitoring and tracking, conduct regular compliance meetings and engage in the widespread monitoring of communications like instant messages, emails and even WhatsApp.

Compliance teams face their own challenges during the disruption caused by Covid-19, where they may be short-staffed if individuals are unwell and/or unable to work from home during self-isolation. Also, specific control functions often are the responsibility of single individuals, making firms more vulnerable during sudden or unexpected staff absences.

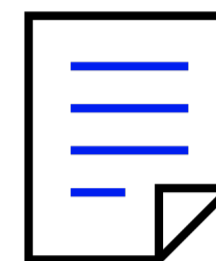


COMPLIANCE AND THE FX GLOBAL CODE

As one of its six leading principles, Risk Management and Compliance is at the heart of the [FX Global Code](#). To date, 1,043 market participants have signed a statement of commitment to the code, agreeing to “Promote and maintain a robust control and compliance environment to effectively identify, manage, and report on the risks associated with their engagement in the FX Market.”



For example, **Principle 27** addresses the need to have practices in place to limit, monitor and control risks relating to FX trading. Among other things, this means monitoring trading activities – including failed, canceled or erroneous trades – and monitoring systems to detect market misconduct and manipulation.



Principle 36 covers compliance risk, wherein “Market Participants should keep a timely, consistent, and accurate record of their market activity to facilitate appropriate levels of transparency and auditability and have processes in place designed to prevent unauthorized transactions.”

Monitoring is essential when workforces are dispersed

As with many other challenges during this time of disruption, the effective and strategic use of technology can provide solutions. Reporting obligations continue, with regulators confirming that firms are expected to comply with ongoing regulatory requirements despite market volatility and operational disruption. Importantly, managers are still expected to take steps to prevent market abuse, irrespective of where staff are located, and in the UK can be held personally accountable under the Senior Managers and Certification Regime if they fail to take steps to prevent any breach of FCA requirements.

Owing to the fragmented nature of the market, capturing trading and communication data from multiple sources is almost impossible without employing technology solutions. This relates not only to the numerous FX trading venues and post-trade providers, but also the significant number of communication channels – including voice, emails, text, Microsoft Teams, Skype, LinkedIn... the list goes on.

Technology which unifies all these pieces of trading and communications data can enable compliance teams to effectively monitor FX divisions and quickly identify any red flags. The Refinitiv® Compliance Archive does this by providing a single portal that captures fragmented data from 50+ different sources, simplifies reporting and ensures compliance, whether people are working from the office, from alternative sites or from home.

Manage compliance

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FX Global code

e-Communications compliance

Trade processing and archiving

SOLUTIONS

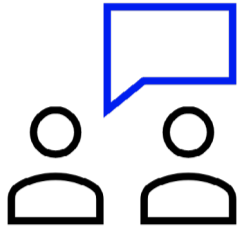
Solutions for e-communications compliance



Refinitiv Compliance Archive

This new service is a unified compliance archive and communications surveillance system for unstructured message and trade data, consolidating an extensive range of data from over 50 sources. Refinitiv Compliance Archive is designed to help compliance teams reconstruct, oversee and efficiently analyze trading and communications activity.

This is the latest initiative in the 13-year strategic technology collaboration between Refinitiv and Global Relay. Data from Refinitiv trading platforms can be ingested, either globally or selectively at branch level, capturing trade data and communications data including voice, Microsoft Teams, Skype, Bloomberg platforms, LinkedIn and Refinitiv tools such as FX Trading and Eikon Messenger, ensuring compliance and complete trade reconstruction.



Refinitiv Messenger

Messenger provides access to over 300,000 trusted industry contacts, providing a secure and compliant gateway over which to chat and share news, live data, charts and analytics. Available via Refinitiv's hosted network, messenger is a collaboration tool that also enables firms to implement personalized policies. Most importantly, Refinitiv Messenger captures all content, regardless of device or location of the user.

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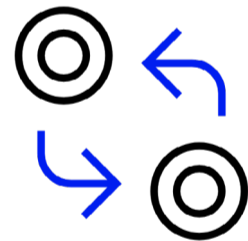
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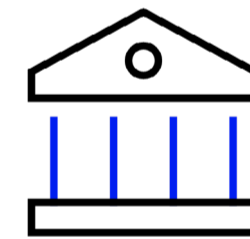
Refinitiv Deal Tracker Suite

Take control of your conversational deals, confirmed tickets and post-trade notifications before, during and after trading. The regulatory framework compels front and back offices to demonstrate efficient record-keeping and operational automation. Refinitiv Deal Tracker is a venue agnostic archiving and compliance solution that can be deployed or made available via cloud technology, which allows clients to monitor trade activity in real time, track net positions and archive data for easy searching and compliance needs. The service is able to support compliance teams at all times, even when users are working from alternative sites or using different devices.



Refinitiv Market Tracker

Refinitiv Market Tracker enables the reporting of trades executed on Refinitiv Conversational Dealing, Refinitiv FX Matching, FXall and third-party venues into a single stream in real time, assisting central banks to track and monitor trading activity by market participants in their jurisdiction.



Refinitiv Settlement Center

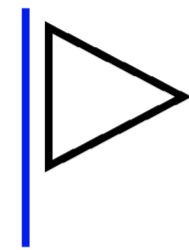
Settlement Center automates middle- and back-office trade processing with SWIFT confirmation messages, trade matching, settlement instructions, trade netting, third-party notifications and trade receipt splitting. The service connects to over 100 of the largest banks, liquidity providers, global custodians, correspondent banks and prime brokers.

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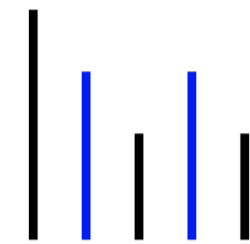
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Refinitiv Trade Notification

The Trade Notification network dramatically improves transparency and enables straight-through processing (STP), enabling firms to report trades to counterparties all around the world with a single connection and offering guaranteed delivery. Trade Notification supports all Refinitiv FX trading venues, including FXall, Dealing and Matching. The service also connects to top single dealer, multi-dealer and voice broker platforms.



Refinitiv Trade Performance Analytics

For users of FXall, Trade Performance Analytics enables clients to assess the quality of their execution, conduct like-for-like comparisons of liquidity providers and make better-informed trade planning decisions. Leveraging interactive data visualization technology, this comprehensive analytics solution offers several analytics views, with the ability for users to customize their analysis using a wide range of filters.

Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. It provides leading data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

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