

# MiFID II: Are you getting your Post-Trade Transparency Reporting right?



It's not just transaction reporting under MiFID II that you need to be compliant with – compliance with **real-time trade reporting** is expected by regulators too.

## Why do I need to focus on Post-Trade Transparency Reporting data quality?

It's only a matter of time before there is greater scrutiny from regulators on Post-Trade Transparency reporting accuracy and potentially, the introduction of penalties or sanctions for incorrect reporting. Articles 14–23 outline the transparency requirements and obligations for investment firms across asset classes as defined in Regulatory Technical Standards (RTS) 1 and 2.

## The controls you need to meet your real-time reporting requirements

Kaizen's multi-award winning quality assurance has been enhanced for Post-Trade Transparency reporting, to provide firms with:

- the ability to demonstrate appropriate monitoring and control over their reporting obligations
- a complete and independent assessment of the quality of their reporting.



### Accuracy Testing

Assesses the correctness of **every data field on every trade report** sent to your APA for full visibility of reporting quality. The service checks for accuracy, validity and timeliness and easily accommodates high volumes.



### Advanced Regulatory Reconciliation

Compares transaction reporting or primary trading system data and the records held at the APA. This will include reconciliation of your input vs APA output.

Single or periodic testing is available but we recommend testing and reconciliations are delivered as a managed service at a frequency suited to your business. This is usually monthly or quarterly depending on your trading volumes. We provide full test results including detailed management information following each test run.

## The most comprehensive review of your reporting quality

Kaizen's accuracy testing and advanced reconciliations are underpinned by our **multi-dimensional testing methodology** which is unique in checking every data field. We don't check data samples – **we are the only firm that tests every field on every report** for a full assessment of your data quality.

## What is Post-Trade Transparency reporting?

Post-trade reporting has been around since MiFID I but was re-envisioned under MiFID II to create transparency and a level playing field while encouraging investor confidence, strengthening protection and reducing risk.

### What, when and how do you report?

- Unlike the 65 fields required for transaction reporting, there are only 9-16 fields required in a trade report depending on RTS 1 or 2. Data is limited to the financial details of the trade
- Reports are delivered through FIX (Financial Information eXchange) and sent to an Approved Publication Arrangement (APA) for publication to the market
- Equity and Equity-like products (RTS 1) must be reported within 1 minute, and Non-Equity products (RTS 2) within 15 minutes (reducing to 5 minutes by 2021)
- Reporting is anonymised and deferred trades aggregated to avoid reverse engineering.

### Why Kaizen's quality assurance?

- An ongoing and completely impartial assessment of your reporting quality
- Confidence in the accuracy and completeness of your reported data
- Reduced risk of over or under-reporting outside of your mandated APAs
- Detect your reporting issues before your NCA does to avoid regulatory penalties, sanctions or costly remediation
- Services are developed and enhanced by former regulators and industry experts
- Safe and secure data handling.



### Get the right controls in place for all your reporting obligations

Kaizen has developed a suite of services designed to address each element the regulators look at when it comes to ensuring reporting quality. Alongside **accuracy testing** and **advanced regulatory reconciliation**, we also provide:



Reference data testing



Control framework bespoke to your firm's arrangements



Training on reporting obligations.

Together, these services combine as our multi-award-winning quality assurance service, **ReportShield™**. The service acts as a shield against the regulator, providing the controls you need to effectively meet your reporting obligations and manage your reporting risk.

As well as MiFIR Post-Trade Transparency Reporting, ReportShield provides assurance for multiple jurisdictions including MiFIR transaction reporting, EMIR trade reporting, Dodd-Frank reporting, SFTR and other G20 regulations.

**For a complementary consultation on your Post-Trade Transparency Reporting data quality, please contact [enquiries@kaizenreporting.com](mailto:enquiries@kaizenreporting.com)**