

Introduction

Shareholding disclosure monitoring and reporting is extremely challenging for investment firms, with more than 400 different and continually changing rules to interpret across more than 95 jurisdictions. Manual processes are still often used despite being ineffective which can result in the risk of regulatory sanctions for late or incorrect disclosures.

Kaizen Reporting's automated monitoring and reporting system removes this burden for firms. We are highly experienced in this niche area with a proven track record of helping investment firms solve their regulatory challenges.

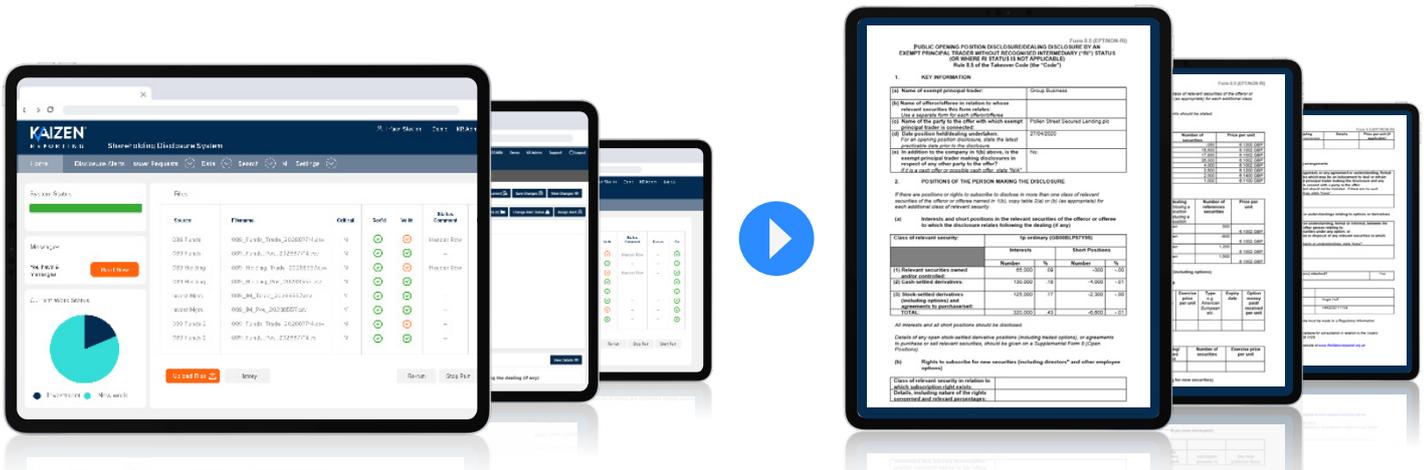
The challenge

A tier 1 investment bank came under scrutiny after the UK Panel on Takeovers and Mergers identified that the bank was breaching the Takeover Code by submitting incorrect disclosures of its transactions/dealings.

The bank was told it must improve its reporting immediately. The sanctions it was facing included:

- ✓ Issuing a private or public statement of censure
- ✓ Suspending or withdrawing any exemption or approval the Panel had granted which would prohibit any trading while they are connected to a deal (acting as Corporate Advisor)
- ✓ Reporting the conduct to a UK or overseas regulatory authority, or
- ✓ Cold-shouldering – which effectively means that the bank would no longer be able to act on behalf/advise any parties on any transaction subject to The City Code on Takeovers and Mergers.

If the Takeover Panel enacted cold-shouldering, then this multi-million pound revenue generating business would be restricted, causing a considerable loss of revenue.



How we solved it



Fully Outsourced Shareholding Disclosure Service

The bank had insufficient manual processes to collate and create the disclosures, including the aggregation of their asset management trade and positions with those of the investment bank. This meant their disclosures were often late and inaccurate. Despite being a large bank, they recognised that they did not have the in-house expertise to instruct their IT department on a system build.



100% Automated Monitoring and Reporting System

Aware of our expertise and experience in UK Takeover Panel disclosure, the bank's compliance department appointed our services to provide ongoing Takeover Panel reporting using our automated Shareholding Disclosure Service which combines a powerful rules engine with regulatory expertise, and legal information from aosphere Limited.



One platform tailored to the business

The bank had considerable internal data issues, but both parties worked collaboratively to identify the correct internal data feeds and to improve the quality of that data. The compliance, operations and IT departments worked with Kaizen to ensure that the project was successful. Our team continually ran the bank's data through our system so the output could be analysed and improved. Given the difficulties the bank was having with its data we adjusted our reporting to meet its specific individual needs. Other providers do not have this flexibility and will not usually accommodate their service to meet differences in their clients' data.



Quick Reporting, Disclosure Alerts and Form Creation

Another issue the bank was struggling with was an ability to disclose within the stringent reporting deadline of Trade Date +1 by 12pm. Our system not only processes the data and alerts the client to a disclosure obligation but also formats this data into the relevant Takeover Panel form. This means that these forms and data are ready to disclose first thing in the morning, allowing plenty of time to file these with the regulator.

The Result

Many financial institutions and vendors have considerable issues interpreting the full extent of the UK Takeover Code and in particular its application to trading and position data. Through our expertise and practical experience we were able to resolve the issues faster and more cost-effectively than they could have achieved internally. The bank benefited from the service through our hands-on assistance with its internal data, as well as a ready-made process and system which resolved its regulatory issues.

The bank is now able to make accurate and timely disclosures and the Takeover Panel has taken no further action and believe the identified problems have been addressed.

Schedule a Demonstration

For a demonstration of our Shareholding Disclosure Service or for a conversation with one of our regulatory specialists, please contact us.

Main office: +44 (0)207 205 4090

Email: enquiries@kaizenreporting.com

 [Kaizen-Reporting](#)

www.kaizenreporting.com



About Us

Kaizen are regulatory specialists on a mission to revolutionise compliance and make it easier for financial firms to work with regulation.

By combining regulatory expertise with advanced technology, we've developed our multi-award winning automated services for trade and transaction reporting assurance, research and surveillance, shareholding disclosure and our Single Rulebook digital platform.

Kaizen exists to help our clients reduce costs, improve data quality and meet their compliance obligations.

