

# Accurate, Complete and Timely SEC SBS Reporting with ReportShield™ Assurance Services

## What is SEC SBS Reporting?

SEC Security-Based Swap Data reporting was included in the Dodd-Frank Act (DFA) which was the US Government's response to the 2007/8 financial crisis. The DFA included mandatory reporting of all US swap market activity to the CFTC and mandatory reporting of all security-based swap (SBS) market activity to the SEC. Both the CFTC and SEC reporting regimes are for monitoring systemic risk.

## What do you have to report?

Firms trading security-based swaps must report all details to the Securities Exchange Commission (SEC) via a registered Security Based Swap Data Repository (SBSDR). This includes:

- Reporting real-time PPD (public price dissemination) data to provide transparency on pricing to the market (Part 43).
- Reporting the full transaction data for all open security-based swap transactions (Part 45).

SEC Security-Based Swap Reporting (SBSR) was originally expected to commence in 2015 but was delayed for several years due to technical and legal issues. SEC Part 45 swap transaction reporting commenced in November 2021. SEC Part 43 (PPD) reporting began in February 2022 and firms have until 14 April 2022 to report all historical open or expired SBS trades.





# Take control of your SEC reporting with ReportShield™ Assurance Services

Firms are frequently asked by the SEC to provide evidence of a comprehensive, effective controls framework, mapped back to the obligations.

ReportShield™ services meet these challenges, providing firms with the ability to demonstrate appropriate control over their SEC reporting obligations for Parts 43 and 45.



**Accuracy Testing** – assesses the correctness of all SEC open positions at the SBSDR, utilizing Kaizen’s proven universal testing methodology which tests every data field with independent sources of data.



**Advanced Regulatory Reconciliation** – a comprehensive reconciliation process between source systems and the records held at the SBSDR. This includes:

- US person counterparty determination
- Reporting party tiebreaker logic
- Any no-action letters that may be effective.



**Reference Data Testing** – the full population of reference data is tested for complete mappings to the appropriate identifiers. The service checks that counterparty identifiers are valid and up to date and values for LEIs are proposed if missing from your data.

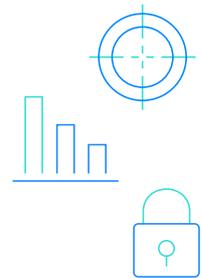


**Control Framework** – a full governance structure, policy documentation, guidance and training required to be fully compliant with SEC obligations. We can help your understanding of the regulation to ensure compliance.

**Cross-regulation testing** can also be conducted so submitted reports are consistent with other reporting regimes.

## How do the services work?

ReportShield™ testing and reconciliations are delivered as automated managed services with testing and reconciliations taking place periodically depending on your trading volumes. All services are tailored to your business requirements. Bespoke tests can be added and adapted to meet your firm’s needs.



## What’s unique about ReportShield™ services?

Kaizen’s testing and reconciliations are underpinned by our multi-dimensional testing methodology which gives firms a complete and independent assessment of the quality of their reporting. Accuracy Testing won a Queen’s Award for Innovation, one of the UK’s highest business accolades.



Governance, risk and compliance solution of the year  
Kaizen Reporting



## ReportShield™ Assurance benefits

- ✓ **Correctly identify and quantify your reporting issues** – ensure the accuracy, completeness and timeliness of your reported data
- ✓ **Protect your firm** – detect your reporting issues before the SEC does
- ✓ **Stay ahead of the curve** – tests are regularly updated to align with regulatory changes
- ✓ **True independent assessment** – our mantra is ‘don’t mark your own homework’. Kaizen’s assurance provides an ongoing and completely impartial assessment of reporting quality
- ✓ **Cost effective** – ReportShield™ services cost significantly less than delivering testing and controls in house and provide significant savings to safeguard against regulatory censure.

## Additional Kaizen services

Kaizen also provides consultancy support leveraging SEC subject matter experts, including the ability to perform a full remediation of SEC reports.



## Are you fully compliant with SEC SBS Reporting?

For a conversation with one of our SEC SBS Reporting specialists or a free healthcheck of your reported data, please contact us.



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## About Kaizen Reporting

Kaizen Reporting is an industry pioneer and leading provider of regulatory reporting assurance services for the global financial services industry. Kaizen’s ReportShield™ assurance services combine regulatory expertise with advanced technology and are used by some of the world’s largest financial institutions to ensure the accuracy and completeness of their CFTC, SEC, MiFIR, EMIR and other G20 reporting obligations. Kaizen’s mission is to transform the quality of regulatory reporting in the financial services industry.