



Take control of your CFTC Reporting with ReportShield™ Assurance Services

What is CFTC Swap reporting?

CFTC Swap Data reporting was included in the Dodd-Frank Act (DFA) that was the US Government's response to the 2007/8 financial crisis. The DFA was a wide-ranging package of legislation covering many aspects of banking and finance. The mandatory reporting of all OTC derivatives activity was implemented to provide the CFTC with a clear view of the US OTC derivatives market for the purposes of monitoring and controlling systemic risk.

What do you have to report?

Firms trading OTC derivatives must report all details of swaps to the Commodities and Futures Trading Commission (CFTC) via a registered Swap Data Repository (SDR). This includes:

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

CFTC reporting commenced in 2013. The CFTC implemented a wholesale revision of the reporting rules, known as the CFTC ReWrite, including new data standards in December 2022.

Further revisions including the adoption of UPI (unique product identifiers) and an ISO 20022 messaging schema are expected in the next couple years.

ReportShield™ Assurance for CFTC Reporting

Firms are frequently asked by the CFTC to provide evidence of a comprehensive, effective controls framework, mapped back to the obligations. The CFTC ReWrite contains stringent requirements for firms to continually monitor the quality of their reporting data, make timely corrections, and notify the CFTC of any reporting issues they cannot correct in time.

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



Accuracy Testing – assesses the correctness of all CFTC open positions at the SDR, 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 SDR. This includes:

- US person counter-party 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 counter-party 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 CFTC 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. The services combine the expertise of our regulatory subject matter experts with advanced technology to provide the most comprehensive assurance available today.

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 CFTC does
- ✓ **Stay ahead of the curve** – tests are automatically updated to align with regulatory changes
- ✓ **True independent assessment** – our mantra is ‘don’t mark your own homework’. ReportShield™ 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 CFTC subject matter experts, including the ability to perform a full remediation of CFTC reports.

Are you fully compliant with CFTC Reporting?

For a conversation with one of our CFTC Reporting specialists or a free health check of your reported data, please contact us.

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Kaizen-Reporting

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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.