

Sterling Money Market Daily (SMMD) Reporting: Are you compliant?

SONIA has replaced GBP LIBOR

With the disappearance of LIBOR at the end of 2021, most UK lenders have transitioned to a new “risk free rate” known as SONIA, the Sterling Overnight Index Average, published at 9am each London business day by the Bank of England (BoE). It measures the cost of overnight, unsecured borrowing in the Sterling money markets space.

Significance of Sterling Money Market Daily Data Collection

Sterling Money Market Daily (SMMD) Reporting is the dataset used by the BOE to calculate SONIA benchmark interest rates published daily and remains a vital part of BoE’s monetary and financial policy decisions. SMMD Reporting also aids the BoE in monitoring the impact of monetary policy, setting interest rates, market financing and money market surveillance. It provides transparency on short-term wholesale borrowing and lending activities within the Sterling area.



“Each reporting institution’s internal controls for SMMD Reporting should include comprehensive testing of automated processes and documented change control processes, procedures to detect failure to capture a segment of eligible transactions and failure to exclude non-eligible transactions.”

Bank of England, SMMD Reporting Instructions Version 4.6, December 2020

Kaizen’s services for SMMD Reporting compliance

Kaizen’s multi award-winning **ReportShield™ Quality Assurance Services** combine regulatory expertise with advanced technology to provide clients with the most comprehensive controls to ensure you meet your reporting requirements and safeguard against regulatory risks. ReportShield™ services include:



Accuracy testing of all reported data to identify errors and issues



Core training on SMMD Reporting requirements



Advanced reconciliations performed and deployed on each platform/segment within SMMD Reporting to ensure completeness



Subject matter expert support to review reporting solutions, programme design and control framework

Reduce your SMMD Reporting risk with the right controls

Following Brexit and the disappearance of GBP LIBOR, there is significant regulatory interest in money market reporting. Early investment in SMMD Reporting assurance activities will provide significant cost savings as well as reducing your regulatory risks.

What is required under SMMD Reporting?

Reporting institutions trading in money market products in the Sterling area are required to report at 7am London time on trade date+1 their secured and unsecured money market transactions and lifecycle events, for all maturities up to one year, relating to GBP short term borrowing and lending to the BoE.

This complex requirement incorporates the following:

- Up to 33 fields across secured and unsecured segments depending on product
- Trade economics, product and counterparty reference data
- Collateral, benchmark index, call/put and notice period details
- Transactional details along with trade lifecycle action types
- Narrow window for reporting – 6am CET next business day.



Have you considered?

- Are you confident in the completeness and accuracy of your SMMD Reporting?
- Are you capturing both secured and unsecured segments within the Sterling money markets space?
- Are you confident of the accuracy of your counterparty, instrument and benchmark index reference data?
- Have you performed an end-to-end reconciliation of your SMMD Reporting eligible flows?
- How compliant is your firm's booking model with contractual obligations, industry standards and market best practices?



Contact us

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

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