

GoldenGate and Oracle

Real-time transactional data consolidation for MiFID readiness



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The fast track to MiFID compliance

As national regulators have only recently started to publish the finer points of the Markets in Financial Instruments Directive (MiFID) in their respective territories, many of the affected sell-side and buy-side firms across the EU are not expecting to receive concrete guidance until late 2006/early 2007. With only a few months to the November 2007 deadline, there will be no time for extensive re-engineering of trading, publishing and reporting systems to meet the directive's data management requirements.

Oracle and GoldenGate Software are working in partnership to deliver a technology solution that provides the necessary transactional data gathering, storage, reporting and analysis functions needed to comply with MiFID's post-trade transparency and transaction reporting requirements. The Oracle and GoldenGate solution can be implemented by GoldenGate in weeks, causes no changes or disruption to existing systems, and is easily deployed and maintained by pressurised IT departments.

MiFID: Business and IT infrastructure changes required for many firms

MiFID is one of the farthest-reaching reforms ever to be made to the European capital markets system. Many firms engaged in trading financial instruments and their derivatives through Regulated Markets, Multilateral Trading Facilities (MTF) or OTC will be required to make wholesale changes to the way they conduct their business in order to comply with MiFID rules. In particular, firms will have to be more transparent and more detailed in the way they quote prices, publish, report and record transactions they have carried out. They will also have to be more structured in the way they classify and handle different types of customer.

Inevitably, complying with data challenges posed by MiFID will have an impact on the IT infrastructure that supports (and, in an increasing number of cases, actually constitutes) an investment firm's buying, pricing, selling and reporting processes. The most important requirement for MiFID data management is overcoming the problem of business and data silos and operational fragmentation. Large and complex investment firms, especially those with operations in more than one country, typically operate a multitude of different transactional and back-office systems which will need to be rationalised.

Under MiFID, both dynamic trade data and static back-office data will need to be integrated and consolidated in near real-time, in order to comply with the directive's requirements for post-trade transparency. It must also be stored in such a way that it meets new records retention requirements for transactional data (which must now be retained for five years or more) and can be easily retrieved, in context, to prove best execution.

Short timescales preclude major systems overhaul

Given the short timescales to MiFID compliance and the high costs associated with systems re-engineering, most firms will find the prospect of a complete IT infrastructure overhaul either impossible or, at the very least, undesirable. Yet the data will still have to be integrated: for example, a survey conducted in the UK by the MiFID Joint Working Group found that 80 per cent of investment firms currently keep data relating to trade execution scattered across the enterprise, making it difficult to meet the directive's requirement for firms to demonstrate best execution.

New MiFID requirements and changes proposed

Under MiFID, two key changes will have a profound impact on data integration approaches within sell-side firms:

- Investment firms trading OTC will have to publish the same information about transactions in shares admitted to trading on a regulated market as they would if they concluded the transaction using a Regulated Market or MTF. Firms conducting OTC trades will be subject to post-trade transparency obligations even if they are not members of an exchange or MTF.
- Changes regarding the competent authority to which firms must report. Currently, EU-passported branches are required to report to the regulator in their Home State. Under MiFID, branches will be required to report to their Host State in respect of transactions executed in the territory where the branch is established. For example, a UK branch of a German bank will be required to report transactions made in the UK to the Financial Services Authority (FSA) rather than the German competent authority.



A fast and simple solution from GoldenGate and Oracle

Together, Oracle and GoldenGate are offering a rapid and simple solution to the problem of integrating transactional systems within the MiFID compliance deadline of November 2007. The solution consists of GoldenGate’s non-intrusive Transactional Data Management (TDM) technology for real-time data integration and Oracle Database 10g. Designed to be implemented in just a few weeks, the solution captures transactional and reference data from all relevant systems in real time and collates and ‘applies’ that composite data to one or more Oracle data stores for immediate publication of post-trade information, regulatory transaction reporting and long-term data retention. Once in the data stores, the information can also be easily analysed for accuracy, quality and evidence of best execution. Organisations investing in the GoldenGate and Oracle solution for MiFID compliance can quickly benefit from a single repository of real-time transaction and client data, without having to re-engineer underlying systems, implement new applications, or learn new technical skills.

How it works

GoldenGate for Real-Time Data Integration

GoldenGate Software’s Transactional Data Management (TDM) technology specialises in the non-intrusive, pragmatic movement of data across heterogeneous systems in real time. GoldenGate TDM software works directly with the existing databases’ transaction logs and requires no coding, database skills, application re-engineering or additional hardware. It can be implemented into an existing heterogeneous systems environment in a very short time, and delivers the following benefits:

Real-time data movement: Transactions are moved continuously from source to target systems with sub-second latency, enabling near real-time publication of post-trade information, and removing the need for downtime for batch processing.

High performance for large data volumes: GoldenGate’s architecture moves only committed changed data transactions between source and target systems. No extra tables are created, and the system delivers consistently excellent performance with minimal overhead – even when moving thousands of transactions per second.

Heterogeneous support: Transactional data can be integrated from many different databases, platforms, operating systems and computing architectures, thanks to GoldenGate’s unique decoupled architecture for capturing, staging and delivering data. This data is then compiled and managed in an Oracle environment.

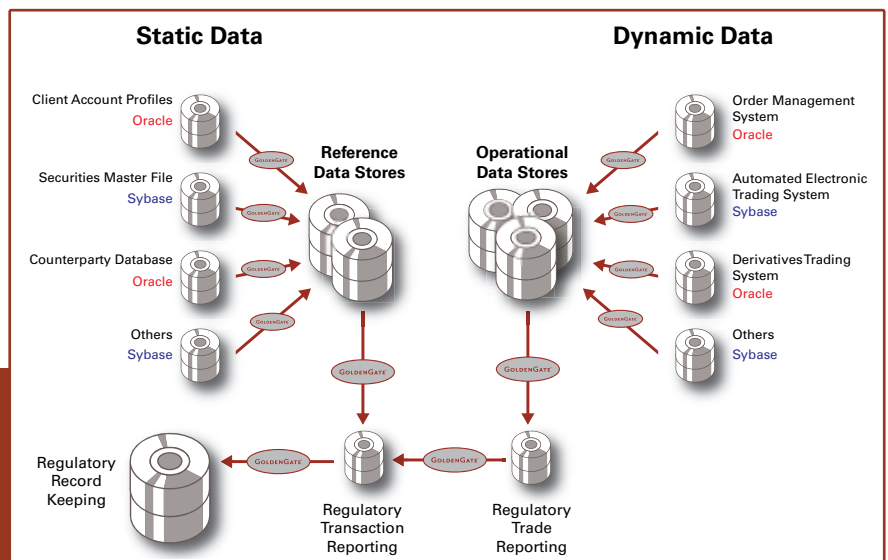
Versatile, bi-directional, extensible: Transactional data can be moved from one source to one target database, or from one-to-many, many-to-one, many-to-many, or via cascading topologies. GoldenGate also provides open APIs to allow businesses to extend its value to third-party products.

Guaranteed transaction integrity: Data transactions integrated across systems have guaranteed accuracy, completeness and contextual integrity. The redundant architecture ensures there is no single point of failure, which minimises data loss and removes the risk of corrupted data propagating to the target systems.

Data transformations: GoldenGate offers table and row filtering, mapping and data transformation capabilities. Complex transformation rules can be applied via built-in functions, user-supplied code and stored procedures. Integration with additional transformations, data quality, aggregation or other functionality is also supported.

Proven worldwide: GoldenGate TDM is running at more than 300 companies worldwide to support high-volume, transaction-driven business processes.

Fig. 1: GoldenGate cascading topology for MiFID transactional data integration



A Single, Accurate Repository of Data

GoldenGate TDM captures transactional data from any number of heterogeneous systems (including Oracle, IBM, Microsoft, Sybase and other databases) in real time and consolidates it into a single data hub based on Oracle Database 10g, presenting the following benefits:

Single source of accurate data: A single repository of client and transaction data, updated in near real time, for ease of compliance with pre- and post-trade transparency requirements.

Easy querying and analysis: Easy querying and analysis: Perform any type of query, analysis or report on the data in the repository using Oracle's wide range of business intelligence and reporting tools, from OLAP to business activity monitoring.

High scalability: Oracle Database 10g scales seamlessly up to mainframe-like proportions, meaning that the data repository can cope with even the most intensive volumes of data and user activity.

Unparalleled security: Oracle's state of the art security features address current and emerging requirements regarding privacy, regulatory compliance and data consolidation.

Proven hundreds of thousands of times: More than 250,000 organisations around the globe rely on the power, security and performance of Oracle Database, the most widely used relational database management system in the world.

Request Your Proof of Concept Today

GoldenGate is offering firms impacted by MiFID the opportunity to discover how quickly and easily the requirements for transactional data integration can be addressed. We can implement a proof of concept across multiple systems in a very short timescale, to demonstrate how easily you can fulfill the MiFID requirements relating to post-trade transparency and demonstration of best execution.

To request more information or a proof of concept project, please email mifid@goldengate.com.



About GoldenGate Software

GoldenGate Software Inc. is the leader in transactional data management (TDM) solutions for maximizing the performance, accessibility, and availability of enterprise data. GoldenGate's technology offerings enable businesses to capture, route, transform, deliver, and verify transactional data in real time across heterogeneous IT environments. With more than 300 customers worldwide, GoldenGate is used to drive solutions for critical initiatives in high availability, disaster tolerance, and real-time data integration. Customers include LINK, ABN-Amro, UBS, Bank of America, Visa, Dell, Sabre Holdings, Comcast, UBS, and Overstock.com. A private company, GoldenGate has offices worldwide with US headquarters in San Francisco and EMEA headquarters in Amsterdam. For further information, please visit www.goldengate.com.

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About Oracle

Oracle (Nasdaq: ORCL) is the world's largest enterprise software company. Oracle's business is information - how to manage it, use it, share it, protect it. For nearly three decades, Oracle has provided the software and services that let organisations get the most up-to-date and accurate information from their business systems.

Today, Oracle is helping more governments and businesses around the world become information-driven than any other company. For further information, please visit www.oracle.com.

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