

# Oracle Financial Services Trading Compliance



Regulatory agencies have set clear mandates for financial institutions to intensify compliance initiatives and ensure that a culture of compliance prevails throughout the organization. A rigorous approach to monitoring and surveillance of trading activity that generates meaningful alerts, enables efficient investigation and analysis, and streamlines the ongoing management and reporting of relevant information is key to a firm's ability to meet more stringent regulatory expectations and achieve an operating environment that protects the firm's reputation and customers. The proven capabilities of the Oracle Financial Services Trading Compliance solution for monitoring proprietary, employee, and customer trading can serve as a cornerstone of a Financial Crime and Compliance Management strategy.

## KEY FEATURES

- Prebuilt scenarios and detection techniques
- Tools for custom, ad hoc scenario creation
- Comprehensive instrument coverage with trader, customer, security and account alert focuses
- Adaptability to industry regulatory changes
- Extensive monitoring of potential market abuse/manipulation
- Full documentation of ingestion process, data model and scenario logic
- Iterative data ingestion process allows for efficient behavior detection expansion
- Market replay and ad hoc reporting
- Complete documentation, workflow, and audit trail

## Identify Potentially Problematic Behavior across Asset Classes

Oracle Financial Services Trading Compliance leverages a robust and comprehensive list of trading behavior detection scenarios to help firms monitor activities and detect actions that can lead to non-compliance with regulation and loss of reputation in the market. A sample of the areas of coverage include:

- **Market Manipulation and Abuse:** Representative scenarios in this area include Marking the Open/Close, Spoofing and Layering, Wash Trading and Parking, Spoofing and others.
- **Insider Trading and Control Room:** Representative scenarios in this area include Trading Ahead of Material Events, Front Running Related Products, Trading Against Restricted Lists, and others.
- **Off Market Pricing and Best Execution:** Representative scenarios include Off Market Fair Pricing, Excessive Markups/Markdowns, Price Dis-improvement, Order Execution Un-timeliness, and others.

## Key Features and Functionality

Detection of complex behaviors through "scenarios" that apply sophisticated data mining tools and algorithms has been the hallmark of the Oracle Financial Services since 1996. In addition to a comprehensive offering of scenarios that remain widely recognized as the most configurable of detection techniques, Oracle Financial Services Trading Compliance offers the following key capabilities:

- **Flexibility and Configurability:** Throughout the application, from the user interface to the underlying alert generation approach, users can readily tailor the application to meet any specific needs of the firm or an individual user.

**KEY BENEFITS**

- Provide proactive view of all trading activity
- Increase customer satisfaction & loyalty
- Improve regulator relationships
- Extend compliance process efficiencies with a configurable platform and a thoroughly documented solution
- Reduced time to market and cost of compliance

**RELATED PRODUCTS**

The following products are also available from Oracle Financial Services Analytical Applications:

- Oracle Financial Services Broker Compliance
  - Oracle Financial Services Crime and Compliance Management Analytics
  - Oracle Financial Services Trade Blotter
  - Oracle Financial Services Anti Money Laundering
  - Oracle Financial Services Fraud
  - Oracle Financial Services Know Your Customer
  - Oracle Financial Services Enterprise Case Management
  - Oracle Financial Services Currency Transaction Reporting
- **Oracle Business Intelligence (OBI) Reporting, Analytics, and Dashboards:** Oracle Financial Services Trading Compliance offers a range of behavior identification approaches ranging from the simple to the complex. Oracle Business Intelligence complements scenario detection with a robust set of tools for analytics and reporting.
  - **Expedited Implementation Processes:** Quality data will always be the driver of quality alerts. Oracle Financial Services provides multiple approaches to data acquisition that can get you up and running faster than ever.
  - **Extended Scenario Library:** With over 200 unique patterns for detecting unusual trading activity, Oracle Financial Services Trading Compliance meets requirements of financial institutions of all sizes in every global market.
  - **Highly Configurable Scenarios:** Compliance is not a one-size-fits-all business. Oracle Financial Services' pre-built scenarios are easily configured with parameters that allow institutions to match their individual compliance philosophy, risk tolerance, and personnel resource availability with the appropriate level of monitoring and analysis.
  - **Threshold Analyzer:** Regulators routinely drill compliance personnel on the selected settings for their monitoring efforts. Threshold Analyzer looks at historic alerts to help firms hone in on the ideal settings and demonstrate quantitatively to regulators the rationale for the firm's decisions.
  - **Automated Alert Correlation:** A compliance officer's best friend, the Alert Correlation tool automatically searches across all Oracle Financial Services alerts to identify potentially undiscovered relationships.
  - **Enterprise Case Management:** Designed to meet the specific needs of the financial crime and compliance management user community, the Oracle Financial Services Case Management component offers a separate case management workflow integrated with the alert workflow. Users can generate new cases or promote existing alerts to cases enabling a more holistic and enterprise approach to compliance risk management.
  - **More Alert Perspectives:** Core scenarios generate alerts from multiple perspectives, or "focus types," enabling alerts on individual traders, trading desks/benches/books, customer accounts, other firm employees, individual securities, orders, and/or executions.
  - **Mature Data Model:** Experienced compliance personnel understand that a rich data set enables quality alerts and the efficient analysis of those alerts. Oracle Financial Services leverages a robust data model for compliance risk management that is essential for identifying the complex behaviors that most threaten the financial firm in the form of reputational and regulatory risk.
  - **Comprehensive Instrument Coverage:** As regulatory inspection and global regulatory reform extends to more complex asset classes, Oracle Financial Services can easily adapt. When combined with existing scenarios for Equities, Fixed Income, and Mutual Funds, firms can re-purpose scenarios against other asset classes thru performance-engineered threshold settings and updated presentation layers designed expressly for the dramatic variations in trading different asset classes.

## Monitor Trading In Line with Regulatory and Customer Expectations

Securities fraud and market abuse —often committed through manipulation of market or customer trades and accounts— is an ever-present problem for the global financial services industry. Rogue traders, bad employees, and changing economic conditions, can all drive individual and organizational behaviors that range from questionable and manipulative to fraudulent and criminal. Regulatory demands continue to exert pressure around trading compliance issues such as market manipulation, insider dealing, and fair

dealing with customers.

Oracle Financial Services Trading Compliance applies sophisticated pattern recognition techniques to monitor trading activities regarding global regulatory compliance. The solution provides trade-by-trade visibility into interactions between traders and other market participants to identify potentially problematic practices.

Oracle Financial Services Trading Compliance allows you to achieve:

- **A Proactive View of All Trading Activities.** By allowing you to discern intentional from unintentional trading behaviors and detect trader and customer behaviors, Oracle Financial Services Trading Compliance gives you greater insight into your trading activities like the ability to identify trade-by-trade detail at the exact time an event occurs and its resulting impact.
- **Improved Regulator Relationships.** Oracle Financial Services Trading Compliance covers numerous asset classes, market segments and jurisdictions, through the use of industry-proven scenarios to identify key behaviors. Leveraging multiple detection cycles (for example, intra-day, daily, multi-day), you can readily respond to regulator inquiries by indicating that a potential problem has been identified and corrected.
- **Compliance Process Efficiencies.** Using market-driven approaches for identifying hundreds of behaviors of interest, compliance personnel can shift from time-consuming and manual methods of data gathering and hunting for anomalies, to focusing on the most urgent and threatening issues that are automatically identified through alerting algorithms. Additionally, Oracle Financial Services Trading Compliance provides compliance analysts with market and reference data that enables the rapid disposition and routing of alerts, efficient management of subsequent investigations, and a simple escalation process where further case management is required.
- **Reduced Cost of Compliance.** Oracle Financial Services Trading Compliance is offered as part of a broad, integrated compliance platform that helps firms:
  - » Achieve a holistic view of their traders, employees, and customers
  - » Overcome the inadequacies of silo-driven approach to compliance
  - » Reduce total cost of ownership by consolidating onto a single platform
  - » Reduce time by implementing an application immediately ready for use

## “Future-Proof” Your Compliance Investment

Oracle Financial Services Trading Compliance operates within the Oracle Financial Services Financial Crime and Compliance family of solutions, the first comprehensive set of applications to meet the particular needs of the financial services community. This solution comprises Oracle Financial Services’ best-in-class risk and compliance behavior detection solutions for Anti-Money Laundering, Fraud, Know Your Customer, and Trading and Broker Compliance applications. It surrounds these point solutions to provide an end-to-end solution that leverages a robust data model and comprehensive dashboard capabilities to deliver a single transparent, holistic view of all Financial Crime and Compliance related activities across the enterprise.

Oracle Financial Services helps you to identify operational inefficiencies that increase noncompliance risks and overall compliance costs.

The unified Oracle Financial Services Financial Crime and Compliance family of applications helps you tackle today’s tactical risk and compliance problems while future-proofing compliance spending across regulatory mandates. By establishing a strategy to address risk and compliance initiatives, you can respond to changing business and

regulatory conditions while leveraging existing business, functional, and technology components thereby improving the consistency and effectiveness of your data, increasing your business performance, improving your time to production and strengthening your competitive advantage: all while controlling your overall compliance costs.

## About Oracle Financial Services Analytical Applications

Oracle Financial Services Analytical Applications bring financial institutions best-of-breed capabilities to proactively manage Financial Crime, Compliance, Risk, Treasury, Finance and the Front Office. The applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data model, analytical computations, a Metadata driven "R" modeling platform, and the industry-leading Oracle Business Intelligence platform.

A single, unified data model and infrastructure provides one version of the analytical "truth" to business users throughout the entire enterprise. This enables financial services institutions to confidently manage performance, governance, risk and compliance. Shared data, metadata, computations and business rules enable institutions to meet emerging business and regulatory requirements with reduced expenses and the unified platform helps financial institutions to leverage existing investments.



### CONTACT US

For more information about Oracle Financial Services Trading Compliance, visit [oracle.com/financialservices](http://oracle.com/financialservices) or call +1.800.633.0738 to speak to an Oracle representative.

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