



Gresham

CASE STUDY

Post-trade automation for a complex OTC derivatives business with Gresham's Control solutions

The challenge

A leading capital markets firm needed to verify the accuracy of its OTC derivative trades but an outdated legacy system made control across the business impossible.

The solution

Gresham's Control which provides financial institutions with a single source for end-to-end automation, validation and reconciliation of their data, controls, workflows and reporting, replaced error-prone spreadsheets and slow onboarding with automated solutions.

Results

- 6 days to deliver reconciliations into user acceptance testing, versus 5 months on the firm's legacy system.
- 130,000 long-lived derivative trades automated across the business.
- Accurate reconciliation of OTC trades across multiple different systems.
- Timely, precise reporting of derivatives trading activity to regulators.

An outdated legacy system and increasing reliance on user developed applications resulted in a lack of control across the OTC derivatives business.





Post-trade pain complicates trading

A capital markets firm with activities across multiple asset classes was facing a problematic post-trade environment. Its legacy system was unable to support required controls, leaving the Head of Operations and his team reliant on a growing number of spreadsheets to deal with transaction flows in post-trade processing.

Increasing manual processes painted a bleak future

The firm was running into daily challenges, with 130,000 long-lived derivative trades to contend with. With user developed applications (UDAs) managing key processes and growing requirements for intra-day, inter-company and T+0 reconciliation, the operations team was facing a future of manual workarounds and growing IT costs, as well as financial and operational risk.

Regulatory interest in OTC derivatives trading is only going to increase...control over and confidence in your system and data is vital.

Bringing order and control to OTC derivatives trading

Control delivers fast, accurate reconciliation of any size, shape or volume of data, at scale, and was selected to reconcile derivatives trades between the organisation's multiple product systems. It also reconciles static KYC data against the reporting engine to ensure that reporting jurisdictions are present and correct.

What was taking 5 months in the legacy system was done in just 6 days using Gresham's Control

So how does life look for the head of operations now?

The firm is no longer forced to rely on UDAs, saving time and resources as well as reducing risk. Onboarding of new controls is significantly faster – what was taking around 5 months in the legacy system can now be done in just 6 days with Control, without the involvement of multiple support teams. The firm can now report its OTC derivative trading activities with true data confidence.