

## Factsheet – OTC Instrument Monitoring

# Monitor and manage client’s OTC positions and improve front-office efficiency in a single app

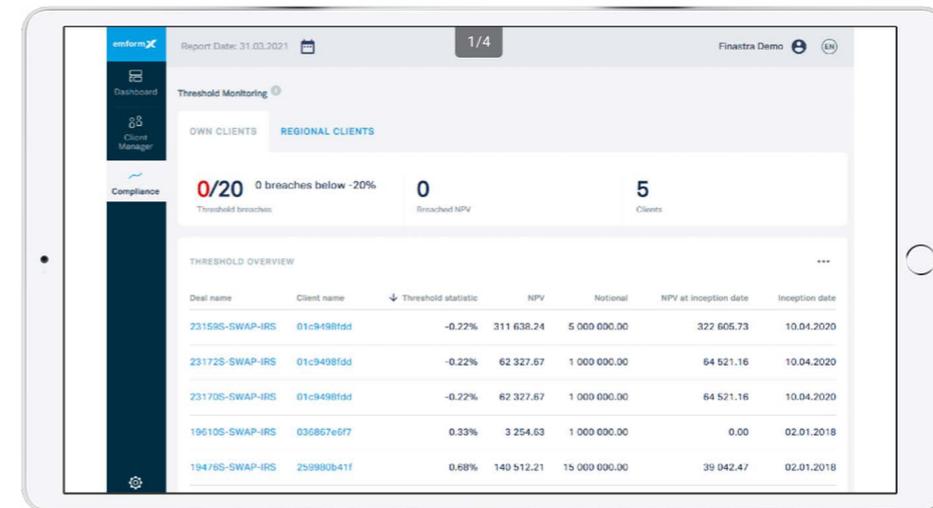
OTC Instrument Monitoring is a cloud-based interest rate and currency derivatives monitoring app. It resolves instruments, near-time aggregation issues and corporate holdings with the bank, improving front-office efficiency and enabling MIFID II compliance.

**With OTC Instrument Monitoring, daily instrument threshold monitoring and reporting reduces the risks arising from delayed detection to almost zero.**

Bankers are expected to monitor client positions and communicate adverse movements within instrument portfolios daily, while staying compliant under MiFID II monitoring rules. However, unnoticed breaches and delayed client communication would still occur.

Timely visibility and analysis of client’s position data, as well as access to critical insights are becoming a necessity to ensure growth. Yet, technology is delivering a bare minimum.

Spreadsheet data is digitally outdated and cannot be used across different business functions. Proactive client communication needs actionable data and timely compliance checks. With OTC Instrument Monitoring, having all instrument data in one place allows teams to understand the overall performance.



Threshold Monitoring section shown above

## How it works

Multiple forces are shaping the corporate hedging solutions market. Static and inflexible data is slowing down banks, therefore increasing the need for a no-delay approach for compliance and fulfillment. A two-way client communication is becoming a necessity to ensure that banks can provide services. OTC Instrument Monitoring was built on the realization that the same data drives both strong compliance and better client coverage. The solution captures digital synergies across front-office and compliance functions.

OTC Instrument Monitoring is an interest rate and currency derivatives monitoring system. It requires minimal human intervention and is cloud-based to comply with MiFID-II threshold monitoring base requirements. It is a shared digital capability platform for bank employees and corporate clients, using smart portfolio features for instant reporting. The solution aggregates interest rate hedges and corporate borrowers loan data across multiple lender positions. Powerful monitoring, analytics and

reporting tools help to manage risks associated with derivative instruments, linking derivatives to hedged items or classifying them as leveraged instruments. Simplified interpretation of results is available via pre-generated reports and the reporting can be done on an instrument-by-instrument or portfolio basis. In addition, automated notifications ensure that sales teams can maintain just-in-time client communication.

OTC Instrument Monitoring app is available as Software as a Service on Microsoft Azure cloud foundation. Multi-tenant and cloud options are available, and the solution can also be connected to the bank's existing systems. Rest-API's allow easy integration of analytical outputs into bank portal solutions and workflows. The app is pre-integrated with Finastra's Fusion Summit and Fusion Kondor solution for timely client exposure. This is achieved by combining FusionFabric.cloud's datasets and the bank's additional data sources with focus on loan or foreign exchange data.

## Why OTC Instrument Monitoring?



Timely instrument monitoring capabilities that unlock the power of data and transaction.



Cloud solution for front-office teams with a shared digital capability platform for bank employees and corporate clients.



Powerful monitoring, analytics and reporting tools for risk management.



Automated notifications to ensure just-in-time client communication.



Pre-integrated with Finastra's Fusion Summit and Fusion Kondor solution for timely client exposure.

**Banks using OTC Instrument Monitoring achieve 13 days “early visibility” of client’s position data to comply with MiFID II threshold monitoring. It was also observed that there is an increase of 34% of opportunities to initiate communication with clients.**

## Contact us

### About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world’s top100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at [finastra.com](https://finastra.com)

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## Key benefits



### Increase Revenue

OTC Instrument Monitoring was built on the realization that the same data drives both strong compliance and better client coverage. New deal opportunities from timely instrument management create new revenue streams.



### Reduce operational risk

OTC Instrument Monitoring provides powerful monitoring, analytics and reporting tools to manage risks associated with derivative instruments. Timely access and automation of compliance relevant content lowers risks in operations.



### Improve front-office efficiency

The shared digital capability platform can be used by both bank employees and corporate clients. Faster and comprehensive access to instrument data and automation leads to a significant increase in front-office productivity. Automated notifications to ensure just-in-time client communication.



### Simpler and faster implementation

The solution is pre-integrated with Finastra’s Fusion Summit and Fusion Kondor to simplify risk monitoring and automate breach detection under MiFID-II threshold monitoring obligations. The Rest-APIs enable easy integration with up and downstream systems, thus reducing repetitive tasks in corporate banking.

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