

CASE STUDY

Commodities Trade Surveillance



CHALLENGE

As a result of inquiries from the CFTC, an international trade and finance company teamed with MRE and a specialized global services firm to design and implement a trade surveillance framework for their metals trading business.

SOLUTION

Working with both the client and the regulator, the specialized services firm conducted an in-depth analysis of 38 potential market manipulation scenarios. The team also compared the client's current surveillance processes against best practices for regulated companies. Next the team worked with the client's legal, compliance, and business leaders to develop a surveillance framework consisting of a new organizational structure, modified business & compliance processes, and trading system enhancements.

MRE joined the implementation phase of the project to provide guidance and support regarding implementation of the new surveillance framework. Among the systems impacted were Brady Trinity for Trade Capture & Reporting and TT by Trading Technology for exchange trades.

MRE also assisted in on-boarding a third-party surveillance software, Trading Technology's Score, and developing custom reports & interfaces to supplement the third-party system.

BENEFITS:

At the completion of the project, which required approximately three months, the client was able to demonstrate to the CFTC its ability to address all of the findings raised by the regulator and avoid any further actions by the regulator.



FOR MORE INFORMATION:

Contact Lloyd Chapin, Director
lchapin@mre-consulting.com

