

My Word is My Bond

A new era of voice and eCommunication record-keeping and surveillance

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SKYPE FOR BUSINESS
Calls, instant message and video



MOBILE
Stricter governance and controls, applying to many more market participants



SMS
Compliance access to all message and communication histories



MESSAGING
Storage and surveillance of all trade communications

**ARTICLE 16(7)
OF MIFID II
REQUIRES FIRMS
TO STORE RECORDS
FOR A MINIMUM OF
5 YEARS**



FIXED LINE
All communication to be stored

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“Human interaction is as important to the trading ecosystem now as it was pre-Big Bang.”

“Dictum Meum Pactum” - My Word Is My Bond. The motto of the London Stock Exchange has underpinned the values of the City for generations. In the current era of fast-paced technical and regulatory change, upholding the integrity of our financial markets is no less critical. Although the Exchange’s trading floor itself has become a thing of the past, human interaction is as important to the trading ecosystem now as it was pre-Big Bang. Conversely, the challenge of surveilling such human interaction has increased in line with the expansion of different forms of media from traditional voice, to include mobile, SMS, business social media and instant messaging.

Risk and regulatory oversight in recent times has focused on the growing volume of electronic interactions rather than conversational ones. Surveillance of order and trade data, whilst non-trivial, is systematic and deterministic and therefore simpler to monitor. Abuse and manipulation however, can still occur at numerous other places in the trading lifecycle. MiFID II now places equal emphasis on asset-classes that trade in less structured or centralised markets. Indeed, it’s these interactions that present the greatest challenge as Market Abuse Regulation’s scope broadens. Whilst human interaction in the trading process is generally perceived to have lessened, the monitoring of risk and compliance of such activity is no less important than for electronic flow, and is achievable given the right systems and controls.

A paradigm shift in eComm and voice surveillance

The voice and message-based interactions for non-equity-like asset classes - bonds, FX derivatives, swaps, and the like - are more difficult to capture, store and surveil than their electronic cousins, but still very much part of the trading ecosystem. The new generation of Trading Venues - Organised Trading Facilities (OTFs) and new-look Systematic Internalisers (SIs) - are likely to operate a hybrid structure with varying degrees of voice, negotiated and electronic interaction.

Specifically, MiFID II brings in-scope the recording of mobile and messaging data in a number of new dimensions, shining a light on many more aspects of the formation of a transaction, and for non-trading functions and new market participant-types too.

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With such a diverse technical landscape to survey, regulated entities must look to technology providers to help them achieve the so called Holy Grail of holistic surveillance. The first step brings together the diverse and often disparate world of voice and media communications. Once achieved, the subsequent integration with time-stamped electronically traded data brings us a great deal closer to that utopia.

Quite apart from the regulatory obligations this resolves, the ability to correlate a wealth of transactional data, accurately time-stamped to the appropriate UTC source, opens up a new wave of opportunity to leverage trade analytics and management information previously constrained by its native form.

TeleWare offer comprehensive real-time communications capture, storage and analytics. A two-tiered product for mobile enables a consistent approach across both BYOD and company-deployed phones. Calls, texts, messaging apps and video calls are captured and stored in high quality formats ensuring record-keeping and replay is compliant and accurate.

Completeness is assured by the capture of all channels. Storage to the Microsoft Azure cloud removes infrastructure and governance overheads and enhances security. Seamless integration to fixed-line and messaging partners enable TeleWare to deliver a single, all encompassing voice, messaging and eCommunication storage and analytic solution.

And finally, integration of the message streams to third party electronic platforms enables the holistic surveillance goal to be achieved. With this strategy, great advances have already been made to achieve global oversight and true transaction lifecycle transparency through a single holistic view of all types of trading interaction. Bringing the worlds of electronic trading and human interaction together.

Dictum Meum Pactum. As the motto implies – Word, in whatever form, still represents the foundation of our trading relationships, therefore protecting its integrity is paramount.



ABOUT TELEWARE

TeleWare, a Microsoft Gold Partner in multiple disciplines, has been a leading communications technology business for over 25 years. Its customers include some of the world's leading multinational and local financial and professional services, IT, manufacturing, retail, health and public sector organisations. Today, TeleWare technology is used by one in every three FTSE 100 companies.

TeleWare has created single numbering solutions, pioneered cloud based recording solutions and is the world's leading provider of SIM based compliant mobile recording. This helps businesses meet regulatory and governance requirements. TeleWare's ability to help businesses route their communications more effectively addresses fundamental customer experience and business productivity challenges.

With innovation at its core, TeleWare designs and builds its own software products in-house. TeleWare's innovation resulted in 2 recent Microsoft world firsts. By routing, recording and analysing a call through the Azure platform in real time and in a fully compliant environment, it created a paradigm shift in cloud platform capabilities. A month later TeleWare did this again, being the first to migrate all fixed line operations to Azure. These world firsts have been confirmed by Microsoft.

**If you'd like to speak to one of our MiFID II specialists,
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