

Enhanced Capabilities to meet regulatory changes

Introduction

In this issue, we will be sharing some of VERMEG's regional initiatives on AGILE Reporter and how it is evolving to meet continuous regulatory changes around the world and the markets' needs.

Perpetual enhancement of AGILE Reporter's capabilities is key to maintaining an optimal solution within such a changing environment. Thus, we will be sharing updates on new capabilities integration, configuration, support and technical enhancements available in the latest release.

North America

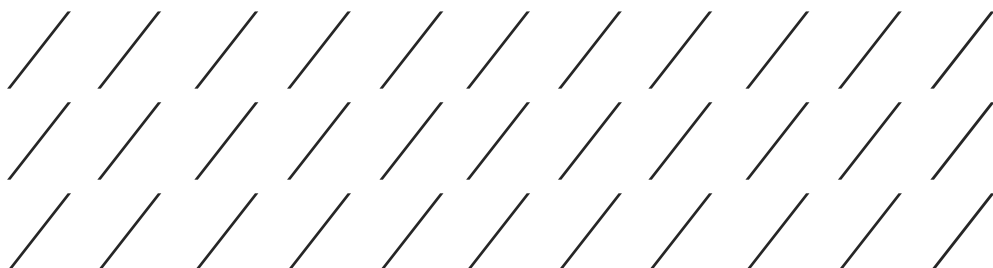
CFTC Reporting Solution – New Frontier in Regulatory Reporting

AGILE Reporter's REG-Reporter implemented a reporting solution for the FR-CSE-BHC report, which is to be filed by covered swap entities ("CSE"), the core respondent group subject to the new minimum capital requirements adopted by the Commodity Futures Trading Commission.

The new regulation, finalized in November 2020, requires a disclosure of a swap dealer's financial position as well as the risk weighted capital requirements.

The development of the reporting solution is significant in two ways: one, it is a response to a new regulatory regime—not the Fed or SEC—and as such, brings forth a new frontier in regulatory reporting and two, it is the first reporting solution offered by VERMEG in North

America in a SaaS deployment model. This extends VERMEG's SaaS deployments to three continents, following live SaaS customers in Europe and Australia.



Asia Pacific

Singapore (MAS) Product:



The parallel run period of New-610 framework returns alongside the old-610 returns ended in Q2, and the formal standalone submissions for New-610 came into effect start of Q3 21.

This coincided with a major change in the regulations, arising from the amendments published as a legislation in Banking Act 2020 i.e., removal of DBU-ACU divide. The new regulations will remove the requirement for the banks to segregate their accounting books into the Domestic Banking

Unit and Asian Currency Unit. Accordingly, there were consequential updates published by MAS to the key impacted regulatory submissions AMR (Asset maintenance ratio), QIE (Quarterly return of Income and Expenses) which went live in Q3.

As usual, VERMEG supported its market leading share of customers to maintain continuous compliance with these changing regulations. In the AGILE Reporter solution, we have completed the migration of all remaining MAS legacy reports (Non-610) onto the new data point model (DPM) used for New-610 framework. Given that the new data point model is a lot more granular, the solution is scalable for future reporting needs and enables smoother and faster implementations for our customers.

Australia (APRA) update:

In Q3, APRA published updates to modernized Economic and Financial Statistics (EFS) collections, which became effective Jul-Sep 2021. Following a comprehensive review of the existing collections to date, APRA and the agencies developed several additional changes to ensure sufficient coverage for publication purposes. These changes include adding additional data items to capture specific segments needed to accurately monitor domestic activities.

These regulatory changes were incorporated into VERMEG's APRA solution, benefiting our growing Australian customer base.



AGILE Reporter Platform, 21.3 Release

Expanded API capability



The solution's API library has been further expanded to cover:

- / Extended API support for adjustment import, so that special options defining the nature of adjustment application and target schedules can be defined
- / Extending API support for user security configuration, to enable activation of administrative user privileges via API
- / Extended support for VERMEG Assure integration, a VERMEG tool for automated regression testing, to enable it to download and upload returns via API

All of the above increases the operational flexibility of the solution allowing further control of AGILE Reporter processes by external workflow tools.

Configuration Manager UI

The AGILE Reporter Configuration Manager allows installation and upgrade of regulatory products, i.e. the regulatory specific configuration for a jurisdiction. The 21.3 release brings the Configuration Manager into the application itself, rather than a separate tool.

On-line product configuration management functionality provides users with an ability to manage their system updates with regulatory product changes without the need to interrupt any users and services with a downtime.

'Sub'-Regulator Support

This will allow multibranch users of AGILE Reporter to efficiently maintain their reporting processes in ~~te~~ differing geographical jurisdictions under the same regulation, for example European country regulators under COREP and FINREP.

Supporting EBA Taxonomy extension according to BBK regulator

All German COREP and FINREP reporters need to use BBK's specific taxonomy extension, based off EBA Taxonomy, in order to successfully submit their reports. AGILE Reporter now ensures that the extended taxonomy as defined by the Bundesbank is supported.

Cross-Entity validations

This will allow multibranch users of AGILE Reporter to validate returns between different entities, e.g., to check the consolidated values.

Technical Updates

AGILE Reporter and its Calculation Engine now support PostgreSQL database as an alternative to Oracle and SQL Server. PostgreSQL is an open-source database with commercial support available from Postgres.org, redbyte.eu and many others. In addition, cloud providers AWS and Azure offer PostgreSQL as an option in their relational-database-as-a-service product. As PostgreSQL is significantly cheaper than both Oracle and SQL Server, release 21.3 comes with a far lower total cost of ownership than previous releases.

Note that AGILE Reporter's REG-Reporter and Compliance Reporter calculation engines do not yet support PostgreSQL.