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Sapient Global Markets Survey Reveals Escalating Trade Reporting Costs and Concerns over Maintaining Compliance

Respondents believe current approaches mean costs will increase by at least a quarter in next two years, lack the adaptability, scalability and flexibility to meet new requirements

BOSTON--(BUSINESS WIRE)-- [Sapient Global Markets](#), a leading global provider of business technology and consulting services for the capital and commodity markets, today announced the findings of a new survey examining industry attitudes towards OTC derivatives trade reporting.

Driven by aggressive compliance timelines, existing technology and available budgets, market participants have tackled the regulatory reporting requirements under Dodd Frank and EMIR in a variety of ways. With these regulations well established, and to ascertain how the industry has progressed in complying with them, Sapient Global Markets conducted a survey of buy and sell-side firms during the International Swaps and Derivatives Association (ISDA) 2015 AGM.

The overall picture that emerges from the survey is one of an industry that has invested heavily in in-house systems (72% of respondents) to meet reporting requirements. However, despite sizeable investment, firms are struggling to overcome the complexity and manage the costs of maintaining compliance due to the implementation of disjointed, siloed approaches to trade reporting. The significant findings from the survey were:

- The majority of firms, whether using a vendor solution or in-house application, see costs rising substantially over the next two years. Of those using in-house systems, 61% expect costs to rise by a minimum of 25%, with 26% expecting costs to increase by more than 50%.
- Although the factors for the rise in costs vary, the primary reasons stated by respondents were; concerns around maintaining reporting systems, the adaptability of systems to meet evolving requirements and improving ongoing compliance.
- The biggest trade reporting challenges for firms were cited as remaining compliant as rules change (35%), data quality and data management (27%) and maintaining and updating existing systems (25%)

"It is apparent from these findings that existing approaches to trade reporting have created inconsistent processes, resulting in significant operational, compliance and cost implications," commented Randall Orbon, senior vice president at Sapient Global Markets. "Firms, particularly those that have invested heavily in internal solutions, now face a fundamental question: can they afford to continue down this route and remain compliant? They must also determine whether this approach offers the flexibility and scalability to accommodate further regulatory change as rules evolve and new requirements, such as MiFID II, come in to force. Those decisions need to be made now because the level of ongoing investment required keeping these systems running is uneconomic for a function that offers no competitive advantage."

To download a full copy of the survey results, please visit the [Sapient Global Markets Trade Reporting survey paper](#).

About Sapient Global Markets:

Sapient Global Markets, a part of Publicis.Sapient, is a leading provider of services to today's evolving financial and commodity markets. We provide a full range of capabilities to help our clients grow and enhance their businesses, create robust and transparent infrastructure, manage operating costs, and foster innovation throughout their organizations. We offer services across Advisory, Analytics, Technology, and Process, as well as unique methodologies in program management, technology development, and process outsourcing. Sapient Global Markets operates in key financial and commodity centers worldwide, including Boston, Calgary, Chicago, Dusseldorf, Frankfurt, Houston, London, Los Angeles, Milan, New York, Singapore, Washington D.C. and Zurich, as well as in large technology development and operations outsourcing centers in Bangalore, Delhi, and Noida, India. For more information, visit www.sapientglobalmarkets.com.

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