

How a forex broker reduced EMIR Regulation fees with delegated reporting from Cappitech

iFOREX group is one of the most established brokers in the online retail forex and CFD trading sector. The group's EU regulated arm, a Cypriot regulated financial firm, fell under the derivative trade reporting mandate of EMIR regulation when it went into effect in 2014.

Complying with the rules, iFOREX created a process in which it would report derivative trades directly to a trade repository. Due to rising fees for reporting directly to a trade repository, iFOREX tapped Cappitech and their Capptivate platform to provide cost savings through their delegated reporting service.

The Challenge

With a reporting process already in place, iFOREX required a vendor to reduce EMIR reporting fees as well as allow them to use their existing file format that they had in place for EMIR reporting.

- Using a file format to specifications of one trade repository and remapping it to the field names and formatting of another repository.
- Reviewing iFOREX's existing report structure to ensure it was up-to-date with EMIR requirements.
- With a wide ranging group of trading products including foreign exchange and commodity assets classes, market data would need to be integrated within the solution to calculate daily derivative valuations and exposure.
- Flexibility in reporting historical reports would be required to handle back-reporting of any possible submission of reports between switching trade repositories

Case Study

INDUSTRY

Forex and CFD Trading

BROKER

iFOREX

CHALLENGE

Switching iFOREX's trade repository to decrease costs without them having to amend their reporting file format.

SOLUTION

Cappitech's Capptivate reporting platform adapts to customers file structures and is adopted for iFOREX.

BENEFITS

Reduction of cost for reporting fees and overall long term decrease in cost of ownership to remain compliant with EMIR regulation.

The Solution

By switching to Capptivate, iFOREX benefitted from Cappitech's relationship with trade repositories to reduce daily transaction costs for their EMIR compliance.

- Capptivate submits trade reports on behalf of many customers which allows for reduced per-trade report fees which are passed on to clients.
- With experience of onboarding over 40 online brokers to meet their EMIR obligations and working with numerous trade repositories, Cappitech had the know-how to create a 'data plugin' to reformat existing file structures from one repository to another.
- Processing, analyzing, validating and reporting millions of UTIs a week, Capptivate integrates with market data vendors to handle valuation calculations within the platform.
- Cappitech's compliance team updates the Capptivate platform as new reporting requirements are initiated by ESMA.

Benefits

Major benefits received through solving EMIR regulation with the Capptivate reporting platform

- Substantial reduction of reporting fees by leveraging Cappitech's relationships with Trade Repositories.
- With the Valuation feature, Capptivate customers don't need to purchase market data and conduct calculations themselves.
- Compliance rule changes are updated on the platform to 'future proof' EMIR reporting requirements.
- Overall reducing of cost of ownership to report for EMIR.

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We partnered with Cappitech for EMIR reporting and not only have we reduced our reporting costs, but we also benefit from a full outsourced solution that reduces our total cost of ownership more than originally expected.

OR KAPELINSKY
MANAGING DIRECTOR,
iFOREX CY

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