

White Paper

THE NEW FRAMEWORK TO IMPROVE YOUR REGULATORY DATA EFFICIENCY



**REGTECH
DATAHUB**

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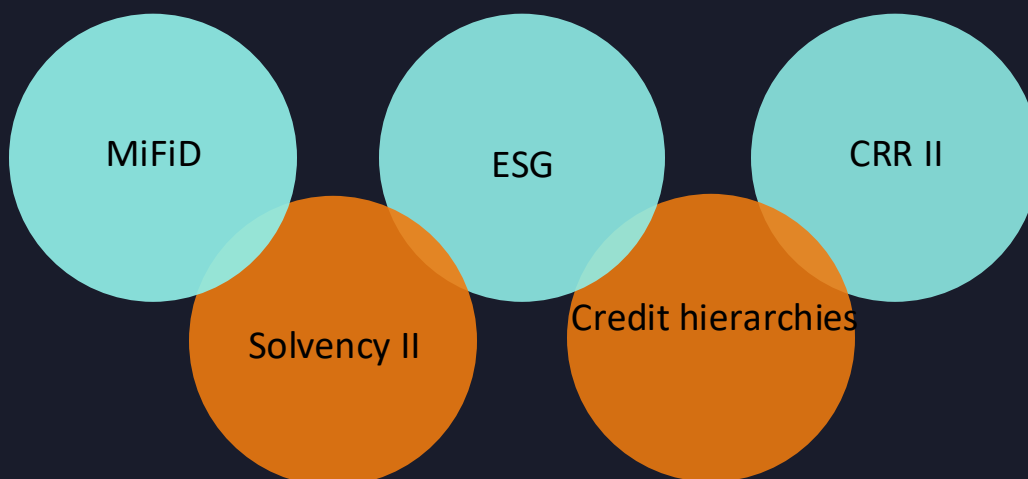
INTRODUCING REGTECH DATAHUB ©

REGTECH DATAHUB is a software solution built to deliver regulatory data in a transparent format with no usage limitations and significant cost savings.

REGTECH DATAHUB - is a software system collecting vast amounts of data from public and commercial open sources like ESMA, GLEIF, and ANNA-DSB. REGTECH DATAHUB structures the data, enhances it, and combines it in intelligent ways to create new data available to our clients in an easily accessible setup with suitable data formats. REGTECH DATAHUB is built from scratch to deliver tailor-made data for the specific client and offers authority reporting for both banking, insurance, and pension sectors. The native cloud-based solution ensures that clients get a simple and customized solution for their exact purpose while paying only for the data needed.

REGTECH DATAHUB's current coverage is shown below.

REGTECH DATAHUB



REGTECH DATAHUB takes a different approach to make data available for clients. In a set-up with a traditional data vendor, you are limited in the usage depending on the contract and the price paid. This means that you have costs related to your data governance and the occasional audit by the vendors. With REGTECH DATAHUB, you rent the software that produces the data. Afterward, the data is yours and you can use, display and manipulate it as you like. There's no cost associated with data administration and governance, no risk of audits, and hence no surprises – the price is fixed, and usage is unlimited.

Data Output

REGTECH DATAHUB's output can be delivered in different formats depending on customer requirements. This could be as TXT, CSV, or XML files, as fully integrated solutions, or as API queries. In addition, a website is available whereby data can be looked up and be readily accessible for ad hoc purposes.

Algorithms

For the more advanced part of the reporting, the system contains algorithms that determine if an instrument is leveraged, complex, etc.

EXAMPLES OF COVERAGE

Improved **MiFID II** Efficiency by Using REGTECH DATAHUB

The REGTECH DATAHUB delivers a complete data framework collecting all MiFID II related data provided by ESMA and other complementary sources. In general, the majority of the data sources are different and available through dissimilar formats. Consequently, the data is stored in REGTECH DATAHUB to facilitate the combination of data from different sources thereby adding value to the data.

The solution supports many different data usage patterns for clients who will benefit from compliant, consistent, and reliable data. The data is primarily collected from ESMA, which ensures that clients are compliant with their reporting back to ESMA. Using the same data source leads to more consistency in the usage of data. When data is corrected in the primary source, every component using that data will get the newest data available.

Use case: Danish Banking IT Central

“Replace vendor for all MiFID II/MiFIR reporting needs“

This required for RTDH to supply the customer with all instrument static data necessary to comply with the many different reporting requirements under MiFID II/MiFIR, i.e.

- Pre & Post trade transparency reporting
- Transaction reporting
- Best execution reporting
- Cost reporting (running + annual)
- Loss reporting
- SI calculations/surveillance
- ISIN Look-up/ISIN creation

Consolidate data from mandates and digitalize Solvency II

With the REGTECH DATAHUB, an Insurance company or a Pension fund will get all the relevant reference data (ISINs, NACE, CIC and LEI codes) for their Solvency II reporting. Furthermore, REGTECH DATAHUB can import the reports the insurance company or the Pension fund receives from their out-sourced mandates (.TPT files) a create one consolidated file for their Solvency II reporting. REGTECH DATAHUB offers a custom build API endpoint that delivers data based on the client's specification of content and format.

More importantly, the solution provides the correct data for an automated daily calculation of the concentration and counterparty risk within the Solvency II standard model, using ultimate parent LEI codes as a single-name exposure aggregation key. With hundreds or thousands of investments, and with investments in companies with deep ownership structures, it is not a trivial task automatically to find the way from single investments to the LEI code of the direct issuer, and finally to the LEI code of the ultimate parent issuer.

The REGTECH DATAHUB's Solvency II solution performs this task in an instant and subsequently makes it easy to integrate with existing systems - either by file exchange or API requests. The only requirement is a list of ISIN codes for the Solvency II solution to return all the required datapoints for the Solvency II reporting.

Use case: Swedish Insurance company

Replace market vendor for all Solvency II reference data.

A client came to REGTECH DATAHUB because they previous vendor change the delivery formats and contract terms with sever consequences for the client.

Client got interested in REGTECH DATAHUB, because of

- Global coverage on securities
- All relevant reference data available for Solvency II
- Ability to collect, store and consolidate reporting from Fund Managers
- Change formats into industry format .TPT
- Generation of one consolidated .TPT for all their investments
- Give access to web site for look up on individual ISINs
- Fixed Q&A process before the quarterly reporting

ESG now and the future

Today REGTECH DATAHUB is the sole provider of CO2 submission numbers for Danish mortgage bonds. The solution was created based on a client request and the solution is now being used by various Banks, Pension funds, and insurance companies.

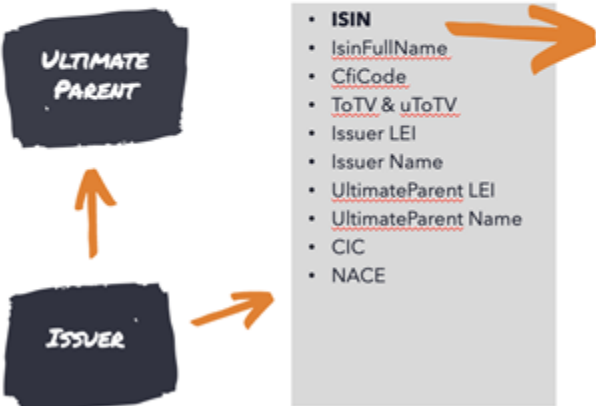
REGTECH DATAHUB supports the European MiFID Template (EMT) including the ESG data available, this will be included in the RTDH.

Moreover, REGTECH DATAHUB is working to provide accurate and validated ESG data directly from the source. There will be no ratings, flags, or other interpretations, only the raw data from the cooperates themselves.

The Sustainable Finance Disclosure Regulation (CSRD), which will come into force in 2024 imposes new transparency and disclosure requirements on financial market participants and will require all companies to publish ESG data on their websites, which the REGTECH DATAHUB will collect and join with the 66 million financial instruments and already in our data lake.

AS CSRD DATA BECOMES AVAILABLE WE WILL ADD THE 14 PAIS TO THE INDIVIDUAL ISIN IN REGTECH DATAHUB

REGTECH DATAHUB CONTAINS DATA ON ISSUERS, THEIR PARENT AND A WIDE RANGE OF REFERENCE DATA ON THE INDIVIDUAL SECURITIES



- GHG emissions (Scope 1, 2, 3 and total)
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity sensitive areas
- Emissions to water
- Hazardous waste ratio
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons
- GHG Intensity
- Investee countries subject to social violations
- Deforestation
- Supplier Codes of Conduct



REGTECH | DATAHUB

EXAMPLES OF DATA

The figure below shows the different types of data REGTECH DATAHUB generates within four of the modules:

MIFID	SOLVENCY II	Upcoming data
<ul style="list-style-type: none"> • IsinId • IsinFullName • TradingVenue MicCode • TradingVenue Name • CfiCode • ToTV & uToTV • Issuer LEI • Issuer Name • UltimateParent LEI • UltimateParent Name • Complex • Leveraged • Exemption Shares • SI thresholds • RTS 28 liquidity categorisation • Target market • Costs • ESG (Disclosure) 	<ul style="list-style-type: none"> • ISIN • Instrument Name • Exchange Traded (Y/N) • Contract Size • Instrument Currency • Trading in units/nominal value • Instrument type • Maturity date • Currency codes • CIC • NACE • LEI 	<ul style="list-style-type: none"> • GHG emissions (Scope 1, 2, 3 and total) • Carbon footprint • GHG Intensity of investee companies • Exposure to companies active in the fossil fuel sector • Share of non-renewable energy consumption and production • Energy consumption intensity per high impact climate sector • Activities negatively affecting biodiversity sensitive areas • Emissions to water • Hazardous waste ratio • Unadjusted gender pay gap • Board gender diversity • Exposure to controversial weapons GHG Intensity • Investee countries subject to social violations • Deforestation • Supplier Codes of Conduct

FOUR KEY ADVANTAGES OF REGTECH DATAHUB[©]

1

Compliant

The customer purchases a service which generates the data from the public domain. The customer therefore owns the data and is not subject to restrictions on licensing.

2

Only One Data Source

REGTECH DATAHUB collects data from many sources and delivers them in a simple and easily accessible structure facilitating implementation.

3

STP Generates Less Errors

Many data sources in different formats are combined into a simple structure. Therefore, reporting can be made on the basis of consistent data.

4

Cost Saving

REGTECH DATAHUB is rented as a piece of software with a fixed annual rent depending on the consumption of the amount of data.

CONCLUSION

AND A LOOK INTO THE FUTURE...

Your Data

The challenges of complying with the regulations for storing and distributing data from data vendors have been solved with REGTECH DATAHUB. These are your data, and they can be used freely and stored with other data.

Control

REGTECH DATAHUB ensures transparency about the algorithms that control various markings, so that the customer can influence the markings in relation to business model and customer type.

Risk Management

REGTECH DATAHUB allows usage of information on issuer and issuer hierarchy to manage counterparty risk and register “Ultimate Parents”.

Financials

In a time with constant focus on costs, REGTECH DATAHUB provides significant savings on data acquisition costs.

1B RECORDS	66M ISINS	945 TRADING VENUES
139,000 SI/DVC CALCULATIONS	36M OTC DERIVATIVES	2,3M LEI-CODES

WHAT TO EXPECT IN THE FUTURE ?

In the future, more data like ESG data will be required not only for regulatory reporting purposes but for the ordinary banking business. Evaluating clients’ loan applications will include the use of ESG data. We are already looking at ways of using new technologies to add the raw ESG data provided by the issuers and companies themselves to the REGTECH DATAHUB.

Furthermore, we believe that for various uses we can provide data structures, transparency and business clarity that simply does not exist in the market yet.

For more information, please visit

<http://www.regtechdatahub.com/> or 



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