



Engagement Case Studies 004

DataCompliance LLC

Engagement Case Studies

Case Study 004 Global Market Data Vendor-Audit Defence

DataCompliance LLC

1 About Our Client

- Global Market Data Vendor
- Provider of real time datafeeds and services
- The client has a global presence and expanding its real time data services coverage which requires best practice data compliance
- Exchange traded instruments and OTC markets
- Primary locations, UK & US.

2 High Level Project Summary

- Audit Defence.
- The client was audited by a leading exchange and was incorrectly assessed to have multi-million dollars liability through non-compliant usage

3 Operation Level Project View

- Phase 1. Due Diligence comprising information discovery, collation, and analysis to determine the prevalent situation
- Presentation of report and advising the client on negotiation strategies
- Phase 2. Presentation and explanation of findings to the exchange
- Negotiating the mitigation of liabilities

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4 Achievements

- Eliminated **US\$ Millions** liability findings which were reduced to **ZERO**

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5 The Analysis

- Assessment of data usage which was benchmarked to the exchange's stated policies and contracts
- Conducted a forensic analysis of the exchange's audit findings and supporting evidence
- Calculated a reconciliation between the audit findings to real world usage and reporting
- This clearly showed there was no evidence of non-compliance by the client
- Review of documentation and evidence comparing the findings of previous audits by the exchange and identifying discrepancies in those findings with the statements of the previous audit reports
- Review of the client's policies and systems for the control, monitoring, and reporting of externally supplied data
- Review of the client's billing systems and policies to ensure billing matched reporting.

6 The Reports

- Report was compiled which provided a detailed analysis of the current environment and assessed the client's compliance with the published policies of the exchange and the contract in place between the client and the exchange
- The report reviewed the methodologies and reporting analysis conducted by the exchange
- Reviewed the client's internal policies for control, monitoring, and reporting, of proprietary market data
- The report found that the client was in full compliance with the exchange's policies
- The exchange's findings were based on an erroneous application of their own policies