

INTRADAY REGULATORY RISK MITIGATION

Managing MiFID II Order to Transaction Ratio (OTR) Compliance

High Cost of Reactive Compliance Demands a New Approach

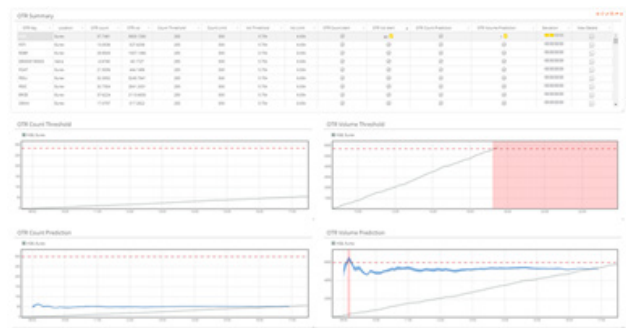
Market participants face increased venue scrutiny and reporting of the ratio of unexecuted orders to transactions (OTR) posed by MiFID II RTS-9. The threat of fines or suspensions for exceeding venue-specific limits is meant to prevent disorderly trading conditions.

The traditional compliance approach – after-the-fact, manual review of venues’ end-of-day reports – is slow and costly. As such, firms are demanding a more proactive approach.

Corvil Intelligence Hub delivers actionable insights to improve intraday management of OTR-related compliance risks. Leveraging live trading order lifecycle data and advanced analysis, Intelligence Hub provides venue-aligned calculation and measurement of OTR that enables proactive oversight and predictive alerts to manage risk more effectively.

Outcomes:

- Reduced Exchange Fines And Suspensions
- Lower TCO From Streamlined Implementation
- Improved Transparency Into Desk And Trade Strategy Impacts



HIGHLIGHTS



Simplified and Consistent Process for Daily Oversight



Rapid Intelligence for Intraday Risk Mitigation



Behavioral Analysis of Per-Instrument OTR Behaviors



Predictive Alerts Powered by Machine Learning



Easy Data Exploration, Visualization, and Analysis



Live Firm-Wide OTR Measurements



Streamlined Collaboration Between Compliance, Business, and Technology Teams



Fast Implementation



Better Data, Better Insight, Better Compliance Outcomes

Intraday Risk Management - A New, Efficient Approach

OTR Summary

OTR Key	Venue	OTR vol	Vol Limit	OTR Vol Alert	OTR Volume Prediction	Deviation	View Details
HSB	Eurex	978.7899	1.10k	✔	4	<div style="width: 100%; height: 10px; background-color: #ccc;"></div>	
DE000A1KYN55	Xetra	340.0000	50.0M	✔		<div style="width: 100%; height: 10px; background-color: #ccc;"></div>	
LU0322252924	Xetra	21.5000	2.00M	✔		<div style="width: 100%; height: 10px; background-color: #ccc;"></div>	
IE00B1TXHL60	Xetra	0.4900	2.00M	✔		<div style="width: 100%; height: 10px; background-color: #ccc;"></div>	
BAY	Eurex	303.5645	1.10k	✔		<div style="width: 100%; height: 10px; background-color: #ccc;"></div>	

Predictive alerts early warning of potential end-of-day violations

Proactively Identify Compliance Risks

Predictive analytics and automated intelligent alerting combine to identify and triage areas of risk.

Examine Which Desks and Strategies are Most Contributing to Risk

Multi-dimensional analysis by venue, symbol, transaction type, etc. quickly pinpoints key risk contributors so they can take action.

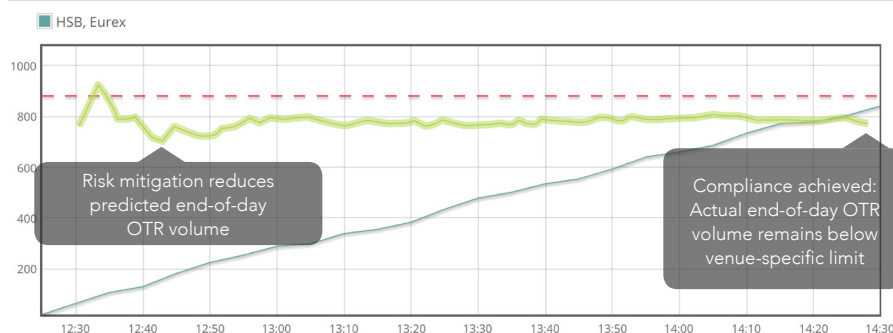
OTR Activity

Client	Security ID	Venue	OTR Key	OTR Order Volume	OTR Order Volume Delta	OTR Delete Volume	OTR Delete Volume Delta	OTR Trade Volume	OTR Trade Volume Delta	OTR vol	OTR vol Delta
16560	2605115	Eurex	HSB	529k	-56.3%	523k	-56.4%	0.00	--	104.1820	-56.6%
16558	2605115	Eurex	HSB	444k	-55.9%	437k	-55.9%	0.00	--	87.1170	-56.2%
16558	2727565	Eurex	HSB	421k	-55.9%	416k	-55.9%	0.00	--	82.7200	-56.2%
16558	2720098	Eurex	HSB	264k	-55.9%	256k	-56.0%	0.00	--	13.3500	-57.3%
16558	2786000	Eurex	HSB	168k	-56.5%	159k	-56.6%	0.00	--	30.8110	-57.3%
16558	2786000	Eurex	HSB	160k	-56.6%	158k	-56.6%	0.00	--	30.8110	-57.3%

Details on top contributors for a particular OTR-reportable instrument

Compare current activities with earlier time periods

OTR Volume Prediction



Risk mitigation reduces predicted end-of-day OTR volume

Compliance achieved: Actual end-of-day OTR volume remains below venue-specific limit

Evaluate Risk Level to Determine if Further Action is Required

Assess the impact of corrective actions to the overall risk level and take further action, if required.

KEY SOLUTION CAPABILITIES

Corvil Intelligence Hub applies machine learning to analyze firm-wide, per-instrument OTR metrics, at scale. It continuously anticipates end-of-day ratios and proactively identifies compliance risks that require action. Diverse teams can perform multi-dimensional data analysis (e.g., across venue, market, instrument, and participant type) to improve decision making and track the impact of corrective actions.

CONTINUOUS OTR ASSESSMENT

Live assessment of firm-wide, per-instrument ratios for each venue (correlated by dimensions of market, instrument, and participant type) delivered by operational analysis of order flows from every desk, client and strategy.

PREDICTIVE ALERTS

Delivers early warnings when order to trade ratios are likely to exceed end-of-day venue limits. Built-in alert management minimizes alert noise and provides complete control over alert propagation.

ACTIONABLE INSIGHTS

Immediate insight into trading desks and activities contributing to high ratios simplifies investigation and streamlines collaboration between compliance, business, and technology teams to eliminate risk more effectively.

FULLY TRACEABLE & AUDITABLE

Complete, forensic audit-trail record of all order lifecycle messages and flexible data exploration, pivoting, correlation, and visualizations simplifies inquiry response and improves productivity.