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The way in which most financial institutions keep track of and monitor trades is changing. Positioned at the connection of the ongoing drive to decrease operational risk and the battle to rationalize trade processing and authorized by the movement to enterprise data management, monitoring of trade is joining the evolution in the process of trading that is already well underway. This helps reducing exceptions and minimizing reconciliation, which is an ultimate industry goal.

The process of automation in the trade monitoring is predicted to continue and growing into a mainstream practice with around 79% of survey participants unambiguously maintaining the industryâ€™s acceptance of trade surveillance system and methodologies would increase over the next two years. Out of which 16% of those stated would be significant. In fact, 100% of the participants stated that the overall operation cost and risk reduction was their highest overall priority for starting the process of trade surveillance.

In part, the overall growth in the acceptance of the trade compliance systems is tied to the amalgamation of non-going movement to a process called straight-through processing (STP). The obtainability of more centralized reference date hubs, and overall increased attention to risk management. It is also a natural outgrowth of better and proper business management as the complexity in the instruments and trading practices, coupled with numerous trading volumes and various necessary increased resources.

Overall, the process of trade surveillance includes monitoring trades throughout the transaction flow to eliminate different barriers present, thereby reducing every operational cost and risk. In fact, it can also work alongside existing systems to validate data and various positions and to enable the firm to fix all trade data and identify data issues from the beginning of trade lifecycle and continue throughout intra-day processing. The goals of trade compliance systems include:

â€¢ Minimizing the overall number of exceptions and make the process of exception handling better.

â€¢ Attaining data transparency all across trade data silos.

â€¢ Increasing the overall speed of the transaction flow through intra-day and actual time data reconciliations.

Overall, trade surveillance system and monitoring practices are completed through the process of straight-through processing (STP) solutions and when done systematically are thought to be an important component in attaining operational efficiency and may also minimize or eliminate (in some cases) the traditional reconciliation processing. If you think it can help leverage your business, there are a lot of service providers that can be searched over the web using the power of the internet.

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The Author is a business consultant. Here the author have described about the trade surveillance system. To know more about his a business consulting service please visit his website.

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