

BCEE Implements SmartStream's Corona Universal Data Solution

Corona will help the bank to complete audit trails and meet IRS regulatory requirements.



Rosemary Barnes | Execution (Institutional FX) | Thursday, 06/10/2016|12:51 GMT



Photo: Finance Magnates

SmartStream, a financial Transaction Lifecycle Management (TLM) specialist and provider, announced today that Banque et Caisse d'Épargne de l'État, Luxembourg (BCEE) has implemented SmartStream's Corona Universal Data solution to help the bank to complete audit trails and meet US regulatory requirements in a timely manner.

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In order to comply with the IRS (Internal Revenue Service), a bureau of the United States Department of the Treasury, banks only have a few weeks to reconcile annual data before the legal cut off.

In addition, there are possible errors and exceptions that need to be taken into account and escalated. As each bank works on its own system, manual processes often involving Excel spreadsheets are common practice so operational risk remains high.

Alex Revelant, Head of Securities Department at BCEE, stated: "As a Qualified Intermediary, BCEE must fulfil the reporting obligations to the IRS. Our team needs to ensure that the data provided by BCEE (relating to US payments) is in line with the classification of the same payments, reported by each of our custodians. Today, as a result of having Corona, the functional team can focus on the real issues rather than on the reformatting of the files received. In addition, operational risk is reduced".

Better Control

SmartStream's Corona Universal Data solution will automatically update the data as soon as it is received from the custodian, reconcile it and alert the bank of any errors, providing a full audit. This allows the bank to have better control over its reconciliations processing and to be ready to provide data to the regulatory authorities. Cost savings are achieved by eliminating the need to address errors due to time constraints.

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The IRS regulation has meant that banks need to report and provide an audit trail of all transactions by a certain deadline.
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Christian Schiebl, Executive Vice President, Corona Business Unit, SmartStream, added: "Taking this measured approach to help reduce risk, gain more control of custodian data and getting better visibility of its overall reconciliations processing is a significant step in the right direction. The system automatically compares the files and highlights the differences. The investigations can be followed up easily and the documentation of the process improves the monitoring of the whole flow. Overall a great success".

Last month, Finance Magnates reported on SmartStream after it announced that Bank Mendes Gans (part of the ING Group) had implemented SmartStream's Corona Cash and Liquidity solution in order to continue meeting regulatory requirements.