

## TeleMONITOR

### Market Abuse Identification

The need for control and identification of Market Abuse, raised by European law (CONSOB and the Committee of European Securities Regulators' "Market Abuse Directive Level 3") adds to the already present need for dysfunctional activity monitoring in client transactions. Therefore, a demand for new solutions emerges, in order to handle and cope with these delicate issues.

#### SOLUTION

**TeleMONITOR allows the definition of rules covering cases relating to possible Market Abuse behaviours.** Such rules may be modified by the user whether in parametric or logical terms. In the same way it is possible to configure and override the thresholds and set off the alert concerning the transaction (bank transaction, client transaction, etc). The thresholds, whether static or dynamic, can be based on the market transaction or on past transactions of those being checked. TeleMONITOR, as well as all other TAS applications, is available in housing at our datacentres of Milan and London through the TAS Plug & Go Service.

#### BENEFITS

**TeleMONITOR is a screening system for specialised negotiation transactions in defining cases of Insider Trading and Market Manipulation.**

TeleMONITOR analyses the efficiency of shares and derivatives in transit in the client system, taking account of the shares flow (prices, book, data summary), of issuing reports (price sensitive information) and of the statistical analysis relating to the efficiency of the individual client/operator/institute.

**TeleMONITOR feeds its own statistical base which can then define behavioural profiles with the aim to be able to identify "unusual" behaviour.**

#### FEATURES

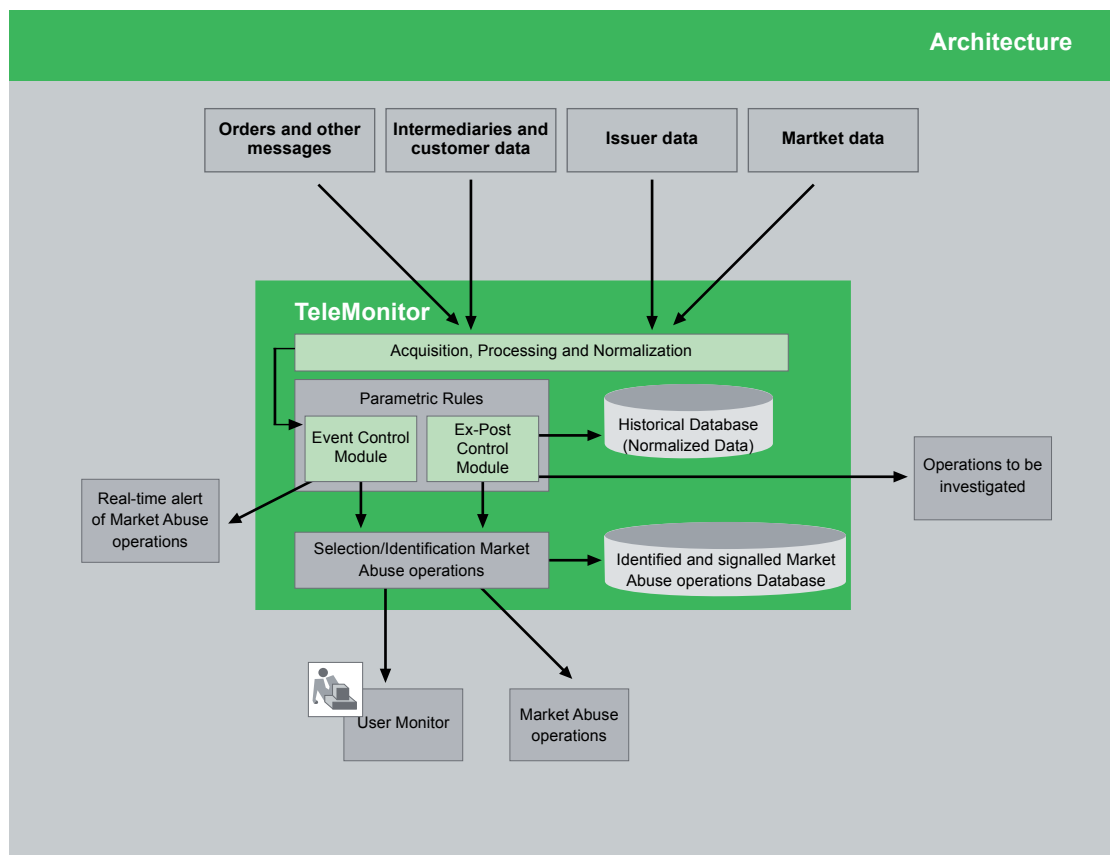
- **Total cover** of the regulations as set out by the CONSOB and Committee of European Securities Regulators' "Market Abuse Directive Level 3" directive. The product covers all cases described by the rules relating to possible market manipulation behaviours and possible cases of insider trading

- **Highlighting of 'unusual' behaviours** - thanks to the statistical data base feed and the application of mathematical algorithms (reversion/distribution), TeleMONITOR detects behavioural anomalies at market level, at institutional level and regarding client efficiency (single client or groups)
- **User control of rule definition** - the rules for identifying suspected Market Abuse behaviours are characteristically much like a set of assigned controls. The user is able to define and calibrate the parameters as well as being able to modify the logic of the rules by introducing new commands
- **Ease of analysis** - any suspected transaction is identified through the violated Market Abuse regulation and takes the form of a set of information (charts, thresholds, indicators) that will assist the user's investigation. The operations analysis is feasible according to different aggregation procedures/test levels
- **Numerous survey tools** - evidence of suspected operations, book and market status at the point of transaction, details of violated controls, client balance, comparative charts (market/bank, bank/client, bank/client group, etc.)
- **Processing control** - TeleMONITOR allows monitoring the process summary. The user controls the status of the take-over process, the number of orders and completed papers, the considered aggregation tools, the regulations active at the point of processing, the regulations violated and the employed aggregation tools as well as the orders and executions involved

### ARCHITECTURE

The application receives currents from external sources on institutional movement and client-related information (profiles, regrouping, etc). Besides that, TeleMONITOR acquires price sensitive news from various providers (NIS, Milano Finanza,

Reuters, etc), oriented towards the identifying of insider trading. In the same way, market information on closure prices and trading volume. TeleMONITOR provides a highly efficient and practical user interface with executed analysis support charts.



### TECHNICAL REQUIREMENTS

#### Platform

- IBM-AIX
- SUN-SOLARIS
- WINDOWS
- MVS

#### Server

- C++

#### Client:

- C++

#### Database

- ORACLE
- DB2