Firms today must monitor trading on an ever expanding number of markets, and require visibility across multiple venues and asset classes with a pool of data that is growing at a dramatic rate. As regulatory authorities continue to raise the stakes, having systematic controls and surveillance procedures in place becomes ever more critical.

SMARTS TRADE SURVEILLANCE SOLUTIONS

With over 20 years of experience as the industry benchmark for real-time and T+1, cross-market surveillance platforms, Nasdaq SMARTS Surveillance technology powers surveillance and compliance for over 50 marketplaces and regulators and 100+ market participants across 65 markets globally. SMARTS Trade Surveillance provides broker-dealers a hosted SaaS solution that covers surveillance across all asset classes (including OTC) and 85+ trading venues.

SMARTS Trade Surveillance is used daily by over 1,000 sell-side compliance professionals, and the combination of its direct connectivity into markets, powerful “out of the box” alert scenarios and trading visualizations, enable compliance teams to minimize the most common surveillance challenges including:

**TECHNICAL CHALLENGES**

Sourcing, capturing and maintaining all trading and market data elements required to conduct analysis.

**INTERPRETATIVE CHALLENGES**

Translating regulatory guidelines/rules into trading alerts that identify potential market abuse and disorderly/irregular trading.

**MANAGEMENT CHALLENGES**

Analyzing and managing alert and data output and demonstrating that alerts are being appropriately reviewed and escalated.

SMARTS Trade Surveillance AT A GLANCE

| POWERS OVER 90 BROKER-DEALERS IN 65 MARKETS |
| Cross-market, cross-asset AUTOMATED SURVEILLANCE and compliance monitoring technology for BROKER-DEALERS |

RECOGNIZED AS AN INDUSTRY-LEADER: WINNER
## SOLUTION FEATURES

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| **BREADTH** | • Comprehensive coverage of 85+ global equity and derivatives markets as well as OTC products fixed income, FX, energy and commodities.  
• Targeted regional alerts designed explicitly for each market that incorporate specific market rules, relative liquidity/volatility, and jurisdictional regulatory requirements. |
| **DEPTH** | • Access to a wide array of market abuse behaviors: Market manipulation, insider trading, order handling rules, market maker, watch/restricted list trading and unusual pricing. |
| **POWERFUL VISUALIZATIONS** | • A consolidated view of market information on a per instrument basis across multiple venues, that is coupled with overlays of user-selected “related securities” and market data in a single, intuitive snapshot.  
• Market replay functionality recreates the order book for any instrument at any time to view buy and sell order interaction, providing the forensic examination of order flow necessary to address order book manipulation. |
| **CROSS-MARKET** | • Functionality to link options, futures, equities, FX, energy and commodities across global trading venues |
| **SIMPLE COMMERCIAL MODEL** | • Hosting and maintenance of all data, software and hardware.  
• One monthly all inclusive fee; no hidden costs (no consulting fees or professional services)  
• Access to all alerts for your selected markets; no a-la-carte pricing |

## BENEFITS FOR THE SELL-SIDE

- **Enhance visibility through complete cross-market views of trading**  
  - Access comprehensive historical trading data for all listed instruments to help identify patterns or strengthen analysis  
  - View firm trading merged with the complete market data set to analyze activity in the context of all trade executions by market and the shape of the order book

- **Comply with market regulations and internal risk and compliance policies**  
  - Link trading activity across venues and asset classes to comply with regulatory mandates and ensure that potential gaming or abuse is not left undetected when conducted across multiple marketplaces or asset classes  
  - Increase confidence that market abuse is not overlooked by putting robust controls across all centers where business is conducted

- **Future proof surveillance and compliance programs via flexible, user-friendly solution**  
  - Tailor your market coverage based upon business needs and risk exposure  
  - Rapidly implement new trading venues to ensure compliance even as business strategy change. SMARTS Trade Surveillance rapid deployment model enables complete surveillance monitoring within 2-3 weeks of engagement for many markets
• Reduce operational cost and complexity of the surveillance program via hosted technology and customized data feeds
  - Minimize external data gathering and mapping. SMARTS Trade Surveillance infrastructure sources complete member order and execution data – directly from equities, derivatives and commodities exchanges
  - Reduce time-to-market and decrease total cost of ownership via SMARTS Trade Surveillance hosted model and reduction in maintenance of hardware, software and data acquisition
  - Decrease time spent servicing regulatory inquiries and managing alerts enabling re-deployment of scarce compliance resources to higher value projects

• Leverage the knowledge and experience of 20 years in surveillance
  - SMARTS Trade Surveillance solutions are built based upon 20+ years of experience implementing exchanges, regulators and broker-dealers of all shapes and sizes from small to large and simple to complex
  - SMARTS Trade Surveillance alerts engine generates alerts tailored to the marketplace and asset type based upon vast experience analyzing trading patterns across 85+ venues

## TAKING SURVEILLANCE BEYOND THE ALERT

SMARTS surveillance capabilities go well beyond the alert. SMARTS Trade Surveillance offers a number of tools that enable teams to:

- **FURTHER ANALYZE ORDER, TRADE, AND ALERT DATA**
- **RAPIDLY IDENTIFY RELEVANT COMMUNICATIONS**
- **MANAGE ALERTS INDIVIDUALLY OR COLLECTIVELY**

By deploying the extended suite of tools, compliance teams can enhance effectiveness and operate more efficiently, even as data volumes and sources multiply.

### Surveillance Intelligence:
**SMARTS iQ Analytics**

SMARTS iQ Analytics provides a fully-integrated suite of business intelligence tools and analytics to more deeply interrogate order, execution, and alert data through advanced visualizations. Visualizations provide increased insight into enormous data sets analyzed by the surveillance engine, and aid in identifying trends, anomalies/outliers and trading behavior patterns.

![Example](image)

**EXAMPLE**

To detect layering, the alerting engine identifies the trading pattern, while the analytics tool visualizes the depth of the book depth on the buy and sell side over time on a per-account or per-trader basis, to provide a visually compelling view of an abusive trading pattern.
SMARTS Trade Surveillance partners with leaders in electronic communications and relationship forensics to help firms investigate the persons involved in a potential abusive instance. By correlating SMARTS Trade Surveillance comprehensive cross-venue trade surveillance data with email, instant messages, text messages and social media, compliance teams can more efficiently find the individuals involved and make more informed decisions during an investigation.

SMARSH archiving and compliance solutions in combination with SMARTS Trade Surveillance solutions allows firms to correlate trading data with unstructured communications data: including email, instant messages, mobile messages and social media posts. Used together, these solutions help organizations manage and enforce flexible, secure and cost-effective compliance and records retention strategies and enable compliance professionals to specifically target communications associated to SMARTS Trade Surveillance alert(s) for full cross-content discovery.

CATELAS uniquely combines social network analysis and behavioral science algorithms to uncover the relationship networks within organizations by mapping relationships between employees and external parties via their various communication streams. By linking SMARTS Trade Surveillance solutions data with Catelas, compliance teams can more efficiently examine and identify the key personnel involved within an alert by isolating key communications to pinpoint risks quicker and more effectively investigate a potential instance of abuse.

SMARTS TRADE SURVEILLANCE CASE MANAGEMENT
SMARTS Trade Surveillance Case Management, powered by Nasdaq BWise, enables firms to enforce defined compliance workflow, maintain complete audit trails of alert investigations and documentation, and generate comprehensive management reports across the alert database. BWise is recognized by Gartner and Forrester as a leader in GRC capabilities. Its case management module is integral for users to both manage alert processing and escalation and effectively manage regulatory risk across the entire business.

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