

Market Abuse Surveillance – Trends and Challenges

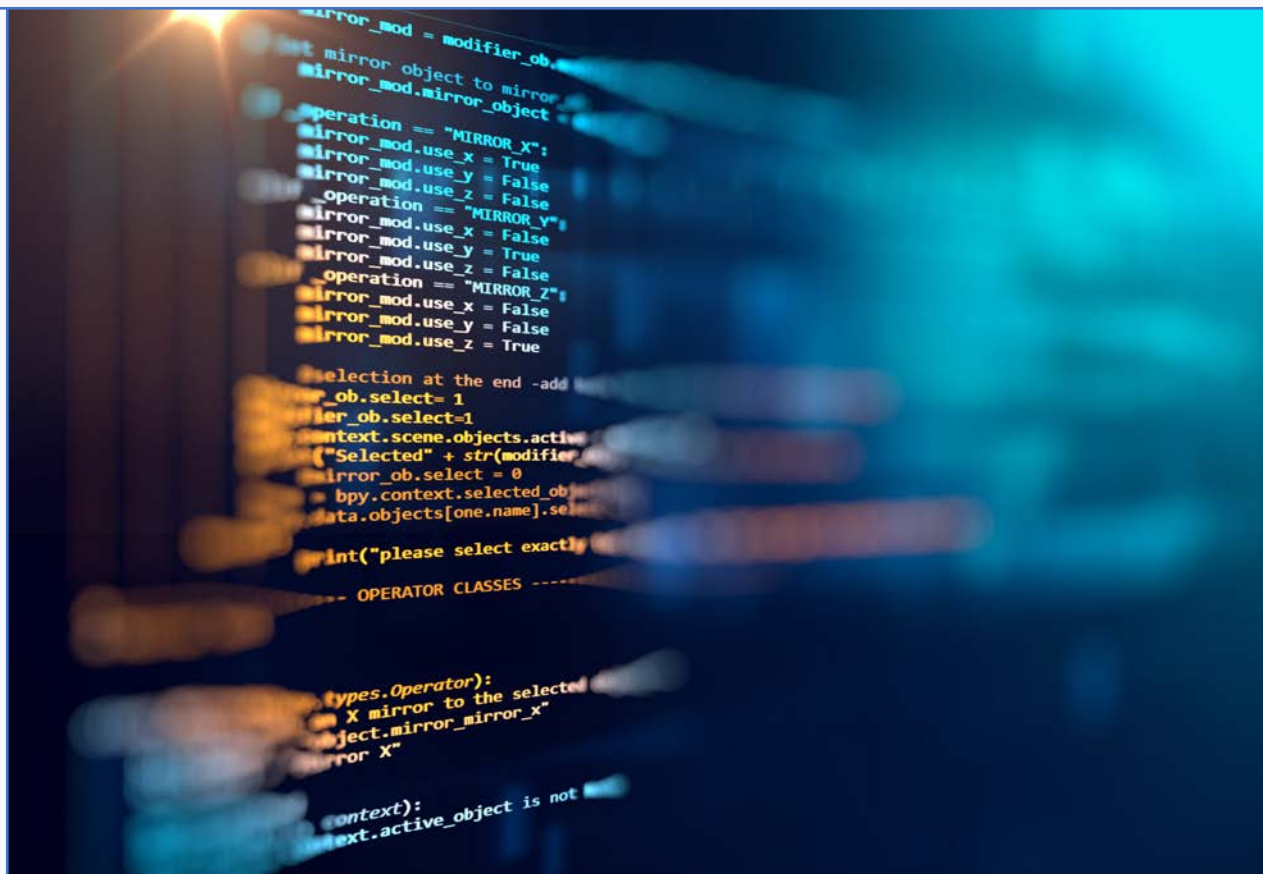
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Agenda

Trends and challenges

- Regulators
- Surveillance
- New ways of working



Regulators

Regulators becoming more sophisticated in their surveillance

- Increased focus
- Invested in oversight capabilities and tools/systems to identify market abusive behaviours
- Heavy fines (US Commodity Futures Trading Commission (CFTC) enforcement actions > USD 1 billion in 2020) (FCA Citi August 2022)
- Remediation programs to address regulatory expectations

Holistic surveillance

- Transactions, Communication, Control Room, AML

Thresholds for reporting

- Different from regulator to regulator

Interpretation of market abusive behaviours

- Different interpretations of rules

Market Abuse Surveillance

Robust surveillance capabilities

- Ongoing system maintenance and tuning

Complex products – complex surveillance

- Ensure surveillance fit for purpose for all relevant products
- Competences – product knowledge, technology knowledge

Coverage and oversight

- Ensure surveillance is included in connection with introduction of new platforms for trading and communicating
- Coverage controls

Communication surveillance

- E-com
- Voice
- Coverage communication channels

Prevention

New ways of working

Challenges for surveillance with working remotely

- Communication channels
- Information protection/sharing

Tighter collaboration between stakeholders across business and compliance functions

- Holistic surveillance
- Remove silos – collaboration on mitigating risks

Holistic surveillance

- Transactions, Communication, Control Room, AML

New technologies

- Machine learning
- Artificial Intelligence
- Natural language processing
- Data mining

Thank You

