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Private Blockchain May be the Answer to Capital Markets' Internal Reconciliation Problems, Says TABB Group Report

NEW YORK & LONDON, November 2, 2016 – A vast number of intersystem data reconciliations taking place horizontally and vertically across enterprises are not being addressed, according to the latest TABB Group research, "[Inside Reconciliations: Capital Markets Dirty Little Secret](#)." The report details the internal reconciliation processes in financial services firms and discusses the potential for distributed ledger technology to help.

Report author and TABB senior analyst [Dayle Scher](#) explains that the capital markets industry suffers from a surfeit of internal reconciliations that result from the inadequate transfer and synchronization of replicated data from platform to platform. The resulting discrepancies can cause errors in trading, pre-trade compliance checks, client and regulatory reporting, analytics calculations and pricing of securities and funds. More than 50 percent of the 150 firms TABB Group surveyed experience trade errors caused by incorrect position or cash data across different systems, and two-thirds of the firms attributed this to poor reconciliation between systems.

The report details how the inefficiencies of internal reconciliations have gone unresolved because in many cases they have not been acknowledged at a corporate level. Data reconciliations are often occurring across business siloes and each department addresses errors independently. TABB suggests that one solution may be an internal, enterprise-wide private [blockchain](#) as an alternative to the traditional database structure, though various interdepartmental privacy and permissioning issues would need to be integrated.

"A single immutable source of data, which could potentially be made possible through distributed ledger technology, vastly reduces the need for multiple internal reconciliations and the risk of trade or reporting errors," says Scher. "The reduction in the total cost of ownership for the reconciliations process, personnel and systems will be dramatic if curtailed or completely eliminated with a private blockchain solution."

The report can be downloaded by TABB's financial technology clients and pre-qualified media at <https://research.tabbgroup.com/search/grid>. For more information or to purchase the report, contact info@tabbgroup.com.

About TABB Group

TABB Group is the international research and consulting firm focused exclusively on capital markets, founded on the interview-based research methodology developed by Larry Tabb. Since 2003, TABB Group has been helping business leaders gain a truer understanding of financial markets issues to develop actionable roadmaps and approaches to future growth. By accurately assessing their customer base, competition, and key market opportunities, TABB Group works with senior industry leaders to make critical decisions about their business. For more information, visit www.tabbgroup.com.

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