Riskworx Credit Risk Case Studies

25+

Years specialising in financial engineering

55+

Specialist engineers, quants & consultants

Boutique

Traded Risk · Credit Risk · Liquidity Risk · Balance Sheet Management

Clients

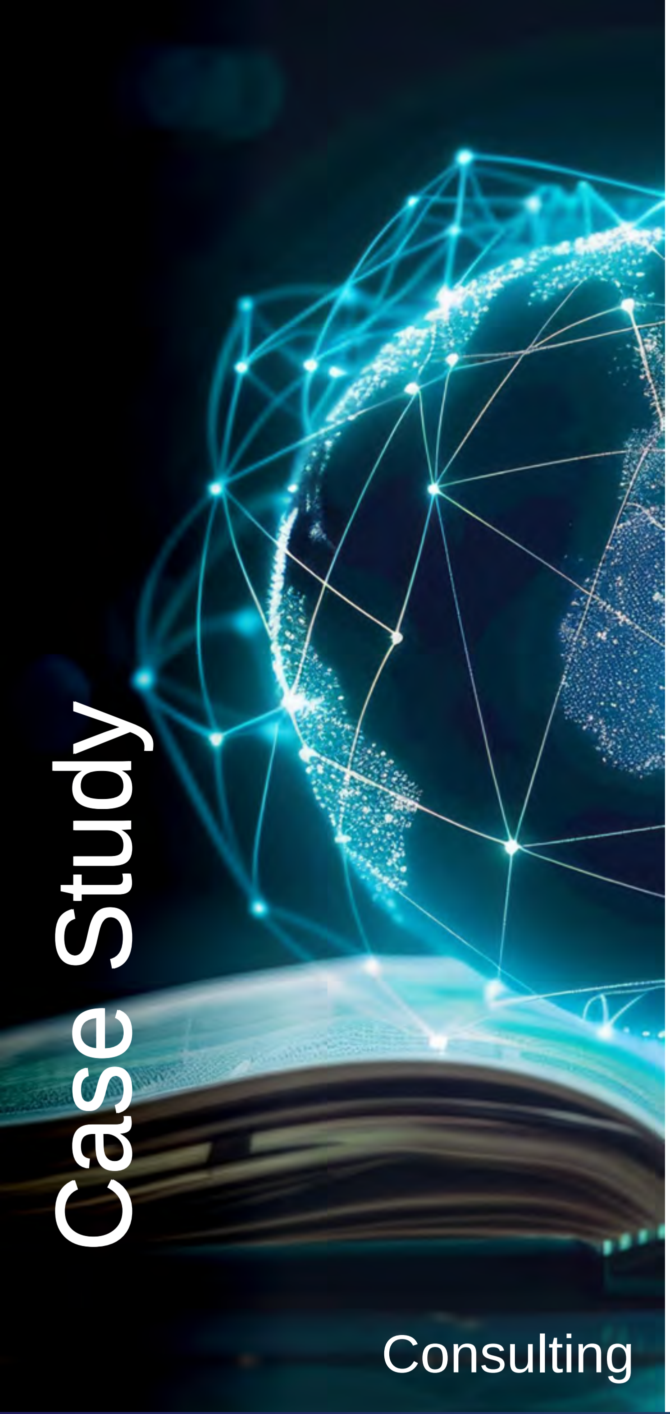
All Tier-1 South African banks among our clients

MARKET RISK

Consulting

Case Studies

riskworx



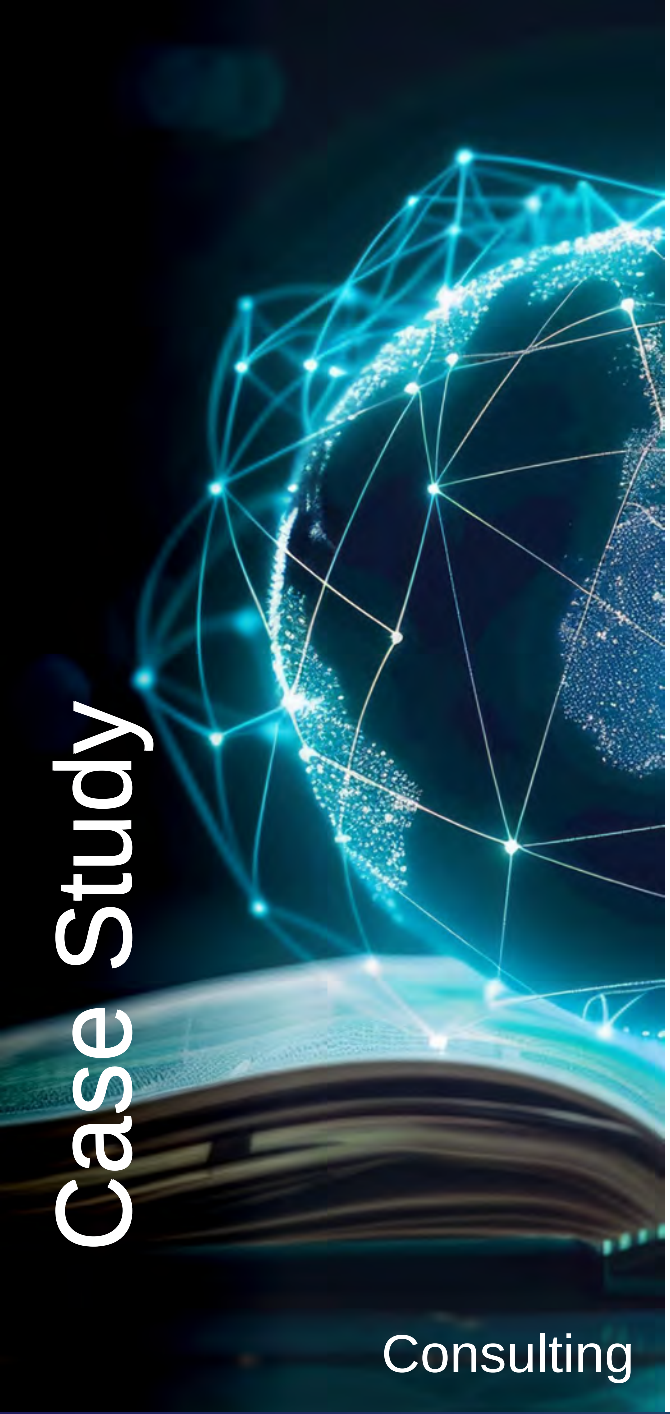
MARKET RISK

Conduct Standard 3 & Trade Repository Reporting

Client requirement: A Tier 1 African bank engaged Riskworx to perform a Gap Analysis of its current OTC derivative transaction reporting processes in alignment with the requirements of Conduct Standard 3 of 2018, which mandates the reporting of 99 specific data fields to a Centralised Trade Repository. The bank did not have the internal regulatory or technical capacity to fully assess its compliance readiness. Senior stakeholders—including the Group CFO, the Business Bank Finance Executive, and the Head of Trading—requested an independent Subject Matter Expert (SME) review and a practical roadmap toward full compliance. These stakeholders remained actively involved throughout the engagement.

Solution: Following the delivery of a comprehensive Gap Analysis and compliance roadmap, Riskworx was retained to implement the necessary remediations. This included addressing deficiencies in IT infrastructure, data quality, reporting processes, and internal controls. The goal was to ensure that all 99 required reporting fields under Conduct Standard 3 were accurately and consistently captured, validated, and reported daily to the Centralised Trade Repository. Riskworx collaborated closely with both business and technical teams to align compliance efforts across the bank.

Value: Riskworx enabled the bank to successfully implement a daily regulatory reporting solution that captured all required data fields in full compliance with Conduct Standard 3 of 2018. The result was a robust, repeatable reporting process that ensured timely, accurate submission of derivative transaction data to the Centralised Trade Repository—significantly enhancing the bank's regulatory posture and operational efficiency.



MARKET RISK

Compliance blueprint for OTC derivative provider

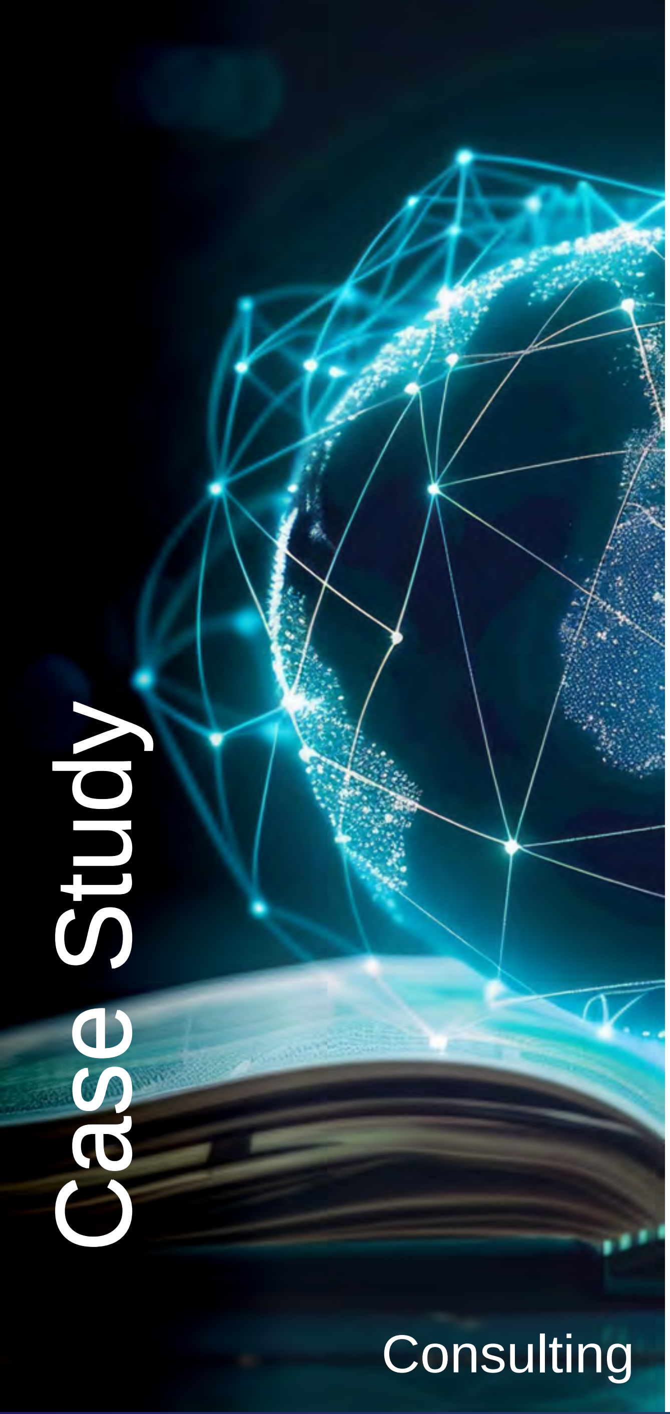
Client requirement: A Tier 1 South African bank was required by the Financial Sector Conduct Authority (FSCA) to comply with a set of regulations governing over-the-counter (OTC) derivative transactions. The renewal of the licence to trade OTC derivatives depended on this compliance and Riskworx was requested to create a roadmap for this regulatory compliance.

Solution: The regulations with which the bank needed to comply were divided into three conduct standards:

1. Laying out requirements for the authorisation of an OTC derivative provider (ODP).
2. The business-as-usual (BAU) operations of an ODP.
3. The reporting obligations in respect of OTC transactions.

Riskworx engaged with stakeholders, analysed relevant systems and the bank's day-to-day operations. A gap analysis to determine the work required to achieve compliance with each section of these conduct standards was performed. A comprehensive readiness blueprint (detailing the required procedures, policies and IT system changes plus the requisite coordination among different areas of the bank) was assembled and distributed. With a clear roadmap, the bank then employed a team of Riskworx consultants to implement the required changes effectively, ensuring both immediate compliance and long-term regulatory alignment.

Value: Riskworx provided critical support to the bank’s compliance team, equipping them with a structured plan to achieve FSCA compliance. After completion of the project, the South African bank received compliant status from the PA. The internal team received an award from the bank for the completion of the project.



MARKET RISK

Strate Regulatory Reporting

Client Request: A leading financial institution required support to prepare for South Africa’s evolving OTC derivatives trade reporting requirements under Conduct Standard 3 (CS3). The introduction of a licensed South African Trade Repository and the move towards requirements aligned with EMIR REFIT represent a significant change to the existing regulatory reporting landscape. The client needed to understand its readiness across people, processes, data and technology, assess the impact on its existing reporting architecture and operating model, and establish a clear path towards regulatory compliance while requirements continue to evolve.

Solution: A structured regulatory readiness and implementation programme is being delivered, beginning with an As-Is assessment of existing trade reporting capabilities and identification of gaps against the emerging CS3 requirements. The programme covers enterprise and system architecture, data and infrastructure, connectivity and security, regulatory reporting processes and the Target Operating Model. This is supported by broader solution assessment, implementation readiness and delivery planning to define the future reporting capability and establish a structured path towards compliance.

Value: The programme is providing greater visibility of the changes, gaps, dependencies and decisions required to achieve CS3 compliance, while creating alignment across business, operations, risk, compliance, data and technology stakeholders. As the programme progresses, it is expected to establish a fit-for-purpose reporting solution and Target Operating Model, clarify ownership and operational responsibilities, and strengthen the controls and testing required to support regulatory reporting. Ultimately, the programme aims to provide a sustainable and scalable reporting capability that meets the new South African trade reporting requirements while remaining adaptable to future regulatory change.

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