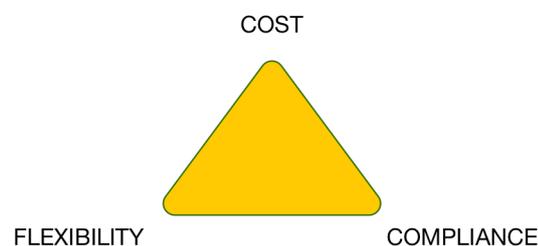


CAS-FOR Compliance - ComChain

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In the advent of MiFID II, banks are seeking to adhere to more stringent regulations. The requirement to record all client interactions across all communication channels in a secure and retrievable format is a major focus across the sector. In addition, the means with which trading communities can interact is in fact growing and therefore meeting the MiFID requirement is getting more complex to achieve. For example, WebRTC and other such technologies has led to new trading solutions becoming available as well as the ability to directly embed communication services within trading community applications such as CRM, Market Data and Risk Management solutions. The trade off becomes the typical triangle of competing objectives; offering the **flexibility** of communication services required to remain productive versus the risk of not meeting regulatory **compliance**, versus the **cost** to deliver both. In parallel, BlockChain technology is disrupting the financial services industry for the better, with solutions improving transparency, efficiency and trust by creating a secure distributed ledger across the industry. This led us to query - can BlockChain technology be used to ensure regulatory compliance to current and future communication services? ComChain was founded to see if the cost of compliance could be reduced, whilst providing improved communication services - initially targeting Trader Voice.



The COMCHAIN

The ComChain is an initiative, which seeks to enable financial institutions to leverage the benefits of Smart Contract technology when applied to Communications, starting with telephony but certainly not restricted to it. Rather than banks having to try to back fill compliance into a new solution, can BlockChain technology help to ensure that service providers build compliance into their offerings?

The solution is to create a standard for a distributed Call Data Record (CDR) of communication. This ledger will be formed through the creation of smart contracts documenting all communications between

trading entities. By creating such a distributed ledger of CDR's, banks will be able to select best of breed service providers with a consistent mechanism for tracing communication through disparate technologies. Compliance is delivered along with the service in an open trusted framework, reducing the cost of trade burden currently due to be levied on all organisations. By all parties agreeing to the standard, the BlockChain will act as a **Normalised CDR Ledger**. This will significantly improve the efficiency of searching and managing regulatory data provided.

COMPLIANCE SHOULD NO LONGER BE AN AFTERTHOUGHT. IT SHOULD BE BUILT INTO THE CORE FABRIC OF TRADER COMMUNICATION

The COMCHAIN ALLIANCE

The ComChain Alliance has been set up to explore the use of BlockChain technology for communication service providers. The initial goals will be to create the first BlockChain Incubator service aimed specifically at financial communication.

1. A Lab with shared resources from the Alliance partners to test the distributed service.
2. Provide access to Industry experts in the field to help other members to join the Alliance and define the requirements for the smart contracts.
3. Access to consultancy services for banks and partners to build solutions on top of the ComChain specification.

Alliance Partners can leverage the technology to see how their organisation or solution can benefit from using assembled technology. The ComChain offers benefits across the Trade Communication Life Cycle delivering a standard for the provision, control and regulation of Communication.

**ComChain - A standard for the provisioning of communication channels.
Enabling value added systems to access and control channels.
A record of interaction with channels for regulatory compliance.**

The ComChain itself is built upon [Ethereum](#), a well-known BlockChain solution. Specifically it seeks to use the Quorum solution managed by the [Ethereum](#)

[Enterprise Alliance](#) (EEA). Quorum was created by 30 banks and banking service providers in order to explore the use of BlockChain across the financial community. The ComChain is seeking to become one such use case within the EEA.

The core premise of the solution is that in joining the ComChain and gaining the ability to issue and act upon smart contracts, the service providers (whether voice recorders, system integrators, network providers etc.) must adhere to the contract rules and add their Metadata to the same smart contracts. In this way Financial Service Organisations (FSO) can adopt the new solutions, which services providers are offering, in the knowledge that they are complying with the stringent regulations.

The ComChain delivers a mechanism for tracing conversations in keeping with the regulatory requirements for MiFID II. Not only easing the

solution but also highlighting where a service may be outside of the MiFid II regulation.

A sample chain would consist of a number of contract blocks for example:

1. The initial provisioning block which details who is communicating across a given channel.
2. A Voice Recording block updated by the Voice Recording provider every time a recording is made on the given channel. This can include file location and check sums to ensure the file is in its original format.
3. A normalised CDR content Block ensuring that all participants in a given communication are traced throughout their duration on a given call.

CAS For Compliance COMCHAIN

The CAS for Compliance plugin has already been updated with COMCHAIN connectivity for a PoC. Through the CAS for Compliance a **Normalised CDR** record can be uploaded to user contracts. comitFS is a leading provider of Voice Recording (VR) Migration services with an in depth knowledge of the main VR solution in the market. Coupled with the CAS itself having integration to all the leading telephony solutions used by FSOs the CAS – FOR Compliance suite is able to update the ComChain with legacy as well as future communications. comitFS is committed to working with its clients and partners to ensure that not only the cost of compliance is reduced but the use of the data is itself enhanced.

