

Rec Trak provides institutional money managers and hedge funds with the tools needed to ensure that their research and execution commissions are accurately recorded by each of their trading counterparties.

Where buy-side firms used to pay a bundled commission rate for the services received from the various sell-side firms they traded with, that is no longer the case.

Client Commission Arrangements (CCAs) have replaced “soft dollars” and have been augmented in many countries with Commission Sharing Arrangements (CSAs). These commission methodologies permit a buy-side firm to pay for qualifying research services with the research portion of the commissions paid for a trade.

Now, rather than just having a total commission amount to consider, each trade often has an *execution* portion and a research portion based on a variety of rules including whether the trade is agency, principal or mixed capacity, whether the client account uses CCA or CSA commissions and different rates for different brokers, markets, types of trades, etc. These commissions need to be reconciled between the buy side and sell side.

FEATURES

Rec Trak integrates with Cogent’s suite for broker reviews, commission reporting and tracking of unbundled, soft and mixed-use services, and offers:

- Electronic or website-based uploads of trades to support reconciliation.
- An Intelligent engine to determine ideal matching processes.
- Ability to view and adjust match-ups and exceptions in side-by-side screens.
- Daily reporting of reconciliation exceptions by broker, showing missing trades or differences between sides for gross and research commissions.
- Secure data movement via PGP encryption, secure FTP, FTP with SSL, etc.
- Reconciliations that can be done in the base currency or the local currency of the trade.
- Reconciliations on a daily, weekly or monthly basis.
- Exception downloads and viewing summary - monthly, daily or by trade-level execution vs. by research amounts.
- Commission rules that vary by client, broker, market, trade type, etc.
- A matching engine that operates at multiple levels (daily, summary, sub-account, security, etc.) to find ideal match-up.

BENEFITS

- Provides management with the tools necessary to ensure that they are accurately reporting commission results to clients, management and regulators.
- Saves time, money and resources.
- Provides reliable CCA and CSA balances by broker.
- Simplifies an error-prone process, ensuring that it is done more frequently, more accurately and more robustly.
- Reduces delays in correcting errors in commission splits between the research and execution portions of a trade
- Tightens the relationship with a client’s broker.
- Improves process performance by maintaining statistics as to buy-side and sell-side reconciliation accuracy.
- Easily accessed through Cogent or in-house hosting via internet or intranet.
- Gives management the tools to make prudent spending and resource allocation decisions.

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