

## CLAIMS

What is claimed is:

1. A system for regulatory compliance comprising a self-updating transaction monitor that ensures real-time compliance with trading regulations.
2. A method to perform demand forecast in establishing a securities inventory plan to be used as a basis to gauge trade activities so not to exceed the reasonably expected near term demands from the bank's clients, customer, and counterparties as required by the Rule.
3. A trade filtering mechanism to block trade activities that violate regulatory requirements.
4. A trade filtering mechanism that tags permitted trade orders with the respective market making, underwriting, hedging and other exceptions to the Rule.

## SUMMARY

Embodiments of the present invention relate to systems and methods that evaluate financial activities in real-time for regulatory compliance, including but not limited to compliance with the Volcker Rule and related regulations, including the exceptions thereto. In particular, embodiments of the present invention will dynamically decipher the intent of the trade stream and utilized advanced analytics to determine RENTD (reasonable expected near-term demand) forecast. The trades are processed and analyzed against the RENTD forecast and other stochastic and deterministic factors using a rule-based scoring model to evaluate if trade activities are permissible and/or qualify for exceptions under the Rule.

Also, embodiments of the present invention combine manual oversight from risk and compliance professionals with machine learning algorithms to implement an iterative complex event monitoring system that recognizes potentially inappropriate trade patterns and dynamically updates and improves the rule-based scoring model. Trade activities in violation of regulatory requirements are blocked, alerted and escalated via a designated workflow system.

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