

Global Language Solutions Offers Tips for Financial Translation Success

For many global public companies, filing their documents with various U.S. regulatory organizations means taking the forms and information from the source language and translating them to and from English. As such, the translation of financial and legal documents for internal audits (i.e. Sarbanes-Oxley Act of 2002), U.S. Securities and Exchange Commission (SEC) filings, or forms and documents to meet the requirements of the Gramm-Leach-Bliley Act of 1999, calls for the use of a highly specialized language service provider familiar with the industry and its regulations.

GLS offers the following suggestions and resources for using financial translation services:

1. **Stay informed.** Financial translation providers must stay current with the latest regulations and laws affecting the global financial services industry. In addition, they should routinely monitor SEC and NASD regulatory compliance alerts.
2. **Industry expertise.** In the translation services industry, there are translators with specific areas of expertise - just as there are specialists in the medical, legal, and corporate sectors. Look for a team of experienced financial translators who specializes in the accurate interpretation of legal terminology between languages and diverse business cultures. Public companies with international operations require highly specialized legal and financial document translation services to perfect and accelerate their audits processes, the results of which should considerably enhance their continued compliance with stringent SEC requirements.
3. **Rapid turnaround.** Most translation providers are not going to say that they pride themselves in slow turnaround. In addition to a translation firm's pledge for quick and accurate turnaround, pay close attention to the project management system and quality control mechanisms in place. Look for a clear sense of understanding of the challenges facing audit professionals in obtaining fast and accurate translations of foreign financial documents to meet the rigid requirements of the Sarbanes-Oxley Act of 2002. This will become even more important as foreign companies listed on U.S. exchanges look to meet the Sarbanes-Oxley Section 404 filing deadline of July 15, 2006.
4. **Attention to detail.** You are responsible for the accuracy of the documents you file – not your translation firm. For example, NASD Rule 3010 requires members to establish and maintain supervisory systems to ensure that the activities of their registered representatives and associated persons (in this case the translation firm) comply with applicable laws and regulations. In order to meet these standards, the broker or dealer must take steps necessary to ensure that the translation of its presentation is accurate, regardless of whether it or its client provided the translator. According to the NASD, the broker or dealer should make sure the translator is qualified, either by receiving such assurances from the client if it hires the translator, or by investigating the translator's qualifications itself.

Therefore, work with a provider that has multiple internal checks and balances in place, such as back translation and project management processes, to guarantee accuracy and completeness in the translation of the documents.

5. **Code of ethics.** Financial translation professionals require uniform ethical standards that will both guide and protect the translator in the course of his or her duties as well as uphold the standards of the profession as a whole. NASD Rule 2110 requires members to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. It also directs that the activities of their registered representatives and associated persons (in this case the translation firm) comply with applicable laws and regulations. Determining if you're working with an ethical translation company is not an exact science, but it can be based on a combination of checking its references and processes as well as its industry reputation.
6. **Translation memory (TM) tools.** TM software analyzes repetitive text in the source documents and then queries a translation memory database to identify previously translated segments. Because there is a lot of repetition in various financial documents (such as 10-Ks, 10-Qs, etc.), TM tools ensure consistency of terminology, expedite future revisions, and reduce translation costs. These tools should not be confused with machine translation (MT) software, which is unusable for translation of most financial and legal documents.
7. **Turn to professionals.** Financial translation providers that meet the above requirements can aid companies with international operations in perfecting and accelerating their audit processes. Added Olga Smirnova, CEO of Global Language Solutions, "Our firm's financial translation specialists considerably enhance our global clients' continued compliance with stringent SEC requirements. GLS has the attention to detail and understanding of confidentiality and privacy laws as they relate to filings and audits required to serve as an expert in the financial translation space."

For more information...

A wide range of global organizations turn to GLS for the translation of financial documents such as annual reports, financial statements, audit reports, policy documents, shareholder communications, public offering prospectuses, fact sheets, and press releases. To find out more about our financial translation services, please contact GLS at +1-949-798-1400 or tipsheets@globallanguages.com.

References:

<http://www.nasd.com>

<http://www.sec.gov>