



MiFID

Current framework

Impact of MiFID II regulation

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MiFID Compliance

What is MiFID?

MiFID is a European legislation that applies to the financial sector (banks, insurance companies, asset managers, brokers).

The two main aims of MiFID are to increase investor's protection and to improve financial markets efficiency. It encompasses several topics and, in Belgium, they have been split in 14 subtopics.

You are facing ...

- » *new rules for trading in financial instruments*
- » *more pressure on client protection, transparency, formalization of procedures, competition and market fragmentation*
- » *significant risks regarding financial instruments operations*
- » *a close watch of your company that includes inspections by the prudential authorities*

Your stakes

To be MiFID compliant includes to:

- Have a methodology to assess the experience, knowledge, financial situation and objectives of clients in order to determine the services and products you can offer them.
- Perform suitability and appropriateness tests on the basis of client's information
- Optimize clients information, communication and complaints management (quality, medium, extent, specificities, reports, ...).
- Apply procedures to maintain clients data up-to-date and monitor process and yearly evaluation.
- Ensure and monitor prompt, accurate and fair treatment of client orders with respect of any specific rule and/or procedure.
- Comply with best execution rules according to financial institution and client categories.
- Identify, prevent and manage any conflict of interests.
- Formalize rules about personal transactions, exchange of confidential information, forbidden activities, ...
- Safeguard client's assets and records retention.

Anticipate the impact of the MiFID II regulation on your organisation and activities considering that it will bring a wave of changes for markets and market participants.

Anticipate or reply adequately to the requests raised by prudential authorities expectations.

Our offering

- Supporting the achievement of good MiFID application within your company tailored in function of the size and the nature of activities.
- Performing a pragmatic check of compliance with MiFID regulation oriented to key issues based on a risk-oriented activity analysis and our experience in the field.
- Move forward with MiFID II and advise you with this new framework.

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... and are operating in the following industries:

- » *Asset management and securities services*
- » *Brokerage securities*
- » *Corporate and investment banking*
- » *Private banking*
- » *Retail banking and other financial services*
- » *Insurance*

- Looking for the strengths and weaknesses in the MiFID regulation relevant to your company and focus on realistic actions keeping in mind to be already compliant with MiFID II.
- Aiming for results that can easily be understood with efficient tools and providing you with a clear view on the problems we identified.
- Providing you with a score based overview of the company's current state of MiFID compliance and estimate it for the next MiFID II regulation.
- Making clear, well-grounded and tailored recommendations on improving the companies' MiFID I & II household and achieving a better score.
- Assistance in the preparation of the MiFID cartography.
- Assistance in the preparation of a compliant customer profiling questionnaire. Our experience shows us that some professionals are facing difficulties to be fully compliant to the FSMA recommendations.
- Providing you with expert assistance, if required, on implementing our recommendations in the company and assist you with all practical questions that might rise.

MiFID II

MiFID II was adopted on June 2014 at the European level and must be generally transposed within Member States before **3 January 2017**. The changes which MiFID II brings are likely to have a widespread impact across firms and their businesses.

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An overview of the key considerations

MiFID II aims to improve investor's protection in the financial markets by introducing new concepts and making the regulations introduced through MiFID I more stringent:

- > Banning third party inducement in respect of discretionary portfolio management and when "independent" advice is given to client.
- > Stricter regulations on suitability testing: MiFID II limits the scope of products that are allowed for execution-only transactions to non-complex financial instruments.
- > Strengthening of the rules when investment advice is provided: Concept of dependent & independent advice. It will be required to explain how the advice fits the customer's expectations. It will be necessary to communicate on the permanent nature (or not) of the suitability testing and explain in the recommendations whether the advice is given based on the overall market or not.
- > Enhancing information provided to clients about complex products.
- > Stricter governance rules for the financial services provider. For instance, diversity of the governing body and the role of the compliance if new products are launched.

More robust and efficient market's structure:

- > Introduction of a new trading venue (platform) for the order's execution (Organized Trading Facilities - OTF).

Technological innovations are taking into account:

- > Implementation of security measures for the high-frequency trading undertaking algorithmic activities.

Transparency increase:

- > Broadening the declarations obligations to non-equity instrument.

Member States are given more power:

- > Regulators will have the power to ban products / services when they are a threat to investor's protection or to the integrity of the markets or to the financial stability.

Mazars support

Thanks to our experience acquired in MiFID regulation, Mazars is the right partner to help you. Our team is committed to support the achievement of a good MiFID application within your company and a good preparation of MiFID II regulation (deadline Q1/2017). We can help you identify the strengths and weaknesses of the MiFID regulation applied within your company and check whether your company complies with future MiFID II regulation.

Mazars is an international, independent and integrated organization specialising in audit, accountancy, advisory, tax and legal services. All Mazars' team members share the same obsession with technical excellence and a common determination to go beyond existing technical and ethical standards. The Mazars' Belgian MiFID team consists of a mix of experienced company advisors and auditors, all who have robust experience of corporate issues. At Mazars, we know how a company works, what a company needs and how to make sure we can deliver what you need in a pragmatic and professional manner with a **focus on results and solutions you can rely on.**

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws

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