

MiFID 2 – The last of the Big Ones

CGI has been at the forefront of Regulatory Reporting initiatives since 2005 working with the then FSA to provide a managed service ready for MiFID 1. We are now helping clients meet the challenge of implementing MiFID 2/MiFIR, which itself is the catalyst for change in Regulatory Reporting technology and systems through its onerous transparency requirements.

MiFID 2 represents the last of the big ones in terms of post 2008 financial crisis reform. As Mark Carney stated in his closing speech to the Bank of England Open Forum in November 2015:

“I’ll add a very clear message on behalf of those of us on the regulatory side to the bankers in the room and those watching from outside: there is no Basel IV. There is no other big wave of capital regulation coming.”

We see the key challenges that banks face in implementing MiFID as:

- Meeting the rescheduled implementation date of 3rd January 2018. The delay of 1 year was primarily driven by the need for both regulators and banks to address the complex array of technology and data issues
- MiFID 2 is pure cost to banks. It is essential to drive costs down or take them out so that key financial metrics are not adversely impacted
- MiFID 2 is a complex transformational exercise for a bank. It is enterprise wide impacting systems, processes, data, technology and people
- Skilled resource is already in short supply and this problem is only going to intensify.

CGI is uniquely placed to help your organisation meet the challenges of implementing of MiFID 2 through our experience in:

- Delivering complex technology enabled Regulatory projects
- Managing MiFID 2 Project work streams using proven methodologies
- Reducing the cost of service delivery
- Augmenting client project teams with skilled and experienced risk and regulatory resource from a global resource pool.



GARTNER ANALYST

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“CGI has an opportunity to do something different in its offering for Regulatory Reporting. Focusing on an ability to deliver cognitive repeatable functions which can be automated and reduce costs is going to be of real interest and benefit to clients. CGI can build on a strong outsourcing reputation in known areas of collections, credit unions (CU) & FX payments.

This requires working with new partners who might extend expertise in areas such as intelligence-based technologies. CGI has many strengths that can play well in Financial Services Regulatory Reporting in the future to deliver it as a Utility and a new source of value add to its clients.”

Our methodology includes:

- Focused workshops
- Impact and Risk Analysis
- Technology and Data impact Assessment
- Gap Analysis

Key value-add deliverables include business cases and gap analyses/heat maps for areas requiring priority attention in a MiFID 2 project. The methodology and work streams are set out below.

MiFID2 Area	Monitor	Alert	Remedy	Report
Market Abuse	√	√	√	X
Commodity Derivatives	√	√	√	√
Algo/High Frequency Trading (HFT)	√	√	√	√
Market Structure	√	√	√	√
Regulatory Reporting	TTR360	TTR360	TTR360	TTR360

MiFID 2 Work streams

Details of the work streams are set out below.

Market Abuse

- Incident monitoring and alerts
- Remediation of identified issues
- Internal management reporting
- Data Management and Controls

Commodity Derivatives

- Reporting (external and internal)
- Internal management reporting and alerts
- Impact assessments

Algo/High Frequency Trading (HFT)

- Compatibility with existing requirements
- Incident monitoring and alerts
- Reporting (external and internal)
- Remediation

Market Structure
(For Managed Trading Facility (MTF), Organised Trading Facility (OTF) or Systematic Internaliser (SI) requirements)

- Monitor trading activity against Regulatory Requirements
- Internal Management Reporting and Alerts
- Impact Assessment for Market Structure rules where approached/breached.

Regulatory Reporting for MiFID 2

- Implementation support (including CGI's TTR360 solution)
- Data Systems Analysis, mapping & Testing
- Business case and Business Requirements definition

CGI MiFID 2 client case studies include:

- Identifying the data source gaps and potential sources for 65 data items required for transaction reporting
- Producing a project plan of key activities up to go live in January 2018
- Recommendations for improving data governance including data stewardship
- Leverage from other project activity such as EMIR.

We are committed to the success of our clients in achieving an efficient and successful go live.

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