

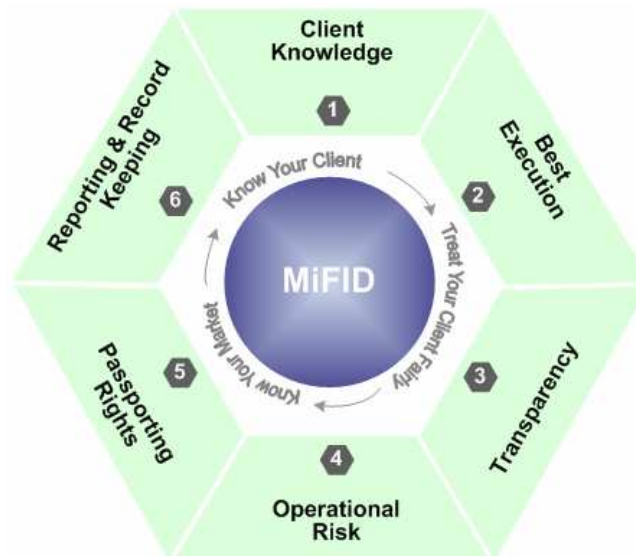
Financial Service Compliance - MiFID

Overview

The financial services industry is undergoing significant changes with respect to legislative and regulatory compliance. With emerging regulations such as MiFID in Europe and Regulation NMS in the US, financial institutions are faced with increasing local, national and international compliance requirements. These demand formalized processes for managing and auditing business critical information, and comprehensive data management and infrastructure technologies to help meet those requirements.

The MiFID compliance directive focuses on three primary themes; those of “know your customer, treating customers fairly and know your market”. Each of these areas has the potential to introduce requirements for change in multiple parts of an organization.

ThruPoint has developed the Hexagon approach that categorizes the impact of MiFID compliance into six key areas:



1. **Client Knowledge:** Improve knowledge of clients by capturing additional information for suitability assessment and client classification. Requirement for the development of standardized processes for the acquisition of customers.
2. **Best Execution:** Ensure likelihood of best execution and settlement obligations to provide the best deal for the client through reduction in transaction costs and variables such as speed, volume, and other factors. Ability to demonstrate and report on best execution for any specific trade.

3. **Transparency:** Make public the pre- and post-trade information including communication of costs, price calculation, regardless of trading market places. Provide equal visibility to all prices and execute on the best price.
4. **Operational Risk:** Reduce and manage operational risk by improvement of internal systems and processes, and management of business continuity and conflicts of interest. Ability to regularly monitor business operations and demonstrate the control and management of operational risk.
5. **Passporting Rights:** MiFID simplifies the operation of a single passport across multiple EU countries for investment activities.
6. **Monitoring & Reporting:** Develop surveillance systems, maintain detailed history of customer quotes and trades and incorporate ability to report on and demonstrate compliance.

Our MiFID compliance assessment solution helps financial institutions understand the process and technology impacts of the MiFID regulations, and utilize IT as an enabler for compliance across all business units.

Capabilities

We help our clients overcome the challenges introduced by new compliance regulations. New regulations generally impact many areas of an organization, these can be captured within ThruPoint's three service stream areas:

- Infrastructure** - the supporting technologies that encompass the underlying network transport, communications, storage, computing platforms and facilities.
- Organization and Process** - the people, policies, procedures and tools that form the operational model to provision, administer, monitor, manage and maintain business operations.
- Applications** - the software tools and programs with which end users interact with each other, with other applications and with partners to conduct and document business activities.

Benefits

A number of business benefits can be attributed to the ThruPoint Financial Services Compliance solution as follows:

- Help organizations understand the impact of MiFID compliance on their operational processes and infrastructure technologies
- Identification of areas of improvement and enhanced control to support current and future requirements

- Prioritize findings and develop recommendations with cost estimates

Approach

ThruPoint has a five-step consulting methodology designed to provide a rigorous framework for solving client's problems. We will engage with clients at any point of the lifecycle, and operate in a variety of roles from advisory through hands-on engineering services and global program management.

Our Financial Services Compliance solution is a strategic assessment exercise based on the ThruPoint Hexagon and includes the following activities:

- Qualify business drivers and goals
- Identify key stakeholders and conduct interviews and workshops
- Collect additional data via documentation review and questionnaires
- Analyze collected data and map to business objectives
- Develop list of prioritized and grouped findings
- Document high-level recommendation

Deliverables

The ultimate objective of ThruPoint's Financial Services Compliance solution encompasses identification and remediation of areas of exposure that an organization has to compliance requirements. Milestones within the solution are documented and referenced via the following deliverables:

- Compliance Infrastructure Assessment Report** – Description of findings and recommendations of compliance impacts on infrastructure technology and process
- Technical Architecture Report** – Comprehensive specification of the elements and interfaces required to deliver and support the required compliance capabilities
- Migration Plan** – Top-down strategy for technology change, recommended schedule for deployments and repeatable work plans for areas identified
- Implementation Plan** – Detailed task inventory, supporting schedules and check lists for installation; testing plans and tools recommendations
- Organization and Support Model** – Recommendations for realignment or enhancement of organizational and procedural components