

FiSer Regulatory Roadmap – MIFID II

| Regulation | Details | Key elements and impacts |
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| MIFID II (Markets in Financial Instruments Directive) | <p>Conduct of business: MiFID II will see additional and reinforced powers of supervision, coordinated with the European Securities and Markets Authority (ESMA). Interventions will be permitted on both a pre-execution basis, in relation to product development, and post-execution basis, in relation to sales, with wider general powers to oversee governance processes and to intervene where deemed necessary.</p> <p>Organisational requirements: MiFID II will further emphasise the importance of market participants compliance, audit and risk management functions, particularly as they relate to the production and marketing of new financial instruments, reporting and conflicts of interest.</p> <p>Governance is a further focus, with MiFID II seeking to establish more robust requirements for management functions based on, e.g. qualification and overarching principles of prudent management to promote the interests of clients and the integrity of the financial markets. The real effect of MiFID II will be felt heavily by back office teams.</p> | <p>Enhanced investor protection</p> <p>Stricter governance requirements and more accountability on Senior Management</p> <p>Product intervention & strengthened supervision with stricter sanctions</p> <p>Harmonised regime for third country firms</p> <p>Extended market transparency and transaction reporting</p> |