



JPSA MiFID Update Aug 2006

The European Commission has welcomed the European Securities Committee's (ESC) (unanimous) approval of a series of technical measures implementing the Markets in Financial Instruments Directive (MiFID), which follows a strong endorsement from the European Parliament, on 15 June 2006. The Commission is likely to give its final approval in September 2006. MiFID is one of the cornerstones of the Financial Services Action Plan (FSAP) and will play a vital role in creating a robust, common regulatory framework for Europe's securities markets. MiFID is already acting as a catalyst for significant market changes: exchanges, multilateral trading facilities (MTFs) and investment firms are positioning themselves in anticipation of the much more competitive conditions which it will create. JPSA has been tracking MiFID for over 18 months now and have invested heavily in the in depth research required to fully understand the implications and opportunities brought about by its introduction. Our MiFID Team is made up of a unique mixture of Director level associates with first class experience in IT, Front Office, Compliance, Operations, Accounting, Client Service and Project Management delivery.

This investment from JPSA shows how important we see this for Financial Companies in the next 1 – 2 years. The EC agree as Internal Market Commissioner Charlie McCreevy said: "MiFID is a ground-breaking piece of legislation. It will transform the landscape for the trading of securities and introduce much needed competition and efficiency. It is good news for investors because it will both increase their level of protection and give them greater choice. It should drive down the cost of capital, generate growth and boost our competitiveness. Once the European Parliament has finalized its formal work, we must move quickly and robustly to ensure equivalent and effective implementation by November 2007. All firms in the business should now prepare".

MiFID will remove obstacles to firms' use of the EU-wide investment 'passport', foster competition and a level playing field between Europe's trading venues, and ensure a high level of protection for investors across Europe. JPSA have recognized the importance of complying with the new rules but have also worked hard to ensure the opportunities for Firms brought about by the new rules are also fully realized. Our preparation work and the tools we have built to help Firms tackle this issue are carefully weighted to ensure new opportunities are realized to create increased profits whilst getting the basics right in terms of compliance. Our Team have worked in 7 of the EU member states so our response takes into account the pan European aspect based on real experience.

Now that the draft measures have been examined by the Parliament and voted on in the ESC, the Parliament has a period to check that the limits set in the level 1 Directive have been respected, before the measures are finally adopted by the Commission, probably in September 2006. Member States will subsequently have until 31 January 2007 to implement the legislation, with firms being required to comply with the entire package of measures on 1 November 2007.

Each one of the Team has understood the detail and created a blue print for success in their area of expertise. The Team have created a questionnaire that brings every element of the Directive and its requirements together and forms an excellent platform for discussion. We strongly believe that using this questionnaire will ensure that a Company considers the legislation from all important angles and formulates it's response in a controlled and cost effective manner.

We know some companies have begun their MiFID response projects and others are waiting for more detail. Whatever your current status we look forward to the chance to come in and discuss the Directive in more detail. Every company will have a slightly different approach to the Directive so JPSA have set themselves up to offer a variety of support from arms length consultancy and research, programme or project management, MiFID skilled resources in IT, Operations, Front Office Business Management, Outsourcing or Compliance through to complete governance of the MiFID process.