

PIB service for HSBC Trinkaus & Burkhardt

Fully integrated solution, offering clients real added value

SIX Financial Information implemented a solution for the automatic generation of Product Information Bulletins (PIBs) at HSBC Trinkaus & Burkhardt. The PIB service benefits the client by covering a large amount of data for its advisory universe, while also fully complying with current statutory requirements.



The legal obligations placed on customer advisory services in Germany have risen sharply in the past few years because of the negative experiences of many private investors. Since 1 July 2011, all investment services providers have been legally obliged to give their investment advisory clients PIBs and key investor documents (KIDs) when advising them on investment funds. Whereas the issuer has to produce KIDs, it falls to the investment advisor to produce PIBs. The aim of these legal requirements – which European developments are anticipated – is to explain financial instruments clearly and transparently to private investors, including the risks and opportunities. In addition, the standardized representation of different financial products intends to facilitate comparisons.

A challenge for financial institutions

Financial institutions often underestimate the amount of work necessary in order to produce information sheets and documents that comply with the law. Producing a compliant PIB for every financial instrument, and keeping them updated, is a huge administrative burden that the banks themselves find difficult to handle. Complex products present particular difficulties. The standardization of documents that is required to ensure that different financial products can be compared is a further problem, as is the high degree of precision with which the investor must be informed of the costs and charges incurred by a transaction.

PIB service from SIX Financial Information

The commercial bank HSBC Trinkaus & Burkhardt – part of the HSBC Group and has seven branches in Germany – also faced new challenges in connection with the obligations imposed by the statutory regulations. The considerable administrative burden prompted HSBC to seek an external solution to generate and prepare the necessary PIBs. This offered greater security during advisory discussions while also bringing significant savings in time and costs. The bank needed a provider which could not only supply a solution that fulfilled the legal requirements, but also offered access to an extensive universe of financial data including reference data, corporate actions, and price and market data.

HSBC chose SIX Financial Information's PIB service. "The high level of coverage of our advisory universe, in addition to full compliance with the current statutory obligations, was a decisive factor when we made our choice," commented Karsten Tripp, Head of Private Banking for high-net-worth individuals at HSBC Trinkaus & Burkhardt. SIX Financial Information offers PIBs for up to 5 million financial instruments and 110 asset classes. SIX Financial Information obtains the financial data directly in real-time from over 1500 sources worldwide, covering all major international venues.



Benefiting from a customized service

SIX Financial Information adapted and enhanced its PIB service to the individual requirements of HSBC in a project that took just three months. Relevant text elements were agreed with technical and legal specialists, and the reference data interface was configured and installed at the Dusseldorf site. The client now benefits from a fully integrated asset management service via a web-based interface and is thus able to fully comply with regulatory requirements. A subsequent project to generate factsheets for other advisory departments of the bank has already been implemented. Further projects are expected to follow.

Added value for HSBC's clients

Generating product information is not simply a statutory duty for HSBC, it is also a recognized marketing opportunity. "We use the capacity to integrate end-of-day prices for the recommended security, detailed scenario analysis using price data (including actual redemption amounts), the calculation of key data (maximum return, loss threshold, etc.) and the integration

of factsheets as a marketing feature that makes us stand out from the competition. We can also use PIBs from the original issuers," says Karsten Tripp. "Implementing this solution not only allows us to meet new formal legal requirements, but also enables us to offer our clients real added value."

The benefits:

- Fulfillment of legal obligations
- Future-proofing thanks to continuous development (e.g. PRIP)
- PIBs for over 5 million financial instruments (including derivatives, OTC instruments etc.)
- Fast, cost-effective integration into the bank's own portals and external systems
- Incorporation of in-house requirements (e.g. corporate identity)
- Consideration of the institution's own financial instruments



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Karsten Tripp, Head of Private Banking for high-net-worth individuals at HSBC Trinkaus & Burkhardt

For more information, please contact your local SIX Financial Information office and a representative will be happy to assist you.

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