



Compliance: Markets in Financial Instruments Directive (MiFID).

With increasingly complex international directives and regulations, the financial industry faces unprecedented challenges in compliance. To help ease that burden, SIX Financial Information provides comprehensive, high-quality, data and value-added services - including specialized data to support regulatory analysis and reporting.

Regulatory Environment

To improve competitiveness of the European Union's financial markets, the Markets in Financial Instruments Directive (MiFID) was adopted by the European Parliament and Council of the European Union in April 2004. The directive creates a single, transparent financial market that provides a high degree of investor protection through cooperation in four main areas:

- Market efficiency (in terms of competition and transparency in trading)
- Investor protection
- Harmonization of business rules
- Cooperation among regulators

The framework was enacted into national law in November 2007 by the 28 member states of the European Economic Area (EEA) as well as by Iceland, Liechtenstein and Norway. Although MiFID does not directly affect non-EEA member countries such as Switzerland and the United States, possible implications for financial institutions must be analyzed.

MiFID regulations are evolving, with MiFID II coming into effect in January, 2017 and more to come in the future.

Impact of MiFID

MiFID has a substantial impact on the financial landscape throughout Europe. It enforces organizational and operational changes in the financial services industry. It directly affects financial advisers who handle client financial investments or who trade with customers in EU countries.

SIX Financial Information's MiFID Support

SIX Financial Information is committed to providing complete support for compliance with regulations such as MiFID, and we offer comprehensive data and services to help you fulfill analysis and reporting requirements.

Specifics of our data offering are below, but it is important to note that both our structured and encoded data support automated processing, which, when combined with a flexible and customized interface will truly support your unique workflows and will facilitate complete and timely compliance.

Expertise

SIX Financial Information's only business is collecting, normalizing, structuring and delivering information relevant to trading and processing of global financial instruments. To ensure that we are able to support our client's data needs, we actively participate in industry bodies such as ANNA (Association of National Numbering Agencies) and FISD (Financial Information Services Division of the Software and Information Industry Association), and we participate in various ISO working groups and regulatory expert groups.

We also make it our business to keep up-to-date with official announcements (e.g., from ESMA, the European Securities and Market Authority, or other official bodies) so that we can incorporate and implement them into our service releases.

Key Benefits:

- Knowing which data is relevant for MiFID compliance: instrument classifications, best trading venue, liquid shares, etc.
- Consistent and reliable data as the basis for your analysis and reporting.
- Keeping up-to-date on all relevant MiFID regulations.
- Assurance that our experts interpret the regulations, clarifying with regulators, authorities and exchanges as needed.

Data Support for MiFID

SIX Financial Information's services include a wealth of data relevant to MiFID fiduciary and reporting obligations, including:

MiFID complex / noncomplex instruments

Investment advisors need to know the classification of financial instruments as complex or non-complex under MiFID in order to fulfill their obligations to their customers, and SIX delivers this indication.

MiFID reportable instruments

Shares traded on regulated markets are reportable under MiFID, but since not all instruments are in this category, SIX flags those that are in-scope.

Best Trading Venue

SIX Financial Information's services include a wealth of data relevant to MiFID fiduciary and reporting obligations, including:

Shares admitted to trading on regulated market

Similar to the MiFID-reportable instruments, we indicate if an instrument is admitted to trading on a regulated market and provide additional listing data where available.

MiFID liquid share

The list of shares classified as "liquid" under MiFID is subject to change over time, so SIX monitors and updates our database accordingly.

Classification of trading venues

MiFID describes Regulated Markets and Systematic Internalizers, both of which SIX recognizes and identifies in our database.

Product groups, market segments & trading times

SIX provides information on product groups, market segments and trading times for each market segment on the relevant exchanges.

Competent Authority

In order to facilitate MiFID reporting to the appropriate supervisory body, SIX has incorporated support for identifying the relevant Competent Authority.

Specific MiFID data per country

Where practices in individual countries diverge from the standard, SIX provides the information you need. For example, asset-backed securities are classified as non-complex in Denmark, and we mark these securities accordingly.

Market and Reference Data

SIX Financial Information offers MiFID-relevant market data (both pre- and post-trade) in frequencies ranging from streaming real-time or delayed to intraday snapshots or end-of-day files.

Our comprehensive, structured reference data is accessible through a variety of file interfaces at intervals as short as 15 minutes.

Additional Tools for Compliance & Risk

SIX Financial Information offers additional data and analysis services that can provide additional support to compliance officers and risk managers. Among these are:

PIB/KID and PRIIP

For compliance with investor protection regulations, SIX offers our PIB (Produkts Informationsblatt) in Germany and the KID (Key Information Document) globally, both of which contain information related to instrument characteristics, investment risks and, if required, the related transaction costs/fees.

With PRIIP (Packaged Retail and Insurance-based Investment Products), SIX provides the documents required in order to comply with the relevant investor protection regulatory requirements.

ImpaQt

With our partner SwissQuant, SIX Financial Information offers an on-demand suitability and portfolio risk management system. Powered by the millions of global securities in the SIX database, ImpaQt provides quantitative analysis of client portfolios, allowing wealth managers to run health, suitability and risk checks swiftly and without sensitive customer information ever leaving the firm.

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

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