

BizAgi+

Solve MiFID problems quickly and easily with BizAgi:

PRE Automated Client Order Handling Process with PwC to achieve compliance with the standard in a short period of time and have the flexibility to evolve with the standard in the long term.

Challenge and Objectives of MiFID

MiFID

All the European Organizations involved in trading financial instruments and their products (Investment Banking, Portfolio Managers, Stock Brokers, Financial Corporations, Futures and Options Firms and some Commodities) are dealing with the challenge of adapting to all the MiFID – Market in Financial Instruments Directive – requirements before November 1, 2007.

If your organization is in this group, you are being faced with the important decision of tackling MiFID as if it were just another project to implement the standard in your organization, or on the contrary, as a business challenge that will enable you to take advantage of all the business opportunities provided by the integration and modernization of the market of financial instruments in Europe.

MiFID is going to make financial institutions manage and supervise their business more closely, with a higher level of information retention, visibility and integration than current practices, impacting core business processes and transactions.

The greater impact that the regulation is going to have on investment organizations lies in their day-to-day interaction with the client. It is a substantial change in process execution, considering that most investment firms currently perform business transactions off the books and lack the systems and technologies that enable the administration of client information and the business transactions carried out with it.

Under this new structure, organizations have to provide clients with better service, where, based on client knowledge (financial information, suitability, experience, etc.), they can inform clients transparently, in real time, and based on the standard's risk principles, the products or services that an investment firm can offer.

In order to achieve a more competitive, more profitable market for the clients of financial products and services in Europe, MiFID requires services to meet the following requirements:


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- ✓ Client categorization in accordance with their knowledge and experience on the market.
- ✓ Business consultancy for the clients based on their classification (Retailers, Professionals and Counterparts).
- ✓ Ensure client knowledge: Their financial information, experience on the market, business transactions performed, etc.
- ✓ Based on client knowledge, assess their advisability and suitability to offer certain products and services.
- ✓ Provide information to the client in real time regarding service and product options that can be taken in accordance with his/her profile.
- ✓ Certify client consent and acceptance as regards the services or products offered and, if applicable, register the products taken and not offered under the client's responsibility.
- ✓ Process execution ensuring information management for business transactions performed over the last 5 years.
- ✓ Visibility and transparency for auditors and supervisors regarding the status and execution of the business transactions performed, ensuring that the standards and rules have been fulfilled..

Most organizations are racing against the clock and the solutions they have assessed do not offer a process structure that will enable them to comply with the standard in the short as well as the long term, and at the same time provide them with simple, transparent integration with other systems in the organization, keeping the client's information updated throughout the company's transactional process.

How to Support MiFID in Record Time with the Most Flexibility

It is clear that for MiFID, organizations have to make a significant automation effort (execution on the books would not provide the efficiency and productivity necessary to support the standard). In order to make a decision, organizations must bear in mind the following, among others: the deadline for compliance (November 1, 2007), associated costs, the organizational change involved and the tool's flexibility to support the evolution of the standard in the long term, and rapid connection to other systems.

Under this context and with the guidance of PriceWaterHouse, BizAgⁱ® has developed a ready-made financial solution to automate the client order handling process of MiFID products and services. This pre-fabricated BPM solution (Knowledge Module "link") is designed to provide your company with:

- ✓ Better Client Service: Based on client knowledge and process execution, our solution will enable you to provide modernized, efficient business service capable of dealing with the consolidation and competitiveness involved in the integration of the market of financial instruments in Europe.
- ✓ Compliance with the Standard in Record-time: Being a prefabricated solution based on MiFID specifications and the business consultancy process for organizations in the market of financial instruments, your company will have the solution to manage and support said process in the shortest period of time.
- ✓ Maximum Flexibility in the Integration with other Systems in Your Organization: Most client information that has to be handled and modified to comply with the MiFID is currently in different types of systems, such as CRM's, money laundering control systems or Excel worksheets. These systems have to give and receive data from the business consultancy process quickly in order to update client information continuously. As a BPM, BizAgi provides a flexible architecture that, by means of technologies such as SOA, Virtualization or Data Replication, enables you to provide the highest agility and transparency by integrating with these systems.
- ✓ The Best Cost-Benefit Ratio: Since it is run under a process schema in a BPM as BizAgi, your organization will ensure maximum agility when making changes that support the evolution of the standard. This factor will also increase the use of opportunities that arise from the integration and modernization of the market, increasing benefits and reducing associated costs. Our Knowledge Modules enable short-term implementations with a high cost-benefit ratio.
- ✓ Real time management and administration of client knowledge and the business transactions carried out by the client: Our Knowledge Module of Client Order Handling in MiFID is all on line, enabling the effective administration, governability and monitoring of the entire operation.

Making the best use of all the advantages of the MiFID client order handling solution in BizAgi®, your organization will have the chance to tackle MiFID problems with the following characteristics:

- ✓ Request for 1-n services: according to the unit and customer classification.
- ✓ Request for 1-n products: according to the services requested, the unit, and the customer classification.
- ✓ Flexible decision to administer the test: according to the services selected, the complexity of the products selected, the customer classification, and whether previously approved tests are still valid. Real time creation of client tests (questions) to generate the knowledge base that will enable you to perform MiFID-based processes.
- ✓ Waiving the test at the customer's responsibility and risk.

- ✓ Certification of the veracity of the test data.
- ✓ Evaluation of services for the customer: according to the combination of the service/product and the characteristics of the customer.
- ✓ Approval of the execution-only conditions.
- ✓ Withdrawal of the request based on failure to accept the execution-only conditions.
- ✓ Withdrawal of the request by initiative of the customer or by the banking entity at any point of the process.
- ✓ Client pre-classification and categorization by means of quick and easy connection with CRM or other systems, using concepts such as SOA, Virtualization and Data Replication.
- ✓ Possibility to classify clients based on the criteria put forward by MiFID.
- ✓ Agile and effective administration, categorization and modification of all MiFID products and services, providing flexibility to make changes that support the evolution of the products and the standard.
- ✓ Traceability, visibility and control (third-generation solution) of all business transactions performed, including queries regarding cases, state of consultancy, products or services that have been suggested and tests conducted.
- ✓ Ease of integration with other systems (legacy systems) to receive and/or provide client information, documents, etc., enabling administration and control of the situation of the process based on a single solution.
- ✓ Online creation of reports (in real time) associated with business data, such as status of the business transaction, products requested or tests conducted, in order to monitor and improve the processes continuously.
- ✓ Cost reduction, improvement in efficiency and increased productivity by means of an automatic process that enables the agile alignment of people and information with the business consultancy process indicated by the standard.

BizAgi is the solution that will enable you to balance the cost associated with these adaptation processes, because it will provide your organization with a platform to evolve with the standard and support new standards, consolidating a company that is ready and prepared to execute better processes in an integrated, modernized market of financial products and services in Europe.