

## MiFID II:

# A Comprehensive Change to Finance Regulation

Arriving in 2018, MiFID II expanded the scope of the original harmonised standard for investment services across the European Economic Area - creating additional complexity and data handling requirements for financial markets.

## What do firms need to know about **MiFID II**?

**Coming into force in January 2018, MiFID II is a wide-ranging piece of EU legislation designed to provide greater transparency across financial markets, standardise disclosures and protect investors. It is an updated version of the original MiFID directive that has been in place since 2007, and expands the scope of regulation on financial instruments.**

MiFID II covers markets such as equities, fixed income commodities, currencies, futures, exchange-traded products and retail derivatives. This means it affects everyone, from banks and fund managers to exchanges and trading venues. It also has a wide impact on business functions within these firms.

Where the original directive had a narrow focus on stocks, MiFID II covers almost every asset and profession within the EU financial services industry. The term is also a byword for the Markets in Financial Instruments Regulation (MiFIR), the accompanying standards and rules that firms have to follow.



## What are the challenges of complying with **MiFID II**?

**Put simply, MiFID II increases the complexity firms face in achieving compliance - especially with regards to data handling and reporting. The expanded scope of the directive introduces its rules to a huge range of products and assets that were not previously covered.**

MiFID II is also part of a wider regulatory push to move trading away from outdated, phone-based processes to electronic venues that feature improved surveillance and audit functionality. It is a change that has created massive volumes of data - all of which firms need to be able to process at speed and store for a minimum of five years.

This has caused firms to rethink their processes, with many existing systems rapidly becoming no longer fit for purpose.



## How Millennium Consulting can help with **MiFID II**

**The move to MiFID II has not only generated huge volumes of data across Europe's financial markets; it has also significantly increased the number of software applications firms use to achieve compliance with the updated rules.**

Millennium Consulting works in partnership with vendors such as Aptitude Software, Legerity and Informatica to implement technologies like 'extract, transform and load' (ETL) tools and Rules Engines. These simplify data storage and enable rapid processing to help firms meet their MiFID II requirements and future-proof their processes for further regulatory changes.

Contact us to find out more about how we can help you deliver MiFID II compliance:  
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