



ARMED WITH A DEEP KNOWLEDGE OF REGULATORY REQUIREMENTS, ONE CONSULTANCY IS HELPING THE FINANCIAL SERVICES INDUSTRY TAKE A MORE STRATEGIC APPROACH TO MIFID COMPLIANCE.

MAKING SENSE OF MiFID

RESPONDING TO MIFID

- Bring MiFID awareness to various stakeholders.
- Evaluate the processes and IT systems impacted through MiFID.
- Analyse the gaps in adherence to MiFID.
- Devise recommendations and a roadmap.

The Market in Financial Instruments Directive (MiFID) is a major part of the EU's Financial Services Action Plan (FSAP), which is set to replace the existing Investment Services Directive (ISD). The main objectives of MiFID are to ensure investor protection and market transparency, with a view to promoting a single vibrant and transparent pan-European market for financial services. MiFID is expected to be in force by the beginning of November 2007.

The impending deadlines, the uncertainty surrounding MiFID and the high cost projected by consultants caused the CIO of one investment bank considerable anxiety. To dispel the myths surrounding MiFID and to evaluate its impact on his bank, he commissioned Tata Consultancy Services (TCS) in January 2006.

A comprehensive solution

Drawing on its extensive knowledge of regulatory requirements and investment banks, and through intensive research on MiFID Level 1 and Level 2, TCS came up with a methodology for doing the impact assessment.

The assessment covered capital markets and private client services, with emphasis on equity cash instruments, to identify business operations and IT systems that are impacted and the gaps in their capabilities. TCS used a five-step approach for the assessment:

- Assessment of current EU/UK operations
- Understanding the strategy for EU operations
- High-level impact assessment of business and IT systems
- Identification of gaps
- Outlining various options to minimise impact

TCS used its trademark collaborative approach of working with the key stakeholders from business,

operations and IT, so as to focus on the following areas, which are impacted most by MiFID:

- Market transparency
- Conduct of business
- Client management
- Operations
- Internal compliance

Delivering value

TCS delivered value by outlining a strategy for complying with MiFID in a manner that would reap maximum benefits for the bank's business. This was done by TCS through methodologically identifying areas where optimal investments would lead to reduced operational costs and increased revenues, as well as identifying the areas where early compliance would create a valuable competitive advantage.

The organisational impact assessment report, remediation steps and roadmap delivered by TCS has led to the formation of business groups and operational work-streams to address MiFID, positioning the bank to take full strategic advantage. As this engagement illustrates, TCS is an excellent strategic partner to assist a bank in complying with regulatory requirements. FBA

COMPANY PROFILE

Tata Consultancy Services Limited (TCS) is a leading IT consulting, services, business process outsourcing and engineering services organisation. With over 70,000 of the world's best-trained IT consultants located in 35 countries, TCS is uniquely positioned to deliver its services seamlessly to any location. The company reported consolidated revenues of \$2.97bn in the fiscal year 2005/06.

With extensive experience in developing solutions for the banking and financial services industry, TCS works with global blue-chip investment banks, retail banking institutions, stock exchanges, depositories, custodial services, brokerage firms, rating agencies and money markets.

TCS designs, implements and manages highly effective business and technology environments for enterprises in the banking and financial services industry, providing value through improved processes and efficiencies, reduced costs, rationalised application portfolios and mitigation of risks. www.uk-tcs.com