



# EFFECTIVE TRANSACTION REPORTING UNDER MiFIR

As the cornerstone of EU capital markets regulation, MiFID II and MiFIR, which went live in 3 January 2018, significantly changed the way European securities markets operate. The revamped MiFIR Transaction Reporting rules, with a greater number of fields and increased scope of reporting, have brought increased complexity into an area that many firms were already finding difficult. Duff & Phelps' detailed knowledge of MiFIR Transaction Reporting and our extensive experience of helping clients in this area, means we can guide you safely through the challenges this regulation presents.

## BE CONFIDENT THAT YOU ARE COMPLIANT

The increasing focus by regulators on the completeness and accuracy of a Firm's transaction reports, as part of the regulators' efforts to combat market abuse, makes this a key element of the regulatory framework.

The regulators have invested significantly in their own technological capabilities, to be able to conduct effective market surveillance using transaction reports. They are therefore becoming increasingly less tolerant of firms that do not have the appropriate controls in place to ensure the quality of their reporting.

Failure to meet the transaction reporting requirements can lead to significant financial penalties, timely and costly back reporting projects, regulatory scrutiny as well as reputational damage for both the firm and its responsible individuals, particularly in light of the implementation of the UK Senior Managers and Certification Regime.

## ABOUT OUR TRANSACTION REPORTING TEAM

Backed by our multi-disciplined, specialist Markets team, Duff & Phelps is renowned as the leading advisor in MiFIR transaction reporting for providing practical and proportionate solutions for firms.

The team has extensive prior relevant experience working at the FCA, including: over 25 years of combined experience working within the FCA's Transaction Monitoring Unit (now the 'Markets Reporting Team') which includes a former Head of the TMU; a former Head of Department in the FCA's Market Policy & International Division with responsibility for the FCA's MiFID II Policy Project; and a recent hire from the FCA's Markets Reporting Team. The team also consists of expert industry practitioners and qualified audit staff who have broad experience of transaction reporting projects.

Our Markets team has helped a significant number of clients to build, develop and future-proof their transaction reporting arrangements over the last 11 years, including a wide range of investment banks, brokers, asset managers, trading venues, and Approved Reporting Mechanisms (ARMs).

*"I have been very impressed with the work undertaken by Duff & Phelps in helping us with a Transaction Reporting review. The knowledge of the individuals we have worked with has been of a very high standard and they have quickly understood the complexities of our business and provided sound and pragmatic advice throughout the review."*

– Head of Compliance,  
Institutional Asset Manager

## HOW DUFF & PHELPS CAN SUPPORT YOU

We tailor our approach to the activities and processes of your organisation in order to provide assistance with all aspects of MiFIR transaction reporting, including:



### Scoping and Interpretation

- Identifying which activities and entities within your group are caught by the reporting obligations
- Conducting detailed MiFID II rule interpretation and impact analysis of how your firm is affected
- Identifying which financial instruments are in scope for reporting
- Providing advice on what constitutes a 'transaction' and 'execution' under MiFIR
- The applicability of the transmission of orders exemption



### Implementation Services

- Selection of the most appropriate Approved Reporting Mechanism (ARM) and the assistance with onboarding, integration, testing, documentation and process review
- Guiding you through the 65 fields required for transaction reporting
- Trade scenarios mapping across all systems and business lines and identifying how each scenario should be reported
- Development of a tailored and robust governance and control framework including future proofing



### Quality Assurance

- Front to back testing across all trading and reporting scenarios, highlighting errors, providing solutions and helping firms fix issues
- Reviewing and developing controls to maintain complete and accurate static data including counterparty, client, instrument, market and employee static data
- Development of comprehensive validation and reconciliation processes
- Review and enhancement of meaningful MI
- Assessing 2<sup>nd</sup> and 3<sup>rd</sup> line controls and improving standards



### Comprehensive Support

- Drafting of policies and procedures, business requirements documentation, reporting logic, validation and exception handling controls
- Delivery of generic or bespoke training
- Ongoing regulatory advice on transaction reporting
- Through a long standing, well established relationship with the FCA, we are in a unique position to help firms manage their relationship with the regulator, especially when firms come under the regulatory spotlight

## CONTACT

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### About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, disputes and investigations, cyber security, claims administration and regulatory issues. We work with clients across diverse sectors on matters of good governance and transparency. With Kroll, the leading global provider of risk solutions, and Prime Clerk, the leader in complex business services and claims administration, our firm has nearly 4,000 professionals in 25 countries around the world.

For more information, visit [www.duffandphelps.com](http://www.duffandphelps.com).

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