

MIFID II RECORDING REQUIREMENTS IN A NUTSHELL

WHAT DO YOU NEED TO RECORD AND SAVE?

- Voice Calls
- IM/SMS
- Emails
- Documents

SOME HIGHLIGHTS

The 'Markets in Financial Instruments Directive' (MiFID) is the framework of the European union (EU) legislation for investment intermediaries that provide services to clients around the shares, bonds, units in collective investment schemes and derivatives (collectively known as 'financial instruments') and the organized trading of financial instruments.

MiFID II goes further of previous regulations MiFID I, and requires that anyone involved in giving financial service and/or advice that leads to, or may lead to, a transaction, must record their conversation – including mobile – and securely store these records.

Financial service providers are expected to retain, capture and maintain all communication between sellers, buyers and investment mediators. Records will have to be kept for a minimum of 5 years. All records should be available and cannot be modified not deleted. All records should be kept even if they have not lead to a transaction.

SO, WHAT WILL YOU HAVE TO DO?

1. Record and store all communication
Storing all communication on a single server platform is best.
2. Quick access to records
Access to Mobile and desk phone calls
3. Maintain records for 5 years, at least
Store records securely



MOBILE RECORDING

So, you know how to record your office desk phones – you have probably done it for quite some time.

But, what about your mobile phones?

Option 1: 1st Generation - Recording on the device

With a device dependent recording solution – the entire recording responsibility is with the employee.

With the new regulations, organizations can no longer rely on these types of solutions. In fact, call recording on the device does not comply with the new regulations

Option 2: 2nd Generation - Recording by the operator

Operators based solutions are SIM related, and therefore provide call and text recording for a specific SIM with its one mobile number. With an operator based solution a business specific mobile device must be carried and used by the employee in addition to his/her personal devices. Such solutions are also quite expensive. On top of it, major privacy issues that conflict with privacy regulations are raised if the employee is using a single phone for both business and private use.

Option 3: 3rd Generation – CIS & Spikko recording

This solution adds a business GSM mobile number (identity) on the already existing device. It is the only solution that provides full compliance – yet enables the full separation of business and private calls/text on a single device. Full compliance of mobile call recording - with full privacy of the employee's private line.

*CIS, together with Spikko, has the ONLY converged solution
independent of any local operator.*

CIS'S CONVERGED SOLUTION

- Mobile & Desk phones recording solution including screen and SMS.
- All recordings are collected in one server.
- All recordings are viewed on one screen.
- Mobile recording on any device, SIM and operator
- Records are kept on premise, within your network.
- Total privacy. Only business calls are recorded
- Mobile number is owned (Not the device; Not the SIM) by the organization.
- Integration with the organization existing voice logger allows full regulation compliance

MIFID II REQUIREMENTS SUMMARY

Requirement	CIS's Compliance
Retain records for all services, activities and transactions	✓
Records should include those orders that were intended to result in a transaction, even if orders were cancelled	✓
Records should include desktop and Mobile conversations	✓
Enable reconstruction of order activity upon request from client or regulator.	✓

MIFID II DIRECTLY AFFECTS THE FOLLOWING FIRMS IN PARTICULAR:

(As per UK FCA, fca.org.uk)

- Banks
- Investment firms
- Recognized investment exchanges
- Prospective Data Reporting Service Providers
- Trustee firms
- Energy and oil market participants
- Firms conducting corporate finance business or stock lending activities
- Occupational pension scheme firms
- Firms conducting Lloyd's market activities
- Depositaries
- Investment companies with variable capital
- Undertakings for Collective Investment in Transferable Securities (UCITS)
- Alternative Investment Fund Managers (AIFM) qualifiers
- Service companies
- Authorized professional firms (APFs)

Note: *The MiFID II regulations is partially relating also to Third Countries Firms (TCF)*



Interested in getting more details of our quality solution, please contact us at www.crystalrs.com