

Blog Post – Friday 15th December 2017

Word on the Street. MiFID II really matters.

- or does it?

If one is based in North America, the answer to this question really depends on to whom you are talking to. It has been fascinating watching the journey to MiFID II compliance as it unfolds in the US. With the January 2018 deadline fast approaching, the attitudes and varying levels of urgency, when compared to the frenzied preparations in play in Europe, appear to be poles apart. Although MiFID II is a European driven initiative, the implications for all North American firms doing business in this important region, are not insignificant and could have far reaching consequences if they are 'ignored' or perceived to be not relevant. Over the last few months we have been involved in a number of conversations with US based financial firms about MiFID II and their differing states of (un)readiness – the findings have been interesting to say the least. All the companies have weighty interests in Europe through trading partners and customers which means they absolutely do have a legal obligation to comply with the new legislation – whether they like it or not.

There are US domiciled firms who are hell bent on meeting the MiFID II deadline, and definitely see this as providing a significant competitive advantage, firm in their belief that most European based clients would much prefer to do business with a company who can demonstrate compliance on day one, over those who cannot. Whilst only a few firms do not share the same sense of urgency, most of the others we met with have allocated massive resources to the program, but are reeling under the sheer scale and complexity of the task, reluctantly admitting they probably won't be able to meet the stated deadline. Whilst it is highly unlikely the regulators will take immediate action against those who have not made the leap to MiFID II compliance, word on the street is that it won't be long before they do. And to be fair to the regulators, it's not as if the MiFID II deadline is a horrible surprise we've all known about it since 2014 when the new rules and initial expected compliance date were first announced.

So, whilst some firms are completely tight lipped about progress, others are highly motivated and want to be seen to be compliant, with a small number of others taking the 'wait and see approach' confidently predicting the deadline will be extended yet again. Currently all bets are on, at least a six-month extension, possibly longer. Although one has to wonder, given the increasing influence of the regulators as a whole, whether this time, this confidence or as worst-case scenario complacency, maybe somewhat misplaced.

At the end of the day, the \$64,000 question has to be does MiFID II really matter to most North American firms? Only time will tell.

About MDX

MDX is the market leading provider of advanced Microsoft Excel solutions for the global trading community. Our highly flexible, bi-directional data connectivity, collaboration and distribution platform ensures all our users get the data they need, where and when they need it - on time, every time. These unique offerings have been created to enhance, and fully support, the needs of both Sell and Buy side financial firms, Trading Venues, Inter Dealer Brokers (IDBs) and Commodities and Energy firms. Our proven solutions, developed by the industry's leading experts in this field, are in daily use within some of the world's premier trading institutions. Clients include MarketAxess, 360T (part of Deutsche Bourse), TrailStone, Marex Spectron and CMC Markets among others. MDX Technology is privately owned. The Company is headquartered in London, with sales and customer support representation in all the major financial centres, either directly or via our trusted international partner network. For more information, go to - www.mdxtechnology.com.

--- END ---

For more information please contact:

Paul Watmough | paul.watmough@mdxtechnology.com | +44 (0) 7778 356657