MiFID II
Time for strategic business decisions

What is MiFID II about?
MiFID II combines a Directive (MiFID) and a Regulation (MiFIR).
Applicable from January 2017, MiFID II prohibits inducements for discretionary asset management and ‘independent’ advice, directly challenging business models and putting pressure on revenue of asset and wealth management. Moreover, MiFID II significantly enhances “operational” requirements of market structure, reporting and governance and also enhancing regulatory supervision.

Immediate concerns for market players

<table>
<thead>
<tr>
<th>Distributors</th>
<th>Fund Manager</th>
<th>Platform providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyse the revenue impact according to various scenarios and business model options</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Compare alternative remuneration models to compensate services to the clients</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Enhance product development strategy to respond to new distributors’ requirements</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Benchmark alternative positioning in the fund distribution landscape</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

It is the right time to plan your MiFID II strategy

- 22 May - ESMA Discussion Paper on technical standards
- 22 May - ESMA Consultation Paper on advice to Commission

12 June - Publication in Official Journal

2016

2017

- 31 January - Political agreement reached on MiFID II
- 2 July - Entry into force

2018

- ESMA consultation on technical standards
- January - ESMA delivers final technical advice on delegated acts to European Commission

2019

- July 2019 - ESMA delivers final technical standards

2020

- 3 July - National transposition deadline

2021

- January 2016 - Delegated acts to be published
- Q2 2016 - Technical standards enter into force

2022

- 3 January - New rules take effect, some transitional arrangements apply
Main impacts of MiFID II – with inducement ban being the far most impacting element

Deloitte Service offering – Top priorities

1. Awareness session combined with a 1-hour qualitative discussion of high level impacts.

2. P&L protection toolkit: support in shifting from a fee-based (retrocession) remuneration model to commissions charged to client for added value services, through workshops and analyses.

3. Operational impact assessment and roadmap to ensure efficient remediation efforts, considering efficiency opportunities with other regulations (e.g. EMIR).

Contacts

Simon Ramos
Partner - Strategy, Regulatory & Corporate Finance
+352 451 452 702
sramos@deloitte.lu

Sergio Venti
Director - Strategy, Regulatory & Corporate Finance
+352 451 452 626
sventi@deloitte.lu

Laurent Collet
Partner - Strategy Regulatory & Corporate Finance
+352 451 452 112
lacollet@deloitte.lu

Michael John Flynn
Director - Outsourced Solutions
+352 451 452 060
mjflynn@deloitte.lu

Julie van Cleemput
Director - Strategy, Regulatory & Corporate Finance
+352 451 452 989
jvanpleemput@deloitte.lu

Deloitte Luxembourg
560, rue de Neudorf
L-2220 Luxembourg
Tel: +352 451 451
Fax: +352 451 452 401
www.deloitte.lu

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 210,000 professionals are committed to becoming the standard of excellence.

In Luxembourg, Deloitte consists of more than 80 partners and about 1,700 employees. For over 60 years, Deloitte has delivered high added-value services to national and international clients. Our multidisciplinary teams consist of specialists from different sectors delivering harmonised quality services to our clients in their field.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© Deloitte General Services 2015