

MiFID – Consultancy and Support

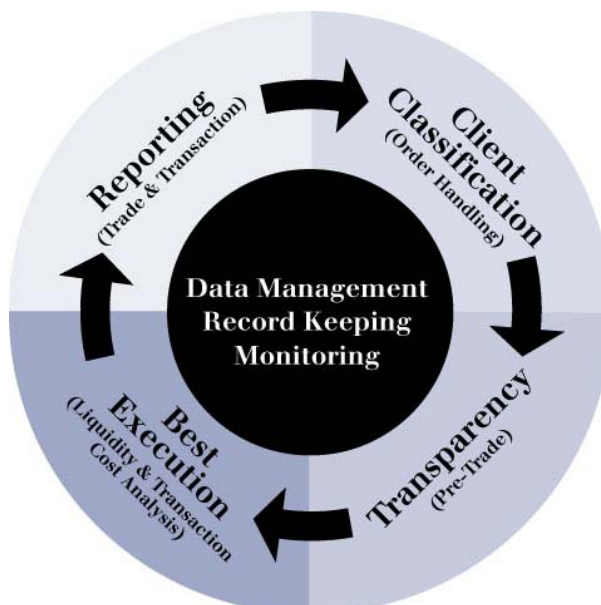
The MiFID challenge is not just integrating the regulations into business practice, but turning it to competitive advantage. Choosing a skilled professional to undertake this task is vital. Not only should they deliver excellent programme management and IT skills, but also a clear understanding of MiFID underpinned with an established industry presence. Hatstand has been delivering consultancy, development and support to the financial markets since 1999. In total, our clients and experience cover 30 firms in capital markets. We don't just meet the criteria; we exceed expectations.



3D-IT: Expertise in three dimensions

Understanding, implementing and supporting the changes required for MiFID is a complex task. Not only does it require a clear understanding of the requirements, but also the business experience and IT skills to achieve it. Hatstand deploy only senior consultants who have what we call our expertise in 3D-IT: that means not only superior technical skills, but also a deep understanding of the IT strategy underlying their use and in the business vision that informs the IT strategy.

Understanding the Trade Lifecycle ...



Data management, record keeping and monitoring are **pivotal** to the MiFID requirements.

From order handling to transaction cost analysis; from pre-trade reporting to post-trade analysis, **clear accurate record keeping and fast, efficient data retrieval** form the cornerstone of successful post-MiFID business.

Hatstand's **first-hand experience** in trade lifecycle analytics, design & implementation means we understand the **complex inter-relationship** of these elements. We underpin this knowledge with a clear understanding of the regulatory environment, a real appreciation of the business implications and the IT skills to support it.

We don't believe implementing MiFID should be onerous or costly. Our consultancy is objective and insightful; we translate the requirements into scaleable, achievable, best-practice solutions. We consolidate these with responsive, effective support. By understanding the broader context, **we manage risk effectively and control costs.**



MiFID – Consultancy and Support

... The task ahead

Client classification and order handling

... MiFID client classification means not only amending client documentation, but also business processes and trading systems, such as order management, order routing and execution. The enhancement and modification of front office systems can be complex and potentially costly.

- **Hatstand's business was founded upon electronic trading systems.**
- Our consultants have a combined experience of over 40 years' in **augmenting** trading capabilities for a wide range of proprietary and in-house, custom-built solutions, including developing and implementing links to new systems and resources in response to changing regulatory and market requirements.
- Hatstand has led system upgrade programmes to create and enhance management of order flow for DMA, algorithmic trading and program trading.
- Our **independence** gives clients access to a deep knowledge of trading systems and objective, best-practice advice at the most competitive cost.

Case study: Implementing client connectivity architecture: Hatstand was retained by Merrill Lynch (ML) to provide analysis, re-design, application integration and implementation skills to successfully migrate ML's client connectivity architecture from New York to the European environment. Hatstand implemented and supported all ML's clients connected to the systems and continues to provide a managed service solution for client connectivity.

Case study: System integration: Tokyo Mitsubishi International (TMI) commissioned Hatstand to review, recommend and implement a solution to provide interfaces between its trade execution and settlement systems. Utilising three specialist trading consultants over 96 days, Hatstand conducted a thorough business analysis, produced a technical specification for the agreed solution and managed the design, build and "go live" process for the project.

Best execution, monitoring and record-keeping

... Best execution and record keeping demands reliable, accurate data storage and fast, efficient retrieval. It requires specialist knowledge in data strategy, implementation and ongoing support.

- **Hatstand has detailed understanding of sourcing and publishing, managing and storing data.**
- We have developed techniques and tools to provide exception management capabilities and augment trading systems to meet MiFID compliance goals.

Case study: Static Reference Data Analysis: Hatstand was commissioned to conduct a detailed MiFID impact analysis on the static reference data for cash equity instruments for a major European investment bank. This analysis also involved an assessment of the implications of Systematic Internaliser status and options for sourcing reference data.



MiFID – Consultancy and Support

Pre and Post-Trade Transparency, End of Concentration Rules

... The increased flow of trade information generates a huge increase in the breadth and volume of market data. The integrity of trading systems and data connectivity must be rigorously tested and accurately documented by a specialist provider.

- **Hatstand is a specialist solution provider for exchange connectivity.**
- We have successfully introduced new trading venues to existing operational client-facing systems.
- Our extensive experience includes extending and improving client-facing DMA interfaces for Tier 1 investment banks, including implementation of FIX gateways for trade confirmation.
- We have developed exchange gateways for over 27 exchanges for cash equities and derivatives trading.

Case study: Documentation, Protocol and Market Adaptor Review: Building on successful development work at a major European investment bank, Hatstand was retained to formalise the client's protocols for the use of two internal trading system protocols. Taking account of the client's rapid development of exchange link connectivity, we responded with a recommended 'shopping list' of added value documentation. As well as the protocol definitions, this included a market adaptor framework and standardised test harness.

Transaction reporting

... All firms must ensure that processes and systems support the diversity and volume of instruments traded. Identifying, categorising and maintaining data integrity for prompt, efficient delivery to exchanges requires stringent analysis and skilled support.

- **Hatstand has developed a range of exchange-reporting interfaces with particular emphasis on credit derivative instruments.**
- We have built a number of exchange reporting interfaces to support Deutsche Bourse / LSE / Euronext, extracting trade information from a variety of trading and static data sources.

Case study: Business and Test Analysis: Hatstand provided programme management, business and test analysis directly to the DTCC TIW programme. We continue to be retained as providers of programme management services to one of the major European banks to assist them with the cross-departmental co-ordination of the DTCC TIW-related activities.





Regulatory/MiFID

MiFID – Consultancy and Support

A flexible approach ...

Hatstand's suite of MiFID services can be delivered as a full programme management service or as functional or technical resources.

STAGE 1:	STAGE 2:	STAGE 3:	STAGE 4:
Gap & Impact Analysis	System Selection & Implementation	Testing & Compliance Certification	Training & Support
SERVICES - offered as a full programme or as modular resources:			
Business analysis	Fast data feed handlers	System testing	User training
Risk Analysis	Compliant order management systems	Documentation	System management
Planning	Smart trading engines	Quality management	Service management planning
Business Process Re-engineering	Updated market infrastructures	MiFID Certification	System support
Business Continuity Planning	Enhanced CRM & client reporting systems	System & process audits	Business As Usual support

Why Hatstand?

Companies use Hatstand for consultancy, development, support or project management because they know they will gain improved performance, reduced risk and costs and the deployment of latest competitive best practice. Hatstand can deliver these benefits because of its depth of experience and expertise; its partnership approach towards clients; and its extremely cost-effective and flexible pricing structure.

Hatstand's clients include:



Contact Hatstand:

We would be happy to discuss how Hatstand can help you to achieve competitive advantage and reduce the risk of your MiFID programme.

Tel: 0845 094 5700

adam.bennett@hatstand-ltd.com