

(TEMPLATE) MiFID PROCEDURES MANUAL

PROCEDURES MANUAL IN RESPECT OF COMPLIANCE WITH THE MARKET IN FINANCIAL INSTRUMENTS DIRECTIVE (MiFID) REGULATIONS

**February 2010
VERSION 1.10**

NOTE – THIS TEMPLATE ‘CONTENTS’ FOR A MiFID PROCEDURES MANUAL INCLUDES MANY TOPICS WHICH A MiFID FIRM (UNDER S.I. 60 OF 2007) SHOULD CONSIDER AS A MINIMUM FOR ITS PROCEDURES MANUAL.

THE MiFID TEMPLATE PROCEDURES MANUAL DOES NOT INCORPORATE SPECIFIC (i) AML/CFT; (ii) DATA PROTECTION; (iii) CONSUMER PROTECTION CODE, POLICIES AND PROCEDURES. THESE TOPICS PLUS OTHER TOPICS CAN BE INCLUDED AT CLIENT’S REQUEST.

Other MiFID template compliance documents are also available on our website including:

1. MiFID Compliance Manual (Template for Contents)
2. MiFID Monitoring Programme (Template for Contents)
3. Anti-Money Laundering & Counter-Financing of Terrorism Policies, Procedures and Manual (MiFID & non-MiFID firms) (Template for Contents)
4. Data Protection Policies, Procedures & Manuals (MiFID & non-MiFID firms) (Template for Contents)

Please contact Compliance Ireland Regulatory Services Limited at email@complianceireland.com or telephone + 353 (0) 1 425 5962 for further information on this template manual and other compliance documents.

To see more compliance document templates return to www.complianceireland.com/compliancedocs.html (or www.complianceireland.com) and visit www.mifid.ie for more information on MiFID.

1	Introduction and objectives.....	
1.1	Welcome to the MiFID Procedures Manual.....	
1.2	Why do we need a manual?.....	
1.3	Who should use this manual?.....	
1.4	Do I have to implement all the procedures in this manual?.....	
1.5	How should the manual be used? How is it set out?.....	
1.6	Who is responsible for ensuring these procedures are followed?.....	
1.7	How often, and how, will the manual be updated?.....	
2	Requirement for authorisation	
2.1	Obligations	
2.2	Application to Financial Regulator for an authorisation to operate as an investment firm	
3	Scope of authorisation	
4	Regulatory Requirements.....	
4.1	Membership of an authorised Investor Compensation Scheme.....	
4.2	Organisational Requirements	
4.3	Ensuring Compliance	
4.4	Third Party outsourcing Policy.....	
4.5	Business Continuity Policy.....	
4.6	Outsourcing Policy.....	
4.7	Administrative and Accounting Procedures	
4.8	Risk Assessment and Management Function	
4.9	Custody & Control of Client Assets.....	
4.10	Internal audit function and senior management.....	
5	Complaints Procedure	
5.1	Obligations	
6	Conflict of Interest	
6.1	Policy.....	
6.2	Obligations	
6.3	Identifying a Conflict of Interest	
6.4	Written Conflicts of Interest Policy.....	
7	Insider Trading	
7.1	Definition of Insider Trading.....	
7.2	Obligations	
7.3	Enforcement and Awareness	
7.4	Non-Applicability.....	
7.5	Procedures	
7.6	Definition of market abuse	
8	Personal Transactions	
8.1	Prohibitions	

8.2	Investment Research.....
8.3	Authority for employees to deal
8.4	Clearance to Deal
8.5	Quarterly personal dealing report
8.6	Exceptions
8.7	Enforcement
9	Retention of records.....
9.1	Obligations
10	Conduct of Business Obligations when Providing Investment Services to Clients
10.1	Obligations
10.2	Suitability and Appropriateness.....
11	Electronic Communications
11.1	Obligations
12	Fees and Inducements.....
12.1	Obligations
13	Information for Clients and Potential Clients
13.1	Obligations
13.2	Accuracy.....
13.3	Comparisons.....
13.4	Past Performance
13.5	Simulated Past Performance.....
13.6	Future Performance
13.7	Tax Treatment
13.8	Use of Competent Authority Name
14	Information for Retail Clients, Professional Clients and Eligible Counterparties.....
14.1	Obligations
14.2	Categorisation of Clients
14.3	Provision of Information to Clients
14.4	Treatment of an Eligible Counterparty.....
14.5	Notification.....
15	General Information.....
15.1	Obligations
16	Information Regarding Portfolio Management
16.1	Obligations
16.2	Information to be Provided to a Retail Client on the Management of the Portfolio
17	Information about Nature and Risk of Financial Instruments
17.1	Obligations
17.2	Level of Description of Risks

18	Information about Financial Instruments subject to Public Offering – Retail Client
18.1	Obligations
18.2	Two or More Different Financial Instruments.....
19	Information about Financial Instrument with Guarantee by Third Party – Retail Client
19.1	Obligations
20	Information about Financial Instrument belonging to Retail Clients
20.1	Obligations
20.2	Held by Third Party – Retail Client.....
20.3	Held in Omnibus Account – Retail Client.....
21	Accounts Subject to Another Jurisdiction
21.1	Obligations
22	Accounts Subject to a Security Interest
22.1	Obligations
23	When MiFID Firm Enters into Certain Security Financing Transactions
23.1	Obligations
24	Information on Costs and Charges.....
24.1	Obligations
24.2	Total Price
24.3	Currency Conversion.....
24.4	Other Costs and Arrangement for Payment.....
24.5	Costs and Associated Charges of Collective Investment Undertakings
25	Assessment of Suitability and Appropriateness
25.1	Obligations
25.2	Retail Client.....
25.3	Professional Client
25.4	Financial Situation of Client.....
25.5	Type of Information Required in order to Assess Suitability and Appropriateness
25.6	Knowledge and Experience of Client.....
25.7	New Retail Client – Post MiFID Regulation
26	Transaction Reporting to Clients
26.1	Obligations
26.2	Provision of Information
26.3	Collective Investment Schemes.....
26.4	Tranches
26.5	Portfolio Management
26.6	Retail Clients and Periodic Statements.....
26.7	Statement of Financial Instruments or Funds
27	Best Execution - Obligation to execute orders on terms most favourable to the client.....

27.1	Obligations
27.2	Specific Instructions
27.3	Execution Venues
27.4	Prior Consent
27.5	Monitoring and Review
28	Client order handling
28.1	Obligations
28.2	Expeditious Execution
28.3	Conditions for Transactions on own Account
29	MiFID Firm to Act in Client's Best Interests
29.2	Obligations
29.3	Selection
29.4	Policy
30	Conduct of business obligations in more limited circumstances
30.1	Obligations
30.2	Third Country Market
31	Duty of MiFID Firm to provide reports and to record rights and obligations
31.1	Rights and Obligations
31.2	Reports
32	Sections 10 to 31 above are inapplicable to bundled financial products otherwise regulated
32.1	Obligations
33	Provision of services through the medium of another firm
33.1	Obligations
34	Critical and important operational functions
34.1	Obligations
35	MiFID Firm responsibilities respecting outsourcing to service provider
35.2	Obligations
35.3	Due Skill Care and Diligence
35.4	Supervision of the Outsourced Service Provider
35.5	Written Agreement
35.6	Financial Regulator Supervision
35.7	Third Country Service Provider
36	Tied Agency Arrangements
36.1	Obligations
36.2	Reporting to the Financial Regulator
37	Transactions executed with eligible counterparties
37.1	Obligations

38	Obligation to Uphold integrity of Markets, Report Transactions and Retain Records.....
38.1	Record Retention
38.2	Systematic Internaliser
38.3	Post-trade disclosure by MiFID Firm
39	Restrictions on Advertising
39.1	Obligations
39.2	Consequences of advertising contrary to the MiFID Regulations
39.3	Consequences of Advertising of Rights Conferred by a Financial Instrument.....
39.4	Exemption from restrictions on advertising
40	Safeguarding clients' rights relative to financial instruments
40.1	Definitions
40.2	Safeguarding of Clients Rights.....
41	Deposit of financial instruments and funds by investment firms.....
41.1	Policy.....
41.2	Obligations
41.3	Deposit Without Delay
42	Securities financing transactions
42.1	Obligations
42.2	Omnibus Accounts
	Appendix 1 - Terms of Reference for the Compliance Function.....
	Appendix 2 – MiFID Firm Compliance Policy Statement
	Appendix 3 – Personal Transactions Broker Authorisation.....
	Appendix 4- Personal Transactions Pre-Clearance.....
	Appendix 5 – List of Minimum Records.....
	Appendix 6 – Definition of Professional Client
	Appendix 7- List of Field for Reporting Purposes.....
	Appendix 8 – Client Letter
	Appendix 9 – Client Acknowledgment And Consent Letter.....
	Appendix 10 - Letter to the Industry from the Financial Regulator.....