

(TEMPLATE) MiFID RISK-BASED COMPLIANCE MONITORING PLAN

JULY 2008 - VERSION 1.00

*If you use this document, especially if you are a professional services firm (law firm, accounting firm or other consulting firm) training company or trade association, we expect that you will meet your professional and ethical requirements by acknowledging to your clients/colleagues **Compliance Ireland's** legal and moral rights to the material herein.*

Why not send us an email to email@complianceireland.com if you find this template useful. The more we hear, the more data we will make available on our site.

NOTE – THIS TEMPLATE ‘CONTENTS’ FOR A MiFID RISK-BASED COMPLIANCE MONITORING PLAN INCLUDES MANY TOPICS WHICH A MiFID FIRM (UNDER S.I. 60 OF 2007) SHOULD CONSIDER FOR INCLUSION IN ITS COMPLIANCE MONITORING PROGRAMME.

THE MiFID RISK-BASED COMPLIANCE MONITORING PLAN DOES NOT INCORPORATE SPECIFIC (i) AML/CFT; (ii) DATA PROTECTION; (iii) CONSUMER PROTECTION CODE, or (iv) CAPITAL REQUIREMENTS DIRECTIVE MONITORING OBJECTIVES OR TESTS. 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 Procedures Manual (Template for Contents)
2. MiFID Compliance Manual (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.

This document has been provided for information purposes only - under no circumstances will any liability be accepted for errors and omissions.

1 Scope of document

This risk based compliance management plan has been drafted for use in periodic reviews of the regulated investment service business activities of Compliance Ireland MiFID Services Limited (the “firm”).

The firm is authorised by the Financial Regulator under the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) (the “MiFID Regulations”) as an investment firm. It is authorised to provide certain investment services in certain investment instruments. It is not authorised to transact services other than those authorised. It is not authorised to trade in financial instruments other than those it has been authorised for, even for services for which it has been authorised.

The firm is also required to comply with the provisions of the Financial Regulator’s *Supplementary Supervisory Requirements* and the *Client Asset Requirements*.

MiFID Regulation 35(1) requires that investment firms must monitor and regularly evaluate the adequacy and effectiveness of -

- (a) their systems, internal control mechanisms and arrangements established, implemented or maintained, and
- (b) any other things for which the firms are responsible under the Regulations, and take appropriate measures to address any deficiencies.

MiFID Regulation 35 (2) requires that investment firms shall maintain a permanent and effective compliance function which operates independently and which has the following responsibilities:

- (a) to monitor and, on a regular basis, to assess the adequacy and effectiveness of the measures and procedures put in place in accordance with Regulation 34(4) (*i.e. minimise of failure to comply with the MiFID Regulations*), and the actions taken to address any deficiencies in the firm’s compliance with its obligations;
- (b) to advise and assist the relevant persons responsible for carrying out investment services and activities to comply with the firm’s obligations under these Regulations.

This latter obligation is what gives rise to this document, the Risk-based Compliance Monitoring Plan.

The risk based nature of the plan is designed to focus on those aspects of the firm’s activities most likely to give rise to risk concerns. The plan is not substantive in nature and is designed to be an integrated element of general corporate governance protocols, specifically providing a testing and feedback mechanism to the board

As a control and feedback mechanism, the plan is designed to be carried out periodically, with the majority of tests being performed quarterly.

The output from the compliance monitoring activities should take the form of a short report to the board of directors outlining the results of work undertaken and bringing to their attention any issues arising.

The report to the board should also set out any external factors, such as regulatory amendments or forthcoming legislation which might impact on the firm's regulated activities.

2 Quarterly Review Programme

2.1 Update of Corporate Activities

- 2.1.1 Discuss with management ...
- 2.1.2 Confirm that the firm continues to ...
- 2.1.3 Discuss with management whether there have been, and the Financial Regulator has been informed of:
 - (i) ...;
 - (ii) ...;
 - (iii) ...;
 - (iv) ...;
 - (v) ...;
 - (vi) ...;
 - (vii) ...;
 - (viii) ...;
 - (ix) ...;
 - (x) ...;
 - (xi) ...;
 - (xii) ...;
 - (xiii) ...;
 - (xiv) ...;
 - (xv) ...;
 - (xvi) ...;
 - (xvii) ...;
 - (xviii)
- 2.1.4 Obtain copies of ...
- 2.1.5 Obtain copy of Review and consider
- 2.1.6 Obtain copies of Review and consider
- 2.1.7 Obtain copies of Review and consider ...

2.1.8 Discuss Consider implications

2.1.9 Review, ensure correctly reported and classified Discuss Confirm....

2.1.10 Discuss with Review

2.2 Management Structure

2.2.1 Obtain Verify

2.2.2 Ensure

2.2.3 Obtain Verify

2.2.4 Confirm

2.3 Regulatory Returns

2.3.1 If the firm has had ..., ensure that

2.3.2 If the firm has held . ensure that

2.3.3 If the firm has had ..., ensure that ...

2.3.4 Ensure ...

2.3.5 If the firm has had ..., ensure that

2.3.6 If the firm has ..., ensure that

2.3.7 If the firm has ..., ensure that

2.3.8 Obtain a copy of ... and discuss .. with Document Investigate implementation of

2.4 Role of the Compliance Officer

2.4.1 Reconfirm with Confirm whether any such

2.5 Client Asset Requirements

2.5.1 Review a sample of Ensure that applicable ...:

- (i) ...
- (ii) ...
- (iii) ...
- (iv) ...; and
- (v) ...;

2.5.2 Review sample

- 2.5.3 Review sample
- 2.5.4 Ensure reconciliations are performed for
 - (i) ...;
 - (ii) ...;
 - (iii)
- 2.5.5 Ensure
- 2.5.6 Ensure
- 2.5.7 Review sample Confirm
- 2.5.8 Where ..., ensure that the firm has....
- 2.5.9 Ensure

2.6 Client file review

- 2.6.1 Review list of Select Review ...:
 - ...;
 - ...;
 - ...;
 - ...;
 - ...;
 - ...;
 - ...;
 - ...;
 - ...;
 - ...;
 - For retail clients ...;
 - ...;
 - ...

2.7 Dealing on behalf of customers

- 2.7.1 Review Ensure that
- 2.7.2 Select
 - Ensure that
 - Ensure that ...:

- (i);
- (ii) ...
- (iii) ...
- (iv)
- (v) ...
- (vi)
- (vii)
- (viii)
- (ix)
- (x)
- (xi)
- (xii)
- (xiii)
- (xiv)
- (xv)
- (xvi)
- (xvii)
- (xviii)
- (xix)
- (xx)

Ensure that ... and sequentially...,
Ensure that

2.8 Risk Management (Quarterly)

2.8.1 Review Consider Discuss Document ... Investigate ...

2.9 Internal audit (Quarterly)

2.9.1 Review Consider Discuss Document ... Investigate ...

2.10 Complaints Register

2.10.1 Review Ensure

2.10.2 Ensure ...

2.10.3 Select... Ensure ...

2.11 Market Abuse & Personal Transactions

2.11.1 Review Verify

2.11.2 Review Consider ...

2.11.3 Review Ensure

2.12 Miscellaneous

2.12.1 Discuss Consider

3 Annual Review Programme

3.1 Counterparty Review

3.1.1 Review Confirm....

3.2 Staff Training and Competence Assessment

3.2.1 Review

3.2.2 Review for completeness

3.2.3 Confirm that

3.2.4 Review

3.3 Business Resiliency

3.3.1 Review....

3.3.2 Review Discuss

3.4 Risk Management (Annual)

3.4.1 Confirm that

3.4.2 Review Consider implications of

3.5 Internal Audit (Annual)

3.5.1 Review Consider implications of

3.6 Best Execution

3.6.1 Ensure

3.6.2 Review and consider

3.6.3 Review Confirm

3.7 Outsourced Services

- 3.7.1 Discuss
- 3.7.2 Review ... and discuss
- 3.7.3 Confirm

3.8 Client Asset Requirements

- 3.8.1 Review

3.9 Tied Agents

- 3.9.1 Review Consider
- 3.9.2 Examine ... and discuss

3.10 Post Trade Disclosure

- 3.10.1 Where the firm is the market-facing entity and transactions are not being reported by another person, ensure that

3.11 Miscellaneous

- 3.11.1 Review Select ... and consider Consider

© Compliance Ireland Regulatory Services Limited 2008

This document has been provided for informational purposes only - under no circumstances will any liability be accepted for errors and omissions.