

Regulation	Description	Implications				Impact	Benefits once implemented
		Process/Controls	System	Data	Organisation		
Dodd Frank	<ul style="list-style-type: none"> •Current: NA •Future: create new financial regulatory processes to enforce transparency and accountability while implementing rules for consumer protection. 	<ul style="list-style-type: none"> •Consider updating Legal documentation across all parties to a trade. •Onboarding documents maybe completed to reflect user, execution and clearing agreements under Dodd-Frank. 	<ul style="list-style-type: none"> •Redesigning Swap Onboarding workflow systems to mirror the process of Onboarding for Futures & Options. 	<ul style="list-style-type: none"> •Existing client data to be cleansed to incorporate the new model. 	<ul style="list-style-type: none"> •Training implications and regulatory reporting. 	H	<ul style="list-style-type: none"> •Transparency
Volcker Rule	<ul style="list-style-type: none"> •Current: NA •Future: Ban on proprietary trading and certain relationships with private funds subject to a number of key exemptions or acquiring or retaining any equity, partnership, or other ownership interest in or sponsoring a hedge fund or a private equity fund 	<ul style="list-style-type: none"> •Onboarding process to be updated to include detailing whether a client is US/non-US, hedgefund or a private equity fund. 	<ul style="list-style-type: none"> •New identifiers need to clarify aforementioned details in all associated systems. 	<ul style="list-style-type: none"> •Existing client data to be cleansed and additional client categorisation added around as mentioned in Process/Controls. 	<ul style="list-style-type: none"> •Training implications and regulatory reporting 	H	<ul style="list-style-type: none"> •Ability to report easily clients which fall within this rule
Legal entity Identifier	<ul style="list-style-type: none"> •Current: NA •Future: Creation of a single, standard industry legal entity identifier resulting in every legal entity being represented by a unique identifier. •50% ownership will need to be established for the legal entity. 	<ul style="list-style-type: none"> •Adoption - Identify Onboarding and corporate actions processes and systems to incorporate the LEI. •Data Quality - The process of who is going to be responsible for the quality of the data held in the LEI may need to be determined. 	<ul style="list-style-type: none"> •New identifier need to incorporate LEI 	<ul style="list-style-type: none"> •Existing client data to be cleansed to incorporate the Legal Entity Identifier. 	<ul style="list-style-type: none"> •Training implications and regulatory reporting. 	H	<ul style="list-style-type: none"> •Operational improvements and efficiency savings. •Client service improvements, relationship building and cross selling. •Accurate reporting. Consistency across industry.
EMIR	<ul style="list-style-type: none"> •Current: NA •Future: Aims to increase transparency, reduce counterparty credit and operational risk. 	<ul style="list-style-type: none"> •Onboarding processes to be redesigned to mirror the Futures & Options Onboarding process. 	<ul style="list-style-type: none"> •OTC workflow tool to be reengineered to mirror that of Futures & Options workflow tool. 	<ul style="list-style-type: none"> •Current data to be cleansed and additional client categorisation added around CCP. 	<ul style="list-style-type: none"> •Training implications and regulatory reporting. 	H	<ul style="list-style-type: none"> •Transparency
FATCA	<ul style="list-style-type: none"> •Current: N/A •Future: US Government requirement for Banks to collect and report taxes for all US institutions with foreign earnings (Jan 2013). 	<ul style="list-style-type: none"> •Onboarding process to be updated to include; detailing whether a client is US/non-US, an Individual/Entity and/or a Financial Institution 	<ul style="list-style-type: none"> •New identifiers need to clarify aforementioned details in all associated systems 	<ul style="list-style-type: none"> •Current data to be cleansed and additional client categorisation added around as mentioned in Process/Controls. 	<ul style="list-style-type: none"> •Training implications. •Additional requirements for regulatory reporting teams. 	H	<ul style="list-style-type: none"> •Avoidance of incurring penalties. A 30 per cent with-holding tax on all US transactions made by the client. In addition, failing institutions would be liable for any tax not withheld, plus interest and fines.
MiFID II	<ul style="list-style-type: none"> •Current: MIFID I •Future: Aims to enhance the recommendations made by MIFID I. More specifically on Client categorisation. It places limits on the eligible counterparty status, abolishes the assumption that professional clients have necessary knowledge or experience. 	<ul style="list-style-type: none"> •To ensure existing client entities are properly categorised according to the new MiFID II categorisation. •Client categorisation checklist/assessment will need to be performed at the Onboarding stage with necessary approval. •A clear and stringent approval process for any entities which fall outside of the new requirements will need to be developed. •Checklist and approvals will need to be incorporated in the specific KYC/workflow tools. •Checklist and approvals incorporated in the KYC review process to ensure that client category has not changed for existing clients. Any exceptional entities which have fallen outside of the usual categories. 	<ul style="list-style-type: none"> •All Credit, Risk, Trading and Operational systems will need to be flagged with the specific client category to ensure they are correctly captured in reporting. 	<ul style="list-style-type: none"> •Current data to be cleansed and additional client categorisation added around new MiFID rules. 	<ul style="list-style-type: none"> •Training implications and regulatory reporting. 	M	<ul style="list-style-type: none"> •Assurance that the client is 'above board'.

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Basel III	<ul style="list-style-type: none"> •Current: Basel II capital requirements •Future: Basel III changes to capital ratios and rules around capital requirements (Jan 2016). 	<ul style="list-style-type: none"> •Covered by EMIR for CCP categorisation requirement. 	<ul style="list-style-type: none"> •Covered by EMIR for CCP categorisation requirement 	<ul style="list-style-type: none"> •Covered by EMIR for CCP categorisation requirement 	N/A	L	<ul style="list-style-type: none"> •Enhance banking sector's ability to absorb shocks arising from financial/economic stress, Improve risk management and governance. •Strengthened transparency and disclosures.
Client Data Confidentiality	<ul style="list-style-type: none"> •Current: <ul style="list-style-type: none"> •EU – Data Protection Directive •Switzerland – Swiss Federal Data Protection Act •Singapore – Data Protection Regime (due 2012 – no indication of specific legislation as yet however industry best practice advised) •US – No specific law regulating consumer data protection •UK – Data Protection Act Client data protection can vary depending on many factors (country of origin and legal agreement with the client) often making it complex to determine what the exact requirements are relating to distribution of and access to client data. 	<ul style="list-style-type: none"> •Documents collected at the Onboarding stage should be only for AML, Legal, Credit and some Operational purposes. 	<ul style="list-style-type: none"> •To look at the format information will be stored. •Develop confidentiality procedures to maintain data security-ensure there is a user level access and approval procedure in place. •Establish a retrieval system to access stored information-flags for any information which is not allowed to cross border. Backup or copy essential data 	<ul style="list-style-type: none"> •The process should include understanding the document's purpose during the Onboarding process 	<ul style="list-style-type: none"> •Training implications. •Ensuring the Onboarding staff understand and are trained in managing data. 	H	<ul style="list-style-type: none"> •Collecting and storing only the documents required in a systematic way. •Ensuring the Client's privacy with sufficient controls in place. •Avoidance of losing or having client data stolen, resulting in fines.