

## Inside

2. FTSE/APCIMS Indices  
EU Savings Tax Directive
3. Unit Trust Re-registrations:  
Fidelity's Funds Network  
Spanish Tax Form 210  
LSE Outage, 8 September 2008
4. Merrill Lynch RSP £5 Commission  
Charge  
Royal Dutch Shell Reserves  
Compensation  
Forthcoming Changes to the US  
Qualified Intermediary regime
5. FSA's Dear CEO letter on  
Remuneration policies
6. Pooled Client Monies
7. Integrated Regulatory Reporting  
("IRR")  
Firms wishing to hold the firm's  
assets in the form of gilts rather  
than cash  
CESR's MiFID supervisory  
briefings on conflicts of interest,  
inducements and best execution

## APCIMS Regional Meetings

London – Monday 3<sup>rd</sup> November

Leeds – Thursday 6<sup>th</sup> November

Guernsey – Tuesday 11<sup>th</sup> November

Jersey – Wednesday 12<sup>th</sup> November

Liverpool – Monday 17<sup>th</sup> November

Birmingham – Wednesday 26<sup>th</sup> November

Glasgow – Friday 5<sup>th</sup> December

## Are we getting APCIMS Update to all the right people?

APCIMS Update is despatched electronically to just under 1,200 email addresses, but we still get calls from some APCIMS members who are not receiving it.

Would you please check to ensure that all of the relevant people at your firm are receiving APCIMS Update, especially those working in Compliance.

If you have any additions, please email [amanda@apcims.co.uk](mailto:amanda@apcims.co.uk).

## APCIMS Annual Conference roundup

**THE APCIMS** Annual Conference is always a notable event in our community's calendar. This year's event in Venice on October 9 and 10 was probably more so than most. Two hundred and fifty delegates made the trip despite the market turmoil that was embracing the world.

During the week the FTSE 100 was in continuous free fall from the start of trading on the Monday and only halted with the close of the markets on Friday evening. Despite these un-fortuitous circumstances the event was a great success. The superhuman efforts of Lin and her team ensured that conference ran smoothly and the generous support of the sponsors meant that event was of the highest quality for which we are extremely grateful.

In the conference the LSE/Borsa Italiana and Euroclear kicked the morning session off with highly informative presentations on the services they will be offering APCIMS members. In the late morning Lord Kerr, a former Foreign Office Permanent Secretary, gave an extraordinary geopolitical analysis of the world we are in which complimented the afternoon sessions. Anatole Kaletsky, best known as a provocative Times columnist, cast US policy in general and Hank Paulson in particular as the villains of the market meltdown. Robin Griffiths brought a chartists sense of history to the events and making some thought provoking predictions on the future of the markets. Finally Dr Mark Mobius outlined the importance of the Asian markets and the growing role they play. I cut my concluding remarks to just a minute to bring John McFall MP and Michael Fallon MP, Chairman and Deputy Chairman of the House of Commons Treasury Select Committee, onto the platform for an impromptu bipartisan insight into the pressures politician are facing as a result of the crisis.

The conference dinner catered for 330 delegates and guests and was a fitting end to a memorable day.

Next year the conference will be in London.

Thank you for all those who came to the conference in such difficult circumstances and we look forward to welcoming all members to the 2009 event.

*David Bennett*

## FTSE/APCIMS Indices

**FTSE HAVE** informed APCIMS that the published values of the FTSE APCIMS Private Investor Index Series are to be recalculated and the index values reissued due to changes in values of the underlying indices.

The affected indices are:

- FTSE APCIMS Stock Market Growth Index
- FTSE APCIMS Stock Market Balanced Index
- FTSE APCIMS Stock Market Income Index

The restated values up to and including Oct 3rd 2008 along with the restated underlying index values can be obtained from FTSE.

If you have any questions please contact FTSE Client Services by phone on +44 (0)20 7866 1810 or at [info@ftse.com](mailto:info@ftse.com).

APCIMS is currently pressing FTSE for a full explanation on how this has occurred and assurances that it will not happen again. We will update members in due course.

*Jason Baxter*

## EU Savings Tax Directive

**AS REPORTED** in last month's *APCIMS* Update, on 15 September 2008 the European Commission published its report to the EU Council on the EU Savings Tax Directive (EUSD).

Whilst it appears that the Commission has dropped its proposal to extend the Directive to include exchange of information for dividends and capital gains, there are other proposals that could impact on UK paying agents. The main proposals are summarised below.

### Beneficial ownership

The Commission is concerned that individuals resident in the EU can circumvent the Directive by using an interposed legal person or arrangement established in a non-EU jurisdiction. (This may be subject to low or no taxation on interest income.)

In order to address this, the Commission recommends that paying agents use, when not "disproportionately burdensome", information already available to them about the actual beneficial owner(s) of a payment made to a legal person or an arrangement. By this the Commission has in mind the "customer due diligence" measures that financial institutions adopt in respect of Anti Money Laundering although the Commission recognises that these criteria are not always relevant.

A selective application of the "look through" approach could be considered for payments to specific categories of legal entities and arrangements established in targeted jurisdictions outside the EU, likely to be used for tax evasion by EU resident beneficial owners. One suggestion would be for a list of those jurisdictions and their relevant entities to be annexed to the Directive and for it to be updated as and when required.

### Definition of paying agent

Effectively the Commission is seeking to identify intermediate structures which have obligations to act as a "paying agent upon receipt" – effectively so-called "residual entities". A positive list covering the categories of entities and arrangements to be considered as "paying agents upon receipt" in each Member State would be annexed to the Directive, updated as and when required. This is unlikely to have any impact on the UK.

### Income included in the scope

The EUSD is essentially aimed at ensuring the reporting of or withholding on taxation of savings income in the form of interest. The Commission recognises that further refinements will be required in view of the evolution of savings products and of the behaviour of investors.

The Commission is particularly looking at Undertakings for Collective Investments in Transferable Securities (UCITS) and the fact that some "non-UCITS" are captured by the Directive whereas others are not. The Commission is considering amending the Directive to make use of the OECD definition of collective investment fund or scheme. The Commission also plans to extend the Directive to include benefits from life insurance contracts whose performance is linked to income

from debt claims or equivalent income. Such extensions to the Directive will only work in practice if paying agents are supplied with the relevant information from issuers via the data providers.

### Timing

It is not clear when the proposed changes to the Directive will be formalised and, ultimately, transposed into UK legislation but it is understood that the proposal for a revised Directive is in an advanced stage of preparation. APCIMS is part of the wider EUSD City Group which recently met with the UK Treasury to discuss the proposed changes in more detail and another meeting is scheduled before the end of the year.

APCIMS will provide further updates on the proposed changes to the EUSD as soon as more information is available.

*Andy Thompson*

## Unit Trust Re-registrations: Fidelity's Funds Network

**FURTHER TO** the article in the July *APCIMS Update* Fidelity has now confirmed that it is able to facilitate in specie transfers of non-wrapped holdings away from the Funds Network platform.

This will be an entirely manual process and in the absence of any Service Level Agreements with third parties regarding processing times, Fidelity is unable to give any guarantee on how long the process could take. Any delays would mean that the client is locked into their holdings until they settle in the account to which they are re-registered.

Fidelity Funds Network is not currently making a charge for re-registration of third party funds.

The contact at Fidelity is Carolyn Weir ([carolyn.weir@uk.fid-intl.com](mailto:carolyn.weir@uk.fid-intl.com)) and Carolyn has been asked to be notified in advance of any cases to be re-registered so that she can alert the processing team accordingly.

*Andy Thompson*

## Spanish Tax Form 210

**MEMBER FIRMS** may like to be reminded of the requirement to make a declaration to the Spanish tax authorities (by completing a Spanish 210 Tax Form) when selling Spanish shares for a profit. This has been most recently brought into focus by the acquisition of Alliance and Leicester by Banco Santander. Whilst residents in the UK for tax purposes will not have to pay tax to the Spanish authorities, failure to make a declaration and complete and return the form can result in a €100 fine rising to €200.

APCIMS has recently been advised of the following website ([www.spanishtaxforms.co.uk](http://www.spanishtaxforms.co.uk)) established by John Bosdet, formerly at Abbey Sharedealing. The site provides further information on this issue as well as a commercial offering to help comply with the requirement.

*Andy Thompson*

## LSE Outage, 8 September 2008

**THE APCIMS**/London Stock Exchange Strategy Working Group met on the 23<sup>rd</sup> October. Representatives from the LSE answered questions relating to the technical problem experienced on 8<sup>th</sup> September. The Exchange was keen to re-emphasise its deep regret at this incident and confirmed that the root cause had been identified and a fix implemented that same evening. The Exchange also thanked APCIMS and its member firms for their support during what was a difficult day for all market participants.

In future, the Strategy Group requested that the LSE put a short message on the front page of its website that could at least enable member firms to keep their own clients informed.

In response, the LSE said that a review of their incident communication process has been initiated and is being led by their most senior management. The objective is to improve the communication of both technical and business information, ensuring that it is both clear and accurate and is disseminated in a timely and readily accessible manner. The Exchange may look to build on the central roles

played by e-mailed Service Announcements and the purpose-built incident website ([www.londonstockexchange.com/incident\\_website](http://www.londonstockexchange.com/incident_website)).

*Andy Thompson*

## Merrill Lynch RSP £5 Commission Charge

**FRANK MAKAN** has written to clients (27 October) to say that Merrill Lynch has decided to postpone the introduction of the £5 commission charge on all its RSP trades which had been due to take effect from Monday 3 November 2008.

The letter states that the decision to postpone the start date is due to “business and system integration issues”. There is as yet no new date for the introduction of the commission charge and therefore RSP trading free of commission will continue to be offered until further notice. Frank has confirmed that Merrill Lynch will give clients adequate notice of their next decision.

*Andy Thompson*

## Royal Dutch Shell Reserves Compensation

**US Settlement:** those eligible and wishing to participate in the Securities and Exchange Commission’s Fair Fund settlement on behalf of all purchasers (regardless of where they are located), must fill out a claim form and submit it postmarked no later than 18 November 2008. Claim forms and other information are available on [www.shellsecsettlement.com](http://www.shellsecsettlement.com).

**Non-US Settlement:** the Amsterdam Court of Appeals has scheduled a hearing on 20 November 2008 regarding the petition to declare the Non-US Settlement Agreement concerning reserve-related claims binding.

If the court finds the settlement binding, then a claim form will be made available on the Claims Administrator’s website ([www.royaldutchshellsettlement.com](http://www.royaldutchshellsettlement.com)) and will be

sent to those who have provided the Claims Administrator with their address. If the Court finds the settlement binding, there will also be the option during a specific period to opt out of the settlement. Key dates and deadlines can be found at [www.royaldutchshellsettlement.com](http://www.royaldutchshellsettlement.com).

*Andy Thompson*

## Forthcoming Changes to the US Qualified Intermediary regime

**REPRESENTATIVES FROM** the US Internal Revenue Service (IRS) held a meeting with APCIMS and a representative group of its member firms on Wednesday, 15 October 2008. Chris Tragheim from Deloitte was also present.

The meeting coincided with the publication of the IRS announcement 2008-98 which proposes amendments to the QI Withholding Agreement and the Audit Guidance for External Auditors. The IRS is seeking comments by 28 February 2009.

The meeting was also used to discuss with the IRS whether, instead of getting clients to complete and return W8-BEN forms, firms could instead rely on a combination of the information gathered in the client account opening process coupled with AML electronic checks undertaken with third party providers.

### Draft Announcement 2008-98

The IRS stated that this announcement was the first of a series of releases over the next few months. Whilst no specific details were given on the other releases, it is hoped that one will allow W8-BEN forms to remain valid beyond the current 3 years subject to firms undertaking regular checks via a recognised electronic system such as those used for UK KYC and AML checks. Any changes identified as a result of these electronic checks would require a new W8-BEN to be completed. This change is not yet confirmed.

The main objective of the proposed changes in the draft announcement is to ensure an accurate assessment of risk. This will be achieved by:

- Requiring the QI to notify the IRS when it becomes aware of any material failure of internal controls - effectively “spontaneous communication” with the IRS. The IRS expects QIs to have specific employees responsible for the oversight of the QI’s performance.
- Amending the audit guidance so that at phase one of the audit certain accounts are tested for characteristics that suggest a US person has authority over the account.
- Requiring the external auditor to associate a US auditor with the audit and to require the US auditor to accept joint responsibility for the audit and to ensure proper application of the rules.
- The need to use a US audit firm would significantly increase costs. Could the specified audit firms under the QI Agreement not be exempt from having to use a US audit firm? The IRS had had issues with some of the bigger audit firms and it would be difficult where to draw the line.
- Problems with IRS’ internal administration. Hard copy examples were provided and the IRS agreed to investigate. It was noted that the IRS’ Philadelphia office was closing and all operations were to be located at Ogden, Utah which would hopefully improve administration. In future firms were encouraged to send details of any problems direct to Tom Chillemi ([Thomas.Chillemi@irs.gov](mailto:Thomas.Chillemi@irs.gov)).

The proposed changes would take effect from 31 December 2009.

Those present expressed a number of concerns to the IRS team with the QI regime as follows:

- The QI regime remained essentially a regime to identify US taxpayers. The vast majority of the clients of UK firms were non-US taxpayers and therefore the regime was a major cost. The current proposals did nothing to alleviate the cost and burden of the QI regime. A recent example quoted was the demerger from Cadbury Schweppes of Dr Pepper which left 600 clients of one firm effectively holding US stock and therefore caught by the QI regime by default. Electronic verification rather than W8-BEN forms would solve this (see below).
- The ongoing difficulty in identifying which stocks were US-tax liable and which were not. Some data vendors reported that, for example, General Electric Eurobonds were liable whilst others did not. The IRS was sympathetic to this but could not help.
- There were data protection implications of allowing a US audit firm access to client data.

### Electronic verification

Member firms highlighted the ongoing problems of getting UK customers to complete and return W8-BEN forms. An alternative would be to allow firms to rely on a combination of the information gathered in the account opening process (required under the Markets in Financial Instruments Directive (MiFID)) cross-checked with one of the third party providers used by firms for Anti-Money Laundering checks. The AML checks could be done every 3 years and if those checks revealed a significant change of circumstances for the client, more up to date information could be requested from the client.

APCIMS will be responding to Announcement 2008-98 and also plans to provide the IRS with a short paper on the electronic verification issue.

*Andy Thompson*

### FSA’s Dear CEO letter on Remuneration policies

**THE LETTER** highlights FSA’s requirement for firms’ Boards to evidence they have appropriate remuneration schemes. The annex to the letter sets out the criteria for ‘good’ and ‘bad’ remuneration policies and FSA expect firms to use it as a benchmark for an internal review. Unsurprisingly

FSA encourages firms to evidence they are moving towards good practices and avoiding bad practices as highlighted by FSA. To read the letter click on: [http://www.fsa.gov.uk/pubs/ceo/ceo\\_letter\\_13oct08.pdf](http://www.fsa.gov.uk/pubs/ceo/ceo_letter_13oct08.pdf).

*Kate Hudson*

## Pooled Client Monies

**WE SET** out below a copy of an email we sent to all firms' main contacts on 6<sup>th</sup> October 2008.

TO ALL FIRMS' CONTACTS

**Please note this email is for guidance only and should not be regarded as formal legal advice to be relied upon by firms. Firms may wish to seek their own legal advice in respect of their specific client banking arrangements.**

Dear Colleagues

We have had a number of enquiries from members regarding clients' monies in pooled accounts and the scope of the compensation scheme. Following discussions with the Financial Services Compensation Scheme ("FSCS") we set out below our understanding of the position. How FSCS views any claim in respect of monies held in "pooled" accounts will depend upon precisely what the arrangement is. Deposits held in some form of "pooled" arrangement may be protected by FSCS in respect of each individual client up to the FSCS limit of £35,000 provided that they do not fall within the definition of a "non-nominative deposit" (that is, a deposit made without disclosing the depositor's identity) which would be excluded (COMP 5.3.1(2)(d)).

FSCS determines claims on a case by case basis in light of the information available, so they would need to understand the specific arrangements in question before being able to take a firm view. In order to avoid falling within the definition of a non-nominative deposit, and in order to fall within the protection afforded by COMP 5.3.1, there needs to be a direct link between the ultimate beneficiary of the account and the deposit taker itself (the "relevant person" under the rules). A claim, for

FSCS's purposes, is defined in the glossary to the FSA's Handbook as a "valid claim made in respect of a civil liability owed by a relevant person to the claimant". The issue therefore comes down to whether or not the deposit taker owes the ultimate beneficiary a civil liability.

Notwithstanding the above, there are 2 specific carve-outs, which are protected by FSCS. These relate to arrangements where (i) the firm in whose account the monies are held is a bare trustee or nominee company; and (ii) the accounts in question are client accounts or similar.

In particular, COMP 12.6.2R states that "if a claimant has a claim as a bare trustee or nominee company for one or more beneficiaries, the FSCS must treat the beneficiary or beneficiaries as having the claim, and not the claimant". Therefore, underlying beneficiaries, if eligible under our rules, will be protected under COMP 12.6.2R and be treated as they themselves having the claim on the FSCS.

Additionally, COMP 12.6.7R states that "Where a person A is entitled (whether as trustee or otherwise) to a deposit made out of a clients' or other similar account containing money to which one or more persons are entitled, the FSCS must treat each of those other persons, and not A, as entitled to the part of the deposit that corresponds to the proportion of the money in the account to which the other person is entitled." As such, money held in clients' accounts or other similar accounts where the client can be identified (by the account holder), will be treated as if it belonged to the underlying client and not the person who made the deposit.

Given the manner in which most firms operate their Pooled Client accounts, we believe the underlying beneficiaries/the clients will each be protected by FSCS (subject to the usual eligibility rules) up to the limit of £35,000.

*Ian Cornwall*

## Integrated Regulatory Reporting (“IRR”)

**THE LATEST** issue flagged to us by a firm relates to PII insurance. Most APCIMS firms are subject to the capital requirements directive and for the majority of firms there is no requirement to hold PII insurance. The current schedule in GABRIEL “Section E: PII Self Certification” fails to recognize this issue and implies PII is required for all firms. FSA’s response to our query is detailed below:-

“The rules in SUP16.12 (<http://fsahandbook.info/FSA/html/handbook/SUP/16/12>) require all firms that are permitted to undertake retail investment activity, mortgage mediation or insurance mediation (other than insurers and exempt CAD firms) to complete RMAR E (PII). This represents a change in scope of RMAR E in the firms online system where it was limited to personal investment firms, and mortgage and general insurance firms. The current schedule in GABRIEL reflects the SUP16.12 rules.

However, we recognise that not all firms that are permitted to undertake retail investment activity are subject to an FSA requirement to hold PII, as it depends on what they do and/or their prudential category. So if an asset manager advises, arranges or makes arrangements with respect to life policies they are required to hold PII regardless of their prudential category. However if their scope of permission does not include life policies they will only be subject to PII if they are Exempt CAD or Personal Investment Firms. APCIMS may have members that fall into all three relevant categories. In addition, any APCIMS firm that is permitted to undertake mortgage or general insurance mediation will be subject to the PII requirements set out in MIPRU chapter 3 (<http://fsahandbook.info/FSA/html/handbook/MIPRU/3>).

**In light of the above we will remove RMAR section E on GABRIEL schedules from those firms that do not have any PII requirements in**

**respect of their retail investment activity.** The relevant firms are BIPRU firms, Investment Management Firms, Securities & Futures Firms and UCITS firms whose retail investment activity is limited to advising, arranging or making arrangements with respect to units, stakeholder pensions and personal pensions i.e. no insurance and no mortgages.

We are undertaking an exercise to identify the affected firms and amend their reporting schedules, we expect to be in a position to communicate the outcome to relevant firms (and APCIMS) in the coming weeks. In the mean time please advise your member firms to leave RMAR E blank, but only if they do not have any PII requirements in respect of its retail investment activity.”

Firms may wish monitor the position to ensure, where applicable, that FSA makes the appropriate changes to their reporting schedules. If you identify any further issues please contact Ian Cornwall [ianc@apcims.co.uk](mailto:ianc@apcims.co.uk).

*Ian Cornwall*

## Firms wishing to hold the firm’s assets in the form of gilts rather than cash

**BIPRU: 1.23R(3)** states that if the firm hold non-trading book positions in financial instruments in order to invest capital resources, the firm is NOT dealing on its own account for the purposes of BIPRU 1.1.18R (alternative classification of BIPRU investment firms). In the situation described, the firm is acquiring the gilt to reduce cash balances and not acquiring it for trading purposes. Therefore the firm would **not** need to vary its permission to invest in the gilt.

*Ian Cornwall*

## CESR's MiFID supervisory briefings on conflicts of interest, inducements and best execution

The Committee of European Securities Regulators (CESR) has published three Markets in Financial Instruments Directive (MiFID) supervisory briefings on:-

- (i) conflicts of interest;  
<http://www.cesr.eu/popup2.php?id=5287>
- (ii) inducements and;  
<http://www.cesr.eu/popup2.php?id=5288>
- (iii) best execution.  
<http://www.cesr.eu/popup2.php?id=5289>

The publication of these briefings is part of CESR's work to promote supervisory convergence. It is important to note that the papers are addressed to supervisors (regulators) not firms but the papers do

summarise the main elements of the rules relating to MiFID and clarifying the associated objectives and outcomes. The papers include indicative questions supervisors could ask of themselves or a firm to assess a firm's approach to applying the rules.

*Ian Cornwall*

## APCIMS Welcomes

The following firm has joined APCIMS in the last month;

### Associate Member

Nabarro

---

## Any Other Business.....

### The London Stock Exchange Wealth Management Forum: A Focus on Exchange Traded Funds

Friday 21<sup>st</sup> November 2008

This one-day forum will provide wealth managers and advisers with practical advice and an expert insight on the status of the global ETF market, risk of avoidance techniques, and the latest investment trends. The forum has been designed to evaluate the opportunities that ETFs provide in today's economic climate and provide an opportunity to discuss these directly with ETF issuers.

Presentations from market experts in the morning will be followed by the opportunity to have in-depth discussions with ETF issuers during the afternoon session.

This event is sponsored by iShares  
Lunch reception sponsor: Invesco PowerShares

**When:** Friday 21 November 2008

**Where:** London Stock Exchange

**Cost:** Free to APCIMS Members

For more information please visit [www.londonstockexchange.com/ETFconference](http://www.londonstockexchange.com/ETFconference)  
or to register your attendance please telephone Claire Fargeot at Buchanan Communications on 020 7466 5000.



*“TradeTech is the one stop shop to catch up with what’s hot in trading and technology, and to meet with people that are otherwise hard to meet up with.”*

Peter Van Kleef, Principal, Lakeview Arbitrage

TradeTech Liquidity is unlike any other conference you have attended before. An event requested by our buy side contacts whose primary concern is where and how to source liquidity, the conference will present you with a timely debate soon after Turquoise and Smart Pool go live. The discussions about platforms will no longer be speculative but based on hard evidence. TradeTech Liquidity will offer you:

### **Plenty of Opportunities For Interactivity, Debate & Structured Networking**

TradeTech Liquidity is characterised by hour-long Panel Discussions so we can really dig deep on the critical issues

- Dark pools
- Exchanges vs. MTFs
- Regulation
- Clearing and settlement
- Buy Side Smart Order Routing

There is plenty of opportunity for Q&A and debate to ensure you derive the most value from the conference topics, and can truly feel involved in the agenda. Interactive polling prior to the event with the 100 buy side representatives in the audience will shape the direction of the panels. Structured networking sessions will ensure that you make plenty of new key contacts.

### **Leading Speakers From Across The Value Chain**

Nowhere else can you learn from so many experts and thought leaders from the buy side, sell side, vendor and academic communities. There is also an impressive line-up of exciting and thought-provoking guest speakers that will be involved in the programme.

#### **Already Confirmed Speakers:**

- Christopher Preston, Manager, Institutional Business Policy, **Financial Services Authority**
- Michel Debiche, President and CEO, **Quantia Capital Management**
- Heike Gregowzewski, Team Head of European Equity Trading, **RCM Allianz Global Investors**
- Chris Skinner, Chief Executive Officer, **Balatro**
- Richard Britton, Consultant, **International Capital Markets Association**
- Enda McMahon, Global Head of Compliance, **Bank of Ireland Asset Management**
- Sebastijan Hrovatin, DG Internal Market and Services, **European Commission**
- Daemon Bear, Head of Dealing, **JP Morgan Asset Management**
- Tim Tanner, Business Manager- Equities, **Morley Fund Management**
- Richard Phillipson, Principal, Investment Practice, **Investit**

Tuesday 25<sup>th</sup> November 2008

Tower Guoman, London

07:00

Coffee and Registration

08:00

Chairman's Opening Address

## REGULATORY IMPACT AND PIPELINE

08:15

### Panel Discussion: Post-MiFID FSA Policy Implementation – Complying with Different Regulations & Addressing Key Issues in the Post-Unbundling Environment

- Comparing the regulatory objective with today's market reality
  - Implications for non-implementation
  - Understanding TCFs (Treating Customers Fairly)
  - Making MiFID easy to implement on an operational basis
- What's ahead in the regulatory pipeline: Clearing, cross border trading etc
  - The extra burden on brokers: Addressing post-unbundling
  - What is the impact of Commission Sharing Agreements (CSAs)

**Christopher Preston**, Manager, Institutional Business Policy, **Financial Services Authority**  
[CONFIRMED]

**Tim Tanner**, Business Manager- Equities, **Morley Fund Management** [CONFIRMED]

**Richard Phillipson**, Principal, Investment Practice, **Investit** [CONFIRMED]

**Richard Britton**, Consultant, **International Capital Markets Association** [CONFIRMED]

## ACCESSING LIQUIDITY

09:15

### How to Exploit Fragmentation and Identifying Best Destinations in Your Hunt for Liquidity

- How does technology adapt to new regulations and changes?
- Tapping into dark pools: Their impact and transparency issues
- Understanding practical methods of accessing information and liquidity
- How can liquidity be increased for new and more sophisticated products?
  - How to capitalise on volumes

**Michel Debiche**, President and CEO, **Quantia Capital Management** [CONFIRMED]

09:45

### Panel Discussion: Dark Pools of Liquidity – Controlling Market Impact

- Challenges with dark pools
- Smart order routing and ensuring best execution
- What are the secrets of controlling market impact?
  - Sending and processing orders effectively

**Panel featuring three dark pools providers**

10:45

Coffee and Networking Break

11:15

### Panel Discussion: How Are Traditional Exchanges Responding to New Entrants: Traditional Exchanges vs. MTFs

- How is the buy side dealing with the new market entrants?
- How to achieve transparency in the current European trading landscape?
  - Demonstrating high-quality in a competitive market
  - Price and technical capabilities and bespoke offerings
- How are MTFs following new practices and coming up with new solutions
- Extending transparency to bonds and prices and identifying connectivity
  - How are things done internally at MTFs and dark pools?

**Moderated by: Chris Skinner**, Chief Executive Officer, **Balatro** [CONFIRMED]

**Heike Gregowzewski**, Team Head of European Equity Trading, **RCM Allianz Global Investors**  
[CONFIRMED]

**Panel featuring traditional exchanges and MTFs**

12:15

Structured Speed Networking

12:45

Networking Lunch

## LATEST ON BEST EXECUTION

13:55

### Panel Discussion: What Can Sell Side Offer in Terms of Sophisticated Best Execution

- Execution Only Brokers vs. Global Brokers - Why Use Execution Only Brokers?
  - How is the buy side evolving?
    - Latest on direct market access
  - Smart order routing and best execution

	<ul style="list-style-type: none"> <li>• What can sell side deliver that buy side can rely on?</li> <li>• Evaluating whether brokers are providing best execution</li> <li>• How to run an effective pre and post-trade analysis and transaction cost analysis <ul style="list-style-type: none"> <li>• Can sell side develop a support system? <ul style="list-style-type: none"> <li>• Preventing information leakage</li> </ul> </li> <li>• Which players are better positioned now? Why?</li> </ul> </li> </ul> <p><b>Moderated by: Richard Britton</b>, Consultant, <b>International Capital Markets Association [CONFIRMED]</b></p> <p><b>Enda McMahon</b>, Global Head of Compliance, <b>Bank of Ireland Asset Management [CONFIRMED]</b>  <b>Steve Grob</b>, Director of Derivatives, Products and Strategic Partnerships, <b>Fidessa [CONFIRMED]</b>  <b>Panel featuring Europe's leading brokers</b></p>
14:55	<p><b>Panel Discussion: How Trading Desks Apply Technology and Measure Algorithmic Performance</b></p> <ul style="list-style-type: none"> <li>• Understanding the clear difference between a good and bad routing <ul style="list-style-type: none"> <li>• How are the latest models being used and applied?</li> </ul> </li> <li>• What are the right quant models and risk models for algorithms? <ul style="list-style-type: none"> <li>• Can models and algorithms make a real difference? <ul style="list-style-type: none"> <li>• How smart is smart order routing?</li> </ul> </li> </ul> </li> </ul> <p><b>Daemon Bear</b>, Head of Dealing, <b>JP Morgan Asset Management [CONFIRMED]</b>  <b>Eric Karpman</b>, Vice President, <b>BNY Mellon Asset Management</b>  <b>Chris Sims</b>, Head of Investment Operations, <b>Gartmore Investment Management</b></p>
15:55	<i>Coffee and Networking Break</i>
16:25	<p><b>Ensuring Client Protection and Security Whilst Providing Connectivity Vital to High Performance</b></p> <ul style="list-style-type: none"> <li>• Why buy side and sell side should be concerned about security in the current European trading landscape? <ul style="list-style-type: none"> <li>• Update on the latest security infrastructure</li> </ul> </li> <li>• What needs to be done to ensure client protection and security <ul style="list-style-type: none"> <li>• What can be learnt from past errors?</li> </ul> </li> </ul> <p><b>Speaker to be announced</b></p>
<b>CLEARING AND SETTLEMENT</b>	
16:55	<p><b>Guest Speaker</b>  <b>European Commission Update on Pertinent Clearing and Settlement in the Current Trading Landscape</b></p> <ul style="list-style-type: none"> <li>• Understanding European Commission's stance on clearing &amp; settlement</li> <li>• The Commission's plans and actions for clearing and settlement issues <ul style="list-style-type: none"> <li>• Getting around national laws and overcoming jurisdictional issues</li> </ul> </li> </ul> <p><b>Sebastijan Hrovatin</b>, DG Internal Market and Services, <b>European Commission [CONFIRMED]</b></p>
17:25	<p><b>Panel Discussion: Understanding the Different Facets of Clearing and Settling a Transaction Efficiently</b></p> <ul style="list-style-type: none"> <li>• The latest on the EU clearing landscape</li> <li>• Achieving transparency – what are the clients paying for to clear a transaction? <ul style="list-style-type: none"> <li>• Delivering interoperability</li> </ul> </li> <li>• Addressing the challenge of derivatives exchanges controlling their own clearing <ul style="list-style-type: none"> <li>• Making it easier for MTFs and derivatives exchanges to get clearing services <ul style="list-style-type: none"> <li>• Regulations for competition on a clearing and settlement level <ul style="list-style-type: none"> <li>• Can MTFs and traditional exchanges work together?</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p><b>Panel featuring clearing houses, brokers and derivatives exchanges</b></p>
18:25	<b>END OF CONFERENCE DAY and START OF COCKTAIL DRINKS RECEPTION</b>

## Overseas Visit Programme for the ambassador for the UK-based Financial Services, the Lord of the City of London: 2008/09

---

We are pleased to attach the 2008/09 Overseas Visits Programme for the next Lord Mayor of the City of London.

**Overseas visits** by the Lord Mayor offer a unique opportunity for accompanying business delegations to gain high-level access to influencers and key decision-makers in government and business; and they also offer the prospect of participating in business forums or seminars organised in parallel to the visit.

If your organisation is interested in joining an overseas business delegation please contact my colleagues Helen Seymour or Kimberley Hall (Tel: 020 7397 9346 or 020 7397 9376 or e-mail: [LMVisits@cityoflondon.gov.uk](mailto:LMVisits@cityoflondon.gov.uk)). It would be most helpful if you could include the reasons you would like to take part in this visit and how the Lord Mayor can help you achieve your aims and objectives.

Please note that due to the high demand for places in the Lord Mayor's business delegation we will not always be able to accommodate every organisation's request to participate. For some of the overseas visits that involve complex organisational arrangements a nominal charge may be applied.

The Overseas Visits Programme will be on our website in due course and will be maintained with any changes that may occur to the schedule.

**Inward visits** by Heads of State and Government, their Ministers, regulators and business delegates provide an ideal opportunity for the Lord Mayor to invite you to Mansion House to meet valuable contacts from a variety of countries at seminars, round table meetings and networking events. If your organisation is interested in seizing this opportunity please take a few minutes to complete the attached questionnaire.

We very much look forward to working with you in the next Mayoral year.

- [Overseas Programme 2008/09](#)
- [Questionnaire](#)