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**Mifid II compliance
product**

DROIT

Mifid II compliance product

Droit Financial Technologies



Satya Pemmaraju

The second Markets in Financial Instruments Directive (Mifid II) and its associated regulation, Mifir, is the most recent global regulation Droit has added to its Adept regulatory eligibility and obligation platform.

Adept integrates with front-office electronic trading and voice sales or trader workflows and monitors transactions as the institution originates them or receives quotes, determining which regulatory regimes and obligations apply. The platform provides an audit trail of all decisions, enabling institutions to trace the decision process through to the fully digitised original regulatory texts.

Put simply, Adept helps sell- and buy-side institutions know who they can trade with, and what and where they can trade. Its monitoring process produces an obligations data set institutions can use to drive their post-execution regulatory operations.

Adept covers all Mifid II and Mifir mandates, including product and party eligibility, firm quote obligations, best execution requirements, suitability and appropriateness assessments and commodity reporting. Supported Mifid II-covered instruments include listed and over-the-counter derivatives, structured finance products, emission allowances and contracts for difference.

In 2017, BNP Paribas, Crédit Agricole CIB, Goldman Sachs, Lloyds and UBS all opted for Adept for Mifid II trade compliance.

Judges said:

“A proven example of how to do it.”

“A clever offering that pushes the envelope.”

“If you were picking a system for Mifid II compliance, you would probably go with Droit.”

Droit says:

Satya Pemmaraju, co-founder and chief executive, Droit Financial Technologies: “Droit’s Adept platform represents, maintains and automates within real-time trading and operational systems global regulatory mandates governing the trading of financial instruments. Droit is now used by 13 global financial institutions for transactional compliance with global mandates such as Dodd-Frank, European Market Infrastructure Regulation and Mifid II. Adept processes millions of transactions a day, ensuring full compliance on a per-transaction basis.” ■

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Monitoring regulatory changes to stay one step ahead

Satya Pemmaraju, founder and chief executive officer at [Droit Financial Technologies](#), discusses how the organisation's Adept platform can offer institutions knowledge of complex global rules systems to enable auditability and traceability, as well as how the platform's digitised daily monitoring of changes to new and existing regulation can allow its clients to be prepared for regulatory changes



Satya Pemmaraju

What are the advantages for institutions adopting Droit's Adept platform?

Satya Pemmaraju, Droit Financial Technologies: Droit provides enterprise infrastructure to global financial institutions that are looking to facilitate compliant and optimal derivatives and securities trading across all asset classes, Group of 20-aligned regulatory regimes, global central counterparties and execution platforms.

Financial institutions face an increasingly complex regulatory landscape. Transactional compliance requires knowledge, maintenance and automation of extremely complex global rules systems. Droit's Adept platform provides for this, generating the full global cross-regulatory implications and obligations of trades in real time, with a visualisation framework that enables complete auditability and traceability through to fully digitised regulatory text.

What steps is Droit taking to ensure its clients understand how the latest regulatory regimes may affect their businesses?

Satya Pemmaraju: A core component of the



Droit platform is daily monitoring of changes to existing and new regulation – which is digitised. We also monitor the rule books of associated market microstructure – this data goes hand in glove with the law and is an important part of compliance calculation. These sources of change are provided to our clients as structured rules or data that is readable by humans and can be easily understood and reviewed. We work with our clients so they understand our standard interpretation of new regulation, and the Adept visualisation framework ensures this is a very efficient process. As the Adept platform resides alongside – and is integrated into – our clients' trading and regulatory post-trade infrastructure, we work with them to ensure they understand the associated new application programming interface data requirements.

How has demand for compliance products changed recently?

Satya Pemmaraju: Demand has increased year on year – Adept now supports 16 regulatory regimes and counts 14 global banks as clients – and we expect the second Markets in Financial Instruments Directive to be a further accelerator, given the range of financial institutions scoped in.

What challenges lie ahead for Droit?

Satya Pemmaraju: Droit is partnering with its clients on a range of exciting new initiatives to digitise other classes of rule book for the purposes of real-time complex decision-making with unprecedented levels of auditability and traceability.