



**SUNGARD**

# Results of the SunGard / TradeTech MiFID Survey

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- The Survey's have included over 400 Financial Institutions across more than 12 countries with a cross-section of different institutional types
- MiFID Readiness - 14% of respondents feel that their firm is Right on track with their MiFID preparations
- MiFID General
  - 46.5% of firms are concerned that their local regulator will "Goldplate" MiFID when they translate it into local legislation
  - 62.8% of firms believe that the MiFID should not be delayed even if some countries are not ready.
- Existing exchanges still seem set to be the most likely to suffer from MiFID

- Over 70% of firms expect to use “post-trade statistical analysis” to ensure best execution with over 45% expecting to do pre-trade analysis and more than 40% to use manual reviews.
- Three issues were ranked in order of difficulty:
  - Collection of comparable prices
  - The effects of partial execution
  - Problems around measuring the time or probability of execution

- With many buy side firms expecting to opt down to professional status, they are realising that this might force them to become Systematic Internalisers since they currently cross trades between funds.
- Increasingly buy side firms are expecting to be SI's with 25% of those surveyed expecting to become SI's
- Of those over 50% will do this to ensure better executions for their funds

- Over 65% of respondents indicated that they would either struggle to handle the new requirements or had not been able to ascertain the impact of them
- Most firms are relying on system backups to comply with article 51.2 but 84% believe that restoring these backups would be challenging with over 30% unsure whether this would be possible at all.

- Over 60% of firms are unlikely to store tick data to prove best execution with over 50% looking for external services to provide this information.
- Of those who will store tick data internally less than 45% expect to use in-house time series or front office systems
- Very few firms expect to publish tick data or execution data as part of any industry initiative around best execution

- Over 75% OF Financial Services Firms are Now Nearing Operational Readiness for MiFID.
- So.....

- The head of Portfolio Services for a UK Fund Manager  
*“There is a feeling from some people within the UK that there are some continental European countries that probably will not be ready by November...and maybe they are thinking to themselves ‘that it doesn’t apply to us’. I’m sure it will eventually but perhaps after the November 07 deadline.”*