

## **JWG-IT Group Uncovers New MiFID Record Keeping Risks**

*Think-Tank pinpoints unfilled gaps that need attention within the next 15 days*

London – 17 October 2007 - JWG-IT Group Limited, the think-tank for EU driven IT change in financial services, has released the findings from two years of empirical research with the market in a whitepaper, 'MiFID Record Keeping: raising the heat' – free to website registrants.

Today, PJ Di Giammarino, CEO, JWG-IT, highlighted the importance of the report resulting from over 30 workshops netting over 200 days of collaborative research with 70 financial institutions across buy and sell side in 10 jurisdictions. "MiFID introduces new detailed rules and operational sloppiness will now cost you. If what you have given to the regulators, the market and your customer does not match for up to five years from 1 November you are exposing yourself to hundreds of thousands of euro in penalties."

The impartial research highlights widespread gaps in current infrastructure which financial institutions need to plug in order to meet key MiFID changes - in particular:

- 64% of investment firms still have significant work to do to be ready for MiFID's record keeping requirements
- MiFID introduces a minimum of 55 new requirements for record keeping, in which the financial institution is accountable for storing and retrieving both structured and unstructured data in the context in which it was created
- A seminar held in conjunction with the Investment Banking Records Management Forum on 20 September confirmed the key risks will require significant upgrades, not only in the way that records are captured, but how they are stored, linked and accessed at the required time
- The JWG-IT TechSIG has helped develop 10 key record keeping scenarios, reference issues and architectures that can be used to assess the readiness of a firm's record keeping model
- Organisations that do not have a strong record keeping capability will need to appoint a senior records manager to take responsibility for this enterprise-wide project without delay.

"In a JWG-IT breakfast briefing roundtable today it was clear that whilst more senior management are aware of the need for record keeping change, it has not yet moved to the top of the to do list. That said, there is pressure building as those who have invested in data management infrastructure are aiming for competitive advantage by offering superior services" Commented Nigel Woodward, Intel and TechSIG chair.

Ivan Fernandez, head of the Global Industries Group for the FS vertical at EMC and the TechSIG storage and retrieval workstream leader, added "It is now up to each firm to define its operational targets and steer its course to where it would like to be when the customer or regulator calls. TechSIG suppliers understand that there is no magic bullet and are working with JWG-IT and leading investment firms to benchmark their position and establish appropriate courses of action."

Conclusions are being presented in the Keynote theatre at Storage Expo on 17 October at 10:15.

(<http://www.storage-expo.com/page.cfm/Action=Seminars/CategoryID=4>).

For a free copy of the report and further details about the JWG-IT think-tank, please see [www.jwg-it.eu](http://www.jwg-it.eu) MiFID documents folder, which already has over 600 members of the financial community registered to receive updates and alerts. [www.mifidgroup.com](http://www.mifidgroup.com) is a site dedicated to the views of the TechSIG community which now contains 7 podcasts.

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**TechSIG is unique:** A formal organisation to facilitate the creation of reference architecture-based value propositions by technology vendors which will meet the EU regulatory driven needs of financial institutions in a sustainable, collaborative and governed manner. Current TechSIG membership includes: Intel (Chair), Cisco (Vice chair), Aleri, Application Performance, Aptivaa, ASPone, BEA, Brookcourt, BT, Business Objects, chi-X, Copan, EMC, F5, Facilita, FRS, Gemstone, Equinix, Kalido, Kurtosys, Redhat, SDLC, SGL, Sybase, Symantec, Telelogic, Tier-3, Xenomorph (note: underlining indicates participants in the storage and retrieval workstream which produced this paper)

**About JWG-IT-IT:** JWG-IT is the only Financial Services industry think-tank to facilitate collaborative work to resolve industry issues created by regulatory change. Based on a working model started in 2005, JWG-IT has established strong relationships with EU administrators, leading Firms and technology companies. It is neither lobbyist nor consultancy and revenues are restricted to membership fees and content sales. The JWG-IT Think-Tank is designed to help members and participants manage regulatory-driven change better, quicker, cheaper and with less risk.