MiFID II Compliance
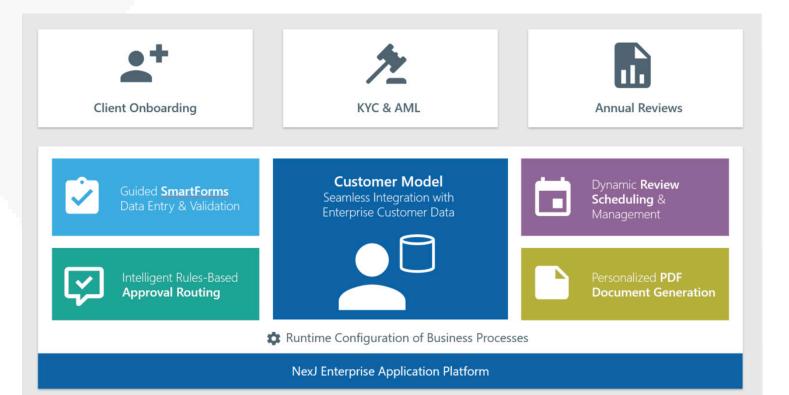## Wealth Management and Private Banking

NexJ SYSTEMS®

MiFID II, which went live on January 3, 2018, is designed to expand Investor Protection and to improve transparency. To comply with the exhaustive requirements, financial services firms in the EU will be required to change many aspects of their business model, operations, systems, and processes across the front-, middle-, and back-office. While financial services firms in the U.K. are already addressing some of the requirements due to existing regulations such as RDR and Senior Manager Regime, "gold plating" by regulatory bodies is introducing additional requirements that must be considered.

NexJ provides intelligent customer management software to help firms meet these new compliance obligations without disrupting business processes or tying up resources on manual data entry, validation, processing, or reporting. NexJ provides:

- A holistic, shared client view for real-time transparency of communications
- Client and prospect interaction recording and documenting across all devices and integrated channels
- Guided form fill and workflow for onboarding, review, and other processes
- Integration with product, suitability, and trading systems to match client attributes to products
- Integration of enterprise data sources and interaction channels for reliable and consistent data sharing and reporting
- Real-time, graphical dashboards for user and management insight
- Advisory best practices to help firms meet regulations, answer questions, and assess software options

Break down the data silos and automate the processes that prevent compliance

- Create a holistic, client-centric view of all enterprise data
- Minimize error-prone data entry and manual processing
- Ensure all required data is collected, validated, and reviewed on a regular basis
- Match product attributes to client objectives and risk tolerance
- Notify advisors and management when exceptions occur or loss thresholds are met
- Document all client and prospect interactions in the contact record

Client Onboarding

KYC & AML

Annual Reviews

Guided **SmartForms** Data Entry & Validation

Customer Model Seamless Integration with Enterprise Customer Data

Dynamic **Review Scheduling** & Management

Intelligent Rules-Based **Approval Routing**

Personalized **PDF Document Generation**

⚙ Runtime Configuration of Business Processes

NexJ Enterprise Application Platform

NexJ's intelligent customer management software enable firms to meet MiFID II's standards for Interaction Recording; Transaction Reporting; Client Categorisation; Product Governance; Transparency; Suitability and Appropriateness; Costs, Charges and Inducements; and Organisation Requirements.

Record Client Interactions

Build a single comprehensive view of prospects and clients that includes all enterprise information about the contact. All interactions, including telephone call details and recordings, emails, and instant messages, are stored with the Contact Record, and can be viewed by users with appropriate permissions. On-premise deployments provide optimal data security, ownership, and confidentiality for regulatory requirements.

Transaction Reporting

Harmonize the data islands that result from siloed applications such as Portfolio Management, Order Management, and Account Custodians, as well as multiple data sources and channels, to enable enterprise transaction reporting. NexJ feeds a consistent view of the client, including trade data, client data, client attributes, and more, to all analytics models, thus reducing the cost of detailed, on-demand transaction reporting and increasing accuracy.

Client Categorisation and Product Governance

Capture all necessary data during onboarding, account opening, and reviews using configurable, branching workflows that can be monitored for effectiveness and updated with new fields and forms as regulations change. Automatically schedule reviews to ensure data is current throughout the client lifecycle. Integration with suitability and product systems matches product attributes to client objectives and risk tolerance to ensure that suitable products are sold to retail clients. Rule-driven notifications alert the appropriate users when exceptions occur and when reviews are due.

Transparency

Leverage integration with reporting and portfolio systems to monitor loss thresholds. NexJ can notify users immediately when portfolios need rebalancing and automatically assign tasks to inform clients that the portfolio has exceeded the loss threshold. These tasks can be escalated if incomplete after a set time. Notification and interaction details are stored with the Contact Record.

Suitability and Appropriateness

Ensure the accuracy and completeness of onboarding, investment profile creation, set-up of advisory/ discretionary portfolios and accounts, and reviews throughout the client data lifecycle. NexJ selects the appropriate forms based on existing client information and new data input, prefills forms, prompts users to capture outstanding data, validates information, generates a client-facing advisory mandate or investment policy statement, and orchestrates approval workflows. This comprehensive data is combined with information obtained through integration with suitability, product, financial planning, and portfolio management systems. Advisors and firms can then review asset allocation gaps and concentrations, ensure recommendations are appropriate, and suitable products are sold to clients. Users are notified when periodic reviews are due, and reviews are escalated when overdue.

Costs, Charges, and Inducements

Maintain an accurate relationship between fees, commissions, and transactions to support annual reporting and on-demand client requests through integration of CRM with product and trade systems. Integration with the reporting system enables firms to produce the precise report needed and save a copy of the distributed report to the Contact Record for future reference.

Organisation Requirements

Monitor and assess advisor competence using graphical management dashboards that report on financial performance data such as products recommended, spreads, etc. NexJ can present information for individual advisors and aggregate data to provide team views. Training events, reviews, and other tasks can be scheduled to support knowledge management. Rule-based notifications can alert managers when advisors are overdue for scheduled tasks.

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About NexJ Systems

NexJ Systems is a provider of Intelligent Customer Management software for the financial services industry. The Intelligent Customer Management suite is comprised of NexJ's award winning-products that use artificial intelligence to optimize customer management and increase advisor productivity, and cognitive applications that use machine learning to recommend the right actions to work smarter and faster.