

Press Release

Tim Steele, Head of PR & Media Relations
(t) +44 (0) 20 7163 5850 // (m) +44 (0) 7921 231 837
tim.steele@abnamromellon.com

London, October 31, 2006
For Immediate Release

MiFID tops the agenda at ABN AMRO Mellon's 3rd annual Fund Managers' Briefing

The Markets in Financial Instruments Directive (MiFID) took centre stage at the 3rd annual Fund Managers' Briefing organised by ABN AMRO Mellon Global Securities Services B.V., held at the Mellon Financial Centre in London.

Delegates attending the event heard PJ Di Giammarino, CEO of MiFID think-tank JWG-IT Group, outline the benefits and the "operational headaches" associated with MiFID implementation, along with the action points firms should be addressing.

As Di Giammarino noted, MiFID promises greater transparency for equities and equity derivatives and will allow funds to demand best execution from prime brokers. He said: "This is an excellent time to review your relationships with the sell-side and deepen your relationships with those you feel are offering the right value proposition."

Despite the November 2007 deadline for MiFID compliance, Di Giammarino said the "last 5% of the interpretation" of the Directive is still to be finalised, which has proved predictably problematic for the industry over the past year. However, the MiFID 'targets' that firms need to shoot for – understanding their customers, formulating strategies around products and services, meeting transparency requirements, reviewing their internal processes and governance, and building IT infrastructure – are now finally becoming clearer.

Di Giammarino said: "This is a great time to be reviewing the impact of both market and regulatory drivers on investment managers' strategies, as new visibility to limit orders and narrowing spreads will create a much different landscape one year from now."

At the same time, there are still "lots of operational questions to ask", Di Giammarino said, notably in respect of market transparency obligations, transaction reporting, client classifications and reporting, outsourcing and management of client assets.

Di Giammarino said firms and infrastructure providers must all be prepared to seize the initiative in order to meet the MiFID challenge. Firms will also need to ensure accountability across their organisation, examine how best to balance current and future priorities and – despite tight timeframes – invest in more than just a ‘quick fix’.

When it comes to MiFID readiness, Di Giammarino described firms as “moving through the valley of despair at different rates”. However, those that have taken a lead in respect of planning and implementation, such as tier one US brokers, will be rewarded with a significant competitive advantage with the advent of ‘M-Day’ next November. He stressed the importance of mobilising resources now: “Leading firms are already in a battle for talent, given that the deadline for testing changes in their operations is now only some 150 days away.”

Other topics covered at the event included ABN AMRO Mellon’s Continuous Linked Settlement (CLS) solution for fund managers, which provides an interface for clients to access the platform’s real-time matching and settlement services. John van Verre, Chief Commercial Officer, ABN AMRO Mellon, opened the proceedings with an overview of the bank’s successes during 2006, a year that has seen a significant growth in its assets under custody. The afternoon was brought to a close with a presentation on the whys and wherefores of industry surveys, presented by Richard Hogsflesh, Managing Director, R&M Surveys Ltd.

Nigel Taylorson, Head of Client Relationship Management at ABN AMRO Mellon, said: “Supporting our clients, and providing them with value added training and information, has always been a priority for ABN AMRO Mellon. Our annual Fund Managers’ Briefing ensures they are apprised of the key industry issues of the day, as well as the work we are doing to further enhance our product offering and service levels.”

// ENDS

Notes to the Editor:

ABN AMRO Mellon

ABN AMRO Mellon Global Securities Services B.V. is a 50-50 joint venture between ABN AMRO Bank N.V. and Mellon Financial Corporation. It provides global custody and related services to institutions around the world outside North America. The company combines ABN AMRO’s worldwide servicing presence with Mellon’s advanced technology and product capabilities. Value-added products and services include compliance monitoring, investment accounting, performance measurement and analytics. News and other information about ABN AMRO Mellon Global Securities Services are available at www.abnamromellon.com.