



MIFID II SOLUTIONS

Addressing MIFID II regulations with state-of-the-art recording infrastructure. How Tein Technology helps financial institutions comply with tightened regulations – and allows them to benefit with an eye to the future.

In January 2018, the MIFID II regulation – or Markets in Financial Instruments Directive – came into effect. Rules and regulations around financial transactions were tightened, resulting in significant changes for Europe's financial institutions. Banks are now required to provide evidence that they screen the profile and investment knowledge of their clients in their commercial activities.

Strict regulations call for high-end infrastructure

The core tenet of MIFID is that all electronic communication intended to result in a transaction must be recorded and stored for a minimum of 5 years.

Needless to say, this directive is forcing banks and other financial actors to shape up their infrastructure when it comes to recording and storing all electronic communications.

MIFID doesn't just apply to emails, text messages or instant messages, which can all be stored quite easily. All voice interactions – both through landlines and cell phones – need to be tracked, recorded and safely stored, using a recording platform with accurate encryption.

From today's challenges to solutions for the future

The 5-year retention period – extendable to 9 years at public authorities' request – presents financial firms with a real technological challenge and calls for considerable infrastructural investment.

Be that as it may, the penalties for not complying with these the MIFID II regulations are unforgiving, as is the damage it can cause to a bank's reputation and integrity. It is therefore vital for financial entities to integrate these systems.

The system needed to be fitted with access barriers so that only managers with the right clearance would be given access.

Tein Technology's solution for challenges presented by MIFID II

In order to meet this new regulatory challenge, one of Belgium's largest financial institutions turned to Tein Technology to develop recording infrastructure that meets all the legal requirements.

Of course, we fully delivered and earned our client's utmost satisfaction.

We developed, implemented and integrated infrastructural solutions that not only meet today's regulations, but also offer possibilities for the future – both commercially and strategically.

State-of-the-art and extensive voice-recording infrastructure

The extensive scope of the assignment required a hands-on approach for the bank's telecommunications.

The client needed a system with a setup that was at once versatile yet easy to manage. What was more, the records from the old recording infrastructure needed to be migrated to the new infrastructure once it was up and running.

From contact centres to 150 different local offices and countless independent business agents, all telephone communication needed to be intercepted, catalogued and stored. Full redundancy of the system components and survivability in case of a disaster are provided to minimize the risk of data loss.

Given the sensitive nature of the recordings, the system needed to be fitted with access barriers so that only managers with the right clearance would be given access. Security is always a top priority for our clients, as it is for us.

“The smart analysis of these recordings could afford whole new forms of client identification, for example using intelligent speech analysis software.”

Wouter Stevens,
Key Account Manager

What exactly does the system do?

- It records outgoing commercial calls from advisors, agents and offices to clients.
- It tapes the incoming calls on all these telephone lines.
- It links recordings to client files, so the relevant conversations can be accessed when needed.
- It stores all recordings onto two data servers, one primary and one back-up.
- It allows mobile phones to be subject to the same process, depending on the bank’s individual policy.
- It provides means to quickly execute the Disaster recovery plan

What possibilities does it hold for the future?

By complying with the requirements of the MIFID II directive, financial institutions now hold an immense amount of voice recordings.

These recordings could be a valuable commercial and strategic asset for the bank, enabling it to use the data for training purposes or innovative product development.

With the identification of the unique characteristics of a person’s voice timbre and intonation, the use of security questions to determine the identity of customers phoning the bank could well be a thing of the past.

But this also presents commercial opportunities: product offers could be tailored to clients like never before.

A NICE partnership

For this project, Tein Technology partnered with NICE, an Israeli-American company globally recognised as leader in recording infrastructure for financial markets.

With technology evolving faster than ever, the smart analysis of these recordings could afford whole new forms of client identification, for example using intelligent speech analysis software.



CLIENT & SOLUTIONS

Client: One of Belgium’s largest financial institutions

Project date: 2017

Solutions: Mifid II compliant recording infrastructure for financial markets

Since January 2018, the MIFID II regulation came into effect with strict rules around financial transactions meaning significant changes for all EU financial institutions. Tein Technology implemented a state-of-the-art and extensive voice-recording infrastructure, with a possible smart analysis of recordings in the future.

- Recording infrastructure meeting all regulatory requirements
- Redundancy of the system components
- Survivability in case of disaster
- Future : new forms of client identification- intelligent speech analysis software.

To find out how your organisation can benefit from Tein Technology’s expertise in Financial Industry, contact:

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About Tein Technology

Tein Technology is a leading-edge provider in the integration of voice and video platforms for mission critical environments such as financial trading rooms, traffic control for road, rail and waterways, port monitoring, city surveillance and public transport. Tein Technology runs a team of 60 highly qualified specialists and is based in Brussels and Amsterdam.



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