

# European Market Maker Relies on Verint to Support MiFID II Compliance across the Trading Floor

## Opportunity

A leading specialist financial services provider and brokerage firm which operates in the European equity market and is committed to providing liquidity and flexible execution services to retail brokers, asset managers, and institutional investors, was looking at transforming their compliance infrastructure to meet evolving regulatory demands.

As a forward-thinking financial services organisation, the market maker is continually looking at innovative ways to stay in front of regulatory compliance, reduce risk, and maintain shareholder value. "Our strategy is to turn regulatory compliance into a strategic advantage," says their Head of Networks & Infrastructure. "Modern technology can help us confidently navigate increased regulatory scrutiny and drive increased competitiveness in the equities market."

This unyielding focus on governance is particularly prevalent when it comes to complying with The Market in Financial Instruments Directive II (MiFID II), which requires recording and storage of all voice and electronic communications that might lead to a trade. Although the company relies partly on algorithm-driven transactions to manage its complex financial instruments, voice communication remains an important part of the company's trading workflow.

BT Trading (formerly known as IP Trade) trading turrets, for example, are heavily used by their traders and broker-dealers to ensure seamless interactions. In addition to weaving compliance into this critical trader voice environment, the financial firm required a solution that would unify and simplify its compliance efforts, extending recording to the Cisco handsets used by middle- and back-office personnel.

Until recently, the company relied on a legacy platform to record electronic communications. Issues with reliability and scalability led their team to explore new options to capture, aggregate, and analyse data, provide uninterrupted monitoring of the communications infrastructure, and proactively adhere to compliance policies.

"With the rollout of MiFID II in the European Union in 2018, we needed a partner with more extensive compliance features, an easily navigable interface, and a fully secure environment," explains their Head of Networks & Infrastructure.

## Solution

Following an extensive, in-depth evaluation of vendors, the market maker implemented Verint® Financial Compliance Capture™. The solution provides centralised, resilient capture of all voice transactions conducted via their dealerboards, IP phones and UC endpoints, while retaining call records for a minimum of five years. It also provides seamless integrated search and retrieve features to produce auditable evidence of trade-related communications upon compliance requests and audits. Verint is deployed across over 100 traders that use BT turrets, together with middle- and back-office employees using Cisco endpoints. The system is virtualised, meaning no physical hardware is needed.

# VERINT®

## Customer Success Story



### Solutions

Verint® Financial Compliance Capture™



### Industry

Financial Services



### Region

EMEA

## Results

- Supported MiFID II compliance and modernised operations oversight.
- Improved compliance investigations using prebuilt, integrated recording, monitoring, search, and audit capabilities.
- Reduced risk, scope for errors, and burden of manual checks.
- Streamlined communications monitoring and analysis across the trade lifecycle.
- Lowered the risk of reputational damage and protected brand values.

“ Make no mistake, Verint provides our organisation with enhanced features that help us facilitate MiFID II compliance and that no other vendor can match, such as flexible recording, archiving, case management and search – all within a single solution.”

– Head of Networks & Infrastructure

“We were impressed with Verint’s ability to take data from our old recording solution and migrate it easily into Verint Financial Compliance Capture, and to record the dealer boards, the back office, and our fast-paced trading floor communications on Cisco and the BT trading turrets,” says their Head of Networks & Infrastructure. “Make no mistake, Verint provides our organisation with enhanced features that help us facilitate MiFID II compliance that no other vendor can match, such as flexible recording, archiving, case management, and search – all within a single solution.”

For example, the Settlements team uses the platform on a daily basis to investigate queries. As the head of the UK Settlements team explains, “We currently use the search facility for ‘user name’ and ‘phone number’, which works very well. These searches help us locate any discrepancies with a trade or identify a dealer name at another broker.”

The Compliance team is also strong advocates of Verint. A member of the team explains, “We rely on Verint every day to verify information around orders and executions. The UI is intuitive and we like the auto-complete in the search boxes that speeds up the discovery of calls or relevant segments of a call record. We also find the consolidated display of conversations in the main pane very useful. Previously, we had to log into two different systems for dealer boards and Cisco calls.”

The financial services company is also benefiting from other features geared to optimising compliance, including automated retention policies, speech to text conversion, search, and playback. “Verint adds a valuable call recording assurance layer by comparing call detail records and sending alerts if calls are not recorded for any reason or if there are any discrepancies,” notes their head of IT.

Linx-Networks, a Verint Gold Partner and leading financial services systems integrator, collaborated with Verint on the successful deployment. “The entire team – Verint and Linx-Networks – worked as one,” says their Head of Infrastructure. “They have been incredibly responsive, offering expert, professional collaboration at every step.”

## Benefits

Since going live with Verint Financial Compliance Capture, the brokerage firm has experienced multiple value-add benefits. These include:

- **Modernised operations oversight:** Supports adherence to MiFID II and other compliance regulations by capturing, recording, storing (for at least five years), and monitoring all relevant voice and electronic communications.
- **Optimised efficiency:** Streamlines and accelerates compliance investigations using features such as automatic categorisation, collaborative case management, secure workflows, advanced search, and sophisticated data management.
- **Simplified complexity:** Automatically verifies the performance and functionality of the compliance recording infrastructure, reducing the scope for errors and removing the burden of manual checks.
- **Reduced risk:** Enables the market maker to easily reconstruct and analyse communications around a transaction at any stage of the trade lifecycle using advanced speech search, speech transcription, and phonetic boosting.
- **Protected brand values:** Reduces the risk of penalties by demonstrating proof of compliance, safely capturing, archiving, and retaining interaction data.

“The Verint communication compliance and data governance suite is transforming our approach to compliance,” their Head of Infrastructure concludes. “By introducing automated, reliable recording and monitoring of our critical communication channels, Verint is helping us meet increasing regulatory demands with confidence.”

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