
Press information

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Nucleus partners with Phil Young to launch guide to MiFID II for advisers

Nucleus, the adviser built wrap platform, has teamed up with Zero Support Managing Partner Phil Young to launch a report on MiFID II, titled 'MiFID II: A guide for financial advisers.'

[The guide](#) provides advisers with information and practical action points on getting their businesses compliant with the new regulation ahead of its introduction on 3rd January 2018.

Nucleus notes that advisers should see MiFID II as an opportunity to review areas of their business which might benefit from improvement, and keep up to date on how these changes are interpreted and delivered by platforms and asset managers.

To help with advisers with their compliance, Nucleus has provided advisers with a list of 10 concise actions:

1. Keep a register of all conflicts of interest and review at least annually
2. Review whether you need further qualifications, training or permissions to maintain independent status
3. Apply for new permissions by 2nd January 2018 if you wish to advise on structured deposits
4. Review your recruitment procedures and assess if they need tightening
5. Look at your remuneration structure and ensure no incentives negatively impact clients
6. Decide which staff the dealing on personal account rule should apply to, and create a record of direct equities they hold
7. Decide if you need to apply for a Legal Entity Identifier through the London Stock Exchange
8. Establish whether your DFM or platform will offer online reporting access to avoid the need for paper reporting
9. Understand whether your DFM or platform will issue the 10% loss notification and how
10. Check your agency agreement with your DFM – where model portfolios are being used, does the responsibility for regularly checking suitability sit with you as the adviser?

In its recent Census, where Nucleus surveyed over 200 adviser firms that use the platform, it was found that over four in 10 were confident or very confident that they will be ready for the implementation of MiFID II, while almost half were neutral on their readiness. Meanwhile, only 17% thought the MiFID II changes were fair, and 14% envisioned an increase of fees because of the implementation.

Barry Neilson, Chief Customer Officer at Nucleus, said: "The changes brought in by MiFID II and the legislative and regulatory paperwork and processes behind it are extremely involved and complex.

"There are still areas which require clarification, but given there is not long to go until the implementation date, there is a significant risk the industry will not have the opportunity to collaborate. We may find ourselves in a situation where firms are interpreting the rules around issues such as charges and fees aggregation in different ways, resulting in less consistency and more confusion.

"It is important for advisers speak with the DFMs and platforms they use to ensure the path to compliance is as streamlined and as efficient as possible, and that is what we aim to promote with this paper. While daunting, this is a great opportunity for advisers to review areas of their business that may need improving and result in better customer outcomes."

Phil Young, co-author of the paper, and Managing Partner of Zero Support, added: “MiFID II is a sprawling piece of regulation, but some requirements may already be part of how some adviser firms do business. However, there are elements of the regulation that will be entirely new to advisers, and these may require time and effort to comply with.

“What advisers must first assess, and is perhaps most important in their road to MiFID compliance, is what impact this will have on your clients and how you deal with them. There is going to be changes to the ways businesses operate because of MiFID and with GDPR coming into effect quickly after, adviser will need to time their changes to ensure as little disruption as possible.

“There are unanswered questions from the FCA still, but advisers must get their compliance in as orderly a state as is possible, and fully understand what they need to be doing to ensure any changes in business go smoothly.”

- Ends -

To download a copy of the report, please visit <https://illuminate.nucleusfinancial.com/technical-studio/mifid2/>

For further information please visit www.nucleusfinancial.com or contact:

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About Nucleus

Nucleus is a wrap platform founded in 2006 by advisers committed to altering the balance of power in the industry by putting the client centre stage.

Since then, Nucleus has established itself as a major force for change. It is now one of the UK’s fastest-growing platforms and the meeting point for more than 400 adviser firms in total seeking to create better customer outcomes.

As at 18 August 2017, assets under administration on the platform were £13.0bn.

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