

## Xetra® Circular 44/2017

### Action soon required! Medium priority!

Please note: This circular is only available in English language

Date: 11.12.2017

Group of Recipients: **MiFID II Project Managers, Compliance Staff**, Xetra® Project Co-ordinators,  
Please forward the following letter to all other responsible persons

### Update on Due Diligence requirements for MiFID II

Dear Sir or Madam, dear Members,

With this circular we would like to inform you about WBAGs MiFID II requirements regarding the mandatory due-diligence review, which will apply to all members of WBAG.

Referring to circular 30/2017, WBAG is required to conduct a yearly due-diligence with all members (Art. 48 (1) of Directive 2014/65/EU).

In the 3<sup>rd</sup> quarter 2018, WBAG members will be asked to complete a due-diligence questionnaire. New members will have to complete this questionnaire already in the course of their admission process.

In circular 30/2017, item 8 (page 6, 7) WBAG already announced first information about the due-diligence requirements of existing WBAG members.

Please find below WBAGs planned due diligence approach to ensure MiFID compliance as of January 3, 2018:

1. In Q3 2018, WBAG will distribute a due-diligence questionnaire to all members. It will mainly deal with the following topics (note that the questions below may be subject to changes):
  - a. Usage of Pre-trade controls: If yes, which controls are in use?
  - b. Usage of Post-trade controls: If yes, please describe in detail.
  - c. Information of the member, if key positions are staffed with qualified back-office personnel or nominated persons according to MiFID, Article 17 (1) of Directive 2014/65/EU (RTS 6, Article 3 – Staffing).
  - d. Confirmation that conformance testing according to MiFID is done on annual basis in the course of new software releases according to MiFID II, Article 17 (1) of Directive 2014/65/EU (RTS 6, Article 6 – Conformance testing).

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- e. Confirmation about usage of kill-functionality to cancel unexpected orders according to Article 17 (1) of Directive 2014/65/EU (RTS 6, Art. 12 – Kill functionality).
  - f. Confirmation about Direct Electronic Access (DEA) to clients and if all conditions and requirements are met according to Article 48 (7) of Directive 2014/65/EU and Article 17 (5) of Directive 2014/65/EU (RTS 6, Article 19, 20, 21, 22, 23)
  - g. Information about obligation to transaction reporting according to Article 26 of Regulation (EU) No 600/2014 (RTS 22) and its implementation.
2. All members are asked to return the filled in questionnaire by end of 2018 at the latest. WBAG will announce the submission deadline in due time.
  3. New members will have to return the due-diligence questionnaire in the course of their admittance process.
  4. WBAG will assess the due-diligence questionnaire and reserves the right to additionally submit further due-diligence questions to a member, if necessary, by setting a new submission deadline.
  5. If members fail to provide the questionnaire until the submission deadline, WBAG will contact the members and will set a new deadline.
  6. If members fail again, WBAG reserves the right to send further questions and/or perform an onsite audits at members' expenses.
  7. If the audit results in non-compliance of the member with MiFID II regulations according to their WBAG membership, WBAG will sanction the member in relation to the level of non-compliance.

WBAG will provide a final version of the due-diligence questionnaire for download on its website latest begin of Q3, 2018.

Should you have any further question on our MiFID II Implementation Project, please contact our MiFID II Project Office via <mailto:mifidproject@wienerborse.at> or alternatively by phone +43-1-53165-218 or 184.

For any technical questions on the MiFID II release rollouts, please contact our IT Helpdesk via [mailto:it\\_helpdesk@wienerborse.at](mailto:it_helpdesk@wienerborse.at) or by phone (+43-1-53165-170).

Organizational questions on the release rollouts of the MiFID II releases Xetra® 17.0 and T7 6.0 are answered by our local Xetra® Vienna Project Management Office (phone +43-1-53165-253, <mailto:xetra@wienerborse.at>)



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Kind regards  
Wiener Boerse AG  
MiFID II & Xetra® - Project Team