

CASE STUDIES



STORM-7 CONSULTING



STORM-7 CONSULTING



OVERVIEW

MiFID was originally implemented in 2004, however following the global financial crises in 2008, it was decided to update and extend the scope of original directive. MiFID II and MiFIR took effect in the EU in January 2018 in order to formulate a new level playing field for financial services firms, and to regulate firms who provide services to clients linked to Financial Instruments, as well as the venues where those Financial Instruments are traded. MiFID II and MiFIR were implemented via first level legislation, second level Regulatory Technical Standards and Implementing Technical Standards, third level guidelines and commentary. These run to thousands and thousands of pages in total and amounts to one of the most complex pieces of legislation ever enacted in the EU.



DEFINITIONS

ESMA	European Securities and Markets Authority
EU	European Union
MiFID	Markets in Financial Instruments Directive
MiFID II	Revised Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
RMDPP	Regulatory Market Data Processing Platform

EVENT

MiFID II Conference, London, United Kingdom



ABOUT THE EVENT

Storm-7 Consulting partnered with the United Kingdom Financial Conduct Authority (FCA), global technology firm Sopra Steria, global technology firm SunGard, and OTC Partners (New York), in order to deliver a highly unique and cutting-edge MiFID II two-day conference in London. In April 2016 Sopra Steria were awarded an exclusive six-year contract to provide the FCA with a ground-breaking RMDPP. At the conference Stephen Hanks, Manager, Markets Policy Division at the FCA and the person who led negotiations on MiFID II with ESMA, delivered the key note

speech. Magnus Almqvist, a surveillance and compliance domain expert in the in Europe, Middle East and Africa (EMEA) regions employed by SunGard delivered key insights into MiFID II technologies. Sol Steinberg, an expert consultant specializing in OTC derivatives markets, including practices relating to regulation, risk management, market structure, collateral, valuation, and financial technology systems, provided insights into MiFID II, dark pools, and algorithmic trading. The conference consisted of a total of eight sessions delivered over a period of two days:

- (1) Market Structure, Trade and Transaction Reporting.
- (2) Transparency, Position Limits, and Position Reporting.
- (3) Organisational Requirements, Conduct of Business Rules, and Investor Protection.
- (4) The Third Country Firm Framework.
- (5) Over-the-counter and Commodity Derivatives.
- (6) Liquidity, Algorithmic Trading, and Dark Pools.
- (7) MiFIR Reporting Framework.
- (8) Use of Technology and Software in MiFID II Compliance Programmes.

THE OUTCOME

The conference consisted of formal sessions covering a blend of theoretical, technological, legal, and strategic perspectives on day one, followed by interactive and practical workshops. There were question and answer sessions throughout as well as some heated debates regarding practical implementation of MiFID II and MiFIR requirements. Overall, there was highly positive feedback from the event, and it provided attendees with highly comprehensive insights, training, and training materials on the complex MiFID II and MiFIR frameworks. The conference was very well received and had firms such as the Central Bank of Ireland, Royal London Asset Management, APG Asset Management, Brandes Asset Management, Sparkase Bank Malta, Millenium IT, Capco, Eversheds, Invesco, and Enel in attendance. Ultimately the conference provided both the definitive substantive operating framework for MiFID II, as well as unique strategic insights for firms affected by MiFID II.



Areas covered by the conference included: Client due diligence and monitoring requirements for direct electronic access firms; algorithmic trading parameters and exclusions; effectively adapting business models to new MiFID II algorithmic trading obligations; how financial service firms can minimise operational losses on Return on Equity levels; identifying negative impact on cost-income ratios by country and entity to highlight market opportunities; changing strategic business directions to circumvent losses from decreases in revenues and earnings (restrictions on execution-only business and third-party inducements and commissions ban); how financial services firms can implement MiFID II compliant frameworks to minimise the impact of future profitability; the risks for firms disclosing algorithmic trading strategies to competent authorities; strategies to capitalise on the MiFID II Third-Country Firm passporting framework; identifying and targeting SME growth markets in the EU to highlight market opportunities; and identifying and developing potential Data and Information Technology services synergies for MiFID II implementation.





MAD 2 and MAR took effect across the EU on 3rd July 2016. The new market abuse framework sought to strengthen the existing market abuse framework (MAD) by extending the scope to include new financial instruments, new trading platforms, new trading markets, and new trading strategies and behaviour. MAR stipulates that there is a need to establish a more uniform and stronger framework in order to protect market integrity, to ensure accountability

in the event of attempted manipulation, to avoid potential regulatory arbitrage, and to increase legal certainty. The new framework ushered in what the United Kingdom Financial Conduct Authority has labelled as a 'situation of unprecedented complexity'. It is therefore vital that firms have sufficient training in identifying market abuse behaviours such as layering, front running, spoofing, churning, pools, pump and dump, runs, wash trades, ramping, and quote stuffing.

ABOUT THE EVENT

Storm-7 Consulting partnered with the Financial Technology (FinTech) firm 'Sybenetix' to jointly deliver a two-day event covering the new MAD 2 MAR regulatory compliance framework in depth. Sybenetix was responsible for pioneering the development of Enterprise Behavioural Analytics, a technology solution which enables financial instruments to systematically transform their market surveillance, investment performance, and conduct management. In 2017 NASDAQ paid an undisclosed amount to acquire Sybenetix. The training course sought to provide attendees with comprehensive instruction on the new MAD 2 MAR legal obligations and operational framework, and guided attendees through MAD 2 MAR liability and sanctions for legal persons and natural persons, and market abuse and insider dealing offences and sanctions. Taras Chaban, CEO of Sybenetix sought to guide attendees through the complexities of market abuse technologies and surveillance systems.

DEFINITIONS

EU	European Union
MAD	Market Abuse Directive
MAD 2	Revised Market Abuse Directive
MAR	Market Abuse Regulation

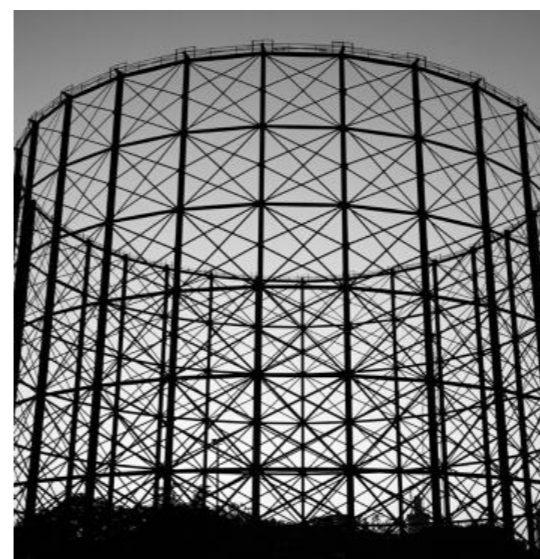
EVENT

MAD 2 MAR Operational Compliance Training Course,
London, United Kingdom

- (1) The MAD 2 and MAR Operational Frameworks.
- (2) Suspicious Transaction and Order Reports, Buy-Back Programme, and Stabilisation Measures.
- (3) Accepted Market Practices and Market Soundings.
- (4) New Market Abuse Exemptions, Powers, and Sanctions.
- (5) Identifying Market Abuse, Insider Dealing, and Unlawful Disclosure of Information in Practice.
- (6) Implementing and Updating Market Abuse Compliance Programmes.
- (7) Implementing Market Abuse Technology Frameworks (Sybenetix).
- (8) Implementing Market Abuse Surveillance Software Solutions (Sybenetix).

THE OUTCOME

The event consisted of a mix of formal sessions covering the MAD 2 MAR regulatory frameworks, together with more interactive and practical sessions covering identification of a broad range of market abuse and insider dealing behaviours, market abuse and insider dealing technologies, and internal firm compliance frameworks. Taras Chaban also explained in depth the cutting edge 'Sybenetix Compass' surveillance technology to the attendees. The event was very well received with highly positive feedback and had firms from all over the world in attendance, including firms such as Sberbank who had people fly in from Russia and Cyprus, CearSettle, Cornhill Capital, and Enel. Attendees received a highly comprehensive training course manual, training course materials, eight PowerPoint presentations, and an A3 Market Soundings Chart. Attendees obtained in depth instruction on key operational areas and compliance functions affected by MAD 2 MAR (e.g. substantive obligations, market abuse and insider dealing offences, civil and criminal sanctions and penalties, accepted market practices and sanctions).



Attendees left the training course with advanced knowledge and understanding of market abuse and insider dealing legal frameworks, and of how the Buy-Back Programme, Stabilisation Measures and Market Soundings frameworks operate in practice. They were also able to understand how to fill in and report Suspicious Transaction and Order Reports and what they needed to do in terms of implementing an effective internal MAD 2 MAR compliance programme (e.g. market abuse and insider dealing compliance policies, whistleblowing policies, compliance monitoring, trade monitoring and surveillance, internal audit function, compliance gap analysis). Crucially, they were also able to discuss in depth a broad range of features of market abuse and insider dealing software solutions, for example in terms of the required features, implementation timelines, and scalability. There was a final group discussion at the end of day two where there were many open discussions about various internal approaches to market abuse and insider dealing compliance.



OVERVIEW

The UN PRI is the world's leading proponent of responsible investment, and works to understand the investment implications of environmental, social and governance factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. In early 2005, the then UN Secretary-General Kofi Annan, invited a group of the world's largest institutional investors to join a

process to develop the Principles for Responsible Investment. A 20-person investor group drawn from institutions in 12 countries was supported by a 70-person group of experts from the investment industry, intergovernmental organisations and civil society. The Principles were launched in April 2006 at the New York Stock Exchange. The PRI is truly independent and encourages investors to use responsible investment to enhance returns and better manage risks but does not operate for its own profit; it engages with global policymakers but is not associated with any government; and it is supported by the UN.

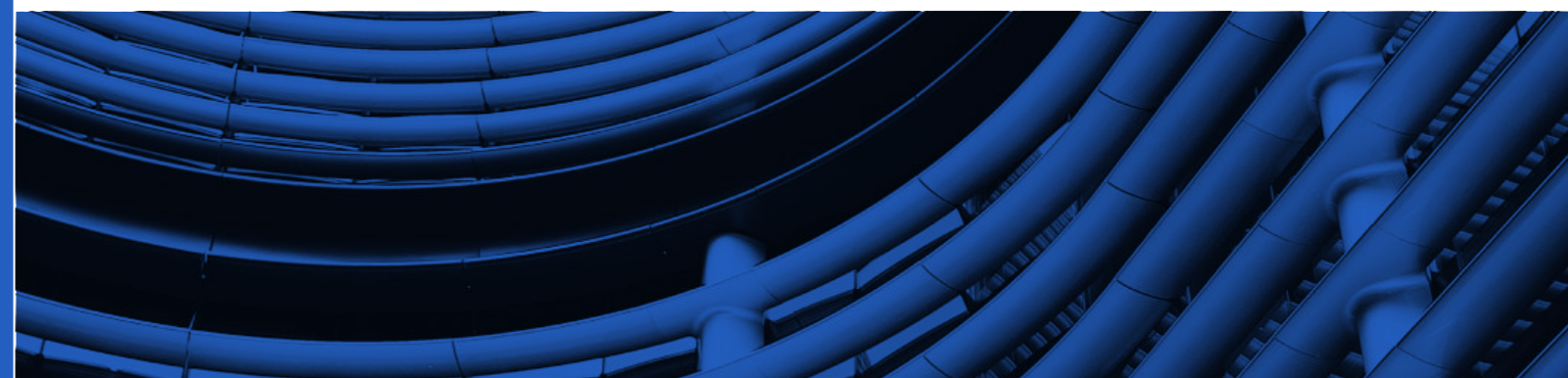
The PRI is an international network of investors working together to put the six principles into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision-making and ownership practices. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system. The Principles offer a menu of possible actions for incorporating environmental, social and corporate governance issues into investment practices across asset classes. Responsible investment is a process that must be tailored to fit each organisation's investment strategy, approach and resources. Over 1,800 signatories from over 50 countries representing over US\$70 trillion (2017) have signed up to the Principles.

DEFINITIONS

MiFID II	Revised Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
PRI	Principles for Responsible Investment
UN	United Nations

EVENT

MiFID II Training Course, London, United Kingdom



ABOUT THE EVENT

Storm-7 Consulting delivered a unique MiFID II training course to eight highly senior executives at the UN PRI headquarters based in London. The course was unique in that, instead of the standard four modules delivered in one day, the expert trainer extended the length of the day in order to deliver five modules, to cater to demand on the day. In addition, the training course was delivered very differently to the standard delivery as there was continuous question and answer sessions throughout, as well as practical application to different contextual scenarios put forward by the attendees. At times the attendees also wanted the expert trainer to go further and speculate about future market developments concerning MiFID II and MiFIR in different areas. Because of the nature of the UN PRI's activities, the expert trainer was required to approach MiFID II and MiFIR differently than he would have done for banks and financial services institutions. The sessions included:

- (1) Market Structure, Trade and Transaction Reporting.
- (2) Organisational Requirements, Conduct of Business Rules, and Investor Protection.
- (3) MiFID II and the Unbundling of Research Commissions.
- (4) Transparency, Position Limits and Position Reporting.
- (5) MiFIR Reporting Framework.

THE OUTCOME

The delivery of the training course was highly challenging in practice owing to the nature of the UN PRI's activities, and the very diverse range of attendee's roles present at the training course. This meant that the expert trainer had to cover a broad range of legal, operational, and strategic perspectives pertaining to MiFID II and MiFIR. In Session 1, attendees were guided through areas such as trading process and finalisation of transactions requirements, Multilateral Trading Facilities, Organised Trading Facilities, Systemic Internalisers, Best Execution, Execution Only Reporting, Data Reporting Services Providers, Flags, and Third Party Inducements.

In Session 2 attendees were instructed on inter alia Client Classification, Eligible Counterparties, Investment Suitability and Appropriateness, Product Governance, Management Body and Firm Organisational requirements, Investor Protection, Conflicts of Interest, and Record Keeping. In Session 3 the expert guided attendees through MiFID II and the Unbundling of Research Commissions, and presented information which had been extensively researched by the expert trainer and provided attendees with highly unique and advanced insights into this key area. In Session 4 attendees were guided through MiFID II transparency, position limits and reporting. In Session 5 the expert trainer covered the MiFIR reporting framework.



CASE STUDY:

THE ABU DHABI INVESTMENT AUTHORITY TRAINING COURSE



OVERVIEW

The Abu Dhabi Investment Authority (ADIA) was founded in 1976 for the purpose of investing funds on behalf of the Government of the Emirate of Abu Dhabi. ADIA now manages a diversified global investment portfolio across more than two dozen asset classes and sub-categories. They invest directly in global financial markets, alongside trusted partners and through a network of carefully selected external managers in all the international markets – equities, fixed income and treasury, infrastructure, real estate, private equity and alternatives. ADIA also identifies medium-term tactical opportunities for generating returns in excess of those achieved by the long-term

policy portfolio while maintaining ADIA's target risk profile. According to the Sovereign Wealth Fund Institute's rankings, the ADIA sovereign wealth fund ranked as the third-largest in the world in 2018 with \$828 billion in assets, being as well one of the world's largest institutional investors. The fund is a member of the International Forum of Sovereign Wealth Funds and is therefore signed up to the Santiago Principles on best practice in managing sovereign wealth funds. ADIA's mission is to sustain the long-term prosperity of Abu Dhabi by prudently growing capital through a disciplined investment process and committed people who reflect ADIA's cultural values.

DEFINITIONS

MiFID II	Revised Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
OTC	Over-the-counter

EVENT

MiFID II Regulatory, Risk and Compliance In-House Training Course, Abu Dhabi, United Arab Emirates.

ABOUT THE EVENT

The ADIA is a sovereign wealth fund that needed to have a highly comprehensive and broad analysis of all the new MiFID II and MiFIR obligations. Consequently, Storm-7 Consulting designed and developed a training course that covered these new and diverse frameworks and delivered the training course to the ADIA in Abu Dhabi over a period of two-and-a-half days. Rodrigo Zepeda, co-founder of Storm-7 Consulting and a MiFID II and MiFIR expert led the training course. Also in attendance was Magnus Almqvist, a surveillance and compliance domain expert in the in Europe, Middle East and Africa (EMEA) regions delivered a broad range of operational insights into MiFID II technologies. Sol Steinberg, an expert consultant specializing in OTC derivatives markets, including practices relating to regulation, risk management, market structure, collateral, valuation, and financial technology systems, provided insights into MiFID II, OTC derivatives, liquidity, dark pools, algorithmic trading, and the third country framework. The training course modules included:

- (1) An Introduction to the New MiFID II Operational Framework.
- (2) Over-the-counter and Commodity Derivatives.
- (3) Liquidity, Algorithmic Trading, and Dark Pools.
- (4) The Third Country Framework.
- (5) Market Structure, Trade and Transaction Reporting.
- (6) Transparency, Position Limits, and Position Reporting.
- (7) Organisational Requirements, Conduct of Business Rules, Investor Protection.
- (8) MiFIR Reporting Framework.
- (9) Use of Technology and Software in MiFID II Compliance Programmes.
- (10) The Operational Impact of MiFID II and Strategic Analysis.



THE OUTCOME

Storm-7 Consulting delivered the training course to nearly 50 senior executives at the ADIA. The event was well received and there was positive feedback from the attendees. Because the attendees came from a very diverse range of departments the training course was highly interactive, as the expert trainers had to continually answer questions and contextualise the training materials for all the different attendees. All the attendees were provided with a highly comprehensive MiFID II and MiFIR training course manual (200+ pages), a training course materials manual, 10 training course PowerPoint presentations, and additional MiFID II Recording of Communications PowerPoint presentation, a MiFIR Reporting technology PowerPoint presentation, and MiFID II and MiFIR Operational Definitions. Because all the attendees asked questions throughout each session the training course schedule had to be changed and lengthened in order

to accommodate the extended question and answer sessions. At the end of each day the day's expert trainer held a client review session with a senior team from the ADIA in order to ensure that all those days' questions had been fully answered and if there were any follow-up questions that were required to be answered following the event. These discussions also included practical discussions regarding internal operational matters such as best execution and MiFID II broker review frameworks. In addition to these client review sessions, the daily experts found that they actively discussed other areas of MiFID II and MiFIR during the breaks and also at lunch. For example, this included discussions regarding the new data providers such as Consolidated Tape Providers, Approved Reporting Mechanisms, and Approved Publication Arrangements with the ADIA private equity team.

CASE STUDY:



DEFINITIONS

CAF	Corporacion Andina de Fomento
ISDA	International Swaps and Derivatives Association
OTC	Over-the-counter

EVENT

Swaps and OTC Derivatives Training Course, Lima, Peru

CAF, THE DEVELOPMENT BANK OF LATIN AMERICA TRAINING COURSE

OVERVIEW

CAF, the Development Bank of Latin America was created in 1970 and it is owned now by 19 countries - 17 of Latin America and the Caribbean, Spain and Portugal- as well as 13 private banks in the region, being one of the main sources of multilateral financing and an important generator of knowledge for the region. They have the mission of stimulating sustainable development and regional integration by financing projects in the public and private sectors and providing technical cooperation and other specialized services. CAF obtained its first credit ratings in 1993 from the three main rating agencies,

and these have steadily increased, even during several economic crises that hit the region. Currently, CAF is the highest rated frequent bond issuer in Latin America. Prudent financial policies have made CAF a profitable institution that reinvests, through grants and technical cooperation, in programs and projects to support its member countries. Today, CAF has become the main source of multilateral financing for infrastructure and energy in the region, with approvals of close to USD10 billion at the end of 2012, which represents around 30% of the total multilateral lending for Latin America.

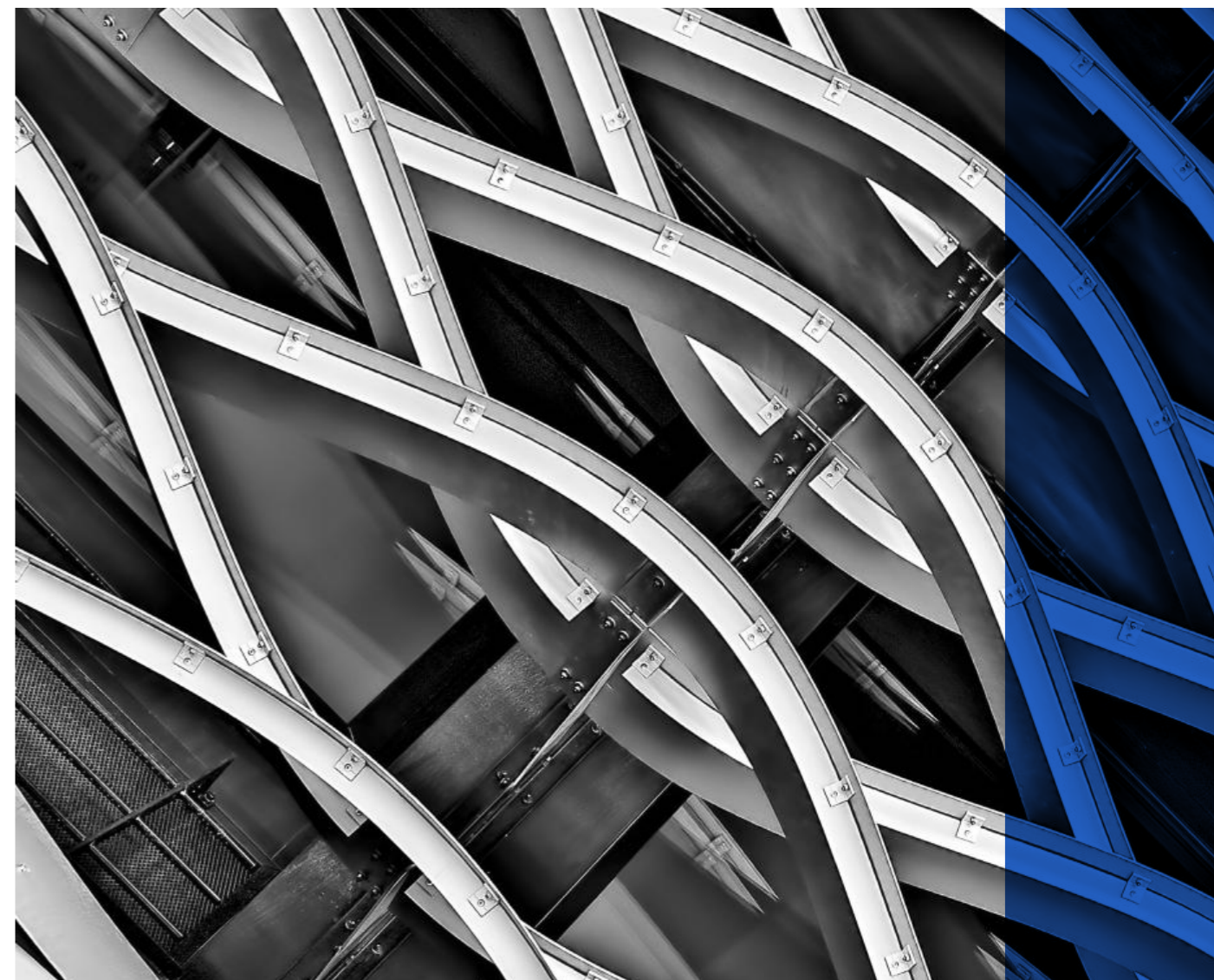
Cooperation with governments in research and knowledge projects is a service that CAF offers the countries in order to generate useful information and analysis from the policies they implement. Over the years CAF supported its member countries to capitalize the current favourable economic conditions and played a counter - cyclical role in times of economic turbulence in international markets, and helped shareholders when financing become scarce. The institution is recognized as one of the best multilateral agencies in the region due to its capacity to adapt to a changing and challenging environment. Through its unique governance structure CAF prevents the conflicts that arise in other multilateral institutions where donors and recipient members are differentiated.

ABOUT THE EVENT

Storm-7 Consulting spent prolonged time over months to discuss and ascertain CAF's training requirements in great depth. CAF were set to negotiate and enter into a broad range of swaps contracts and CAF's teams in multiple jurisdictions required highly advanced training on negotiating and documenting swaps contracts as well as operational risk management practices. Storm-7 Consulting then custom made a two-day training course that was then put to CAF for final approval. Once approved, Storm-7 Consulting researched and created

a highly innovative and comprehensive training course that covered a broad range of areas. Storm-7 Consulting also worked with a local translating firm in order to provide two local interpreters to provide simultaneous English to Spanish interpretation to the senior executives in attendance at the event. Over twenty senior executives attended the training course held in Lima, Peru, with individuals flying in from various other locations such as Chile and the United States. The training course sessions included:

- (1) An Overview of Swaps Markets, Swaps Instruments, and Forwards Instruments.
- (2) Operational and Legal Risks affecting Swaps.
- (3) Negotiating and Documenting Swaps Agreements.
- (4) Credit Support and Collateral Negotiation and Documentation for Swaps.
- (5) Negotiating and Documenting Swaps and OTC Derivatives Agreements: PART I.
- (6) Negotiating and Documenting Swaps and OTC Derivatives Agreements: PART II.
- (7) The Credit Support and Collateral Documentation and Negotiation Framework.
- (8) ISDA 2016 Variation Margin Protocol.



THE OUTCOME

Storm-7 Consulting researched and created one of the most advanced swaps and OTC derivatives agreements training courses in the world for CAF. The training manual provided to CAF was extremely comprehensive, and attendees at the training course also received a training materials manual, and eight PowerPoint presentations. Throughout the delivery of the training course the training course experts worked with the interpreters to ensure that questions posed by the attendees were fully and clearly answered and that there was sufficient time for interpretation from English to Spanish. As one of the experts spoke Spanish he was able to talk in Spanish

with the attendees during the breaks. The training course covered highly complex and advanced legalistic topics and because there was a very broad range of attendees from diverse departments, the expert trainers often had to break down more advanced concepts in order for the attendees to fully understand the complexities of particular topics. In particular, the attendees found the analysis, breakdown and coverage of the ISDA 2016 Variation Margin Protocol framework extremely helpful, as it was an area that was quite complex and needed to be explained clearly and logically to the attendees. The event was very well received with strong positive feedback.



Bethmann Bank AG (Bethmann Bank) is a German private bank headquartered in Frankfurt am Main and was founded in 1748 making it one of the oldest banks in Germany. Bethmann Bank was the bank of Prussian kings and German emperors, as well as the founder and financier of such major enterprises as Siemens, Deutsche Bank, and Allianz. The organisation is a subsidiary of the Dutch ABN AMRO Bank N.V. and was the product of a merger between the historical German banks Delbrück, Bethmann and Maffei under the umbrella of the renowned Dutch ABN AMRO Bank. LGT Bank Deutschland joined this group in 2011. Bethmann Bank acquired the German private banking activities of Credit Suisse in December 2013, and this acquisition positioned Bethmann Bank,

ABN AMRO's private bank in Germany, as the third largest private bank in Germany. Bethmann Bank focuses on management, advisory services and planning for major private assets. Bethmann Bank AG provides banking products and services, and offers strategic asset planning, consulting and management, succession planning and control, executorship, financing, world citizen, real estate brokerage, online banking, and retirement advice and insurance services, as well as investment products and services. It serves family offices, foundations and non-profit organizations, institutional customers, medium-sized companies, and independent asset managers, as well as private banking clients. Bethmann Bank maintains over 600 professionals and assets under management of over €38 bn (2018).

DEFINITIONS

MAD 2 Revised Market Abuse Directive
MAR Market Abuse Regulation

EVENT

MAD 2 MAR (Market Abuse) Operational Compliance, Frankfurt, Germany



Storm-7 Consulting was approached by Bethmann Bank in order to deliver a one day customised in-house training course to a team of six senior professionals from within various internal departments. The final daily training scheduled was approved by Bethmann Bank prior to delivery of the training course at the firm's headquarters in Frankfurt. Following on from the delivery of the first session the attendees wanted to cover the market abuse framework in a different order than originally scheduled. The expert trainer therefore worked with the attendees to better understand the challenges and problems that the team faced in terms of market abuse, in order to provide increased coverage and focus on those particular areas. After the first session the remaining sessions were much more interactive, with prolonged internal debates by Bethmann's team. The expert trainer guided the team through a broad range of practical case studies in order to contextualise market abuse and insider dealing in practice.

- (1) An Introduction to the MAD 2 (Directive 2014/57/EU) and MAR (Regulation No 596/2014) Operational Frameworks.
- (2) An Overview of the MAR Substantive Operational Framework.
- (3) Suspicious Transaction and Order Reports, Buy-Back Programme, & Stabilisation Measures.
- (4) Accepted Market Practices and Market Soundings.
- (5) Market Abuse Technology Surveillance Software.

THE OUTCOME

Storm-7 delivered a market abuse and insider dealing training course to the Bethmann Bank team that was highly customised and tailored to the client's needs. In particular, the training course highlighted a broad range of market abuse behaviours that can be identified in practice such as abusive squeezes, advancing the bid, churning, collusion, concealing ownership, creation of a floor or ceiling in the price pattern, cross-product manipulation, excessive bid-offer spreads, flashing, front running, improper matched orders, layering, marking the close, momentum ignition, painting the tape, phishing, ping orders, pools, pump and dump, and spoofing. During the training course the expert trainer covered areas such as new minimum rules for criminal sanctions and criminal penalties, directive offences, liability and sanctions for natural and legal persons, the MAR framework, prohibitions and offences, market soundings, the whistleblowing framework, benchmark manipulation, Suspicious Transaction and Order Report framework, buy-back

programmes, stabilisation framework, and accepted market practices. Other areas covered included insider dealing signals and examples (e.g. out of line with historical behaviour, immediate execution of an order, employee's own account transaction), and market manipulation signals and examples (e.g. order size, valuation modification, bypassing trading standards). The expert trainer took the time to take the Bethmann Bank team through a range of case studies such as the Jabre Case, Square Mile Securities Limited, Mark Lyttleton and BlackRock, and the W H Ireland case. The expert trainer also guided the team through United Kingdom Financial Conduct Authority cases and thematic reviews pertaining to market abuse. In addition, the expert trainer spent some time going through the calibration of internal market abuse surveillance technologies and the different types of rules as well as false positive alerts. Overall, there was positive feedback provided following on from the training course.



CASE STUDY: STANBIC BANK



OVERVIEW

Stanbic Bank was established in 1999. Since 2007, they have expanded their branch network to nine out of the ten regions in the Ghana to support their clients' needs. They are licensed by the Central Bank of Ghana. Stanbic Bank provides a full range of consumer, business, and corporate and investment banking services to clients

who require a local banking partner with international reach. They are a Tier One bank and the third largest bank in terms of share of industry operating assets. Their services evolve needs of local and international clients, delivered by over 1,500 employees at 36 branches, along with 60 ATMs and their advanced online banking services.

Through their growing branch network, they increasingly provide personal and business banking services to the local consumer market. Their wealth unit services the needs of high net worth individuals and provides quality banking services to corporate leaders and professionals. Stanbic Bank over the past 10 years, has earned a well-deserved reputation as a customer oriented, business friendly and socially relevant bank. This is due to multiple awards received by Stanbic Bank from the Ghana Investment Promotion Centre. These were awarded for the following achievements: Top Performing Business, Best Financial Institution and the Best Bank in Ghana. On the back of this strong performance, Stanbic Bank also joined the league of first tier banks in Ghana in 2009.

DEFINITIONS

AEOI	Automatic Exchange of Information
CRS	Common Reporting Standard
FATCA	Foreign Account Tax Compliance Act
OECD	Organisation for Economic Cooperation and Development
Stanbic Bank	Stanbic Bank Ghana Limited

EVENT

AEOI (FATCA & CRS) Operational Compliance Training Course, London



ABOUT THE EVENT

Regulatory compliance training supports the understanding of the legal limits within which a company operates. The objective is to fulfil the legal obligations and standards with the purpose of the organisation, through the education of the compliance team and employees on relevant regulation and laws which are relevant to their scope and industry. The Corporate and Investment Banking team combines an in-depth understanding of local market conditions and drivers with Stanbic Bank's experience in emerging markets to develop client-focused solutions, customised to each client's unique requirements. In light of Stanbic Bank's global regulatory compliance obligations, Storm-7 Consulting delivered an AEOI (FATCA & CRS) Operational Compliance training course to Stanbic Bank's Ghana Compliance Team who flew in to London in 2018. The course consisted of a total of eight sessions delivered over a period of two days:

- (1) The FATCA Regulatory Framework.
- (2) Analysing United States FATCA Model 1 and Model 2: Intergovernmental Agreements and Foreign Financial Institution Agreements.
- (3) Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard (CRS) Regulatory Framework.
- (4) FATCA and the OECD CRS Technologies and Operational Compliance.
- (5) OECD Classification, Due Diligence, and Reporting.
- (6) Analysing the OECD CRS.
- (7) FATCA and the OECD CRS Operational Compliance.
- (8) FATCA and the OECD CRS Technologies and Operational Compliance.



THE OUTCOME

Tax evasion and tax fraud have been affecting governments and banking and financial services firms all over the world for decades. It occurs within a country and across countries. Countries need to work together on an international basis in order to combat the problem at home and abroad. The financial crisis of 2008 strained government finances all over the world and provided spurred support for an effective global tax framework, resulting in new regulatory such as FATCA and the CRS, in order to improve global tax compliance. However, these new tax frameworks are highly complex in nature and understanding how they operate in practice is a difficult challenge for firms to face.

By delivering a highly unique and comprehensive training course Storm-7 Consulting was able to provide Stanbic Bank with precisely the right knowledge, materials, and tools that it needed in order for it to be able to fully and effectively comply with all FATCA and CRS regulatory requirements. The training course combined theory and practice and incorporated interactive learning elements in order to demystify the

complexity of both FACTA and the CRS frameworks. The course Expert Trainer ensured that Stanbic Bank's compliance team fully understood the operational impact that FATCA and the CRS will have on its business and on its clients. The Expert Trainer was able to guide them through necessary adaptation processes, compliance solutions, and the complexities of understanding the way the FATCA and CRS frameworks operate around the world.



DEFINITIONS

AEOI	Automatic Exchange of Information
CRS	Common Reporting Standard
FATCA	Foreign Account Tax Compliance Act
OECD	Organisation for Economic Cooperation and Development

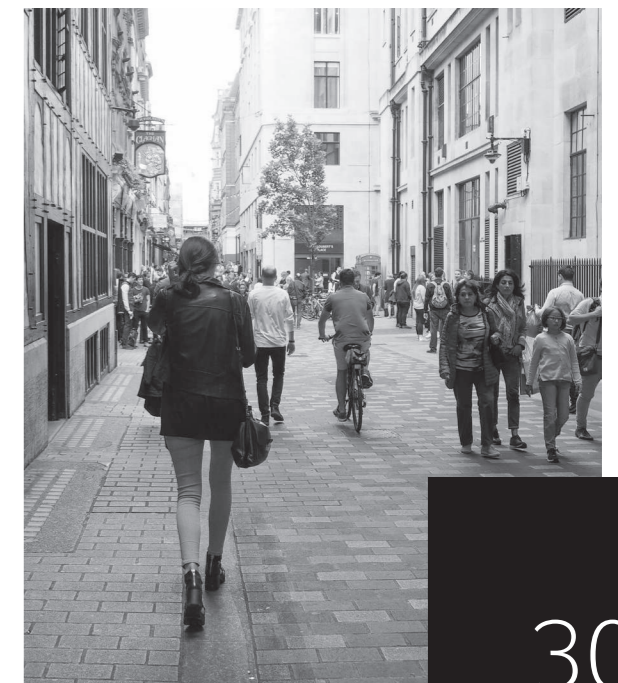
EVENT

AEOI (FATCA & CRS) Operational Compliance Training Course, London

OVERVIEW

Founded in 1811, Rothschild & Co is one of the world's largest independent financial advisory groups, providing M&A, strategy and financing advice, as well as investment and wealth management solutions to large institutions, families, individuals and governments, worldwide. The globally renowned organisation has been at the centre of the world's financial markets for over 200 years and boasts an unrivalled global network of trusted professionals and decision makers. Rothschild's financial advisory division is known to serve British nobility, including the British Royal Family, and serve as the personal financial advisor of Queen Elizabeth II. It is the seventh oldest bank in continuous operation in the United Kingdom. Rothschild and Co develop over 3,500 talented professionals in over 50 offices around the world and maintain a strong track record of outstanding execution in three business lines: Global Advisory, Wealth and Asset Management, and Merchant Banking.

This business focus delivers in-depth market intelligence and looks to keep a closer grasp on current issues within core markets than any other global financial institution. Their integrated global network has a prime track record of outstanding execution and deep market and sector knowledge, and their combination of scale, local knowledge and intellectual capital provides a distinct perspective, as well as effective long-term solutions, for their clients and business partners. Rothschild & Co is one of the few names in banking and finance which are synonymous with history and prestige, and the organisation is set apart from other investment banks and has preserved a first-class reputation across decades of generations and developments across financial markets. Rothschild boast consistently strong market performance: with Merchant Banking assets under management of €467m (2017); their Private Wealth & Asset Management assets under management of €66.6bn (2017); and an annual revenue from their Global Advisory division of €1,190m (2017).



The AEOI (FATCA & CRS) Operational Compliance training course was a one-day training course that was delivered to Rothschild Investment Management (UK) Limited (Rothschild) at their London headquarters. The compliance team from London was in attendance, and the compliance team from Paris also flew in for the training course. There were four modules that were delivered during the day although Storm-7 Consulting provided Rothschild with PowerPoint presentations that covered two days of training (i.e. eight modules) in order to provide added value to the training course. The eight modules provided were:

- (1) The AEOI and FATCA Regulatory Frameworks.
- (2) The Three Pillars of FATCA: PART I.
- (3) The Three Pillars of FATCA: PART II.
- (4) Analysing US FATCA Model I IGA, Model 2 IGA, and FFI Agreements.
- (5) Analysing the OECD Common Reporting Standard.
- (6) FATCA and the OECD Common Reporting Standard.
- (7) FATCA and the OECD CRS Operational Compliance.
- (8) Review of FATCA and OECD CRS Compliance Technologies.



THE OUTCOME

The compliance teams at Rothschild already had a good understanding of the FATCA and CRS frameworks and therefore this training course was orientated at providing them with updates regarding regulatory trends as well as providing operational compliance

insights and additional commentary and insight covering new areas. For example, the expert trainer guided the Rothschild team through the new OECD Model Mandatory Rules for CRS Avoidance Arrangements and Opaque Offshore Structures.

The expert trainer explained to the team how the new Rules fit into the existing CRS framework and also guided the team through how they would operate in practice. This helped to show how the FATCA and CRS frameworks are still developing and where the AEOI global framework is heading over the next few years. In addition, the expert trainer guided the Rothschild team through a range of CRS loopholes and avoidance arrangements. This included areas such as residence-by-investment schemes, 25% entity threshold for Controlling Persons, gold, property (real estate), distributions by trusts as non-reportable loans, trusts as holding Non-Financial Entities, and bilateral late adopter shopping. Overall the Rothschild team found the training course AEOI update significantly beneficial.



OVERVIEW

EMIR is a body of legislation for the regulation of OTC derivatives throughout the EU that took effect on 16th July 2012. Since that time the clearing of OTC derivatives via CCPs has become one of the cornerstone areas of the regulation of banking and finance. Indeed, the BIS cites the notional amount of outstanding OTC derivatives contracts at \$542 trillion at end-June 2017. Under EMIR: (1) new rules were introduced to reduce the counterparty credit risk of derivatives contracts; (2) all standardised OTC derivatives contracts must be centrally cleared through CCPs; (3) if a contract is not cleared by a CCP, risk mitigation techniques must be applied; (4) CCPs must comply with stringent prudential, organisational and conduct of business requirements; (5) detailed information on each derivative contract has to be reported to Trade Repositories and made available to supervisory authorities; (6) Trade Repositories have to publish aggregate positions by class of derivatives, for both OTC and listed derivatives; (7) the European Securities and Markets Authority is responsible for surveillance of Trade Repositories and for granting and withdrawing accreditation; (8) market participants are required to monitor and mitigate the operational risks associated with trade in derivatives such as fraud and human error, e.g. by using electronic means to promptly confirm the terms of OTC derivatives contracts.

DEFINITIONS

BIS	Bank for International Settlements
CCP	Central Counterparty
EMIR	European Market Infrastructure Regulation
EU	European Union
ISDA	International Swaps and Derivatives Association
OTC	Over-the-counter

EVENT

CCP Clearing, Risk Management, Recovery and Resolution (EU), London, United Kingdom



The CCP Clearing, Risk Management, Recovery and Resolution (EU) training course was designed to be one of the most comprehensive training courses covering this area in the world. It provides detailed information and commentary on areas that have received little to no coverage elsewhere and provides highly unique and cutting-edge training to attendees. The expert trainer analysed all the primary legislation and secondary technical standards relating to OTC derivatives and central clearing throughout the EU, as well as international standards and guidelines and hundreds of articles and industry commentary covering

CCP clearing. The training course is highly diverse and covers a broad range of areas such as the CCP clearing model, CCP regulation, the CCP EU regulatory framework, CCP cleared products, CCP interoperability, CCP and client clearing documentation and common negotiated provisions, ISDA clearing agreements and addendums, stress testing, default and non-default risks and losses, CCP risk management, CCP margining practices, and CCP recovery and resolution plans. The training course was delivered over two days in London and covered four sessions on the first day and four workshops on the second day:

- (1) The CCP Clearing Model.
- (2) The EU CCP Regulatory Framework.
- (3) CCP Clearing Models and Agreements (Direct and Indirect).
- (4) Designing Effective CCP Default Management, Recovery and Continuity Frameworks.
- (5) CCP Operational Risk.
- (6) CCP Risk Management Frameworks.
- (7) CCP Margining Practices.
- (8) CCP Recovery and Resolution Plans.



THE OUTCOME

Over two days the expert trainer took time to understand the precise requirements of the attendees in order to contextualise the training course to the needs of the attendees. Because many areas of the training course were complex, the expert trainer took time to break down more complex areas in a logical way for the attendees. Also, he provided contextual examples from the industry in order to allow the attendees to understand the development of central clearing throughout the EU. In addition, the expert trainer guided attendees through the legal complexities of CCP clearing documentation as well as how ISDA clearing agreements and Addendums operate in practice.

Some of the more advanced and cutting-edge areas such as designing effective CCP default management, recovery and continuity frameworks and CCP recovery and resolution plans needed more time for full coverage and so the expert trainer augmented the training schedule in order to provide more time for increased coverage of

these areas. The event was attended by firms such as the central bank of Netherlands (DeNederlandersche Bank), Zeliade Systems, one of the largest exchanges in the Middle East, namely Dubai Financial Market, and one of the leading CCPs globally, Eurex Clearing. The training course was very well received by the attendees.

AEOI (FATCA & CRS) COMPLIANCE AND TECHNOLOGY TRAINING COURSES BAHRAIN AND LEBANON



DEFINITIONS

AEOI	Automatic Exchange of Information
CRS	Common Reporting Standard
FATCA	Foreign Account Tax Compliance Act

EVENTS

- AEOI (FATCA & CRS) Compliance and Technology, Manama, Bahrain
- AEOI (FATCA & CRS) Compliance and Technology, Beirut, Lebanon



THOMSON REUTERS

ABOUT THOMSON REUTERS

Thomson Reuters Corporation is a Canadian multinational mass media and information firm globally recognised around the world, founded in Toronto, Ontario, Canada, where it is headquartered. Thomson Reuters was created by the Thomson Corporation's purchase of the British company Reuters Group in April 2008, and is majority owned by The Woodbridge Company, a holding company for the Thomson family. Thomson Reuters was ranked as Canada's "leading corporate brand" in the 2010 Interbrand Best Canadian Brands ranking, and operates now in more than 100 countries, and has more than 45,000 employees. Thomson Reuters is one of the world's most trusted provider of technology and answers, helping professionals make confident decisions and run better businesses.

Their customers operate in complex arenas that move society forward, such as law, tax, compliance, government, and media. They provide knowledge, insights, services and support to face increasing complexity as regulation and technology disrupts every industry. Moreover, Thomson Reuters provides unique technology solutions such as ONESOURCE™, an integrated technology compliance solution designed and created to deal with the automatic Exchange of Information (AEOI) and provide a solution for the Foreign Account Compliance Act (FATCA) and the Common Reporting Standards (CRS) reporting and documentation requirements. Thomson Reuters helps the clients to reinvent the way they work, bringing together expert information, innovation and authoritative insight to unravel complex situations.



ABOUT THE EVENTS

In 2018 Storm-7 Consulting partnered with Thomson Reuters in order to jointly deliver a series of AEOI (FATCA & CRS) Compliance and Technology events across the Middle East, in Malta, Bahrain, Saudi Arabia, Dubai, Abu Dhabi, Lebanon, Qatar, Cyprus, and Kuwait. The training courses were designed to comprehensively train attendees on the FATCA and CRS regulatory compliance frameworks as well as to provide attendees with in-depth guidance on AEOI compliance technologies. We have included commentary and coverage of the last two events held in Manama, Bahrain and Beirut, Lebanon. The training courses were each delivered over two days with a total of eight sessions. Six sessions were delivered by Storm-7 Consulting and two sessions were delivered by Thomson Reuters. The sessions were:

- (1) the FATCA Regulatory Framework.
- (2) Analysing US FATCA Model 1 and Model 2 Intergovernmental Agreements and FFI Agreements.
- (3) the OECD CRS Regulatory Framework.
- (4) Industry Insight, Challenges and Lessons Learnt from FATCA Obligations and CRS Year 1.
- (5) Automatic Exchange of Information Technologies and Operational Compliance.
- (6) OECD CRS Classification, Due Diligence, and Reporting.
- (7) Analysing the OECD CRS.
- (8) FATCA and the OECD CRS Operational Compliance.

ABOUT CONTINUED

The Bahrain training event took place in Manama and had firms such as JS Bank, InvestCorp, Saudi National Commercial Bank, Bank ABC, Gulf International Bank, and GFH Financial Group in attendance. The Lebanon event took place in Beirut and had firms such as Blom Bank, Abouseleiman & Co, Riks Management, and the Association of Banks in Lebanon in attendance. Katherine Lee, FATCA and CRS Consultant at Thomson Reuters, MENA was in attendance at the events on behalf of Thomson Reuters.

THE OUTCOME

Attendees were guided through a very broad range of areas, including FATCA and CRS definitions, passthrough payments, grandfathered obligations, passive income, active income, Model I and Model II Intergovernmental Agreements, CRS reporting and implementation timelines, CRS entity management liability, FATCA and CRS fines and penalties, FATCA and CRS operational workflow, FATCA and CRS classification, due diligence, documentation, and reporting, and FATCA and CRS operational compliance. In addition, the attendees were guided through CRS loopholes and avoidance strategies as well as the OECD Model Mandatory Rules for CRS Avoidance Arrangements and Opaque Offshore Structures. The events were very well received by all attendees and the attendees provided highly positive feedback on the delivery and the highly comprehensive materials that were provided by Storm-7 Consulting and Thomson Reuters.



OVERVIEW

The increasing level of personal criminal liability for MLROs presents a significant challenge for individuals taking on the role of MLRO, especially in the face of a vast array of complex parallel regulatory compliance frameworks affecting firms today. This includes inter alia Part 7 of the Proceeds of Crime Act 2002, Part 3 of the Terrorism Act 2000, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (No. 692), the Financial Services Markets Act 2000, and the Criminal Finances Act 2017. Moreover, the interpretation of an array of national and international guidelines, as well as varying KYC standards, can prove to be taxing on heavily burdened MLROs.

DEFINITIONS

AML	Anti-Money Laundering
CFT	Counter-the-financing of Terrorism
KYC	Know Your Client
MLRO	Money Laundering Reporting Officer
NO	Nominated Officer

EVENT

Money Laundering Reporting Officer (MLRO) Operational Compliance, London, United Kingdom



ABOUT THE EVENT

The intermediate to advanced MLRO Operational Compliance training course was designed to equip MLROs with all the information and knowledge they need to perform the role of MLRO fluently and with ease. The legal expert trainer guided attendees through theoretical, practical, and operational aspects of the MLRO role, as well as leading attendees through the complex AML and CFT regulatory compliance frameworks, guidelines, and industry standards. One of the chief difficulties with the MLRO role is that the MLRO takes on board legal civil and criminal liability on behalf of the organisation, and this necessitates that the MLRO is fully and comprehensively apprised of all relevant AML and CFT regulatory compliance frameworks.

This is not easy in practice, as it requires a highly comprehensive understanding of national legislation such as Part 3 of the Terrorism Act 2000, Part 7 of the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Money Laundering and Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, and the Financial Services and Markets Act 2000. It also requires an in-depth understanding of practical operational compliance as well as an understanding of the latest AML and CFT trends. The training course aimed to cover all these areas through four extended sessions:

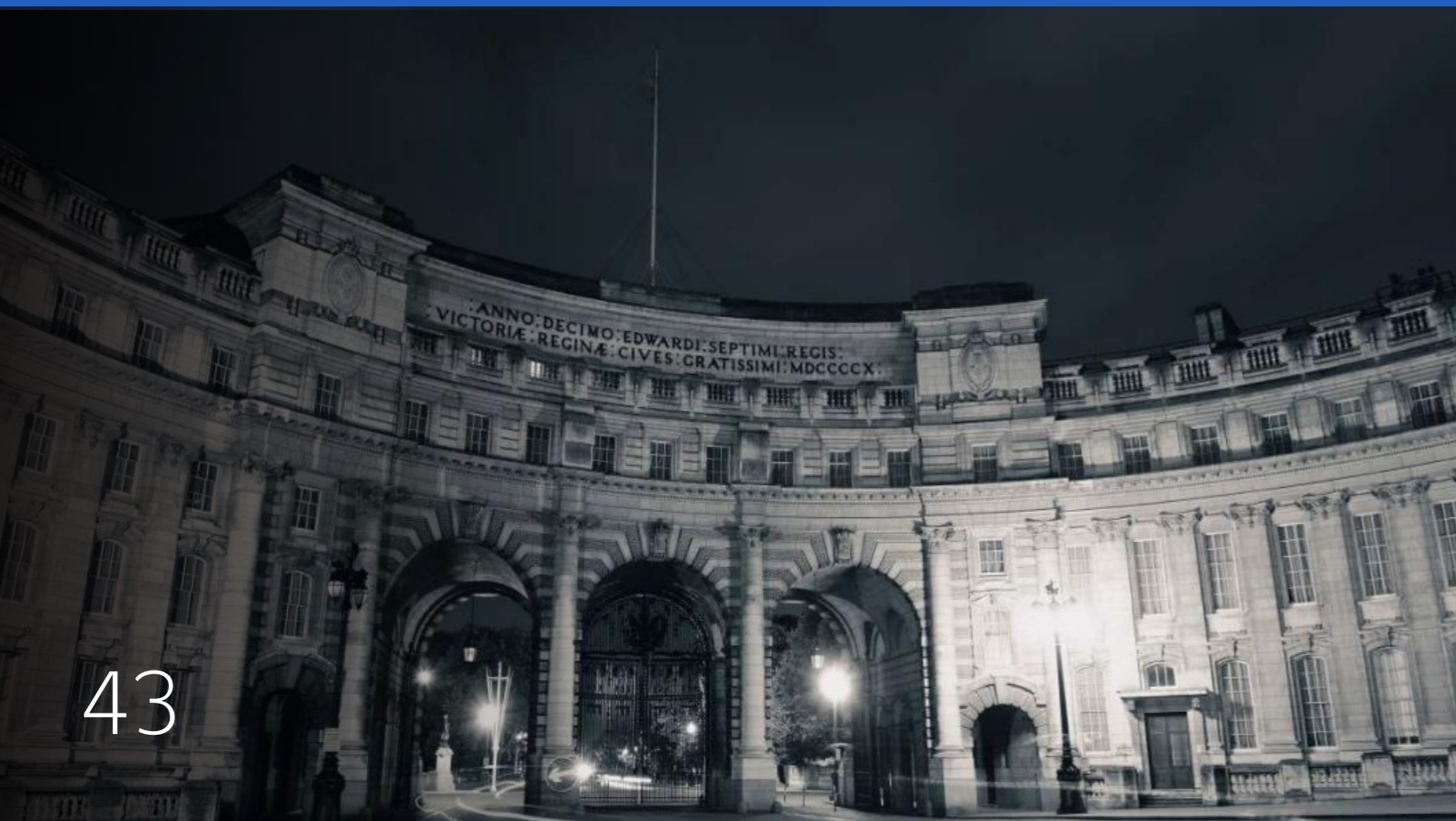
- (1) A Review of the Nominated Officer Role and Responsibilities.
- (2) AML/CFT Legal Frameworks.
- (3) AML/CFT Practical and Operational Compliance.
- (4) AML and CFT Risk Assessments.



THE OUTCOME

The event provided attendees with a highly comprehensive training course manual, training course materials manual, and four in-depth PowerPoint presentations. The MLRO event was CPD certified and attendees could prepare for a 60-minute multiple-choice certification exam with an exam pass rate of 65%. Attendees could choose to sit a practice exam prior to taking the actual certification exam. The event covered a broad range of areas, including the role of the NO; Customer Due Diligence; Risk Assessment, Policies and Procedures; Suspicious Activity Reports; and a review of AML/CFT legal frameworks; a review of Legal Professional Privilege; a review of enforcement cases (e.g. Standard Bank PLC, Coutts, EFG, Turkish Bank (UK) Ltd; Guaranty Trust Bank (UK) Ltd; Habib Bank). The training course also covered the risk-based approach in depth

which covered areas such as firm wide risk assessment, risk factors, and risk categories (e.g. geographic risk, product risk, service risk, investor risk, channel risk, distribution risk). Following on from the event the attendees took on board lessons learned from past enforcement cases, and they were well versed on disclosure of Suspicious Activity Reports and legal professional privilege. In addition, attendees took away a highly comprehensive understanding of all relevant AML/CFT and MLRO legal frameworks and obligations. Feedback from attendees at the training course included comments such as "Exceeded expectations. End to end reviews provided with the appropriate level of focus"; "Excellent"; "Very good. We can see he has the knowledge needed to give the training"; "Good – knowledge level great – delivered very well"; "Very relevant";





DEFINITIONS

4AMLD	Fourth Anti-Money Laundering Update
AML	Anti-Money Laundering
CFT	Counter-the-financing of Terrorism
MLRO	Money Laundering Reporting Officer
UK	United Kingdom

EVENT

4AMLD, AML/CFT Regulatory Compliance, Henley-on-Thames, United Kingdom
 AML/CFT Regulatory Compliance Update, Henley-on-Thames, United Kingdom.

Invesco Asset Management S.A, is based in Luxembourg and provides investment management services. The Company offers mutual fund, fixed income products, asset allocation, international real estate services to investment professional, institutional clients or to who is looking to make a personal investment, with the aim of providing help to achieve long-term investment goals. Invesco Asset Management serves customers worldwide and since 1991 has been established as part of the biggest Invesco, an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Invesco has earned a well-deserved reputation thanks to its specialized investment teams managing investments across a comprehensive range of asset classes, investment styles and geographies.

Invesco, with over 7,000 employees focuses on client needs across the globe which grant proximity to their clients with an on-the-ground presence in 25 countries, manages now more than \$926.0 billion in assets on behalf of clients worldwide. This firm is now solely focused on investment management, directing all of the intellectual capital, global strength and operational stability toward helping clients achieve their investment objectives. Invesco offers a wide range of single-country, regional and global capabilities across major equity, fixed income and alternative asset classes, delivered through a diverse set of investment vehicles, and they support the belief that the best investment insights come from specialized investment teams with discrete investment perspectives, operating under a disciplined philosophy and process with strong risk oversight, which allows to eliminate the distractions that compromise results.

ABOUT THE EVENTS

Storm-7 Consulting worked with Invesco Asset Management S.A. to deliver two half-day training courses at their UK headquarters located in Henley-on-Thames. The first half-day training course covered the 4AMLD framework as well as European Supervisory Authority Guidelines. It also analysed relevant AML and CFT regulatory compliance frameworks in depth. The second day focused on certain aspects of AML and CFT regulatory compliance frameworks pertaining to two different jurisdictions, namely Luxembourg and Germany. In addition, there were more practical case studies and global AML and CFT updates prepared for the course attendees.

- (1) The Fourth AMLD Framework and the European Supervisory Authority Guidelines.
- (2) AML/CFT Legal Frameworks.
- (3) Luxembourg and German AML and CFT Review.
- (4) AML/CFT Case Studies and Updates.

Fifteen attendees were in attendance from Luxembourg and the UK and they received a highly comprehensive training course manual, training course materials manual, four PowerPoint presentations, and an additional Money Laundering Reporting Officer PowerPoint presentation.

THE OUTCOME

The first day of training covered a very broad range of areas, including the 4AMLD; customer due diligence; simplified due diligence; enhanced due diligence; third party outsourcing; high risk jurisdictions; beneficial ownership information; and the European Supervisory Authorities Guidelines. Other legal areas covered included Part 7 of the Proceeds of Crime Act 2002; disclosure of Suspicious Activity Reports to the National Crime Agency; Part 3 of the Terrorism Act 2000; a review of practical case studies; section 59 of the Financial Services and

Markets Act 2000; and the Criminal Finances Act 2017. The second day of training built upon the existing knowledge based and aimed to provide more specialist coverage of AML/CFT regulatory compliance frameworks covering Luxembourg and Germany. It also provided extensive coverage of AML/CFT practical case studies and a global AML/CFT update. Overall Invesco were provided with very comprehensive coverage of AML/CFT regulatory compliance frameworks and very extensive and comprehensive training materials.



CASE STUDY:



DEFINITIONS

CCP	Central Counterparty
EMIR	European Market Infrastructure Regulation
EU	European Union
ISDA	International Swaps and Derivatives Association
OTC	Over-the-counter
MiFID II	Revised Markets in Financial Instruments Directive
TR	Trade Repository

EVENT

Regulatory Compliance, OTC Derivatives and Credit Support and Collateral Documentation, Eton, United Kingdom

VALIDUS RISK MANAGEMENT

OVERVIEW

Validus Risk Management is an independent market risk advisory firm based in United Kingdom and Canada. They are specialized in the management of currency, interest and commodity price risk. They work with alternative investment funds, their investors and portfolio companies to design and implement strategies and processes to measure, manage and monitor financial risk, using a market-tested combination of specialist consulting services and innovative risk technology. Their core services are risk measurement, strategy design, hedge arrangement, price regulations, analytics and risk reporting.

Besides their core risk management service offerings, they provide solutions in a number of related areas such as, risk view technology, fund risk reporting, fund level hedging, separately managed account hedging and private equity due diligence. They collaborated with well-known companies such as Mountain Warehouse, AAC Capitals and LDC. They worked with corporate and client from all over the world, includes Small and Medium Sized Enterprises, multinational corporations and financial institutions. They advise on over \$90 billion in hedging transactions annually.



Validus Risk Management approached Storm-7 Consulting with a view to delivering a customised in-house training course covering a broad range of areas. Storm-7 Consulting worked with Validus Risk Management to identify all relevant areas of interest and then developed a modular training framework with broad choice of modules. Once Validus had chosen the modules they were then allocated into groups and split into three days of training. The events covered regulatory compliance areas such as EMIR and MiFID II, ISDA and OTC derivatives documentation and negotiation, and credit support and collateral documentation. The sessions were:

- (1) The EMIR Regulatory Framework in the EU.
- (2) A Global Regulatory Snapshot.
- (3) An Introduction to the New MiFID II Operational Framework.
- (4) The Third Country Framework.
- (5) Credit Support & Collateral Negotiation and Documentation for Swaps.
- (6) ISDA 2016 Variation Margin Protocol.
- (7) Credit Support & Collateral Documentation – Intermediate.
- (8) Credit Support & Collateral Documentation – Advanced.
- (9) Negotiating and Documenting Swaps Agreements.
- (10) Negotiating and Documenting Swaps and OTC Derivatives Agreements: Part 1.
- (11) OTC Derivatives Documentation and Negotiation – Intermediate.
- (12) OTC Derivatives Documentation and Negotiation – Advanced.

THE OUTCOME

Storm-7 Consulting created an extremely broad and comprehensive set of customised training materials for Validus Risk Management and delivered an extended in-house training course over a period of three days. The first day of training provided coverage of the new MiFID II operational framework and the MiFID II Third Country framework. The MiFID II training covered areas such as investment services and activities, financial instruments, data reporting services, organised trading facilities, multilateral trading facilities, systemic internalises, transaction reporting, dark pools, algorithmic trading, consolidated tape, investor protection, market structure, and market transparency. The training on EMIR included coverage of areas such as CCPs, TRs, EMIR clearing conditions and obligations, CCP ownership, segregation and portability, omnibus client segregation,

individual client segregation, CCP advantages and disadvantages, margining, multilateral netting, risk and default, loss mutualisation, and auctions. The credit support and collateral documentation training covered areas such as security interests; credit support obligations; conditions precedent; transfer timing; calculations; substitutions; custodial risks; use of posted collateral; events of default; rights and remedies; representations; collateral calls; cure periods; OTC derivatives policy; bankruptcy-remote entities; and the ISDA 2016 Variation Margin Protocol. In addition, the expert trainer provided instruction and guidance on negotiating and documenting credit support and collateral documentation and negotiating and documenting OTC derivatives documentation. The training course was very well received.





DEFINITIONS

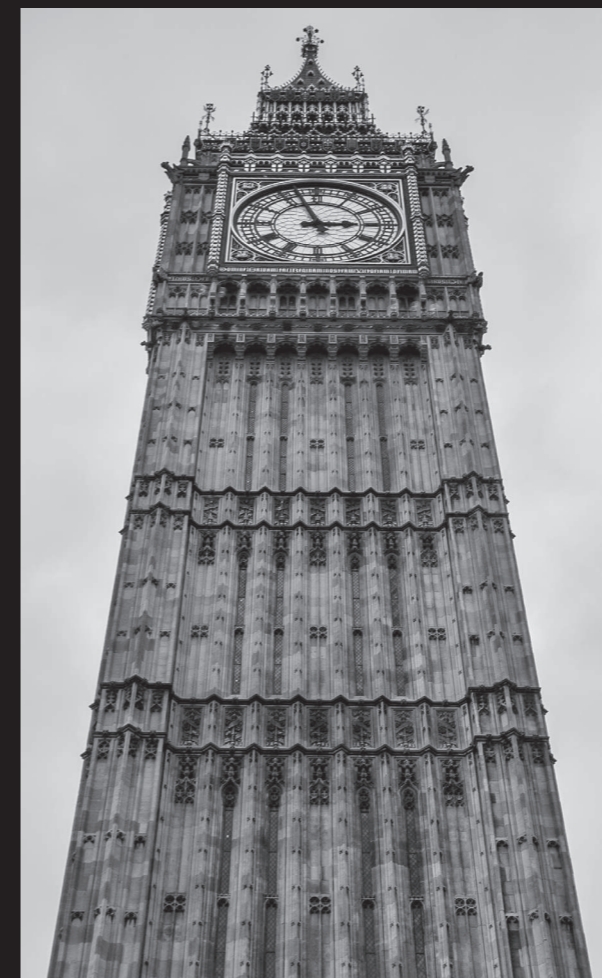
AEOI	Automatic Exchange of Information
CRS	Common Reporting Standard
FATCA	Foreign Account Tax Compliance Act
FFI	Foreign Financial Instrument
IGA	Intergovernmental Agreement
NFE	Non-Financial Entity
NFFE	Non-Financial Foreign Entity
OECD	Organisation for Economic Cooperation and Development
US	United States of America

EVENT

AEOI (FATCA & CRS) Operational Compliance, London, United Kingdom

OVERVIEW

Resolution Life is a global life insurance group which focuses on the acquisition and management of portfolios of life insurance policies. They have operations in London, Bermuda and United States. In their history, Resolution Life Group partnered with more than 160 life insurers included well known global companies such as Santander and AXA and Swiss Life. Since 2003, together these companies have managed over \$300bn of assets whilst serving the needs of 10 million policyholders.



Resolution Life's focus is on partnering with primary insurance companies to release capital from their in-force life policies through the acquisition of whole life companies, including operations and employees, reinsurance and key risks. They help global insurance companies to seek growth and innovate new products by supporting them to release capital and remove cost stranded in their legacy insurance portfolios. They provide a safe and reliable partner for insurers by focusing on existing customers instead of seeking expansion by new sales. They are delivering policy holder benefits in a secure, well capitalized environment.



ABOUT THE EVENTS

Resolution Life approached Storm-7 Consulting with a view to delivering a customised in-house AEOL (FATCA & CRS) Operational Compliance training course. Because of the types of activities undertaken by Resolution Life the team required customised content to be covered in addition to coverage of the FATCA and CRS regulatory frameworks.

Storm-7 Consulting therefore devised a training course that would provide comprehensive general coverage of the FATCA and CRS regulatory frameworks, an operational update, and specific coverage relating to the classification of trusts and active and passive NFFEs (under FATCA) and NFEs (under CRS). The sessions were:

- (1) The FATCA Regulatory Framework.
- (2) The Three Pillars of FATCA.
- (3) Analysing US FATCA Model I IGA, Model 2 IGA, FFI Agreements.
- (4) Analysing the OECD Common Reporting Standard.
- (5) FATCA and the OECD CRS.
- (6) FATCA and the OECD CRS Operational Compliance.

THE OUTCOME

Storm-7 Consulting provided a broad range of coverage pertaining to the AEOL regulatory compliance frameworks. This training covered the AEOL framework; FATCA definitions and terminology; the impact of FATCA; FATCA classification, documentation, reporting; recalcitrant accounts; withholding; civil and criminal penalties; Responsible Officer preparation; model IGAs; FFI Agreements; the Convention on Mutual Administrative Assistance in Tax Matters; Model Competent Authority Agreement; CRS classification, due diligence, and reporting; and compliance and non-compliance costs.

The expert trainer also guided the Resolution Life team through FATCA and CRS and trusts; FATCA and CRS classification guides; CRS loopholes (e.g. non-cash value insurance, insurance policies prohibited from being sold, trusts as holding NFEs, nominees, settlors of irrevocable trusts, converting equity into debt interest); and the new OECD Model Mandatory Rules for CRS Avoidance Arrangements and Opaque Offshore Structures. The coverage with

the Resolution Life team was more interactive and there were many question and answers sessions throughout in order to provide the team with more detailed answers that were relevant to business operations. Following on at the end of the training course there was a client review session with follow-up materials sent to the Resolution life team. Overall the training course was well received and the training course materials provided to the team were highly comprehensive in nature.





EVENT

Crypto Digital Space 2019, New York, United States of America.

OVERVIEW

Cryptocurrency has been in existence since Bitcoin was established in 2009. However, the technology goes back even further, and the theoretical construct goes back to the 1980s. In simple terms, cryptocurrencies are digital assets and exist as alternative digital currencies (there are over 1,800 in circulation). They use decentralised control processes in contrast to traditional central banking systems and currencies that use centralised control processes. Cryptocurrencies rely upon highly complex cryptographic principles, and utilise strong

cryptography to secure financial transactions, control creation of units, distribution, and verification of asset transfer. Today, there is growing concern around regulation and the ability for cryptocurrency to facilitate illegal activities. For example, the infamous dark web marketplace 'Silk Road' utilised Bitcoin to facilitate drug purchases before being shut down in 2014. Cryptocurrencies also have a high potential for tax evasion, high price volatility and manipulation, and there is often a potential for financial loss through data loss or cybercrime.

ABOUT THE EVENT

Storm-7 Consulting have partnered with OTC Partners, a New York boutique market intelligence advisory firm that specializes in research and content development in order to jointly deliver one of the most unique and innovative Cryptocurrency events held in New York in 2019. At the event, our premier speaker line-up of renowned cryptocurrency and technology experts will cover many innovative and exploratory topics, as well as the surging questions pulsing throughout the Crypto markets today.

There will include analysis of efficiencies within the global digital currency markets; discussion on capturing opportunities of dislocated markets; the challenges and solutions of maintaining consistent liquidity within turbulent digital markets; examination of long-term growth within state-of-the-art digital execution strategies; technology solutions review for delivering and managing

digital assets and navigating the digital asset marketplace; the future of AI, machine learning and the cryptocurrency markets; scrutiny of the opportunities and advantages within volatile Bitcoin markets; insight into the impact of blockchain technology and the capital markets infrastructure; and focused review into unlocking the hidden value of next generation investment products.

- Aaron Brown, Professor and Author.
- Bobby Cho, Global Head of Trading at Cumberland.
- Brian Koralewski, Partner at Austere Capital.
- Eugene Lee, Co-Founder & Partner at Digital Mosaic Capital.
- Gabe Frank, Institutional Custody and Cryptocurrency Security at BitGo.
- Jim Kyung-Soo Liew, Professor, Entrepreneur and Co-Founder of SoKat.co.
- Joel Gantcher, CIO at Gantcher Family Partners.
- John Peurifoy, Co-Founder Floating Point Group.
- Jonathan Nelson, Managing Director at HACK Fund: Fixing Venture Capital.
- Karim N. Taleb, Managing Partner at Robust Methods.
- Martin Garcia, Managing Director at Genesis Trading.
- Richard Rothenberg, CEO and Co-founder of Global A.I. Corporation.
- Shiliang Tang, Chief Investment Officer at LedgerPrime.
- Sol Steinberg, Founding Partner of OTC Partners.
- Vladimir Danishevsky, Head of Corporate Bonds Flow eTrading IT at Citi.
- Wilfred Daye, Head of Financial Markets OKCoin.

THE OUTCOME

To be delivered in April 2019.



OVERVIEW

The interaction of numerous regulatory frameworks such as EMIR, the Uncleared Margin Rules, Basel III, CRR, CRD IV, and the SFTR have ushered in a regulatory storm that has caused havoc within the banking and financial services industries. In order to weather the regulatory storm, banking and financial services firms must re-evaluate their collateral management operations and strategies. The optimisation, allocation and transmission of collateral are now mandatory strategic considerations that firms must implement in order to achieve efficiency collateral management and operational efficiency.

At a minimum this requires consideration of issues such as ensuring effective pre-trade optimisation controls, ensuring transparency of collateral requirements and collateral inventory, and netting of collateral exposures. Firms need to ensure that they are moving towards streamlined STP by reviewing segregation of collateral procedures, monitoring open collateral positions and re-hypothecated positions, modelling future collateral requirements, effectively reporting collateral demands, and ensuring

DEFINITIONS

CRD IV	Revised Capital Requirements Directive
CRR	Capital Requirements Regulation
EMIR	European Market Infrastructure Regulation
EU	European Union
OTC	Over-the-counter
SFTR	Securities Financing Transaction Regulation
STP	Straight Through Processing

EVENT

The 2018-2020 Collateral Management Paradigm, London, United Kingdom





Storm-7 Consulting have partnered with OTC Partners and IHS Markit to jointly deliver a highly unique and cutting-edge training course. OTC Partners is a New York boutique market intelligence advisory firm that specializes in research and content development. The Founder, Sol Steinberg has won the Waters Magazine's Award "Best Risk Analytics Initiative 2012", the Waters Magazine's Award "Best Risk Analytics Initiative (Sell Side) 2013", the FTF's award for "Most cutting-edge risk contribution 2013" for developing the SMART Risk Analytics Tool, and was a

Global Nominee in 2012 for "Best Practices in Global Financial Risk Management" from the Professional Risk Managers International Association. IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions.

IHS Markit has more than 50,000 key business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth. It has won the 2017 SWIFT Certified Application Corporate Actions label | SWIFT, the 2017 SWIFT Certified Application Securities Settlement label | SWIFT, the Best corporate actions processing solution | FTF News, the Best Sell-Side Data Management Product | Sell-Side Technology

Awards 2017, the Best Sell-Side Newcomer (Product) - FRTB Solution Suite | Sell-Side Technology Awards 2017, the RiskTech100: 2017 Top Ten | Chartis RiskTech100 Awards, and the Best Sell-Side Technology Provider of the Year | Sell-Side Technology Awards 2017. This one and-a-half day training event seeks to comprehensively guide attendees through all the latest regulatory compliance, operational, strategic, and technological issues affecting collateral management functions throughout the EU. The training course modules include:

- (1) An Overview of the Existing Regulated Collateral Environment.
- (2) The Securities Financing Transaction Regulation.
- (3) Efficient Collateral Management and Operational Efficiency.
- (4) Achieving Strategic Collateral Optimization and Liquidity Management.
- (5) Collateral Management and Optimization Technologies.
- (6) A Review of Future Collateral Technology Solutions.

OVERVIEW

To be delivered in April 2019.



CASE STUDIES



STORM-7 CONSULTING

