

# Meeting FCA Expectations for Best Execution

## Course outline and objectives

The FCA rules, guidance and 'standards' for Best Execution have been in place since the MiFID era and updated in 2018 with MiFID II. Despite this, the FCA's thematic reviews of Best Execution found only a small proportion of firms understood and complied with the totality of Best Execution requirements and few were engaging with the Guidance in the thematic reviews or demonstrably using the best execution process to drive better outcomes for clients (lower costs, better prices).

Worryingly, the regulator continues to point to a disconnect between Front Office and Compliance approaches to Best Execution, with Compliance often being kept away from Best Execution issues, due to a perceived lack of skills and understanding. For many firms, it is not that they are failing to deliver best execution – more that their governance, policy and procedural framework fails to demonstrate this is so . . . a huge "own goal" when the FCA comes calling.

Making use of CASE STUDIES and SYNDICATE EXERCISES, this practical course will help Compliance and Front Office professionals keep up to date with the evolving rules, guidance and standards in this critical area of business and regulatory risk.

## Training approach

The course programme will comprise a blend of trainer presentations, group discussion, practical examples and case studies. There will be ample opportunity for questions, experience sharing and networking. All course materials (and at face-to-face events, refreshments) will be provided.

## Who will benefit?

This practical course will help **Compliance** and **Front Office** professionals in all firms that execute, receive and transmit or place orders for execution.

## Dates and Fees

### Live Online

12 November 2024

09:30 to 12:45

£425 + VAT

*Savings available for multiple registrations*

## To book

Visit:

[www.ctp.uk.com](http://www.ctp.uk.com)

Email:

[emmabond@ctp.uk.com](mailto:emmabond@ctp.uk.com)

Call:

**0330 303 9779**

## Attending will help you:

- Review your **compliance with MiFID requirements and ESMA Guidance**
- Update and refresh your knowledge of the **regulatory developments and priorities**, including the impact of TR 14/13 and the 2017 follow up – many firms still have not got this right
- Consider the appropriateness of your best execution arrangements, including **what constitutes best execution for your firm** and its clients
- Recognise the importance of an **effective monitoring structure**
- Review the effectiveness of your **best execution governance, testing and reporting**
- Understand the how best to benchmark your business with your peers

## Course Leader

**Gary Pitts** has over 25 years of compliance experience in the UK and overseas, including spells in regulation, asset management, investment banking and as managing partner of a boutique financial services house. A FSA/FCA registered person in Controlled Functions 10 and/or 11 since 2001, he now runs his own governance and regulatory consultancy: Tetractys Partners LLP. Gary is a regular conference speaker and author of technical articles on compliance related topics and sits on the regulatory advisory group of the Journal of Securities Operations and Custody. He brings a combination of compliance and commercial experience, in terms of both practical implementation and Board level oversight, to the training he delivers.

## Course Programme

| Session   | Objective   | Content   |
|---|---|---|
| <b>The scope of the rules</b>                                   | <i>To consider the scope of the FCA best execution requirements and why firms fail to identify the full reach of the application of the Rules</i> | <ul style="list-style-type: none"> <li>• What is the full scope of the MiFID I and II requirements?</li> <li>• What this means for firms - which firms are affected</li> </ul>  |
| <b>Defining Best Execution for your firm</b>                    | <i>To know what constitutes "Best Execution" in the context of your firm's clients and activities</i>   | <ul style="list-style-type: none"> <li>• Definition of "Best Execution"</li> <li>• Execution factors and how to weight them</li> <li>• Evidencing your work</li> <li>• Interaction of Compliance and Front Office</li> </ul>                                |
| <b>Evidencing venue selection</b>                               | <i>To be able to review trading venues and systems for alignment with the firm's identified best execution factors</i>                            | <ul style="list-style-type: none"> <li>• Factors to consider when reviewing brokers</li> <li>• Factors to consider when reviewing trading venues and trading algorithms</li> </ul>  |
| <b>Constructing a value-added monitoring programme</b>          | <i>To use a framework to build an effective monitoring programme that produces value-added management information</i>                             | <ul style="list-style-type: none"> <li>• First and Second line monitoring</li> <li>• The roles of Front Office and Compliance</li> <li>• The use of automated monitoring</li> </ul>   |
| <b>Payment for Order Flow</b>                                   | <i>To understand the definition of payment for order flow arrangements and why these are prohibited.</i>  | <ul style="list-style-type: none"> <li>• What is payment for order flow and why is it prohibited?</li> <li>• Learning to identify disguised payment for order flow arrangement</li> </ul>   |
| <b>Best Execution Governance</b>                                | <i>To identify the governance requirements for Best Execution, with an emphasis on meeting the FCA SYSC requirements</i>                          | <ul style="list-style-type: none"> <li>• The importance of proper governance</li> <li>• Regulatory benchmarks for governance</li> <li>• Ownership of the governance process</li> <li>• Management Information – sorting the wheat from the chaff</li> </ul> |
| <b>Compliance oversight and internal audit</b>                  | <i>To consider the roles of Compliance and Internal Audit and the skill sets required to deliver effective advice and monitoring</i>              | <ul style="list-style-type: none"> <li>• Roles of Compliance and Internal audit</li> <li>• How to avoid overlap</li> <li>• What specific skill sets do we need for our staff and how do we acquire them</li> </ul>  |
| <b>The future – what does MiFID II hold for Best Execution?</b> | <i>To examine the proposed changes in MiFID II relating to best execution, reporting, analysis and the structure of the market</i>                | <ul style="list-style-type: none"> <li>• What were the changes</li> <li>• How they build on the ?previous requirements</li> <li>• What has and hasn't worked?</li> </ul>  |

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