



## A BIG SOLUTION FOR A BIG CHALLENGE: MiFID



### THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MiFID)

**MiFID is the biggest piece of legislation to hit the financial sector in Europe.** It has been devised to facilitate more efficient and open trading across national boundaries, as well as provide greater quality assurances for customers. However, the comprehensive nature of the legislation has resulted in the need for widespread change across the entire financial industry. And for most organisations in the sector, compliance is a big challenge.

The legislation not only impacts all types of businesses, from specialist trading organisations to high street banks, it also affects IT departments, legal departments, security departments and other business areas. Companies therefore need to be able to implement a coordinated response to MiFID and deliver on their plans quickly and completely. After all, compliance will soon be compulsory.

Once MiFID becomes law, financial trading organisations will have the ability to compete more easily in other European markets, and enterprising business will be able to extend their services to new customers. However, at the same time, their existing domestic customers will have access to a bigger choice of financial services providers and can shop around. In this emerging new open marketplace, the winners will be those businesses that can deliver consistently fast trades and meet customer expectations for professional service and security.

This is where F5 can help. We are the leading provider of application delivery solutions in the financial sector, and over 16,000 organisations worldwide trust F5 to keep their applications running. Our BIG-IP solutions can help financial organisations to:

- Reduce latency to speed up the processing of online transactions
- Minimise bandwidth requirements so that information can be delivered more quickly to customers
- Provide evidence that transactions are being managed appropriately and legally to reassure and protect customers
- Ensure the security of all web-based and back-office applications to safeguard financial information

F5 is a member of JWG-IT, an independent organisation that helps financial institutions find solutions to the challenges posed by EU legislation. We have a good practical knowledge of the IT changes that are necessary as a result of MiFID and can put our customers in touch with a network of MiFID experts.



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### BUSINESS ISSUES AND F5 SOLUTIONS

#### **We must be able to process online transactions without delay**

Speed – and, therefore, reduction in latency – will be a key competitive driver for companies working towards MiFID compliance. In the fast-moving environment of online trading, even a few minutes can make the difference between a good price and a loss. Customers will want to do business with those companies that can transact purchases and sales fast. Latency doesn't just impact online customer service, though. Even a slight time delay between the transaction being initiated and it taking effect can impact business profitability and fund performance for city financial traders.

F5's BIG-IP range of solutions offers a comprehensive mix of technologies and features that are specifically designed to reduce latency and optimise network performance. F5's solutions operate on the same management platform and cover areas such as: SSL off load (up to 20,000 concurrent connections per second), dynamic caching, compression, rate shaping, ISP quality of service control, data centre balancing, WAN optimisation, application health monitoring and application virtualisation control.

#### **We must be able to deliver information quickly to customers**

Some experts have calculated that the demands of MiFID will increase companies' bandwidth requirements by at least a multiple of three. While the precise increase in network traffic will naturally vary from company to company, it will nevertheless become important for all financial organisations to make optimum use of their available bandwidth to ensure that information reaches customers quickly.

By acting as a reverse proxy and managing all in-bound and out-bound network traffic, F5's BIG-IP solutions can dramatically reduce the pressure on bandwidth. The solutions use unique optimisation techniques to not only handle incoming links, but also manage back links to the server and applications. This reduces 'chat' over the network and results in a lower overall bandwidth requirement. One large banking customer has successfully used F5 solutions to accelerate its e-commerce applications by 600%, while at the same time reducing its bandwidth requirements by 80%.

#### **We must gather statistics as evidence of our compliance with MiFID**

Financial organisations don't just have to prove their compliance with MiFID once. They have to continue to provide statistical evidence of compliance on an ongoing basis, every day and with every individual transaction no matter how small. For many companies, the challenges associated with collecting these statistics are putting an additional strain on IT systems and departments.

F5 completely removes this pressure for financial businesses. The BIG-IP product range automatically and effortlessly collects all of the statistics that companies require to prove their compliance with MiFID. Our solutions sit between all users and all applications in the network and can therefore provide fast output of the required statistics to third party reporting packages.

#### **We must ensure high levels of application security at all times**

As with all financial products, customers will expect the highest possible standards of security for their financial information. It is therefore unsurprising that security forms a central part of the MiFID requirements. In particular, MiFID directs that financial services companies must provide Layer 7 application security.

F5's BIG-IP solutions have a software module that provides Layer 7 application security to ensure the highest standards of protection. Based on a single management platform, our solutions provide proactive and comprehensive safeguards against unauthorised access and malicious application attacks, including all common web attacks, such as SQL injection, cross-site scripting, cookie poisoning, buffer overflows, parameter tampering and forceful browsing.

***"F5 solutions can be installed without taking business-critical applications offline. As a result, companies can become MiFID compliant quickly and easily."***

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