

MiFID is Forcing the Buy-, and Sell-Side Communities to Improve their Best Execution Technology

MiFID has been successful in creating competition but as a result has also generated a fragmented market. This fragmentation has led both, the buy- and, the sell-side communities to re-examine their technology in order to reach best execution.

Over the last few months the b-next group, a pioneering provider of Market Conformity software, has focused its efforts on discussions with European firms around technology and their best execution requirements.

Following these discussions it was clear that financial institutions now needed to update their technology in order to compare transactions data against market data over a defined period, allowing them to examine the integrity of their results, provide powerful business insight and answer real world questions.

Wolfgang Fabisch, founder and CEO, b-next Group, said “The requisite for better technology amongst the buy-side firms and the brokers now stretches further than aspects such as smart order routing. Buy-side firms want to have confidence in the best execution results they are receiving from their brokers but many currently don’t have the technology to handle the fragmented market data. An exception report doesn’t provide the right level of information on the quality of the executions, potential profit leaks, or alternative asset allocation strategies.”

“Based on this feedback and the EC discussions around further enhancement to MiFID the b-next Group has decided to offer a free trial service of its CMC best execution platform.”

The b-next Best-Ex service allows financial institutions to further develop and manage their best execution results. By back testing, checking and simulating alternative best execution policies, venues, parameters (weighted and non weighted), fees, charges and commissions, across all asset classes, institutions will be able to get an evidence based approach to optimising best execution trading activities. The information gleaned demonstrates how to give best value to clients and the maximum return to the financial institution.

Stefan Queck, Business Development Director, b-next, said, “In addition, many brokers realize that a ‘one size fits all’ best execution approach does not work. They need to adapt to ensure best execution delivery to their buy side clients.”

About b-next Group

b-next Group is a pioneer in market conformity checking (CMC) software solutions. A provider that enables financial institutions to manage regulatory risks, meet regulatory compliance and drive profitability. Covering over 10 different modules, b-next offers solutions to avoid Market Abuse, Insider Trading, Conflicts of Interest, OTC Monitoring, Best Execution. b-next Group is the market leading provider in the DACH (Germany Austria and Switzerland) region and has been providing solutions to market participants and regulators for over 20 years. The company has offices in Frankfurt, Zurich and London and supports global banks and financial institutions. For more information about b-next please visit www.b-next.eu