

PWYLLGOR CRONFA BENSIWN DYFED

DYDDIAD 21/09/2017

Gweithredu'r Gyfarwydddeb Marchnadoedd mewn Offerynnau Ariannol (MiFID II)

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Y Pwyllgor i:

1. Nodi'r effaith bosibl ar y strategaeth fuddsoddi yn sgil dod yn gleient manwerthu o 3 Ionawr 2018.
2. Cytuno i ddechrau ceisiadau ar unwaith am statws cleient proffesiynol etholedig gyda'r holl sefydliadau perthnasol er mwyn sicrhau y gall barhau i weithredu strategaeth fuddsoddi effeithiol.
3. Wrth ddewis statws cleient proffesiynol, mae'r Pwyllgor yn cydnabod ac yn cytuno i hepgor y mesurau diogelu sydd ar gael i gleientiaid manwerthu a amgaeir fel **ATODIAD 1**.
4. Dirprwyo'r gymeradwyaeth briodol i'r Swyddog Adran 151 at ddibenion cwblhau'r ceisiadau a phenderfynu ynghylch sail briodol y cais.

RHESYMAU:

Yn unol â gweithredu Cyfarwydddeb Marchnadoedd mewn Offerynnau Ariannol 2014/65 ("MiFID II") ac yn benodol y risg i'r awdurdod gweinyddu yn sgil dod yn gleient manwerthu ar 3 Ionawr 2018 ac argymhell bod y pwyllgor yn cytuno y dylai etholiadau ar gyfer statws proffesiynol cleient gael eu gwneud ar ran yr awdurdod ar unwaith.

Awdur yr Adroddiad:
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EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 21/09/2017

**Implementation of the Markets in Financial Instruments Derivative
(MiFID II)**

BRIEF SUMMARY OF PURPOSE OF REPORT

1. Under the current UK regime, local authorities are automatically categorised as 'per se professional' clients in respect of non-MiFID scope business and are categorised as 'per se professional' clients for MiFID scope business if they satisfy the MiFID Large Undertakings test. Local authorities that do not satisfy the Large Undertakings test may opt up to elective professional client status if they fulfil certain 'opt-up criteria'.
2. Following the introduction of the Markets in Financial Instrument Directive 2014/65 ("MiFID II") from 3 January 2018, firms will no longer be able to categorise a local public authority or a municipality that (in either case) does not manage public debt ("local authority") as a 'per se professional client' or elective eligible counterparty (ECP) for both MiFID and non-MiFID scope business. Instead, all local authorities must be classified as "retail clients" unless they are opted up by firms to an 'elective professional client' status.
3. Furthermore, the FCA has exercised its discretion to adopt gold-plated opt-up criteria for the purposes of the quantitative opt-up criteria, which local authority clients must satisfy in order for firms to reclassify them as an elective professional client.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
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Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK