

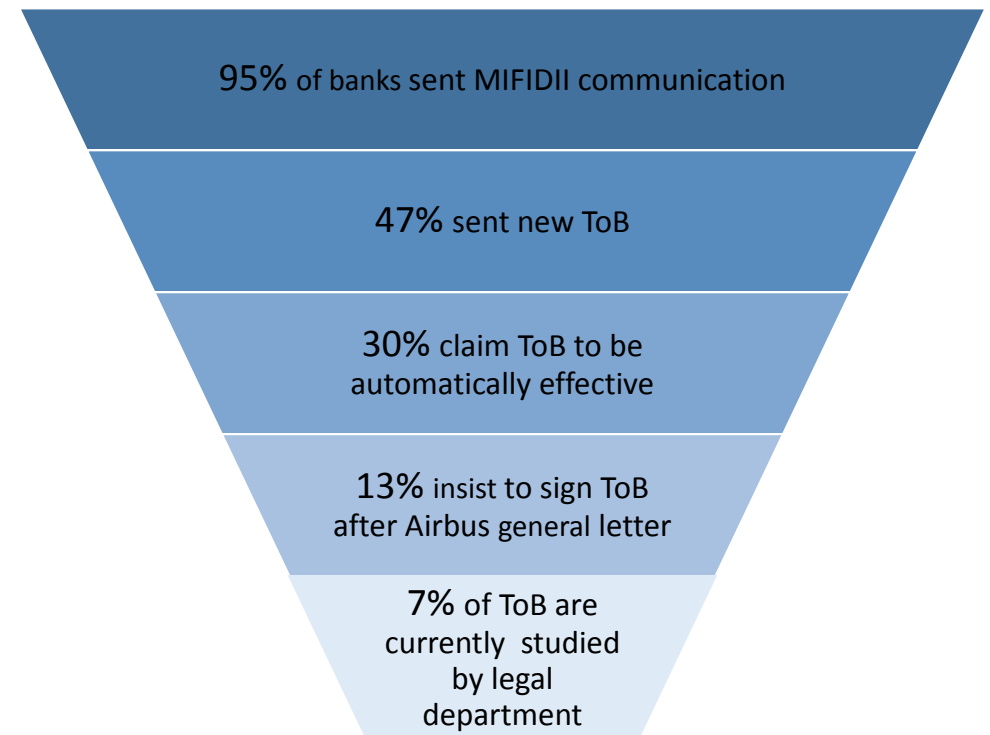
# MIFIDII : Feedback from a NFC

No Standard MIFIDII approach from Europeans banks

Late communication from banks to Professional Clients

- 50% sent their communication after the first of December
- Only 11% respected the 3-month period needed to review legal contract

Example of difficulties with Terms of Business that increase legal costs and operational risks



# Airbus created its own standard letter in order to answer to banks' communications

The communication has been done in line with the model letter created by AFTE

Modèle AFTE de réponse aux sollicitations tardives MIFID II

27 novembre 2017

[●], on [●]

Dear [Banking Counterparty] team,

We refer to the Markets in Financial Instruments Directive 2014/65/EU ("MIFID II") and Markets in Financial Instruments Regulation (EU) 600/2014 ("MIFIR", together with MIFID II, the "MIFID II New Rules").

We recently received the set of massive documents that you presented as required by MiFID II New Rules. We acknowledge your wish not to enter into financial instrument transactions and investment services as from January 3<sup>rd</sup> 2018 without this massive documentation being signed but we will not be in a position to enter into new contractual arrangements in such emergency context.

We would have appreciated to receive this massive documentation related to a regulation known since several months within a notice period more compatible with your urged deadline.

This being said, the purpose of this communication is to comply with MIFID II New Rules and our respective obligations. In order to enable both of us to continue to comply with the MiFID II New Rules requirements and conclude transactions after the 3<sup>rd</sup> of January 2018, we hereby confirm you the following:

- 1) as per the terms of the MiFID II New Rules, [Corporate Name] must be classified as "Professional";
- 2) [Corporate Name]'s LEI (Legal Entity Identifier) is: [●];
- 3) the Power of Attorneys previously communicated to your establishment in connection with the [Corporate Name] representatives authorized to act in the name and on behalf of [Corporate Name] in connection with

investment services and financial instrument transactions remain effective and valid as from the date hereof;

- 4) [Corporate Name] hereby instructs you not to disclose to the market unexecuted limit orders;
- 5) [Corporate Name] agrees and hereby consents, further to orders' execution on trading venues, to orders' execution off-venue;
- 6) except as otherwise specifically agreed on a case by case basis, [Corporate Name] considers the receipt of research services within the provision of services other than portfolio management or independent advice as a mere enhancement and part of the quality of any investment firm's services to [Corporate Name] as a client and does not expect any specific invoicing or payment in connection therewith;
- 7) notwithstanding anything to the contrary in any non-disclosure, confidentiality or other previous agreements between us, we hereby consent to the disclosure of information relating to transactions we have entered into with you to the extent strictly required by MIFID II New Rules for the purpose of reporting and/or disclosing transactions and similar information as applied by any competent authorities, bodies or agencies and with which you must comply;
- 8) the details of your contact at [Corporate Name] for MIFID II New Rules compliance is: [●].

We will review your set of documentation and will consider in the coming weeks the opportunity to enter into new services contractual arrangements with your establishment. In the meantime, [Corporate Name] does not, and shall not be deemed to, expressly or implicitly accept new terms and conditions/terms of business for the services delivered by your establishment in connection with investment services and/or financial instrument transactions and generally any document sent by you in connection with MIFID II New Rules compliance.

Sincerely yours,

**AIRBUS**