



Telecom Considerations of MiFID II



Introduction

In today's world, the need for increased transparency is paramount. As a technology professional, it is absolutely critical to keep abreast of these developments.

But every problem has at its heart an opportunity. With this focus on transparency, any company that incorporates the latest interaction recording technology into its business processes will find itself ahead of the pack.

In our dynamic and fast-moving economy, there are many different channels available to financial institutions to communicate with their customers. To protect the integrity of financial markets and ensure the safety of investors, regulatory authorities must keep up not just with the markets themselves, but also with the technology required to ensure compliance with all relevant regulations.

One excellent example of such a regulatory framework is the European Union's Markets in Financial Instruments Directive, or MiFID.

What is MiFID?

The Markets in Financial Instruments Directive (MiFID) is a legislative framework instituted by the European Union (EU) that was introduced on 1 November 2007 to harmonize all regulation for financial investment services in the European Economic Area (EEA). The EEA consists of the 28 EU member states plus Norway, Iceland and Liechtenstein.

MiFID's primary objectives included the strengthening of the integrity and reliability of financial instruments by increasing the transparency around customer transactions.

MiFID's primary objectives included the strengthening of the integrity and reliability of financial instruments by increasing the transparency around customer transactions.

Enter MiFID II

After the financial crisis of 2008, it was imperative to restore investor confidence in European markets. It became clear that additional regulations were required to close gaps in the existing legislation and to further safeguard the financial services industry across the EEA. With this in mind, the Committee of European Securities Regulators (CESR) published consultation papers on MiFID review in April 2010, beginning a process that led to the development and implementation of MiFID II.

All customer interactions that lead – or may lead – to a financial transaction must be recorded and logged.

Rolled out in January 2018, MiFID II was designed to inject even greater transparency into financial markets in the hope of preventing a repeat of the 2008 crisis. It harmonizes financial services rules across all EU member states, and it closes loopholes that allowed individual member states to opt-in or opt-out of some parts of the previous directive.

For the telecommunications industry, the key ingredient in MiFID II is the emphasis on keeping pace with technological developments. Article 16 of the new directive stipulates that all firms selling financial instruments must capture all communications that take place with a customer prior to the actual transaction occurring. This rule also covers all electronic communications, such as email, social media and telephone calls. Under MiFID II, the onus is on the companies to make sure that they do not communicate with their clients on channels that cannot be captured. **All customer interactions that lead – or may lead – to a financial transaction must be recorded and logged.**

It is therefore vital that companies operating in the financial sector put the appropriate technology in place to ensure full compliance with this new regime.

AudioCodes' SmartTAP Has You Covered

We at AudioCodes developed and built our SmartTAP recording solution to provide full 360° recording and capturing capabilities for all interactions in your enterprise – all while meeting the most stringent compliancy demands.

Compatible with – and fully certified for – Skype for Business environments, SmartTAP allows you to record everything regardless of whether the interaction was over voice, video or instant messaging. Furthermore, internal, external and mobile interactions are supported, as well as interactions with remote and federated users.

All AudioCodes products place a heavy emphasis on security and data protection, and SmartTAP is no exception. Stored interactions are encrypted over AES 128-bit, and interactions can be exported with a digital signature for data integrity and liability. There is a role-based access control with an audit trail and complete logging of all user activities. In addition, interaction deletion prevention prevents recordings from being accidentally erased.

SmartTAP's enterprise-class architecture delivers reliability that you can trust, while making sure that all recordings are properly tagged for future retrieval or analysis. Interactions are stored securely and confidentially, either on-premise or in the cloud. In addition, SmartTAP can be seamlessly and smoothly integrated with other AudioCodes voice networking products for a unified and comprehensive communications solution.

Managing SmartTAP is simplicity itself. An intuitive web management console makes it easy to playback, search, download and share interactions, while the CWE client manages interactions within Microsoft Teams and Skype for Business. With SmartTAP, AudioCodes has set the bar very high. You can rest assured that our approach not only results in a top-notch recording solution, but also ensures strict organizational compliancy with the latest industry standards - including MiFID II.

All AudioCodes products place a heavy emphasis on security and data protection, and SmartTAP is no exception.

Securitas Trusts SmartTAP to Deliver

Securitas AB is a multinational company providing security services for homes, workplaces and public spaces. In the sensitive world of security, the ability to record calls made to the company's contact center is an absolute requirement for quality assurance, dispute resolution and compliance purposes. To this end, Securitas had been using a partially hosted recording solution for several years.

However, when Securitas decided to migrate its telephony infrastructure to Microsoft Skype for Business unified communications, the company also felt it was time to consider alternative solutions for call recording at the same time. As Mats Klasenius of Securitas explained: "We needed an efficient call recording solution that would enable us to record any calls to our contact centers regardless of their source or destination and to retrieve recordings simply and efficiently while guaranteeing solution integrity and security for the benefit of both our staff and customers."

Securitas chose the SmartTAP recording solution largely because of AudioCodes' worldwide reputation for reliable and highly interoperable voice solutions, especially in the Microsoft UC arena. Fully compatible with the company's Microsoft Lync deployment, SmartTAP enables the recording of any call within the network regardless of the call's source and destination. In a Lync environment, this means that calls made via a PSTN, SIP trunks and even between two Skype for Business clients can be captured and stored for later retrieval.

Since Securitas required call recording capabilities predominantly for compliance purposes, their chosen solution needed to ensure a high degree of security and maintain data integrity. SmartTAP achieves this by adding a digital SSL signature to an exported recording file, thereby guaranteeing that the file has not been tampered with.

Because call recording is vital to the nature of Securitas's business, a solution that offered high levels of reliability and availability was essential. As a completely software-only solution, SmartTAP met those requirements through its deployment in virtualized mode in the company's fully redundant central datacenter.

Securitas's new system enables the recording of calls involving up to 500 contact center agents and other users in its offices in Sweden and Norway. The success of the implementation has resulted in plans for the deployment to be replicated at the company's other offices in Europe and around the world.

About AudioCodes

AudioCodes Ltd. (NASDAQ, TASE: AUDC) is a leading vendor of advanced communications software, products and productivity solutions for the digital workplace. AudioCodes enables enterprises and service providers to build and operate all-IP voice networks for unified communications, contact centers, and hosted business services. AudioCodes offers a broad range of innovative products, solutions and services that are used by large multi-national enterprises and leading tier-1 operators around the world.

International Headquarters

1 Hayarden Street,
Airport City
Lod 70151, Israel
Tel: +972-3-976-4000
Fax: +972-3-976-4040

AudioCodes Inc.

200 Cottontail Lane,
Suite A101E,
Somerset NJ 08873
Tel:+1-732-469-0880
Fax:+1-732-469-2298

Contact us: www.audiocodes.com/contact

Website: www.AudioCodes.com

©2020 AudioCodes Ltd. All rights reserved. AudioCodes, AC, HD VoIP, HD VoIP Sounds Better, IPmedia, Mediant, MediaPack, What's Inside Matters, OSN, SmartTAP, User Management Pack, VMAS, VoIPerfect, VoIPerfectHD, Your Gateway To VoIP, 3GX, VocaNom, AudioCodes One Voice, AudioCodes Meeting Insights, AudioCodes Room Experience and CloudBond are trademarks or registered trademarks of AudioCodes Limited. All other products or trademarks are property of their respective owners. Product specifications are subject to change without notice.

