Course

MiFID II in Practice: Understanding the MiFID II Regulatory Framework and Perimeter

Course Description

This course is a comprehensive, self-paced and practice-oriented course designed to provide participants with a detailed understanding of how the MiFID II regulatory framework applies to the actual business activities, products, entities, clients and distribution arrangements of an investment firm. It is particularly relevant to directors and members of management bodies, compliance officers, legal advisers, risk managers, internal auditors, business owners, product specialists and operational personnel responsible for translating regulatory requirements into an authorised, controlled and demonstrable business model.

A central theme of the seminar is that the regulatory perimeter must be determined before the firm designs its compliance framework. Before deciding how to comply with MiFID II, the firm must determine what business it is actually conducting, which legal entity conducts it, whether the activity constitutes an investment service or investment activity, whether the relevant product is a MiFID II financial instrument, where and to whom the service is provided, whether an exemption or exclusion applies and, critically, whether the firm possesses the necessary regulatory permissions. An incorrect perimeter assessment can have consequences across suitability and appropriateness, product governance, best execution, client disclosures, safeguarding, recordkeeping, transaction reporting and cross-border business.

The seminar explains the MiFID II legal architecture as a layered regulatory framework. Participants examine the respective functions of Directive 2014/65/EU (MiFID II), MiFIR, Commission Delegated Regulation (EU) 2017/565, delegated and implementing legislation, Regulatory Technical Standards (RTS), Implementing Technical Standards (ITS), ESMA Guidelines and supervisory materials, together with national implementing legislation. Particular attention is given to the Cyprus regulatory framework, including Law 87(I)/2017 and applicable CySEC requirements, and to the importance of identifying the precise scope and conditions of a Cyprus Investment Firm’s authorisation.

A substantial part of the seminar focuses on the classification of investment services and activities. Participants learn that legal classification depends on the substance of what a firm actually does rather than the terminology used in contracts, websites or marketing materials. The seminar therefore explores the boundaries between marketing, factual information, client support, investment advice, reception and transmission of orders, execution of orders, dealing on own account and portfolio management. Commercial descriptions such as “education”, “support”, “introduction” or “STP” are not treated as determinative; instead, participants are encouraged to examine the contractual relationship, client journey, transaction flow, level of discretion and actual conduct of the parties.

The seminar also addresses the classification of financial instruments and provides a structured and technology-neutral methodology for assessing whether a product falls within the MiFID II perimeter. This approach is particularly important where commercial or technological labels may obscure the legal characteristics of products, including tokenised instruments, crypto-related products, structured products and derivatives. Exemptions and exclusions are similarly approached as technical and conditional legal provisions rather than broad commercial permissions, requiring firms to demonstrate that every relevant legal condition has been properly assessed and evidenced.

Particular attention is devoted to authorisation and permission management. Participants learn how the formal regulatory licence can be translated into a practical permission matrix covering the legal entity, service or activity, financial instrument, client category, capacity, distribution channel and territory. This provides a practical mechanism for preventing new products, services, client journeys or geographical expansion from proceeding before the necessary regulatory permissions have been confirmed.

The programme further examines cross-border business, including the distinction between branches and freedom to provide services, tied agents and outsourcing arrangements, EU passporting and third-country access. Digital distribution receives particular attention because websites, applications, local languages, advertising campaigns, affiliates, introducers, seminars and onboarding arrangements can provide evidence that a firm is actively targeting clients in another jurisdiction. Reverse solicitation is consequently examined as a narrow, fact-dependent exception rather than a business model or client-acquisition strategy.

Finally, the seminar connects regulatory-perimeter analysis with regulatory-change management and governance. Participants learn that identifying a regulatory change is not sufficient: the change must be traced into the policies, procedures, contracts, systems, client journeys, disclosures, training, monitoring arrangements and other operational artefacts through which the firm conducts its business. Implementation must then be tested for design, implementation and operating effectiveness, supported by appropriate evidence and formally approved before closure.

Overall, the seminar moves beyond simply explaining MiFID II legislation. Its purpose is to equip participants with a practical methodology for determining, documenting, implementing, monitoring and periodically reassessing the regulatory perimeter of an investment business. By combining legal analysis with practical examples, assessment methodologies, regulatory-change processes and governance considerations, the programme enables participants to develop a regulatory-perimeter framework capable of supporting sound business decisions and withstanding scrutiny from senior management, Compliance, Internal Audit and regulatory authorities.

Topics covered

The course is split into the following sections:

Section 1: Understanding the MiFID II Regulatory Framework and Perimeter

- Objectives
- Overview
- Learning outcomes
- Section map
- Why the regulatory perimeter comes first
- The MiFID II legal architecture
- Entities within and around the MiFID II perimeter
- Investment services and activities
- Ancillary services
- Financial instruments
- Exemptions and exclusions
- Authorisation and permission management
- Branches, freedom to provide services and tied agents
- Third-country firms and EU clients
- Reverse solicitation: a narrow exception, not a strategy
- Interfaces with adjacent regulatory frameworks
- The regulatory-perimeter governance framework
- Case study: ABC Markets Ltd
- Practical workshop: build a perimeter assessment
- Regulatory perimeter assessment template
- Knowledge check

Course Duration

This course may take up to 10 hours to be completed. However, actual study time differs as each learner uses their own training pace.

The course is addressed to:

This course is addressed to all individuals who are involved in Investment Firms (forex, brokers, etc) and funds such as:

- Executive Directors, Non-executive directors, Senior Managers, Compliance Officers, Risk Managers, Product Managers, Portfolio Managers, Investment Advisors, Dealers, Marketing Managers and in general employees of investment firms and funds.
- Internal Auditors
- Consultants

It is also suitable to professionals pursuing CPD for the renewal of CySEC Certificate (CySEC Basic and CySEC Advance Certificate) or other relevant professional certificates in other jurisdictions.

Training Method

The course is offered fully online using a self-paced approach. The learning units consist of power point presentations. Learners may start, stop and resume their training at any time.

At the end of the course, participants take a Quiz to complete the course and earn a Certificate of Completion once the quiz has been passed successfully.

Accreditation and CPD Recognition

The course may be accredited by regulators and other bodies for 10 CPD Units that require CPD training in financial regulation. The course may be also approved for up to 10 CPD Units by institutions that approve general financial training, such as the CySEC, ICPAC, CBA, CISI, ICA and ACAMS.

Eligibility criteria and CPD Units are verified directly by your association or other bodies in which you hold membership.

Registration and Access

To register to this course, click on the *Take this course* button to pay online and receive your access instantly. If you are purchasing this course on behalf of others, please be advised that you will need to create or use their personal profile before finalizing your payment.

Access to the course is valid for 90 days.

If you wish to receive an invoice instead of paying online, please Contact us by email. Talk to us for our special Corporate Group rates.

Instructor

George Papanicolaou has more than 20-years experience in the Financial industry. He worked for several years in managerial positions as area Manager, Head of Brokerage, Compliance Officer, Anti Money Laundering Officer, General Manager and Executive Director in Cypriot Investment Firms as well as Managing Director of GP GLOBAL LTD offering consulting services and training courses to Investment Firms, focuses in Internal Audit, compliance & AML issues. He offered numerous courses/seminars both in Cyprus and abroad in Investment Firms Law as well as in Compliance & Anti Money Laundering. George Papanicolaou is also a Chairman of a Nomination Committee in a company listed in the Oslo Stock Exchange.

George Papanicolaou holds a BSc in Electronic Engineering from the University of Texas at Austin (USA), an MBA with specialization in Finance from Leicester University (UK) and a Postgraduate Certificate in the Mechanics of Risk Management from Middlesex University (UK).

He also holds an ICA International Diploma in Anti Money Laundering from the International Compliance Association and the University of Manchester, as well as an Advance and Money Laundering certificate from the Cyprus Securities and Exchange Commission for the provision of investment services/activities.

He is a Member of the AML and Compliance Committee of the Institute of Certified Public Accountants of Cyprus (ICPAC), Fellow of the International Compliance Association (FICA), Mentor of ICA new students, member of the Cyprus Institute of Internal Auditors and the first Network chair for Cyprus of the International Compliance association.