

MiFID Compliance Function Assessment Checklist

May 2026

#	Requirement / Topic	Regulatory Source	Assessment Criteria	Self-Assessment Status (Compliant/Remediation Required)	Remediation Action / Evidence
1	General Obligation — Policies and Procedures				
1.1	Establish, implement and maintain adequate policies and procedures designed to detect any risk of failure to comply with MiFID II obligations, as well as the associated risks, and put in place adequate measures and procedures designed to minimise such risk.	Article 22(1) Delegated Regulation	Is the Board satisfied that the Firm generally has, and demonstrates, a sound understanding of the applicable regulations and ESMA Guidelines pertaining to the compliance function.		
1.2	Policies and procedures must be proportionate, taking into account the nature, scale and complexity of the business of the firm, and the nature and range of investment services and activities undertaken in the course of that business.	Article 22(1) Delegated Regulation	<p>Are compliance policies regularly reviewed to ensure they are proportionate to the nature, scale and complexity of the Firm?</p> <p>Where proportionality is relied upon, is this clearly documented and discussed at Board level?</p>		
2	Permanence, Effectiveness and Independence of the Compliance Function				
2.1	Establish and maintain a permanent and effective compliance function which operates independently.	Article 22(2) Delegated Regulation	Is the Board satisfied that the Firms' compliance function is adequately resourced proportionate to the nature, scale and complexity of their investment services and activities?		

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2.2	Succession plans and contingency arrangements must be in place to ensure the compliance function's responsibilities are fulfilled on an ongoing basis, including during staff absences, so as to maintain the permanence of the function as required.	ESMA Guideline 7	<p>Is the Board satisfied that the Firm maintains a permanent and effective compliance function inclusive of:</p> <ul style="list-style-type: none"> ▪ documented robust succession plans; ▪ stand-in arrangements for the Compliance Officer and other key compliance roles; and ▪ contingency arrangements for compliance roles. 		
2.3	Skills assessments and development plans for compliance team members must be documented, maintained and regularly reviewed.	Article 21 (1)(d) Delegated Regulation ESMA Guideline 6	<p>Is the Board satisfied that it has a documented comprehensive skills assessments and development plans for the compliance teams? Are these plans reviewed at regular intervals?</p>		
2.4	The compliance function must have the necessary authority, resources, expertise and access to all relevant information.	Article 22 (3)(a) Delegated Regulation ESMA Guideline 5 ESMA Guideline 6	<p>Is the Board satisfied that the compliance function has the necessary authority, resources, expertise and access to all relevant information?</p>		

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2.5	Persons involved in the compliance function must not be involved in the performance of services or activities they monitor.	Article 22(3)(d) Delegated Regulation	Is the Board satisfied that persons involved in the compliance function are excluded from involvement in the performance of the services or activities they monitor, so as to preserve the independence of the function?		
		ESMA Guideline 10	Is this segregation formally documented and evidenced?		
2.6	The method of determining the remuneration of persons involved in the compliance function must not compromise their objectivity and must not be likely to do so.	Article 22(3)(e) Delegated Regulation	Has the Board considered and approved the applicable remuneration framework which determines the remuneration of compliance staff in a manner that does not compromise, and is not likely to compromise, their objectivity.		
2.7	Where a firm relies on the proportionality exemption from Article 22(3)(d) or (e) it must be able to demonstrate that the requirements are not proportionate given the nature, scale and complexity of its business, and that its compliance function continues to be effective; this assessment must be reviewed on a regular basis.	Article 22(4) Delegated Regulation	Is the Board satisfied that the Firm's reliance on the proportionality exemption under Article 22(3)(d) or (e) (i.e., compliance staff are involved in activities they monitor, or remuneration conditions are not met) is clearly documented and justified by reference to the nature, scale and complexity of the Firm's business?		
		ESMA Guideline 9	Is the Board satisfied that the effectiveness of the compliance function is not compromised as a result, and is this assessment reviewed on a regular basis?		

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3	Compliance Officer				
3.1	A compliance officer must be appointed and replaced by the management body and is responsible for the compliance function and for any reporting as to compliance required by MiFID II.	Article 22(3)(b) Delegated Regulation	Has a Compliance Officer been formally appointed by the Board, with a clearly documented mandate and responsibility for the compliance function and all required regulatory reporting?		
3.2	The compliance function must report on an ad-hoc basis directly to the management body where it detects a significant risk of failure by the firm to comply with its obligations.	Article 22(3) (c) Delegated Regulation ESMA Guideline 3	Is there a documented escalation pathway enabling the Compliance Officer to report directly and promptly to the Board where a significant risk of regulatory failure is detected, without deferral to a scheduled reporting cycle?		
4	Compliance Risk Assessment and Monitoring Programme				
4.1	The compliance function shall conduct an assessment on the basis of which it shall establish a risk-based monitoring programme that takes into consideration all areas of the investment firm's investment services, activities and any relevant ancillary services, including relevant information gathered in relation to the monitoring of complaints handling.	Article 22(2) Delegated Regulation ESMA Guideline 1	Is the Board satisfied that the compliance risk assessment covers all areas of the Firm's investment services, activities and ancillary services? Is the Board satisfied that the compliance risk assessment is updated on an ongoing and ad-hoc basis to reflect emerging risks, regulatory changes, and changes to the Firm's business model or structure?		

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4.2	The monitoring programme shall establish priorities determined by the compliance risk assessment ensuring that compliance risk is comprehensively monitored.	Article 22(2) Delegated Regulation	Does the Firm prepare a formal annual compliance plan that is sufficiently granular to enable the Board to assess the adequacy of planned compliance activities and to monitor progress against it?		
4.3	The compliance function should monitor on a permanent basis and assess, on a regular basis, the adequacy and effectiveness of the measures, policies and procedures put in place, and the actions taken to address any deficiencies in the firm's compliance with its obligations.	Article 22(2)(a) Delegated Regulation	Has the compliance function established a documented risk-based monitoring programme with calibrated and appropriate monitoring tools, methodologies, scope and frequency, to assess compliance with all applicable obligations?		
4.4	Compliance monitoring activities should not be limited to desk-based reviews; they should also include on-site inspections of business areas to verify how policies and procedures are implemented in practice.	ESMA Guideline 2	Does the Firm's compliance monitoring activities extend beyond desk-based reviews to include on-site inspections of operative business areas?		
			Is the Board satisfied that the Firm can provide evidence that policies and procedures are verified in practice at operational level, and not solely assessed through document review?		
4.5	Horizon scanning must be conducted on an ongoing basis to identify and prepare proactively for regulatory changes.	ESMA Guideline 2	Does the compliance function conduct horizon scanning on an ongoing basis as a priority activity, which is formally reported to the Board and senior management in a structured and timely manner, to inform strategic decision-making and enable proactive adjustment of the compliance framework in anticipation of regulatory change?		

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4.6	Compliance monitoring findings should be linked to the identification of training needs, and follow-up monitoring conducted to assess the effectiveness of training delivered.	ESMA Guideline 2 and 4	Is the Board satisfied that compliance monitoring findings are systematically linked to the identification of targeted training needs in specific business areas?		
5	Advisory, Assistance and Training Obligations				
5.1	The compliance function should advise and assist the relevant persons responsible for carrying out investment services and activities to comply with the firm's obligations under MiFID II.	Article 22(2)(b) Delegated Regulation	Does the compliance function provide day-to-day advisory support and assistance to staff and management across all business areas?		
5.2	The compliance function must be actively engaged in the design and delivery of compliance training in order to embed regulatory awareness and an appropriate compliance culture at all organisational levels.	ESMA Guideline 4	Is the Board satisfied that the compliance function actively engage in the design and delivery of compliance training?		
5.3	The compliance function must be involved in strategic decision-making, including in product approval processes and in relation to new business lines.	ESMA Guideline 4	Is the compliance function a voting member (or equivalent) of the Firm's product approval committee?		
			Does the compliance function have appropriate representation across all relevant governance committees?		
			Is the compliance function's involvement in decisions regarding new products, new business lines and other strategic initiatives formally documented?		

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6	Complaints Monitoring				
6.1	The compliance function should monitor the operations of the complaints-handling process and consider complaints of relevant information in the context of general monitoring responsibilities	Article 22(2)(d) Delegated Regulation	<p>Is the Board satisfied that the compliance function has full and unrestricted access to all customer complaints received by the Firm?</p> <p>Is the Board satisfied that such complaints are systematically reviewed as part of the compliance monitoring programme for risk indicators, emerging trends and systemic issues, and are relevant findings incorporated into the compliance risk assessment?</p>		
7	Compliance Reporting to the Management Body				
7.1	The compliance function should report to the management body, on at least an annual basis, on the implementation and effectiveness of the overall control environment for investment services and activities, on the risks that have been identified and on complaints-handling reporting as well as remedies undertaken or to be undertaken.	Article 22(2)(c) Delegated Regulation	<p>Does the compliance function provide the Board and relevant sub-committees with a mandatory compliance report at least annually?</p> <p>Does the report cover all relevant business units and include, at a minimum: a summary of reviews undertaken; findings; identified risks; complaints-handling data; and actions taken or to be taken to address significant risks?</p>		
7.2	Board and committee minutes must accurately capture substantive discussion, challenge and scrutiny of compliance reports and recommendations presented to governance forums.	ESMA Guideline 3	Is there sufficient evidence in the board minutes that Board and committee engagement with compliance matters is sufficiently robust to ensure effective oversight and accountability (including substantive discussion, challenge and scrutiny of compliance reports and recommendations)?		

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7.3	The Thematic Inspection must be tabled and discussed at the next board meeting, with the discussion recorded in the minutes.	Thematic Assessment	Has the Thematic Assessment industry report been tabled and discussed at a Board meeting. Is there a clear and substantive record in the minutes of that discussion? (Mandatory CBI requirement, immediate action required)		
8	Consumer Protection — Securing Customers' Interests				
8.1	Firms providing MiFID services must consider and apply the Guidance on Securing Customers' Interests in the context of fulfilling their obligation to act honestly, fairly and professionally in accordance with the best interests of their clients (Regulation 31 of the European Union (Markets in Financial Instruments) Regulations 2017). The compliance function must support the embedding of these standards.	Thematic Assessment	Is the Board satisfied that the Firm has assessed how the Guidance on Securing Customers' Interests applies to the Firm's provision of MiFID services?		
9	Consumer Protection — Protecting Consumers in Vulnerable Circumstances				
9.1	Firms providing MiFID services must consider the Guidance on Protecting Consumers in Vulnerable Circumstances in the context of their best interest's obligation. The compliance function must support the embedding of these standards.	Thematic Assessment	Is the Board satisfied that the Firm has assessed how the Guidance on Protecting Consumers in Vulnerable Circumstances applies to the Firm's provision of MiFID services?		