

# COMPLIANCE THE NEW HORIZON

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# Matters of Importance

- Adherence to International Standards
  - New FATF Recommendations
  - Revised Basel Core Principles
  - EU Directives and other Foreign Legislation
- Fulfilling Domestic Obligations
  - Meeting Legislative Requirements
  - Conducting Internal Reviews
  - Satisfy Regulatory Requirements
  - Managing Relationships



# International Standards

- Compliance Officers should:
  - treat international standards as best practice
  - ensure organisations are in compliance with standards
  - lead the charge in implementing necessary changes



# Developments in International Standards

- **New FATF Standards on combating money laundering and the financing of terrorism and proliferation**
- Pay close attention to changes in relation to:
  - Assessing Risk
  - Conducting Due Diligence
  - Reporting Suspicious Transactions
  - Maintaining Proper Records
  - Ensuring Proper Internal Controls Are In Place

# Developments in International Standards

- **Implementation of Basel III Framework**
- Pay close attention to changes to:
  - Capital adequacy rules
  - Liquidity standards
  - Risk factors (operations, market etc)

# Developments in International Standards

- **Adherence to EU Directives and other foreign legislation**
- Pay close attention to impact new initiatives may have on business:
  - EU Savings Directive
  - EU Alternative Investment Fund Managers Directive
  - US Foreign Account Tax Compliance Act

# Domestic Obligations

- **Meeting Legislative Requirements**
  - Ensure understanding of all relevant legislation
  - Keep abreast of legislative reforms that may require policy and procedural changes within organisation
  - Take lead on implementing necessary changes to compliance regime stemming from legislative changes



# Domestic Obligations

- **Conducting Internal Reviews**
  - Ensure policies and procedures are being followed
  - Identify deficiencies in compliance regime
  - Implement corrective action where necessary



# Domestic Obligations

- **Satisfying Regulatory Requirements**
  - Develop and maintain compliance manuals
  - Provide guidance to staff on compliance matters
  - Correct deficiencies identified during on-site inspections
  - Fulfill annual reporting requirements to FSC



# Domestic Obligations

- **Managing Relationships**
  - Fulfill obligations to:
    - ★ Employer
    - ★ Regulator
  - Maintain independence
  - \* Proposed Guidance