

A diverse group of approximately 12 business professionals, including men and women of various ethnicities, are posed in a studio setting. They are dressed in professional business attire, such as suits, blouses, and dresses. The group is arranged in a line, with a woman in a light blue suit standing prominently in the center foreground, holding a large, light gray rectangular sign. The background is a plain, bright white, and the floor is highly reflective, creating clear reflections of the people and the sign. The overall atmosphere is professional and collaborative.

Becoming a Better Compliance Officer

Your tools for success

Your Panelists

Hailing from different jurisdictions within the Caribbean region your panelists have extensive experience in the compliance and risk management fields and within the financial services industry

- ▶ **Shonda Forde** residing and operating from Barbados is the Chief Compliance Officer at Cidel Bank & Trust Inc.
- ▶ **Kyria Ali** residing and operating from the British Virgin Islands is the Head of Business Advisory at Baker Tilly (BVI) Limited and Chairman of the BVI Association of Compliance Officers
- ▶ **Marsha Ferguson** residing and operating from The Bahamas is President of The Bahamas Association of Compliance Officers (BACO)
- ▶ **Glenna Smith** residing and operating from Barbados is the principal of Smith Compliance Consulting Inc.

They collectively possess >50 years of industry experience!



Agenda

- ▶ Understanding the Evolving Role of the Compliance Function
- ▶ Professional Qualifications & Continuing Education
- ▶ Staying Ahead of the Curve
- ▶ Value of Team Work
- ▶ Ideal Core Competencies
- ▶ Overcoming Typical Challenges
- ▶ Key Skills for Communicating Adverse Results
- ▶ Practical Experiences



Understanding the Evolving Role of the Compliance Function

- ▶ Goes beyond the typical AML&CTF matters
- ▶ Plays an integral part in setting the tone as it relates to the compliance culture in organisations
- ▶ Now expected to be involved in the identification, assessment and monitoring of risks
- ▶ More involved with influencing policies and as compared to only assessing compliance by staff
- ▶ The compliance function is not a cost centre but a cost saver
- ▶ Required knowledge of the products and services being offered by the institution
- ▶ Manage communication with the regulators/internal auditors
- ▶ Keep abreast of what is going on within the international arena



Professional Qualifications & Continuous Education



The Compliance Officer should:

- ▶ Possess suitable compliance qualifications
- ▶ Continuous professional education in the form of webinars, conference and workshops
- ▶ Subject matters should not be limited to AML&CTF
- ▶ Consider obtaining qualifications relevant to your industry (e.g. STEP, American Institute of Banking Diplomas, GARP etc.)
- ▶ Learn from experiences (yours as well as those of your peers – within and external to your organisation)
- ▶ Get involved with local and international associations and groups
- ▶ Subscribe to and read compliance and industry magazines



Fit & Proper Criteria

Many Caribbean nations have fit & proper criteria and may require:

- ▶ An attestation to no prior convictions, bankruptcy or dismissals
- ▶ A questionnaire to be completed
- ▶ Assurance of qualifications
- ▶ Background checks
- ▶ Have a sound understanding of the money laundering and terrorist financing risks of a financial institution, extensive practical experience in the financial industry and annual training.



Staying Ahead of the Curve

- ▶ Monitoring the global environment
- ▶ Forecasting changes for your jurisdiction and your organisation
- ▶ Monitor similar jurisdictions and organisations
- ▶ Ensuring that your organisation is proactive rather than reactive
- ▶ Ensuring your policies are practical as well as compliant with legislation
- ▶ Using systems to enhance monitoring and reporting; and upgrading where necessary
- ▶ Knowing when to use experts



Value of Teamwork

- ▶ Compliance should not be isolated / in a bubble
- ▶ Gain a better appreciation of the business
- ▶ Contribute to setting tolerance levels
- ▶ Must get buy-in from all levels
- ▶ Share consistent message
- ▶ Should be part of decision making (e.g. for new software and service providers)



Ideal Core Competencies

- ▶ Strong interpersonal skills
- ▶ Unwavering ethical behaviour
- ▶ Effective communication and listening skills
- ▶ Confidence to handle challenging situations
- ▶ Intestinal fortitude to make necessary, unpopular decisions
- ▶ Ability to command respect at all levels
- ▶ Ability to impart knowledge, coach and mentor staff
- ▶ Ability to effectively communicate with the authorities especially in situations where there may be adverse examination findings
- ▶ Ability to receive and provide constructive criticism
- ▶ Ability to find compliance solutions without compromising business risks
- ▶ Industry and association participation
- ▶ Ongoing external compliance training & certifications, where available
- ▶ Knowing when to seek assistance or solicit advice



Overcoming Typical Challenges

- ▶ Cost Center Perception – Communicate to all levels the various ways that compliance adds value to the business
- ▶ Inadequate Systems – Highlight systems deficiencies to management. Communicate the need for a flexible system in order to effect updates to policies and procedures so as to respond to changes in legislation and international best practice in a timely manner
- ▶ Budget Cuts (Training, Resources etc.) – Prioritize needs and use the funding effectively. Promote the importance of Compliance and the need for training by using real life examples.



Overcoming Typical Challenges

- ▶ Varying standards to secure revenue (pressure from clients & management) – demonstrate the risks associated with such a practice using actual situations and get buy-in. Formally document your position and recommendations to management. Promote a culture of holding staff accountable.
- ▶ Senior management acting against the recommendations of the CO (pressure from management) – Formally document your position and recommendations to management. Highlight to management the potential consequences of their actions, which may include your obligation to report a significant breach to the regulators



Key Skills for Communicating Adverse Results

- ▶ Ensure your homework is done and your facts are accurate before delivering adverse results
- ▶ Be clear and concise
- ▶ Explain how you arrived at your conclusions
- ▶ Provide an opportunity for feedback to be provided by the persons/ departments involved
- ▶ Acknowledge and sympathize with the pros and cons of the impact to the business to show your understanding
- ▶ Seek input from heads of business for other ideas to lessen or mitigate the situation – don't assume you have all the answers or know everything going on in the business as new initiatives could be underway
- ▶ Look for synergies as other processes may exist to assist in the problem



Practical Experiences

- ▶ For open discussion:
 - ▶ Decision making on SAR – Experience, judgment and discretionary powers
 - ▶ Pressure from sales team – establish relations because of individual targets and overall corporate goals
 - ▶ Not just AML/CFT issues – fraud, anti-bribery and corruption as well as compliance initiatives such as BASEL II, Solvency II, etc.
 - ▶ Multi-functional roles – such as Internal Audit, Risk Management and Compliance – under one umbrella

