



BDO COMPLIANCE SERVICES

Helping you navigate your compliance obligations

IDEAS | PEOPLE | TRUST



INTRODUCTION

With the world of financial services regulation evolving at an ever-increasing pace, compliance has become more complex, more expensive, and much more than a tick box exercise. Recent pronouncements from the regulators point to more demanding expectations on firms looking to enter the regulatory perimeter and firms already regulated. The challenge of maintaining compliance cannot simply be solved by throwing money at it. It requires a thorough and disciplined approach that can be optimised by technology and strategic partnerships.

Our team work in close partnership with our clients, obtaining a deep understanding of their business and the specific environment they operate in. We act as a strategic partner, providing clear advice which is both balanced, proportionate and constructive in helping you to meet regulatory requirements and expectations.

BDO Compliance Services is our hub for specialist regulatory compliance support. Our services are designed to be flexible and scalable to meet the evolving needs of our clients.



SERVICES COVERED UNDER BDO COMPLIANCE SERVICES



**FCA
Authorisations**



**Retained
Compliance
Services**



**Regulatory
Change
Implementation**



**Resource
Augmentation**

SECTORS



Asset Management



Wealth
Management



Payment Services



Consumer Credit



Insurance



Capital Markets



Mortgages



Funeral Plan
Providers



FinTech

SPECIALISMS



Conduct
of Business



Financial Crime



CASS



Risk Management



Remediation



Governance



Data Protection



Prudential



Due Diligence

FCA AUTHORISATIONS

We have a team of sector specialists who can assist your firm in obtaining direct authorisation from the FCA. Our team has deep experience of the regulatory process including engaging with relevant teams at the FCA.

The authorisations process is robust and demanding. Firms seeking authorisation must satisfy the regulators that they can, at authorisation and on an ongoing basis following authorisation, meet the Threshold Conditions. The Threshold Conditions are a minimum set of standards that all regulated firms must meet. Our consultants understand the FCA's 'marking sheet' as a result of our extensive experience of supporting clients through the application process.

We can therefore guide firms on how to set themselves up for success.

WHAT OUR CLIENTS SAY

“ You gave us a high level of confidence and comfort with the documents being presented. ”

KEY REQUIREMENTS FOR A SUCCESSFUL APPLICATION

- 1 Robust governance arrangements with an experienced and competent senior management team
- 2 'Mind and Management' in the UK
- 3 Clear and fair business model, underpinned by a robust assessment of potential risks of harm
- 4 Risk Management arrangements appropriate to the planned business including in respect of financial crime and maintaining ongoing compliance
- 5 Adequate financial and non-financial resources to meet minimum capital requirements; and run the business effectively
- 6 Open and honest interactions with the regulator
- 7 Quality application pack comprising all required documentation (e.g. regulatory business plan)

RETAINED COMPLIANCE SERVICES

In a changing and challenging regulatory environment, it is business critical for any regulated company to be confident of its compliance with the regulatory requirements. You need to be compliant with all regulatory requirements, and you can only achieve this with the right specialist knowledge and support.

At BDO, we do not believe in a tick box approach to compliance, nor do we think it appropriate to apply gold plated rules to all firms in every circumstance. We believe in compliance that is proportionate, aligned with the spirit of the regulations; and tailored to the unique characteristics of each firm.

Our team supports clients of varying levels of complexity and at different stages of their lifecycle with maintaining BAU compliance. Support areas include:



Outsourced or
Co-sourced Compliance
support



Compliance
Health checks



Thematic Reviews



Training (Board
and Employees)



Policy Management



Horizon Scanning
and Briefings



Regulatory Filings
and Reporting



Ad hoc Advice

Our approach is flexible and entirely configurable to meet your precise needs.

WHAT OUR CLIENTS SAY

“ We have utilised BDO professional regulatory services for a number of years now. The service received is of excellent value in terms of quality of support to our business needs and array of diverse questions we present. BDO always ensure that their approach not only complies within the spirit of the rules, which is key, but provides us with guidance via respective rules and regulations for those specific areas that can almost present as somewhat a 'grey area'. Customer service is always excellent and offers flexibility in approach depending upon our deadlines and we find this invaluable to our business. ”

“ We have been working with BDO as critical partners since the inception of our regulated investment business in 2016. Their depth of expertise and ability to adapt to the unique aspects of our business is critical to us, and all with an extremely personable style. With BDO we approach the regulation as a central tenant of our business strategy, from People and Systems-Controls through to Governance, and in doing so compliance becomes a business enabler and not just a necessary 'visit to the dentist'. We've been on a major business transformation journey over the last seven years and BDO have been central to its delivery and success. I cannot recommend them more highly. ”

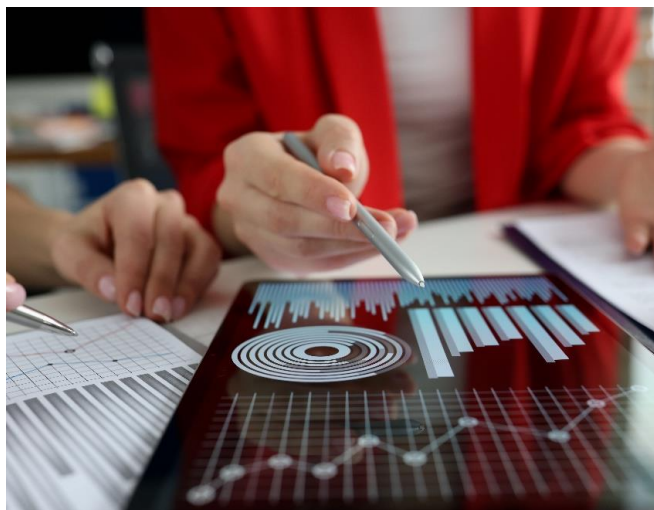
REGULATORY CHANGE IMPLEMENTATION

Implementing new regulations can be a costly and time-consuming process. Firstly, it requires an in-depth analysis of the new rules and requirements, and identification of the various impacts of those rules on the organisation's structure, systems and processes. Senior management then need to be briefed on the changes, and the rest of the organisation needs to be carried along to ensure the objectives of the new regulation are met consistently within the organisation.

BDO can support your firm with implementing regulatory change in a proportionate and cost-effective manner. Our unique insights gleaned from direct regulator interactions ensure we can best advise our clients on how to effect the changes efficiently and effectively with a tailored approach to meet your needs.

OUR SERVICES INCLUDE:

- 1 Designing an implementation plan
- 2 Breaking down the rules and identifying impact areas
- 3 Communicating insights from regulatory interactions
- 4 Briefing Senior Management on the key changes and impacts
- 5 Supporting the firm through the various stages of the implementation plan
- 6 'Look back' reviews of implementation programmes to identify any gaps



CASE STUDY

SMCR Implementation for a fund manager



ISSUE

The FCA's Senior Managers & Certification Regime (SM&CR) was extended to solo-regulated firms with effect from December 2019. The fund manager had its own Compliance team but found that additional specialist support was required for this considerable new regulation.



SOLUTION

We carried out an initial gap analysis, and created a bespoke SM&CR framework, consisting of a library of documents, records and processes designed to meet the new requirements. We worked closely with the client to build a framework appropriate to their structure. In addition, we provided the firm's business areas with role-specific training, and supported the client in completing the relevant FCA applications required for the implementation of the new regime.



IMPACT

Our client was able to implement the new regulatory regime in a timely and proportionate manner. All required milestones in the implementation of the regime were met with minimal disruption to the day-to-day function of the compliance function. The firm also had the required infrastructure to manage its framework on an ongoing basis.

RESOURCE AUGMENTATION

Firms may require additional personnel to plug short-term gaps or assist with large scale remediation projects. Through our BDO Regulatory Solutions service, we are able to support firms requiring short to medium-term resource across regulatory compliance specialisms. We have an extensive network of experienced internal and external consultants who can act within firms to meet their objectives. These individuals are subject to robust risk management and quality assurance processes to ensure our clients receive optimum value for money.

TYPICAL AREAS OF RESOURCE AUGMENTATION SUPPORT



Maternity cover



Remediation projects



Regulatory Change projects

CASE STUDY



ISSUE

A large retail bank under scrutiny for the management of vulnerable customers in Collections and Recoveries. Gaps in adequate capacity and in process had been exposed by the Covid 19 pandemic.



SOLUTION

We provided a Process Improvement Specialist with specific knowledge of Collections and Recoveries, eight Specialist Customer Case Managers and 15 QC. Our Process Improvement Specialist revised policies and created tighter controls, in line with regulatory expectations. These were tested and rolled out through our Specialist Case Managers while helping to manage the increase in customer cases. Our QC team reviewed 100% of cases until we were satisfied that the improvements were embedded.



IMPACT

Our client benefitted from bringing their workload back under control in reasonable timescales, at the same time improved processes were established, resulting in operational efficiencies and fair outcomes for vulnerable customers.

WHAT OUR CLIENTS SAY

“...they build great relationships”

“...really impressed with the level of delivery”

“...easy and enjoyable to deal with”

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