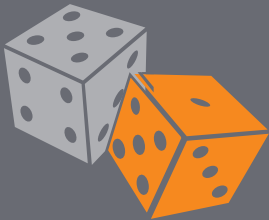THOMSON REUTERS
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10 THINGS

2014 was dominated by regulation, regulatory change and enforcement action. In **2015** businesses need to let the **pendulum swing back** toward business improvements and development. Regulation and a compliant "tone from the top" should be **balanced with managing the business.**

COMPLIANCE OFFICERS NEED TO DO IN 2015

1. MANAGING PERSONAL REGULATORY RISK
- **External Environment**
- **Internal Environment**
- **Personal Archive**

2. REGULATORY RELATIONSHIPS
- **Strategically** plan interactions
- **Have clear regulatory expectations**
- **Keep records** of discussion, documents and information exchanged
- Make sure information is **accurate and substantiated**

3. MANAGEMENT INFORMATION -
Enable a single view of the firm's risk which is consistently evidenced and reported to the board and discussed with regulators

4. CONDUCT RISK
- **Define:** What is 'good' for your business
- **Assess**: Run a gap analysis to highlight where current practice needs upgrading
- **Reform**: Consider and prioritize gaps via top down structure
- **Measure and Report:** Determine qualitative & quantitative elements of good conduct
- **Evidence:** Ensure a transparent audit trail is available and all material decisions recorded

5. CONFLICTS OF INTEREST
- **Board-sponsored** review of the current arrangements
- **Make conflict of interest concern** into a board or committee
- **Focus** on both firms' and senior managers' conflicts

6. FINANCIAL CRIME
- **Review** current KYC procedures and processes
- **Monitor** regulatory landscape and clients for changes
- **Invest** in resources and technologies

7. PRODUCT GOVERNANCE
- **Achieve** demonstrably and consistently good customer outcomes
- **Increase** the regulatory focus at a much earlier stage of the product life cycle
- **Verify** relevance of content to customers frequently

8. CYBER RESILIENCE
- **Cyber risks** can put good customer outcomes at risk
- Cyber risks should be **identified, managed, mitigated, monitored and reported**

9. COMPLEXITY
- **Complexity** does not always equal "too big to manage"
- **Consistently demonstrate** that the entire business is under control of senior managers
- **Have a line of sight** to all risks
- **Utilize a comprehensive suite** of management information and data to provide evidence

10. FUTURE PROOFING
- **Ensure flexibility** in all technological compliance solutions
- **Allow strong, comprehensive and repeatable** processes for all activities and counterparties to evolve with time

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