

6-point checklist to keep you compliant

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Regulations governing the financial services sector are being overhauled. Below is a six-point checklist to ensure you don't fall behind in compliance.



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1. Conduct returns cometh

The majority of sector specific legislation will likely cease to exist over time as the Financial Services Conduct Authority (FSCA) knocks down the current siloes, redesigning into a more proportionate and resilient regulatory model for the future. The longstanding Financial Advisory and Intermediary Services (Fas) report was to have been replaced by the Conduct of Business Return (COBR), however, the FSCA has delayed launch, and rather tasked licensed providers to ensure their data records at the FSCA are up to date. COBR is likely to only be effective from the 2020 reporting season.

2. But first, Cofi

The Conduct of Financial Institutions (Cofi) Bill seeks to harmonise cross-sector legislation and repeal the current sectorial legislation, specifically Fais, the Collective Investment Schemes Act, Long-term Insurance Act, Short-term Insurance Act, and some additional amendments to other existing pieces of legislation. Understanding the full impact is essential – even if it takes time to become clear.

Recent discussions around regulating cryptocurrencies indicate that technology is on the regulator's radar, so it is best to watch this space.

3. Go Fourth and conquer

The Fourth Industrial Revolution is a concept we're all familiar with. Financial industry participants and regulators globally are sitting up and taking notice of disruptive technologies that are starting to make their presence felt in financial services. As increased connectivity takes shape and data analytics, machine learning and robotics become more common place, adapting will be necessary to survive.

4. Think about your customer

This shouldn't be a necessary reminder, but fair customer outcomes are at the heart of much of the proposed change in the industry, coupled with transforming financial services and reducing barriers to entry, and further enhancing market inclusion. Looking into how artificial intelligence can help facilitate cutting your client data, so that you might better service clients is an important step to consider.

5. Your compliance must function

Rapid advancements in technology promise us that we will be working smarter and faster in time to come – but keeping up with the myriad of regulations in play will be harder to do. It is worthwhile to seek professional compliance advice and guidance to help position your business ahead of the regulatory curve.

6. CPD savvy

Remember that the previous CPD deadline was extended, but 31 July 2019 is fast approaching. Get ahead of compliance before it's too late, and don't forget that the current CPD cycle is in progress too. There are a number of ways to earn the hours you need, and it's essential to keep up with professional development in the fickle world of financial services. You owe it to your clients and yourself.

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