



Q&A: Regulations

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What are the best ways for firms that operate in multiple regulatory jurisdictions to digest, navigate, and comply with a constant barrage of new rules?

To comply with the laws of local and other jurisdictions and international regulatory bodies, directives and regulations the firms are advised to implement a number of operating procedures. The first and primary step is setting up a strong back-bone that monitors regulatory developments on an-ongoing basis; centralizes the regulatory know-how, coordination and controls within the organization; and engages IT departments locally and at headquarters early on in the process to ensure a competent technology strategy – smooth implementation and an adequate costs control. Furthermore, firms are advised to contact data vendors and external consultants to ensure regulatory clarity, and obtain relevant data and solutions offerings.

Another important point is planning ahead for regulatory changes by structuring the firms' internal regulations and process, as well as the internal and external communication channels in a way that any change of laws and regulations can be introduced easily. Not to forget, putting in place adequate and "easy to update" training programs ensures better navigation in the long-run.

To what extent is a competent technology strategy essential for keeping track of regulatory developments?

A competent technology strategy should bear in mind that the regulatory environment is changing constantly. Therefore, the systems and processes have to be designed in a way that regulatory changes can be integrated easily. The trends in the financial industry are in the areas of international tax transparency, combating money laundering, Basel III, Solvency II, etc. As national and international regulators focus on promoting transparency and sound risk management principles through regulation means there are commonalities in terms of data requirements and business processes. Leveraging those core principles can significantly reduce the technology implementation

burdens and reduce implementation costs by building upon existing data management processes and centralizing the core reference data required to underpin the process of regulatory reporting on an enterprise-wide level.

How do firms prepare for new regulations while avoiding costly technology spending on platforms which may not meet the requirements of finalized rules?

We have seen from our clients a high interest in our compliance services because they are continuously updated to comply with the latest regulatory developments - in some cases through "tailor-made" solutions which can be integrated into the firm's systems or through a "stand-alone" solution. We feel our responsibility as a vendor to develop a solution based on expert knowledge, leveraging learning's gathered from other firms, regulators and consultants. Furthermore, due to the fact that we can provide the service to a large number of firms it creates economies of scale which both parties benefit from.

To what extent should firms rely on vendors, outsourcers, brokers or others to meet regulatory standards, and how much responsibility should they take themselves?

The ultimate responsibility for compliance lies within the firms, but in close cooperation with their data and software vendors they can ensure data suitability and quality. As the regulatory environment evolves and data requirements become more complex, we have seen increasing levels of collaboration between practitioners from both the buy and sell side and vendors alike to engage on common industry issues. As a vendor of a wide variety of compliance services, we see it as our responsibility to work together with the firms and software partners in order to ensure that we come up with the best possible solution. Additionally, our experts around the world continue to contribute by engaging in local industry working groups and interacting with national and international regulators for further clarifications.