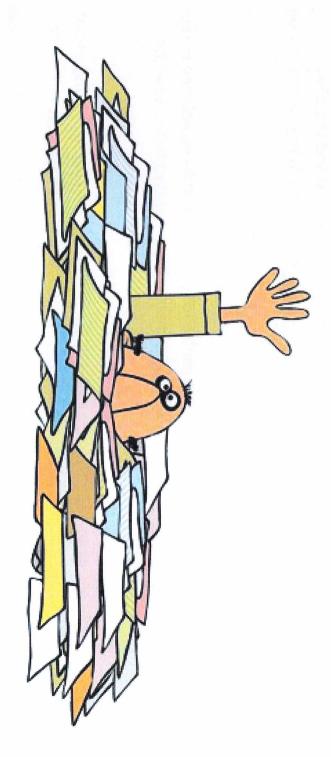


for in 2017 Regulatory checklist: what to look out

By Selin Bucak / 19 Jan, 2017



than the nitty gritty of specific regulations implementation. However, this year the focus is going to shift towards themes rather changes that are looming ever closer and devising strategies on new systems Wealth managers spent most of last year trying to decipher all of the regulatory

common themes in all of these, according to Andrew Strange, PwC director of centre of when its remit is expanded. However, a proactive approach can help firms address to focus on how to comply with Mifid II and Pripps, plus the Senior Managers Regime The reality is 2017 is going to be a busy year for asset and wealth managers who need

governance implications or areas like communications 'A lot of firms have a lot of things to do but there are some common themes that firms can address,' he said. 'Things like the value that's being offered, some of the wider

disclosure, above and beyond the regulatory minimum to deliver greater transparency and Pripps, disclosure is a key focus. Therefore, companies that implement good With both existing regulatory requirements as well as upcoming ones through Mifid II

of information to clients, can actually comply with a multitude of regulation in one single dooms

some cases bold actions in response,' it noted not be able to wait out this current period of difficulty without taking decisive and in characterises 2017, one fact is becoming increasingly clear: financial services firms will importance of developing sustainable business models. Despite the uncertainty In its Financial Services Regulatory Outlook 2017, Deloitte also pointed out the

companies should overhaul their strategies for how they respond to regulatory change. They added that many of the issues in the industry are structural and therefore

Importance of technology

efficiency of compliance and risk management, while reducing costs authors of the report, also highlighted how technology can be used to increase the David Strachan, Deloitte's head of EMEA centre for regulatory strategy and one of the

business. That phenomenon looks set to continue,' he said. technology where possible to improve their competitiveness and take cost out of the `I think it's undoubtedly the case that we will see companies making increasing use of

from more active investment management strategies towards the passive.' scrutiny on costs and charges may well be that we see further movement away

in reporting requirements solution for companies, especially for firms struggling with the volume of data involved Strange agrees that regulatory technology (RegTech) has to become a part of the

term. and working towards a more digital environment will deliver cost benefits in the long technology will drive up costs in the short term. However, developing modern systems Meanwhile, Paul Miller, managing director at Knadel, admits that increased use

Not a new phenomena

ability to demonstrate compliance, according to Miller. Changing regulation is not a new phenomena, but what will be key this year is the

'It's no longer enough to say "I'm doing the right thing". It's about the idea of what you

transparency. impact to do of that is on systems and the data you need to produce in order to provide the to demonstrate conclusively that you are complying with regulation.

year will see even more emphasis on cyber security. With data, one of the concerns is the security of that information. Consequently, this

today and it's a cost that outside of the chief technology officers is not fully understood," things you need to put in place to protect yourself. It is a huge cost for businesses Miller added. an ongoing challenge as cyber security is permanently evolving as a threat, `I think it is something that will continue to be a focus for the coming years because it is as are the

Expected Regulatory Developments 2017

Q 1

- FCA Advice Unit Guidance to be published
- UK Government to trigger Article 50
- BoE to publish stress test scenario and methodology for 2017
- European Commission action plan on retail financial services
- Report on progress of the Financial Advice Market Review 1 March
- FCA Mission finalised 2017
- Standards (RTS) for Mifid II European Parliament and Council to endorse remaining Regulatory Technical
- European Commission to approve amended draft RTS for Priips
- 2018 Consultation paper on details of expected extension of SM&CR to all regulated firms in
- FCA expected to transpose all Mifid II rules into the Handbook -1 April

- Final report on the prudential regime for investment firms
- Council and Parliament to approve delegated regulation (Priips)
- FCA final rules on Priips KID
- Final report on retirement outcomes review

Q1-Q4

potential impact of reforms and market developments Report on EU corporate bond markets, on how market liquidity can be improved, the

Source: Deloitte Financial Services Regulatory Timeline