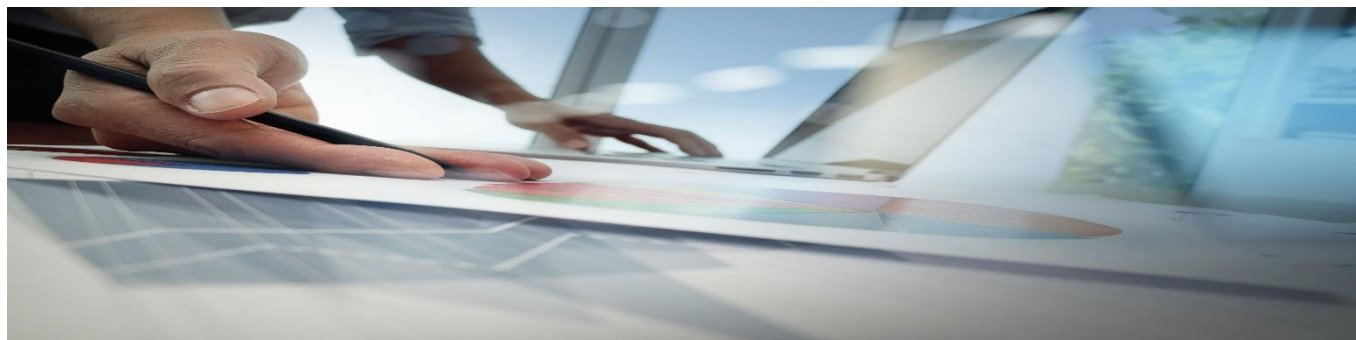




FINANCIAL REGULATION

Senior Managers and Certification Regime



The challenges you face

The new Senior Managers and Certification Regime (SM&CR) is being extended to all financial services firms in 2019 and is likely to be a key strategic regulatory project for many organisations in 2018. To be compliant with the new regime, firms will need to review their compliance systems and controls, as well as their corporate governance arrangements. They will also need to ensure that their organisation's human resources function is prepared for some of the more onerous requirements of the new regime.

We understand both the detail and practical impacts of the SM&CR and are confident in our ability to support you in a manner which is proportionate, compliant and consistent with your organisation's ethos and structure.

As the guidance concerning the SM&CR is evolving, you will need clear and focused advice on what the regime means for your organisation in practice. As an integrated financial services team, we work collaboratively across all of our relevant specialisms.

The expertise you need

We are well placed to support you across the whole of your SM&CR implementation or provide quality assurance/testing for firms already subject to the regime. We can provide:

- ▶ Oversight and challenge, gap analysis, project planning and impact assessments – helping to survey your current arrangements;
- ▶ Governance systems and controls – assessing and implementing appropriate systems and controls related to policies, regulatory reporting, training, assignment of responsibility for production of reports;
- ▶ Statements of responsibility – drafting statements for those carrying on a senior management function, aligning contracts of employment, drafting FIT test policies and referencing;
- ▶ Risk aversion – providing training to support individuals who will be subject to the SM&CR;
- ▶ Employment law impact – reviewing human resources policies, amending employment contracts and procedures, D&O type insurance, notification of disciplinaries to regulators and handing of reference requests;
- ▶ Regulatory notifications – reviewing procedures for whistle blowing and the process for notifying regulators where there has been a breach of firm's Code of Conduct;
- ▶ Remuneration structures – considering how the responsibilities interact with applicable Remuneration Code responsibilities; and
- ▶ Bespoke training – designing and/or delivering training for senior management function holders (including the Board) and certified persons on their obligations.

Our experience

Our specialist Regulatory Investigations and Enforcement Practice Group have considerable experience of dealing with issues relating to approved persons. We have been involved in a number of FCA enforcement cases against senior management, both acting for firms and individuals. This has given us considerable insight into the issues which can contribute to firms being censured in relation to their senior management arrangements. Additionally, we have recently recruited from within the FCA supervision team, so are able to offer a genuine insight into the FCA's supervisory approach to SM&CR.

We have considerable experience of partnering with our clients in navigating through this high pressure regulatory environment, with its exposure to financial, strategic and reputational risk. We advise on conduct of business, compliance, risk, governance, supervisory and prudential issues, sitting on many panels where we provide regulatory advice. We have managed and have advised on a variety of significant regulatory change projects and we have already advised a major retail bank on its implementation of the SM&CR regime.

We have:

- ▶ Advised two large asset finance firms on the implementation of the SM&CR.
- ▶ Advised a large consumer credit firm on the implementation of the SM&CR.
- ▶ Advised a FinTech firm on the implementation of the SM&CR.
- ▶ Advised an EEA firm on proposed SM&CR impact in the UK.
- ▶ Drafted policies and procedures to support compliance with the new requirements.
- ▶ Supported with the analysis of identifying senior managers and certified persons.

Who to contact

If you would like to know more or would like to discuss anything further, please contact:

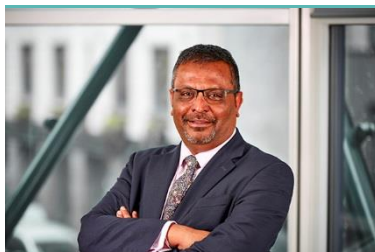
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