

Helping Asset Managers look to the future with some “help” from the regulators.

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Technology plays such an important part in today’s world. Smartphone banking apps, “robo-advice” and other tools are all at our fingertips. Consumers want the most up-to-date, simple, yet effective digital technology – and they want it now. Innovative companies launch new and exciting products to market as quickly as possible and look to enhance those products as technology advances.

In this context, the words **Compliance and Conduct Risk** seem almost out of place yet the FCA are constantly reminding us that they are more important than ever. Mis-selling is almost more likely in the new age and there is the added dimension of the upgraded data protection rules as well.

Against this backdrop we are looking at the latest FCA’s long awaited first set of rules and remedies under the Asset Management Market Study. Policy Statement (PS18/8) “Asset Management Market Study remedies and changes to the handbook – Feedback and final rules to CP17/18” which sets out the FCA’s position on the issues raised in the Final Report that was released last year.

Also on 5 April, the FCA published for consultation (CP18/9) “Consultation on further remedies – Asset Management Market Study” setting out proposed rules intended to improve fund disclosures. These proposed rules focus on:

- ✔ fund objectives and investment policies;
- ✔ the use of benchmarks;
- ✔ and the calculation of performance fees.

If this matter strikes a chord, we would welcome a discussion with you about the challenges facing Asset Managers trying to manage the pace of technology change whilst keeping on the right side of the regulators. Some key factors we see effective Asset Management organisations adopt include

- ✔ Being pro-active with the set up of your Board and getting the culture right will pay dividends
- ✔ Evidencing decisions regarding value for money during the full product life-cycle
- ✔ Documenting how the full chain of parties involved in bringing a fund to market and servicing that fund are held to account for value and service levels.
- ✔ Using our professional war-gaming techniques to prepare for the challenges that will come from Customers and Regulators.
- ✔ Working smart by bringing together the requirements of the SM&CR and the Market Study together under one integrated programme.
- ✔ Using our Project Audit / Assurance services to baseline your approach.
- ✔ Looking at Fund Objectives and Investment Policies through a digital lens using clear and modern language that is relevant to investors of all ages and risk appetites.

For more information visit www.createcomply.com or www.pelicam.com