

It's been an interesting couple of weeks. The JFSC and the Government of the States of Jersey are holding meetings with the industry to discuss their latest consultation papers on revisions to the Outsourcing Policy and facilitating the Adoption of Digital ID Systems. Comments on both consultations are due by 31st August 2022, so there is still time to comment.

In their recent consultation meetings, the Government and the regulator have been clear that they encourage regulated firms to use technology to improve their overall regulatory compliance. They also pointed out that FAFT and Moneval also support and promote adopting technology to support a firm's comprehensive regulatory framework. Page | 1

In a recent article in the Bailiwick Express, the JFSC said that it intends to accelerate its internal capabilities and external support of RegTech adoption... A link to the article is here, in case you missed it.: [JFSC wants to accelerate RegTech adoption](#)

In the interim, RegTech Associates assessed the use of RegTech in Jersey for the JFSC and recently released their report 'RegTech - A Missed Opportunity'. They conducted in-depth research across the industry to evaluate the current state of play amongst the regulator and the industry. The report highlights the importance of implementing technological innovation to improve efficiency and transparency. RegTech Associates presented the findings on 21st July. The results of the report make for interesting reading. If you haven't already seen the paper, you can find the link in the comments below

For the full RegTech paper "Reg Tech in Jersey: closing the gap between ambition and reality", see the link to the Reg Tech website here: [Reg Tech in Jersey](#)

Unsurprisingly, the two top prioritisation categories were Financial Crime and Cyber Risk. Despite the seeming focus on ESG, prioritisation for this area was relatively low, with a concern that the lack of specified and well-defined ESG reporting obligations and global standards make it difficult to assess how best to comply. Firms felt that with tight resources, it is better to focus on higher-level priorities and leave things like ESG until they become more pressing.

What is RegTech?

... Technical innovation that can be applied to or used in regulation,
typically to improve efficiency or transparency
[RegTech Associates]



What does the report say?

... the potential for firms on the island to drive more efficient and effective
compliance processes is enormous
[RegTech Associates]

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Interestingly, certain standards for ESG focus on governance and process, which should already be standard in any organisation. However, they may need a little tweaking, and they don't need complicated technology to support them. As an example:

The US Securities and Futures Commission (SFC) requirements on management and disclosure of climate-related risk for fund managers

The SFCs proposed requirements are grounded in three overarching themes, with baseline requirements needing to be implemented by 20th **August 2022**.

1. **Governance:** Fund Managers should disclose their internal governance structure and the Board & Senior Management's roles in managing climate-related risks.
2. **Investment Management and Risk Management:** Fund Managers should disclose the steps they have taken to implement relevant material climate-related risks into the investment management process
3. **Disclosure:** Disclosures must meet the principles of adequacy and are subject to regular review. Fund Managers should ensure that climate-related risks are adequately considered in the Investment and Risk management process.

A central repository of these management processes and outputs will go a long way to meeting these requirements. While you may have this information available in various files, wouldn't it be great to say to stakeholders that you have a central place to manage and track the documents and the steps you've taken and the processes you follow to meet these requirements?

Imagine having this all-in-one spot, readily accessible to management, shareholders and regulators alike. With Phundex, you don't have to imagine. By using our Pathway Templates for Board and Investment Committee meetings and regulatory engagement processes, you'll have a central place to manage, track and store all of this in one place. You can even allow external stakeholders to view the final documents, making it simple to show regulators and shareholders the documents required to show how you are achieving your regulatory framework aspirations.

One thing clear from the report was that leveraging technology can improve efficiency, increase productivity, and add client value as the client user experience improves. Managing processes and transactions in a standardised, streamlined fashion will help you get to market faster, reduce operational risk and increase colleague and client experiences.

Wouldn't it be great to have a simple tool to do all the above and integrates easily into your organisation? Phundex does just that. Ask us for a demonstration to see how simple it is.

To book a demo or a free trial, you can either use the link on our website or email support@phundex.com, and they will be happy to set it up for you.