Managing Regulatory Relationships – Regulatory Meetings

We have had many meetings with regulators while working in financial services. We've found that using a standard meeting approach significantly improves the process and the results. In our experience, being well-prepared for a meeting leads to successful outcomes for both you and your regulator.

Depending on the regulatory regime under which you operate, there may be several reasons you need to meet with your regulator. It may be one of a series of regular meetings specific to your business. It may be part of a thematic theme review, where the regulator meets with several regulated entities in a particular type of regulated activity to compare best practices across the industry. There may also be a potential compliance issue that you need to address. No matter the reason for the meeting, using a standard approach will smooth the process internally and at the meeting.

The Board of Directors and senior management should be advised of the visit, including the proposed dates, type of review, and scope. Representatives of each should be available to assist and answer questions during the meetings and to review any output being provided as part of the meeting outcomes. A standard preparation process ensures you are prepared for the discussion and any follow-up required. Knowing your regulatory requirements and anticipating your regulator visit schedule will also help manage the process.

Initial Information Request

Receiving a request for a meeting with your regulatory supervisor should prompt an internal discussion to review the request. This meeting should include your regulatory liaison officer, compliance team and senior management.

Things to discuss should include:

- what kind of information or meeting is being requested;
- what type of assessment it is;
- How does it fit into your anticipated review schedule;
- The relevant timeframe and due dates, and if it is achievable;
- Whether the information needs to be provided before the meeting, or if it should be discussed at the meeting.

Creating a plan for organizing and preparing the information is vital. Assign tasks to specific people with due dates to review and confirm that the data is complete.

- Decide upon an action plan, priorities, responsibilities and target dates for preparing and ensuring all requests have been covered

- Identify and document any high-risk issues and obstacles that may impact achieving a satisfactory outcome and agree how these will be addressed.
- Take notes of any actions in an action tracker, and agree on who is responsible for the activity and when it is due during the meeting
- Arranging a follow-up meeting to review the responses will ensure consistency and completeness of the submissions.

You may well experience difficulties in meeting the deadlines for the provision of some information. If so, don't leave it to the last minute before informing your regulator. Hopefully, you can agree on a realistic alternative timeframe well before the original deadline or agree to partial responses with the balance available at the meeting.

Planning the meeting

While planning, be clear about what the regulator is asking for and your objectives for the meeting. This is your opportunity to gather information and guidance from the regulatory supervisor while answering their questions with relevant but not extraneous information. Agree on who will be your internal lead for the meeting, and have them coordinate all actions with your regulator.

Offer to draft the agenda and send it to your regulatory contact. Agreeing the content, order, and any material required before or at the meeting in advance will allow for a focused and productive meeting. Deciding on an agenda with the regulator will help focus the session. Both parties will know what is being discussed and can have the right people at the meeting, saving time and ensuring you can discuss with the right level of detail.

Once the agenda is agreed upon, plan who should participate in meetings and which items they will discuss. Gather that group and brainstorm what questions might come up and who should answer them. It's also good to discuss how best to answer those questions. Having a chance to discuss potential questions that might be asked and appropriate responses will help the team be confident and prepared for the meeting. During that meeting, you should also review output from previous regulatory visits to have a consistent and thorough approach to the meeting.

Day of the visit

Offer to have someone from your team take minutes to be shared and agreed after the meeting. Also, take note of actions in an action tracker. During the meeting, agree on who is responsible for the activity and when it is due. This includes actions from the regulator as well as your team. Send the draft action tracker with the draft minutes so both parties have input and can confirm realistic due dates.

If you are aware of shortcomings or areas you are working on, have a plan for how these will be addressed and be transparent about the timeframe and outcome of those plans. Validating that the approach will meet requirements and confirming that your timelines are acceptable with the regulator will clarify your process and allow the regulator to make any further recommendations while you can still make changes.

What to do when things go wrong

No matter how prepared you are, something may come up that you aren't prepared for. Don't feel you have to give an immediate response. Asking for more details and agreeing to provide information to respond more fully after the meeting will allow you to provide the correct information that benefits both parties.

Be prepared to say "I don't know" or "I will need to confirm those details". Regulators understand that you may not have every detail at your fingertips. Being honest and asking for some time to gather the information so as not to waste time in the meeting is the most efficient way to deal with it and ensure you don't unintentionally provide incorrect or unhelpful information.

Post-visit management

Hold a lessons-learned session after the meeting, so you are better prepared for next time and share information with management and team members who weren't at the meeting. Be sure to complete the following:

- Send draft minutes, and action points to the regulator for review and confirmation of due dates
- Agree who internally will deal with each action point and your internal due date
- Meet internally to review responses for each action point
- Collate all action responses into a single reply, review for consistency and send to your regulator, requesting confirmation of receipt- ideally before the agreed due date
- Check with the regulator for any actions they are due to you

If shortcomings are identified during the review, don't wait until you receive the Regulatory Body's written report before taking steps to address them. If you take prompt action, you will be able to demonstrate that matters are taken seriously and have either been addressed or are being progressed.

There are many tools available for action trackers. Here is a simple one we created on an excel spreadsheet and used to manage our regulatory liaison activities.

Regulatory action tracker

Date	meeting	Actionee	action point	due date	status
03/03/2020	Meeting with NHBB on <topic>	HAH	Agree draft minutes and action points, due dates	06/03/2020	in progress
03/03/2020	Meeting with NHBB on <topic>	ABC	Summary of Responses to investment decisions and process	11/03/2020	in progress
03/03/2020	Meeting with NHBB on <topic>	ALL	review requirements for NHBB regulated entities	11/03/2020	in progress
03/03/2020	Meeting with NHBB on <topic>	MSP	prepare beneficiary accounts to submit to regulator	16/03/2020	not started
03/03/2020	Meeting with NHBB on <topic>				

Now that we have the Phundex Platform, we manage all of our regulatory liaison activities on Phundex. With Phundex, you can plan and follow up on meetings, requests and action points in one central spot. You can even invite the regulator to see published documents on the Platform, reducing email risk.

For more information, see the article we published earlier this year on managing regulatory liaisons using Phundex, which you can find here: Regulatory Liaison - How Phundex Can Help

You can find more articles on our website, at Phundex Resources, on LinkedIn at Phundex LinkedIn, or for other questions, please email us at: hello@phundex.com.

To book a demo or a 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.