EBOOK

Managing Regulatory Relationships

Regulatory Meetings

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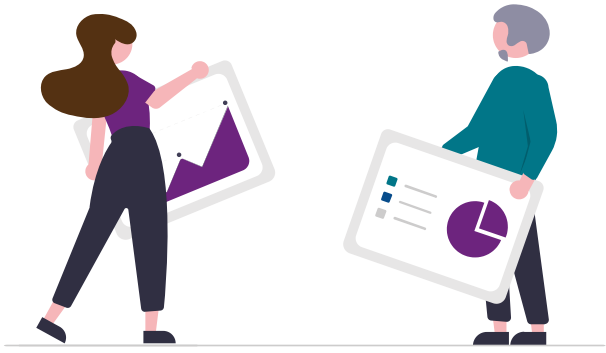
phundex

Contents



Introduction

There are various interactions you may have with your Regulator(s). Your type of business may be the subject of a thematic review by a local Regulator. In this case, Regulators focus on a particular topic and ask for submissions from all regulated businesses in that industry simultaneously. This allows them to assess whether the impact, performance, and best practice processes are the same across the regulated sector under the same circumstances. The findings from a thematic review apply to the entire group of firms in the study. While not directed at specific firms, they typically provide information about best practices and areas where firms must meet the requirements. These outcomes can be beneficial in assessing where your business sits on the continuum of compliance.

You may also manage regular Regulatory visits (often called “close and continuous” meetings). In this case, the discussions and outcomes relate specifically to your organisation and how you are meeting your regulatory requirements. Any findings from the meeting will connect to your business specifically and may indicate specific changes you need to make. You may have specific topics to cover in certain quarters of the year or regular monthly filings that need to be made.

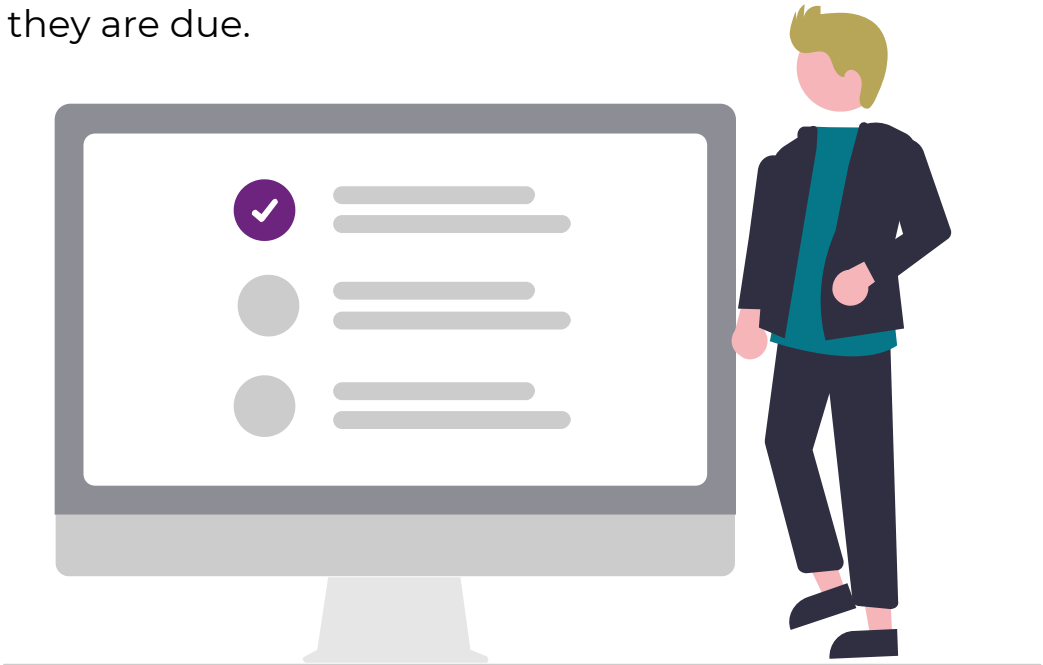
Finally, you may be doing a discrete exercise requested by your Regulator, such as a stress test, where other organisations do the same activity simultaneously. In that case, your results will be vetted and responded to individually, although you may be given general feedback comparing your results against the group standards.

The challenge of regulatory liaison

Planning leads to successful outcomes

Having worked with clients over the years working with multiple Regulators, we know it can sometimes be challenging to coordinate meetings and submissions across our organisation. That can be even more difficult when we are dealing with numerous Regulators.

Planning and preparing for the unexpected is essential to successful regulatory meetings. We've found that using a standard meeting approach significantly improves the process and the results. This makes it much easier to ensure you have all of the information required for the meeting and the right people to answer questions on the day. It also lets you close out any follow-up points from prior discussions and track any outstanding issues when they are due.



You've been asked to meet the regulator - now what?

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, answer questions during the meetings, and review any output 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 or Meeting Request

1 Reviewing the request to assess requirements

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; and
- Whether the information needs to be provided before the meeting or if it should be discussed at the meeting.

Planning is Paramount

Creating a plan for information and the meeting

2 Plan to gather and review the information requested

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 on how to address these;
- Take notes of any actions in an action tracker;
- Decide on who is responsible for the activity and when it is due during the meeting; and
- 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 is Paramount

Create a plan for information and the meeting

3 Planning for the meeting itself

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 in advance on the content, order, and material required before or at the meeting 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.

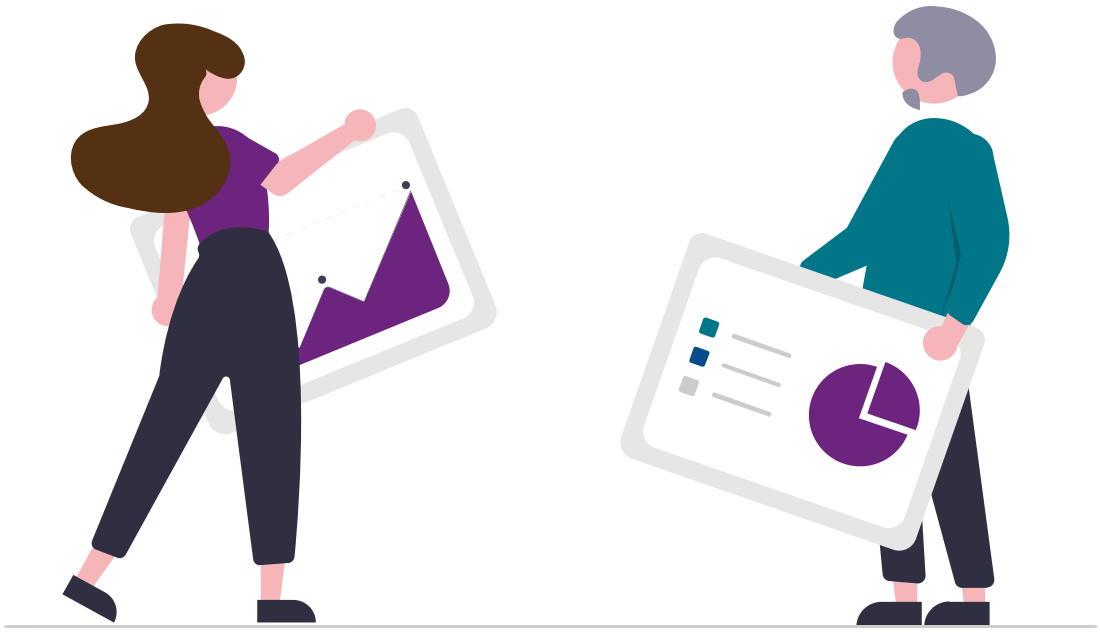
Once the agenda is agreed upon, plan who should participate in meetings and which items they will discuss. Gather that group and brainstorm what questions might come up and who should answer them. It's also good to discuss how best to answer those questions. Having a chance to discuss potential questions 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.

The Day of the Meeting

Preparation makes it run smoothly

Offer to have someone from your team take minutes to be shared and agreed upon 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 due from the regulator as well as your team. Could you send the draft action tracker with the draft minutes so both parties have input and can confirm realistic due dates?

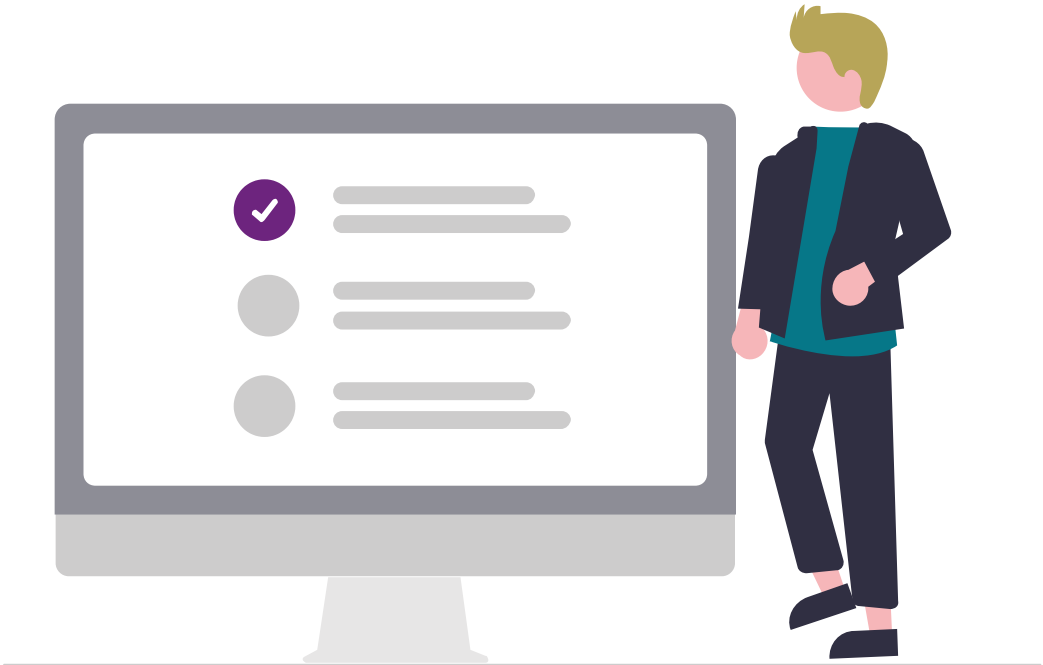
If you are aware of shortcomings or areas you are working on, have a plan for how these will be addressed and be transparent about the timeframe and outcome of those plans. Validating that the approach will meet requirements and confirming that your timelines are acceptable with the regulator will clarify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

Closing out the meeting successfully

Hold a lessons-learned session after the meeting so you are better prepared for the 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 on 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; and
- 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 in progress, even before the final written reports is agreed and produced.

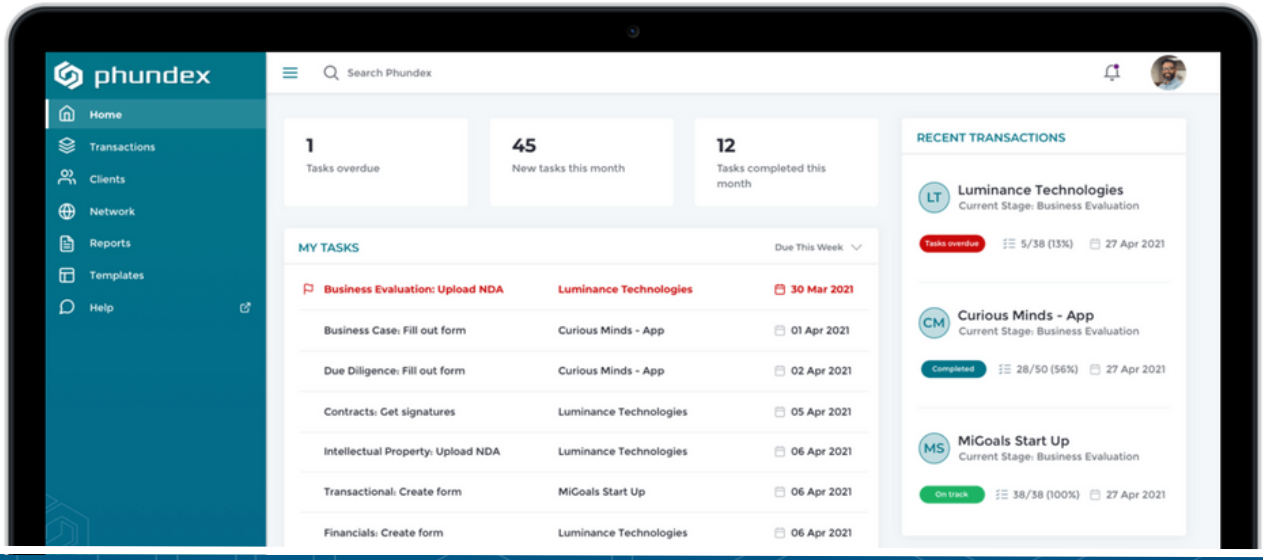
Now that we have the Phundex Platform, we manage all of our regulatory liaison activities on Phundex. With Phundex, you can plan and follow up on meetings, requests and action points in one central spot. You can even invite the regulator to see published documents on the Platform, reducing email risk.

The Phundex platform

Phundex is a digital platform enabling smoother coordination of processes and transactions across multiple stakeholders

- House data and documents in a central platform with full permissioning capabilities, version control and audit trail
- Streamline and simplify transactions and processes with configurable pathways, capturing each step
- Supports task management with robust built-in workflow capabilities, including automated alerts
- Delivers team management so that team members can be assigned their specific responsibilities
- Provides personalised dashboards so each team member can understand what they need to deliver

These features help you coordinate the various activities required to track and manage regulatory relationships and information requests, ensuring compliance and transparency in the process.



The Phundex platform

By digitising manual processes through Phundex, organisations can:

- Reduce mistakes and omissions by automating transaction and process management for individual projects
- Improve data governance around documents by storing them in a project's data room, with the right permissions to support confidentiality, transparent version control and an audit trail
- Support regulatory obligations by ensuring materials required for compliance are kept in a single location and that compliance processes are completed through an automated digital pathway. Digital pathways – which capture processes – make regulatory change easier, too.
- Collaborate better across geographies and time zones by making responsibilities clear within an individual's dashboard, and by assigning tasks, and automating alerts and follow-ups.
- Manage contractual relationships transparently and effectively. Integrate third parties more effectively into the team by providing them with dashboards, alerts, and tasks. House all third-party materials, such as contracts, in a single location.

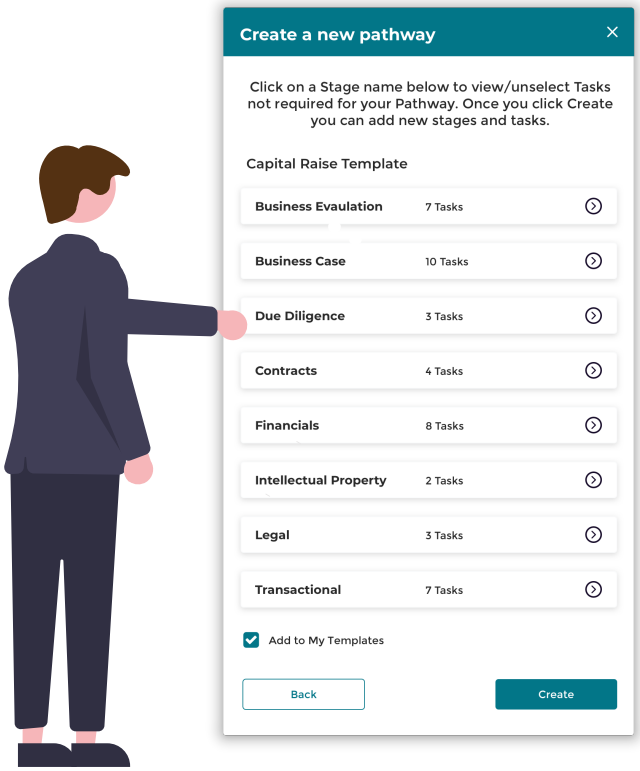
Phundex helps regulated businesses improve regulatory relationships by strengthening collaboration, accountability, and transparency. At the same time, these organisations can enhance data and process governance, document security, further enhancing regulatory compliance.

Conclusion

No matter why you are meeting your Regulator, being prepared for the meeting ensures the best possible outcome for you and for the Regulator. Creating standardised processes to prepare for and follow up after meetings is fundamental to ensuring a successful outcome. There will always be something the Regulator spots and asks you to update - that's their job. Being able to respond quickly and efficiently takes the stress out of the process and improves efficiency and relations.

Ask us how Phundex can help you manage regulatory meetings.

Phundex can enable issuers, advisors, administrators, and investors to digitally transform investment lifecycle processes through the creation of data rooms, digital pathways, and individual dashboards. These reduce operational risk by greatly enhancing collaboration, accountability, and transparency. This means teams have more time to focus on the activities that really generate value for the organisation, and can concentrate on achieving their goals.



To learn more about Phundex, contact us.

FIND OUT MORE

For a free demo of Phundex, please email: support@phundex.com

For a free trial, click the button below:

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