



Regulations are core to any compliance programme and continuous change implies a real risk of non-compliance

IN TODAY'S WORLD, THE FINANCIAL SERVICES sector is perhaps the most heavily regulated industry of all, with a multitude of rules, laws and regulations which need to be complied with, issued by local, state, federal, national and pan-national bodies with various forms of authority. And it is not just the existing body of rules, laws and regulations, but the apparently never-ending tsunami of new rules, laws and regulations which firms need to comply with and ensure that all their staff do the same.

For firms operating in multiple jurisdictions, there is also the potential problem that each jurisdiction may have different, often conflicting rules, resulting in the almost inevitable compliance failure, whether intended or not. Rules, laws and regulations are also widespread and can affect every facet of the organisation, ranging from financial markets-specific rules, to employee relations, health and safety, property and premises to travel and transport.

It is for these very reasons, coupled with intensified regulatory scrutiny and investigation, that the compliance profession has seen an explosion in demand for resources. But even if suitable resources can be located and retained, how and where do they go for the regulatory and legal content they need to ensure that they are compliant? How can such rules, laws and regulations be translated into concepts and language which the business can understand and comply with? How does the firm ensure that it remains up-to-speed with new and emerging rules, laws and regulations?

By designing, compiling, analysing and maintaining a library of applicable rules, laws and regulations, the discipline of compliance is established and built into the day to day, business-as-usual, activities of the firm. By then extending this library to assign applicable rules, laws and regulations to those business areas and locations where they apply, and by adding an internal thematic classification structure, the firm starts a proactive journey to ensure that they are visible and understandable to the business, thus facilitating improved compliance. By doing this across all geographies where the firm operates, global compliance becomes the norm and not the exception.

It is against this background that the Regulations Library, a component of Risk Content by RiskBusiness, has been developed, which facilitates each firm adding specific rules, laws and regulations which the firm needs to comply with. With additional licenses from third-party content providers, such as law firms and commercial legal/regulatory content providers, the Regulations Library becomes the cornerstone of the firm's compliance programme, facilitating compliance assessments, compliance attestations and the management of compliance findings, if and wherever the risk of non-compliance is detected.

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which they apply. In addition, a suggested structure of regulation types and thematic topics is provided, which the subscribing firm can either adopt or replace with their own structure.

For each rule, law or regulation, the various sections and sub-sections can be defined, providing both the original text, relevant footnotes or references and illustrations, with a link to both the external source and a downloadable copy. Where known, relevant public news items which relate to fines, penalties, sanctions or investigations into breaches, can also be seen against the relevant rule, law or regulation.

Against each section or sub-section, the firm can then record its specific comments, internal interpretation, legal and/or compliance views, then can assign the section to user-definable thematic topics (such as corporate governance, privacy, regulatory capital requirements, etc.). Any regulatory section or sub-section can then be linked to the firm's taxonomy, assigning the relevant business lines, product types, process types (business functions), risk types (credit, market, operational, etc.), risk categories (loss event types) and/or control types specific to that section.

Based on the way in which the firm has defined its organisation structure, applicable sections and sub-sections of rules, laws and regulations can then be assigned to the relevant business entities, allowing as part of the generic search capabilities against the Regulations Library, the ability to also search based

on business entity. The Regulations Library also allows sections of regulations to be linked to internal policies, rules and procedures if required. Facility is also available when new rules, laws or regulations are established, or when existing ones are changed, to generate notifications to individual or groups of users, so as to promote risk awareness.

The firm may also elect to make use of the Regulations Crawl capability, where machine-learning enabled intelligent data collection applications can be deployed against targeted external data sources to collect data sets such as regulations, then present them to authorised users for consideration, rejection, or acceptance into the firm's private Regulation Library. Note that a workflow enabled notification and change-management process is available for use in conjunction with the Regulations Crawls.



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For more information on the Regulations Library, please contact RiskBusiness by visiting

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