

منتدى مكافحة الفساد وتبييض الأموال/ تمويل الإرهاب والتهرب الضريبي
مصلحة وطنية

إنعكاس متطلبات الإمتثال وأعبائها على المصارف

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Highlights

- Compliance Today
- Widening of Compliance Requirements
- Growing Impact of Non-Compliance Risks
- Requirements and Costs
- Current Challenges
- Compliance Cycle
- Conclusion

Compliance Today

- Compliance is now a corner-stone of banking.
- It is about the full integration of Rules & Regulations (both Local and International) in business processes and decisions.
- Proper Compliance is now about the delicate balance between maintaining a solid growth of the business, while being in full Compliance with Rules & Regulations, and ethical practices.

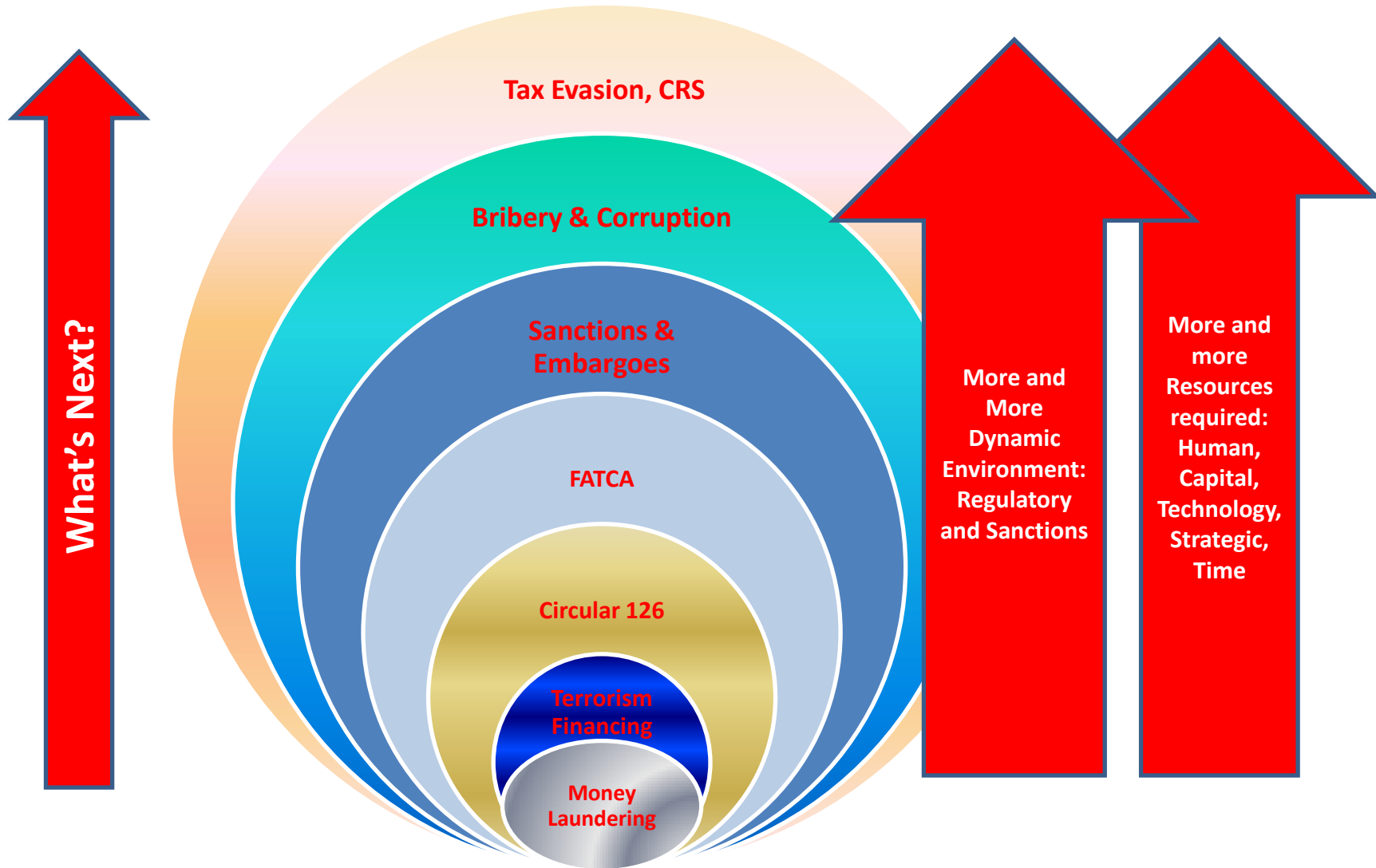
Compliance Today

- Compliance Risk Management, on the other hand, is about managing Non-Compliance Risks:
 - Identifying, Measuring, Monitoring and Controlling Non-Compliance Risks
 - Can we “require” a zero tolerance for Compliance Risks?
 - Yes: in theory, we can ask for “Zero or No Compliance Risks”, but as many grey areas exist, will this affect the business negatively?
 - No: in theory, we can decide to take and manage “some” Compliance Risks, but how much can we take? It depends on the Risk Tolerance and Risk Appetite of each bank.
 - The “Measurability Test” is one more obstacle: we cannot manage what we cannot measure, i.e. Reputation as a Compliance Risk is very difficult to measure, so how to manage it?

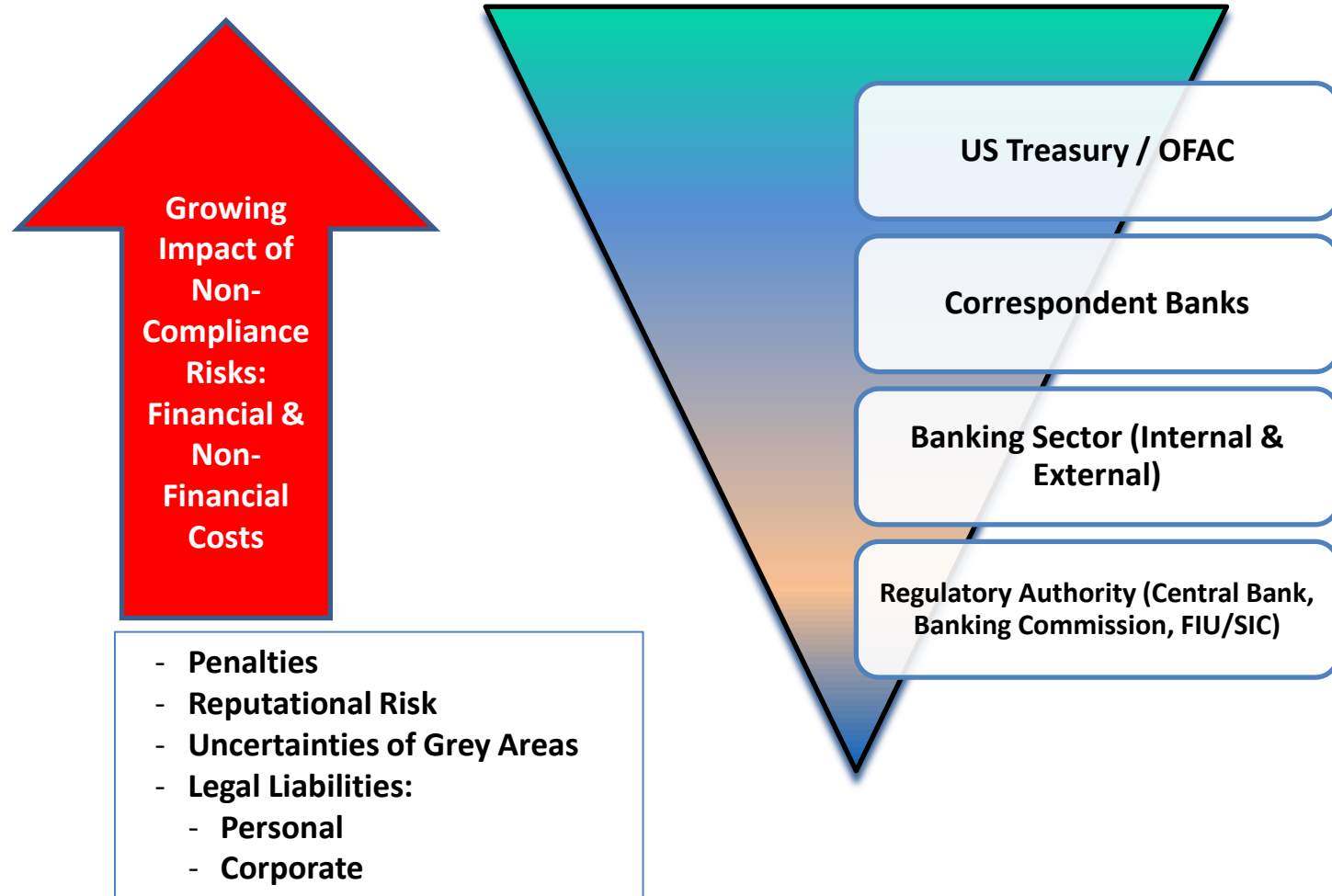
Compliance Today

- The “Solution”: stick to Ethics. The proper balance between Compliance and Business should integrate all the required Rules & Regulations, and rely at the same time on a backbone of “Ethics and Social Responsibility” for grey areas.
- The need to ***“Do the Right Thing”***.

Widening of Compliance Requirements



Growing Impact of Non-Compliance Risks



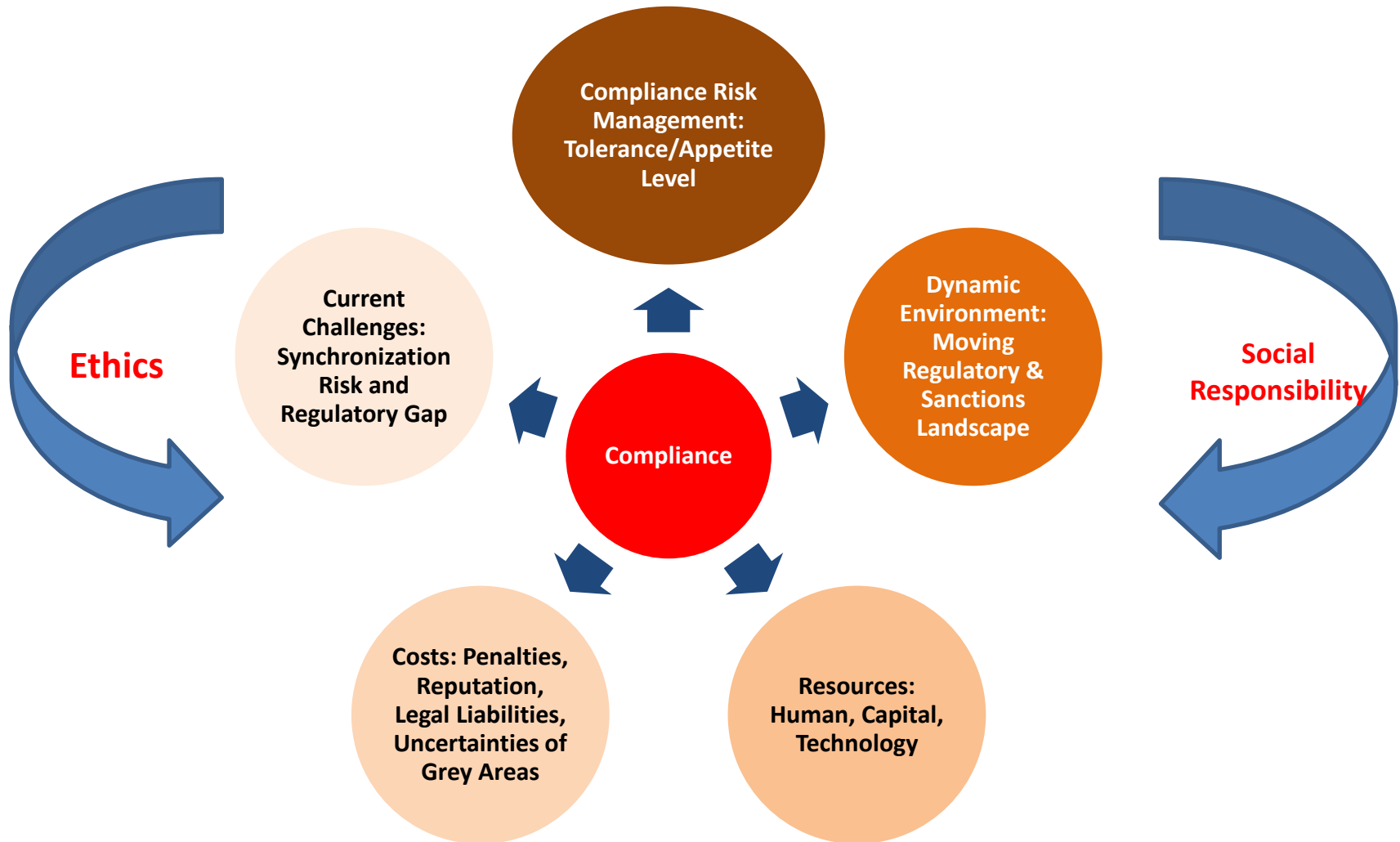
Requirements & Costs

- More and more Resources required: Human, Capital, Technology, Strategic, Time
- Difficult Dynamic Environment: Regulatory and Sanctions
- Financial & Non-Financial Costs:
 - Penalties
 - Reputational Risk
 - Uncertainties of Grey Areas
 - Legal Liabilities:
 - Personal
 - Corporate

Current Challenges

- Current Challenges faced by Compliance:
 - Synchronization Risk: Dual speed at implementation of Regulations and Laws:
 - Example: Common Reporting Standard and Anti-Bribery & Corruption Policies.
Dual speed means loss of business for early adopters.
 - Regulatory Gap: Missing regulations aiming at implementing amendments to established Laws:
 - Example: Addition of Tax Evasion, Bribery and Corruption, as money laundering crimes in Law No. 44. Regulatory gap means missing implementation rules of the amended Law, and loss of business for early adopters.

Compliance Cycle



Conclusion

- With the rapid change in legislation and regulatory guidelines, the compliance function has had to evolve to keep pace. Earlier incarnations of compliance no longer match the requirements of behavioral regulations with their more qualitative approach through the concepts of conduct risk and risk culture.
- There is no shortage of understanding what needs to be complied with – it is the how of compliance that is now far less clear. This evolution beyond tick-box compliance requires a far stronger compliance team – one with the skills and experience to address a less well defined compliance environment.

Thank you.

QUESTIONS AND ANSWERS

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