

Do you have the resources and expertise to be compliant with the magnitude and complexities of EU's Financial Regulation Program?

The Framework Of The EU Banking Union and The Financial Regulation Program



Implementation
Advisory and IT Tools

We recognize the need for a principle-based, flexible approach to be compliant

Advisory and Consultancy on the financial regulation program of the European commission



Customers and value proposition

Key stakeholders who impacted by these compliance changes, are the entity's board of directors, senior management and compliance officers: individuals having a personal legal liability for governance, risk management and compliance activities.

Copenhagen Compliance (CC) will offer tools to mitigate the oversight risks that the board of directors and other stakeholders are held accountable for. It will provide the stakeholders with the facts and recommendations to implement a solid financial monitoring program, structure and framework, and an insight into the IT tools required to deliver these processes.

Additionally the gap analysis which is a part of our value proposition will provide a roadmap which business unit and IT/delivery teams can develop further. Based on these documents and reports, the management team can then put forward an appropriate timeframe and proposals to comply with these substantial regulatory changes, and meet the implementation deadline of March 2014.

The resulting gap-analysis, road map and action plan, will provide the affected entities with greater assurance to adherence on the compliance requirement, and providing them individually with evidence that they have performed their duties conscientiously.

The advantages of CC as a neutral organization include the fact that we can deliver an accurate and impartial gap-analysis of the customer's compliance and risk management activities.

Service delivery

Copenhagen Compliance is an independent vendor supporting these compliance services and offering a single contractual relationship. It would draw on third party technical expertise to deliver targeted advisory work. Copenhagen Compliance® has collected a comprehensive group of experts and associates incl: Professors, experienced advisory consultants, legal advisors and CPA's and other specialists with extensive experience in the Financial Services sector, to conduct workshops, seminars, provide implementation guidance, templates, controls and IT tools, throughout the EU member states. Based on specific market participant interests, CC will then work with its experts to create tailored proposals, leading to an agreed scope of work that CC will contract to deliver.

Next steps

We have tested our value proposition on several clients. We are committed to focus on the Governance, Risk Management and Compliance concerns, and on delivering a comprehensive and integrated value proposition.

We conduct workshops and breakfast briefing seminars on these compliance challenges starting from the first week of February 2013. The theme and agenda are developed, based on the material gathered from the most recent conferences held by the EU commission.

During the briefing/seminar, CC will draft the seminar presentation to include a CC value proposition. This value proposition is refined using compliance contacts, to ensure that the components and content is relevant to the seminar attendees and demonstrates governance, risk management and compliance responsibilities.

The objective of the European commission's action plan on financial regulation program Company Law and Corporate Governance is to clarify the roadmap for a modernised financial compliance framework thru evolution and not a revolution!

ROADMAP OF THE MAJOR COMPONENTS OF THE FINANCIAL REGULATION PROGRAM OF THE EUROPEAN COMMISSION

Proposals adopted by the European Union

Proposals

- ➔ CRD4/Basel III: Rules on remuneration, prudential requirements and governance of financial institutions
- ➔ Framework for crisis prevention and management for banks proposal for central securities depositories
- ➔ Hedge funds and private equity
- ➔ Mortgage credit
- ➔ Over-the-counter derivatives
- ➔ Packaged retail investment products (PRIIPS)
- ➔ Recommendation on access to a basic bank account
- ➔ SEPA proposal (single euro payments area)
- ➔ Short selling and certain aspects of credit default swaps
- ➔ Single supervisory mechanism
- ➔ Venture capital regime

Proposals being reviewed and discussed in the Parliament/Council

Reviews

- ➔ EU Company Law & Corp. Gov
- ➔ European systemic risk board and European supervisory authorities for banking, securities and markets and insurance
- ➔ Framework for rules on accounting and transparency
- ➔ Insurance mediation framework
- ➔ MiFID II. Framework for markets in financial instruments and market abuse
- ➔ Solvency II implementing measures
- ➔ Shareholders-rights Directive (Impact assessment)
- ➔ UCITS framework (undertakings for collective investment in transferable securities)

(This is not an exhaustive list)



Increasing the level of transparency between companies and their shareholders and encouraging and facilitating long-term shareholder engagement

The EU banking union is the first step in a long-term roadmap and is a key component to avoid future systemic financial crisis.

The success of the EU Financial regulation program depends on the key role played by the European Central Bank. The European Financial Services sector requires the knowledge, information and guidelines for creating a modern legal framework for a revised regulatory financial compliance and implementing an updated and more engaged shareholders' framework for sustainable corporate governance.

As a result of the implementation of the banking union and harmonized compliance oversight in the EU, there is a need to provide compliance-related services, especially within the financial sector across Europe:

- ➔ The current EU banking union decisions will continue to add to the existing regulatory actions faced by banks
- ➔ Indications are that all EU countries will join forces - so far only UK, has decided to stay out, with Sweden and Czechoslovakia as doubtful participants
- ➔ EU Financial institutions will also be impacted by the revised EU corporate governance regulation

Financial Regulatory Compliance framework and programs that use a “check-the-box” approach may be ineffective, because each regulatory compliance component should be tailored to an organization’s specific needs, risks, and challenges. The GAP analysis, advice and guidance provided by Copenhagen Compliance should not be considered as a replacement for your own assessment of the Framework of the EU Banking Union and the Financial Regulation Program.

**No
one-size-fits-all
approach**

The objective of the workshop is to provide the participants with inspiration and updated information on the compliance components and reforms:

- The financial regulation and the Banking Union. - Description / Overview of framework, Exercise of Oversight and Controls
- The financial regulation and the Banking Union. - Reporting and Disclosures, IT Platform, Reporting and Follow-up
- Best practices guidelines - a new role of supervision. The centralised and decentralized functions
- The optimal scope of compliance functions for your organisation – The what and the why
- Oversight requirements and expectations of the compliance function.
- MiFID II, CRD 4, Basel III Solvency II, Insurance Mediation and UCITS Frameworks - Status & possible consequences for compliance
- A single Supervisory Framework – Consequences for the financial industry
- The future of EBA, ESMA and EIOPA. Their role & the legal status
- Data protection, security and Privacy issues - the new directive & consequences in practice
- The IT tool for legal and compliance risks - a substantial input from outside
- Whistle blowing, transparency and accountability issues in the financial sector – the consequences, updates, experience & reflections that need to be accommodated.

Workshop on transformation of Europe's financial markets through a new Financial Regulation Program and the establishment of a framework for a European Banking Union

Most European countries have decided to join the European banking union. What are the consequences for your company when your organization introduces new, standardized and uniform regulation and supervision across the EU?

What are the consequences and gaps for the current governance, risk management, compliance and IT processes, structures and fundamentals that need to be recognized?

The workshop will provide the custom tailored insight into the impact of plans for increased supervision, new compliance requirements standards and best practices for your organisation.

After the collapse of financial markets, it is now time to transform surveillance, compliance and risk management by redesigning and reshaping Europe's financial markets. The entire financial and banking sector is under extensive transformation.

The success of the EU's new fiscal measures and monitoring programs depends on the central role the European Central Bank.

The European financial sector needs knowledge, training and guidelines to create a contemporary framework for revised financial compliance.

The European financial sector needs knowledge and guidelines to perform a more engaged stakeholder compliance and sustainable corporate governance.

Commission action plan on a uniform Companies Act, governance, risk and compliance activities, and a determination to avoid future systemic financial crises, has now been published.

During the workshop, we will brainstorm and examine the issues and dilemmas, which are of vital interest to all stakeholders in your organisation, including;

- There is a constant demand from the oversight authorities to have an effective risk management program across the organisation. Why is it so difficult, and what are the reasons that risk and compliance continue to be a problem.
- The current EU Bank Union proposal will add to the current regulatory actions faced by all financial institutions.
- The impact of the revised EU corporate governance regulation and regime on the EU Financial institution
- What are the complexities of a uncompromising and integrated IT based risk management system in the financial sector
- Analysis of the key components of the recommendations for the implementation of financial regulation program and framework and the implications, including:
 - New, non-financial disclosure requirements and mandatory vote on remuneration policies
 - Creating guidelines for best practices - as a new role of monitoring results - the relevance of the guidelines are widely underestimated because they are not legally binding, but their practical relevance is pretty much the same category as standards.
 - Proposed identification of shareholders and the updated comply or explain recommendation.
 - Introduction of the integrated IT tools needed to implement the new rules in processes and systems.

The EU banking union is the first step in a long-term roadmap and is a key unit to avoid future systemic financial crisis. The success of the EU Financial regulation program depends on the central role played by the European Central Bank.

The European Financial Services industry needs the knowledge and guidelines for creating a modern legal framework for a revised regulatory financial compliance, and implementing a more engaged shareholders' and sustainable corporate governance.

Copenhagen Compliance can provide the stakeholders with the knowledge and recommendations for implementing the financial regulation program and framework, including the integrated IT tools required to complete the processes and systems.

The stakeholders in the financial services industry must understand and accurately assess the consequences of the EU reforms for their business or organization. (Heading)

The EU governing bodies have now reached a consensus for implementing the financial reforms that followed the credit and financial crisis throughout the EU. We need to fully understand what the supervision/oversight authorities in the EU are doing to bring the crisis to an end and get an objective analysis as well as a practical plan for how we should move forward.

The Financial Regulation Programme is the focal point of reference for the principles, procedures, framework, structure and organization to support the supervision for governing the formation of the EU Banking Union and the implementation of systems, processes, controls and IT tools for the financial regulation program. The EU Council is moving towards a genuine Economic and Monetary Union.

The first step is to create a number of financial regulations and a framework. The result will be that the sum of the components of financial regulation together will constitute the basis of a European Banking and Financial Union. However the proposed reforms by the EU Commission provide a fairly straightforward answer on how the financial industry must run the Governance, Risk Management, Compliance and IT security processes and controls so that we can set the financial and regulatory systems back on track.

The timeframe is an issue, therefore you should start learning and understanding the processes now. The deadlines are tough, and the complexities need undivided attention on how the key players will implement the new reforms and regulations without damaging the operations.

Financial Institutions continue to be at the center of the financial crisis, various other government institutions have bailed out failing banks, and supervision authorities are

There are several action plans that need to be addressed. Therefore, we have created workshops, seminars and planning sessions that focus on disseminating the information and guidelines for creating a modern legal framework for a regulatory financial compliance, European company law and recommendations for a more engaged shareholders' and sustainable corporate governance.

Copenhagen Compliance® creates, produces, and manages custom tailored advice and conferences sessions worldwide. The center of attention is on industry specific topics focused on a variety of Good Governance, Risk Management and Compliance (GRC) issues. Copenhagen Compliance® has dedicated resources for research in Good Governance, Risk Management and Compliance issues involving business schools on 4 continents. Please contact us for information regarding a GRC dialogue, communication, presentation or a workshop at your next meeting.

We provide a vigilant and wide-ranging regulatory compliance advisory, guidance and reorganization based on past experiences, lessons learned, best practices, stakeholder feedback, research and studies.



Copenhagen Compliance®
Technical University of Denmark
Science and Technology Park,
Diplomvej 381, DK-2800 Lyngby, Denmark
Tel: +45 2121 0616
e-mail: info@copenhagencompliance.com
www.copenhagencompliance.com