

Client	The client is a large privately-held bank specialising in wealth management, investment fund administration as well as global asset management (family office).		
Project Name	Regulatory Risk Gap Analysis		
Project Start Date	February 2009	Project End Date	April 2009
Industry	<input type="checkbox"/> Commercial banking	<input type="checkbox"/> Insurance	
	<input type="checkbox"/> Fund Custody & Investment Services	<input type="checkbox"/> Investment banking	
	<input checked="" type="checkbox"/> Private banking	<input checked="" type="checkbox"/> Asset and wealth management	
	<input type="checkbox"/> Retail banking	<input type="checkbox"/> Corporate	
Category of Service	<input type="checkbox"/> Performance measurement and monitoring	<input checked="" type="checkbox"/> Regulatory compliance and reporting	
	<input type="checkbox"/> Portfolio risk management	<input type="checkbox"/> Business process improvement	
	<input type="checkbox"/> Specialised risks	<input checked="" type="checkbox"/> Training and people change	
	<input type="checkbox"/> Data Quality	<input type="checkbox"/> System selection and implementation	
The Challenge	<p>avantage was asked to help with structuring and executing the Bank's assessment of compliance of the Bank's sales processes with its regulatory responsibilities, including an assessment of the Bank's related training program. The scope included primarily domestic and European clients covering private banking service including wealth management (discretionary, advisory, regulated and alternative investment funds, cards, mortgages, etc.).</p> <p>Beyond reviewing regulatory responsibilities, the client asked advantage to identify opportunities to create genuine business advantage, including through the enhancement of existing training programmes to make real leaps in productivity and staff retention, while ensuring adherence to regulatory requirements.</p> <p>With our extensive experience in helping private banks (both privately-held firms and business units and subsidiaries of international banking groups) in the UK, throughout Benelux, France, Germany and Switzerland, advantage was approached by the Bank's Compliance Officer and Chief Risk Officer to help plan, implement and document the assessment process.</p>		

<p>Approach and Solution</p>	<p>A team of 3 consultants worked on site with the client's Compliance and Risk departments and with general management to gather information on the Bank's existing processes, reviewing existing documentation and extensively interviewing key staff in all relevant departments, both at head office and in subsidiaries/branches.</p> <p>Making use of advantage's proprietary IRPM (Integrated Risk & Performance Management) tool, our consultants reviewed and benchmarked the Bank's processes against regulatory requirements and industry practices. They considered both the sophistication of the Bank's processes as well as the degree to which these processes were adhered to and embedded in the business.</p> <p>The first output from advantage was a gap analysis and diagnostic, including peer comparison, coupled with detailed practical recommendations ranked according to the amount of effort required for implementation. The emphasis was on pragmatic steps, avoiding over-delivery, while helping the client to identify and provide transparency to the regulator on areas for future improvement, and on its planning for the future. The situation of the subsidiaries/branches, combining dependencies on the parent company for policies, methodologies and processes, with the equally important local accountability of the subsidiary's management, was properly and proportionately taken into account. The recommendations were presented to the Compliance Officer and the Chief Risk Officer, and were endorsed by them.</p> <p>advantage's consultants then provided input on how to enhance and streamline existing processes, drawing on previous experience with other similar institutions in relevant jurisdictions</p>
<p>Results and Benefits</p>	<p>The Bank completed its review in good time. Recommendations were taken on board resulting in amendments to processes and training material in order to make the processes more efficient while ensuring compliance with regulation.</p>
<p>Software used</p>	<p>advantage used its proprietary IRPM[®] tool to support the completion of the project</p>