



Financial services compliance
advisory services

January 2020



MAKING AN
IMPACT THAT
MATTERS
since 1845



The financial services industry is a highly regulated industry. With the global trend of tightened regulatory requirements and oversight, it becomes more challenging to financial institutions to keep track of all global and local regulatory updates.

Deloitte's conduct and regulation team comprised of professionals with expertise in banking, broking, asset management and insurance industry. We provide advisory and assurance services to our clients to ensure full compliance in such rapid-changing regulatory landscape.



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Introduction

Conduct and regulations team was established in 2017 supporting Deloitte's financial institutions clients. With over 30 staff who are compliance experts with experience in dealing with the SFC, HKMA and other relevant HK's financial rules and regulations.

The financial services industry is a highly regulated industry. The Hong Kong's well respected regulators including the Securities and Futures Commission (SFC), the Hong Kong Monetary Authority (HKMA), the Hong Kong Exchanges and Clearing Limited (HKEx) and the Insurance Authority (HKIA) they all act as frontline regulators of Hong Kong to ensure a healthy and stable financial system and maintain Hong Kong as a competitive international financial market.

Our clients:

- Banks
- Investment banks
- Brokerage firms
- Corporate financiers
- Fund managers
- Private equity and venture capital firms
- Insurance agents and brokers
- Fintech firms



What we do



We provides a full range of regulatory advisory services.

Licensing

Deloitte has a skilled team with experience who are familiar with SFC/HKMA's licensing requirements and application process. We can assist you to determine whether or not your business is or will be performing any regulated activities.

If your firm determines to apply for license, we can assist on preparing the license application and responding to the enquiries raised by regulators during license application process. Client's resources can be focused on other areas of business.

Our team can assist the license applicant with the following:

- Offers a full project management process
- Assistance in preparing application pack including business plans and relevant application forms, etc.
- Assistance in preparing financial projections
- Advising on regulatory capital requirements
- Advising on competency requirement of responsible officer and license representatives
- Assistance in enrolling the appropriate local licensing examination paper
- Assistance in analyzing and responding to questions and enquiries raised by the regulator during license application

To allow our clients to use their resources effectively and focus on business, we also tailor make monthly service package and provide ongoing compliance support post-licensing.

Ongoing compliance support

As a trusted partner of our clients, we offer a solution to financial institutions and deliver on time within the budget and with professional quality standard:

Compliance policies and procedures

We assist financial institutions in developing compliance program, policies and procedures and maintaining them up to date along the new business needs, change of internal systems or implementation of regulatory updates or mandates. To assist the management in managing compliance risk, we also assist in developing compliance surveillance program and capabilities such as designing a customized compliance monitoring plan, risk management framework and internal control documents.



Regulatory research and advisory

We help financial institutions clients in tracking regulatory changes on regular basis and keep the management up to date. On specific topic that the client is interested in, we can provide regulatory research and assist the management to assess the potential implication to their business and make recommendations on implementation.

Regulatory returns review

Leveraging our regulatory and industry experience, we can provide advisory and review services for your periodic and ad hoc regulatory returns filings to ensure accuracy and completeness such as:

- Financial Resource Rules (FRR) calculations
- Banking returns
- Account Disclosure Document (ADD)

- Business and Risk Management Questionnaire (BRMQ)
- Notification of changes of substantial shareholders
- Notification of new/removal of SFC responsible officer's directorship

Compliance training

Licensed financial institutions have compliance obligation updating its executives and relevant employees on their knowledge and skills through continuous professional training (CPT) to maintain their competence and remain fit and proper.

We assist the management to design and implement the training program to fulfill the compliance training needs for all level of staff.



Independent review and assessment

The objective of the independent review and assessment is to prevent, detect or remediate the potential non-compliance of the relevant rules and requirements, code of conducts, regulator's circulars and guidance. Our methodology typically comprises the followings:

1. Identify the client's objective of the review and the outcome to achieve
2. Design the scope of the review such as the targeted business process and their relevant governing rules and regulations
3. Assess the risk and determine any deficiencies, ineffective controls or non-compliance
4. Report to client's management with observations and findings and provide recommendations and assist in enhancement or remediation

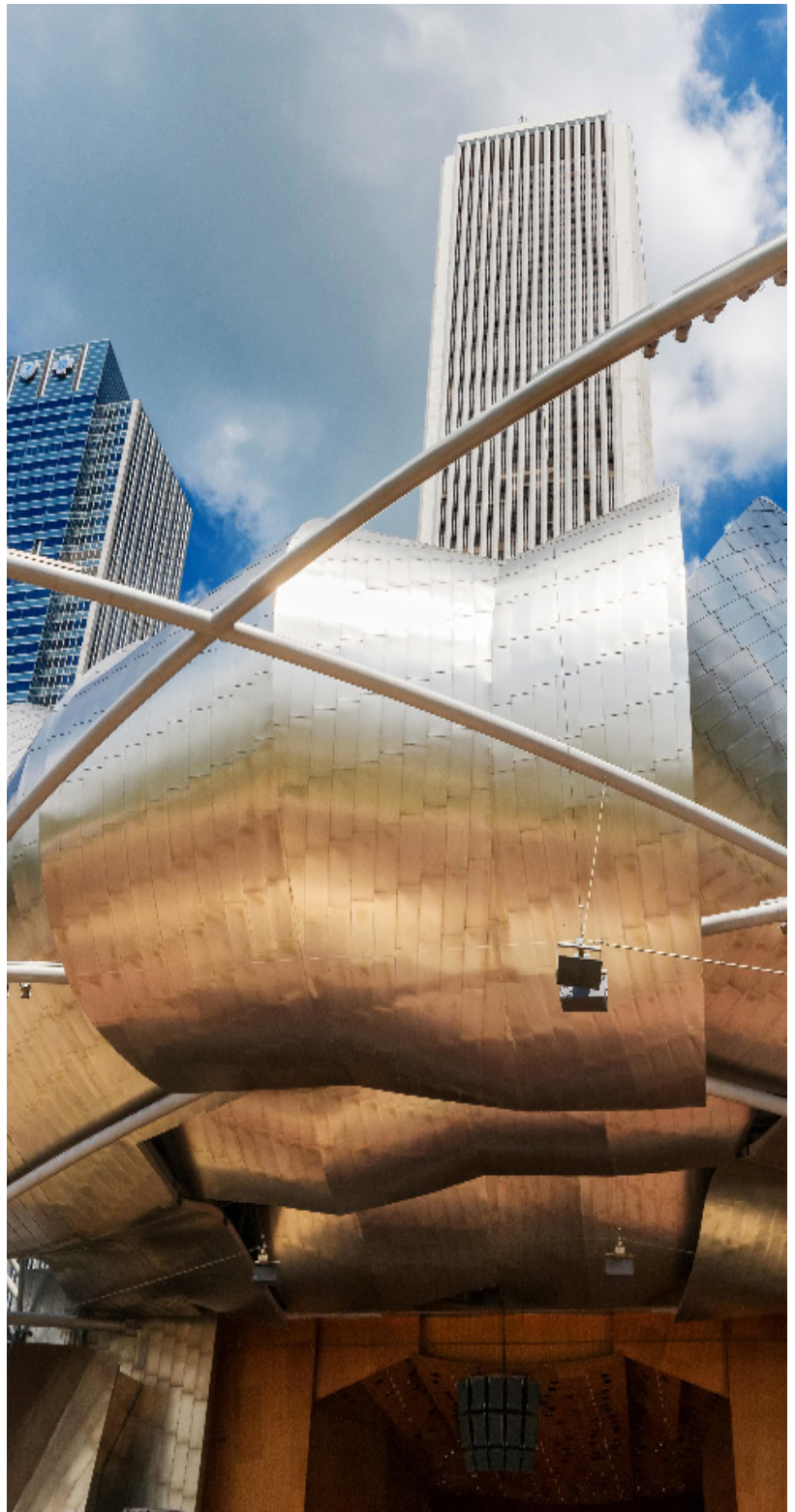
Areas of experience:

- Compliance functionality health checking before SFC's on site review
- Internal control assessment initiated by the licensed firm's management
- Independent review mandated by SFC
- Internal investigation on employee misconduct

Investigation and enforcement

Deloitte has partnered with Yang Chan & Jamison, an independent Hong Kong law firm under brand of Deloitte legal.

Deloitte Legal's lawyers are licensed to practice Hong Kong law. We work closely with Deloitte Legal's Litigation team in assisting financial institutions in responding regulatory requests during regulator's inspection and defending the licensed firms and their officers and employees in regulator's investigations and enforcement actions.



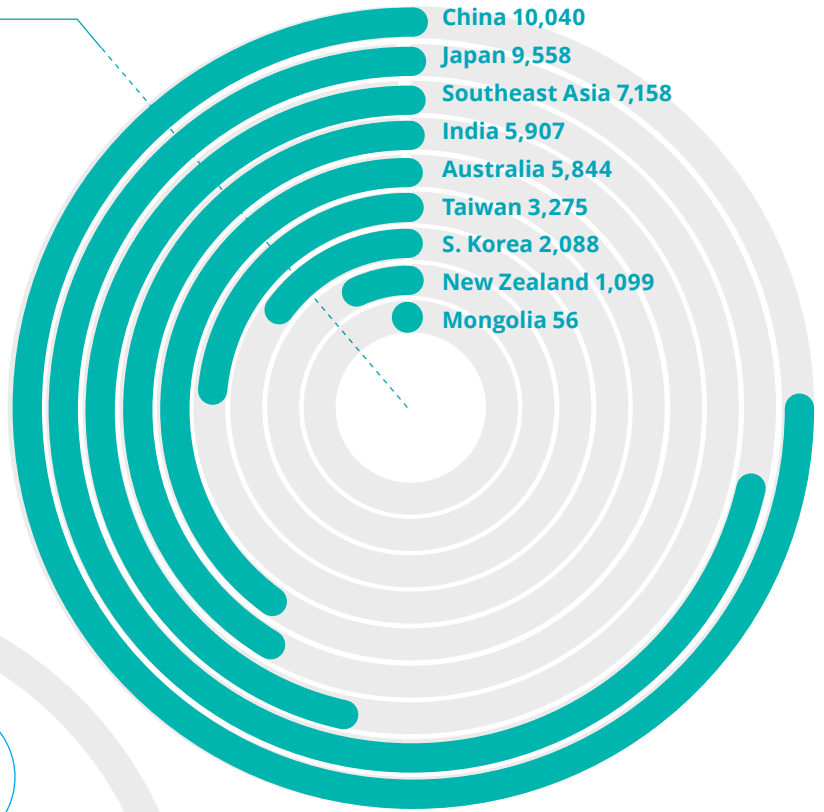
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Deloitte Asia Pacific

Deloitte Asia Pacific has over 46,000 people in 120 cities across Asia Pacific region. We are one of the leading professional services providers in the region, providing a full range of professional services, from audit, consulting, financial advisory, risk management and tax services. Our geographic footprint spans across 31 jurisdictions:



Deloitte Asia Pacific
46,000+ people
120 cities



Deloitte China
13,500+ people
23 offices

Deloitte China

Deloitte China has over 13,500 people in 23 offices across China. We are one of the leading professional services providers in the region, serving one-third of all companies listed on the stock exchange of Hong Kong and more than 800 MNCs and their affiliated companies on the Chinese Mainland.

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