

Deloitte Legal for a practical approach to challenges around financial market regulations

Interview with Deloitte Legal partner Jochen Blaffert

Jochen Blaffert is a partner and Financial Services Industry Lead at Deloitte Legal. In this interview, he talks about the day-to-day operations of his department. What distinguishes Deloitte Legal, what is Jochen's role, and what drives him personally?

"We are the partner for a practical approach to challenges around financial market regulations, while not losing sight of the various internal and external stakeholders."

- Jochen Blaffert

In the Financial Services Industry (FSI), laws and regulations are always in flux, which is precisely why Jochen Blaffert is so enthusiastic about them. The constant dynamics of the playing field keep him on his toes. 'It is a constant shifting of panels and something changes every day. New products, new technology and changing supervisory insights constantly lead to new developments around laws and regulations.' Needless to say, the market often moves faster than the regulator can keep up, which often translates into challenging situations about the application of regulations.

"We help our clients navigate an optimal course, understanding that a legal analysis can never be stand-alone and sometimes the uncertainties of today must be dealt with practically, with an eye to the future. That requires a multidisciplinary view."

Blaffert began his career at De Brauw and Freshfields, after which he worked in the corporate world as general counsel and Director of Legal & Compliance at, among others, Atradius and APG. Since 2014, he has been a partner at the Big Four, where he finds a combination of the multidisciplinary approach of the corporate world and the content-driven approach of the traditional legal profession. Within Deloitte Legal, his role is twofold, he says. 'I manage the FSI regulatory legal team, but at the same time I am FSI Lead, which means I am responsible both internally and externally for coordinating all other legal assignments within FSI. Especially for financial institutions, it is important to seek alignment with other internal or external disciplines, such as risk, finance, tax and strategy.'

Much of what Deloitte does within FSI revolves around advising on the application of laws and regulations for banks, insurers and investment management clients. New players are also clients, such as fintechs or existing companies entering the regulated domain. This could include parties that, driven by technological developments or expansion of their business, become payment service providers or develop financial products that require a license. Blaffert: 'In such cases, we facilitate a license application to DNB or AFM and ensure that the business plan and business processes are set up in accordance with laws and regulations. We also provide training for board members, including for their fit & proper screening interviews and permanent education.' Importantly, Deloitte Legal is part of an international network. 'We advise both Dutch and international parties, and we can benchmark well because, as a multidisciplinary service provider, we sit at the table of many parties. That gives us a sharp picture of the market and all the trends and developments at play, but also of the interpretations of various regulators.'

According to Blaffert, his work is so engaging because it goes beyond pure legal advice.

"We always place our advice within the living organism that is a business. We do this by looking at the impact of our advice and the challenges around implementation."

A key issue here is communication. 'This is how we ensure that advice that needs to be legally in-depth also becomes tangible for other stakeholders within a company.' Think, for example, of a general counsel or compliance officer who needs a substantive analysis, but also needs to make the journey to the board of directors and operational colleagues. This often results in an extensive memo,' says Blaffert, 'but in such cases we also provide a short slide deck to present to the board of directors, as well as a document to inform the people on the floor in an accessible way. It is essential that such advice also connects to the non-legal impact.'

A good example is the regulatory response to questions from the regulator in the case of acquisitions, (thematic) investigations or the aforementioned license applications. 'These are large, complex projects that require many different disciplines to ensure everything runs smoothly,' says Blaffert. After all, there is quite a lot involved. Think risk analysis, strategic impact or a business plan with a financial forecast. At the same time, a supervised institution needs a whole package of policy documents to be updated or drafted, and a lot of communication with the regulator. 'In this kind of process, sometimes months long, there is always a central project team that coordinates everything. We do that smoothly because we have all the necessary expertise under one roof. In that sense, we mirror the set-up of an international financial institution. Among other things, we have specialists who know in detail what the capital requirements are for a bank or insurer and tax specialists who specialize in direct or indirect taxation within FSI. But think also of other financial and strategy consultants, not to mention experts in risk and operational implementation of regulations.'

Finding lawyers who can work in this setup is still a challenge, Blaffert says.

"Our way of advising requires people with a broad set of competencies: you have to be both substantively strong, but also speak the language of the various stakeholders our clients deal with."

But for professionals with broad backgrounds, like Blaffert himself, working on his team brings many opportunities and challenges, something he likes to support people in, he says.

'I enjoy building and expanding teams, and helping people move forward in their development. That was always a part of my previous positions, and I'm doing that again. Compared to some traditional law firms, he has a relatively large team, Blaffert says. 'Partly because we like to do big projects in teams, but also to better serve clients in that complexity. As a team, we can manage a great deal, and furthermore, this ensures the continuity of our advisory services remains consistent. This is important, Blaffert knows from his own experience. 'As general counsel, I often worked with different advisors, but in something like a license application or other remediation efforts, you prefer to work with one firm that has all disciplines in-house. Such a process can be complex and take months, and then you want to prevent the process from faltering or worse, stalling.'

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