

BEING PREPARED FOR A TOUGHER GLOBAL REGULATORY BENCHMARK

CONRAD LIM OF LGT BANK EXPLAINS THE COMPLIANCE AND REGULATORY CHALLENGES THAT WEALTH MANAGEMENT ORGANISATIONS FACE TODAY, ESPECIALLY WHEN OPERATING INTERNATIONALLY.

The wealth management industry today faces several challenges due to the new regulatory environment which is still continuing to develop.

According to Conrad Lim in an interview, three of the biggest challenges that organisations need to deal with are: KYC/AML, internal & external fraud; and investment suitability linked to the sales process.

DOING THE RIGHT THING

Lim says that every organisation wants to be a good citizen. Every firm aims to implement best practices while keeping in line with industry standards.

However, he adds, they need to be careful and ensure that the processes and frameworks they adopt do not do more harm than good.

MULTIPLE RULES

A tough issue for the industry is that it is starting to see the reverse of globalisation in terms of regulations.

Lim points out that even though market practitioners tend to agree about the

different challenges and issues – the problem is that each jurisdiction is trying to devise its own method and create its own solution.

The regulatory silos which are emerging create a problem for global banks and organisations who operate in multiple jurisdictions, he explains.

They are finding it increasingly difficult under such circumstances to create a set of standardised procedures globally.

And they are finding that implementing different rules in different markets complicates the compliance process overall.

TACKLING CYBER-CRIME

Further, the industry is also faced with the increasing threat of cybercrime.

He believes that it would be embarrassing for a bank to be in a position where it fails to protect the information of clients and their assets due to a breach of their digital networks.

A bank should be seen to offer stability and security to clients, he says, so there would be severe repercussions for banks if they couldn't keep their promise.



Conrad Lim

LGT Bank

However, the industry is aware of the way in which new-age hackers attack global organisations. Lim cites the example of the breach which happened at Sony in late 2014.

He explains it clearly highlights that determined hackers can today penetrate top-level security. ■