hubbis

Compliance in Asian Wealth Management Forum 2018 Post Event Report

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18 January I Sofitel Singapore City Centre I Singapore

Summary

Compliance in the New Era of Regulatory Proliferation

Compliance issues are ever more onerous in both their sheer number, and their complexity, creating numerous challenges for private banks and wealth management firms of all sizes. The Hubbis Compliance in Asian Wealth Management Forum in Singapore on January 18 produced some fascinating insights.

There seem to be ever more regulatory acronyms. Whether it is FATCA, MiFID II, CRS, AEOI, GDPR, or yet another acronym, compliance professionals and the firms they work for are grappling with numerous new, or amended, regulations and working out how they, their teams and their enterprises can respond.

The advent of the Automatic Exchange of Information (AEOI) means that tax compliance is now very high on the agenda for private banks and other wealth managers in a world where cross-border regulatory cooperation is becoming the new norm. It adds further weaponry for authorities around the world to advance the implementation of the Common Reporting Standard (CRS), which compliance experts have already been getting to grips with.

Financial markets and instruments regulatory compliance is also very prominent on the radar, with MiFID II, the latest incarnation of the European Union's ambitious regulatory reforms, having arrived this month [January 2018]. With more than 1.4 million paragraphs to digest, that is a gigantic challenge for the biggest compliance teams, let alone the lone compliance professional sitting in an independent wealth management business.

The EU's regulatory machine rolls out it General Data Protection Regulation (GDPR) in May 2018, placing a far greater onus than ever before on the wealth management industry struggling with the challenges of client on-boarding, data management, storage and dissemination. And at the same time the wealth advisory firms are trying to maintain client privacy and improve the client experience.

There are fresh challenges for the compliance sector from cryptocurrencies and blockchain. Many countries appear uncertain on whether to ban cryptocurrencies completely, or try to shepherd them into tidy regulatory enclaves, which are thus far proving impossible to achieve.

There are clearly immense challenges to integrating these new - or revamped - global regulations into the wealth management businesses. And compliance teams must be more collaborative than ever before, as they balance the local regulations with the regional or global regulations.

Can fintech and Regtech solutions help compliance professionals create digital solutions to these compliance conundrums? How do compliance professionals upgrade their own skills and their team's expertise?

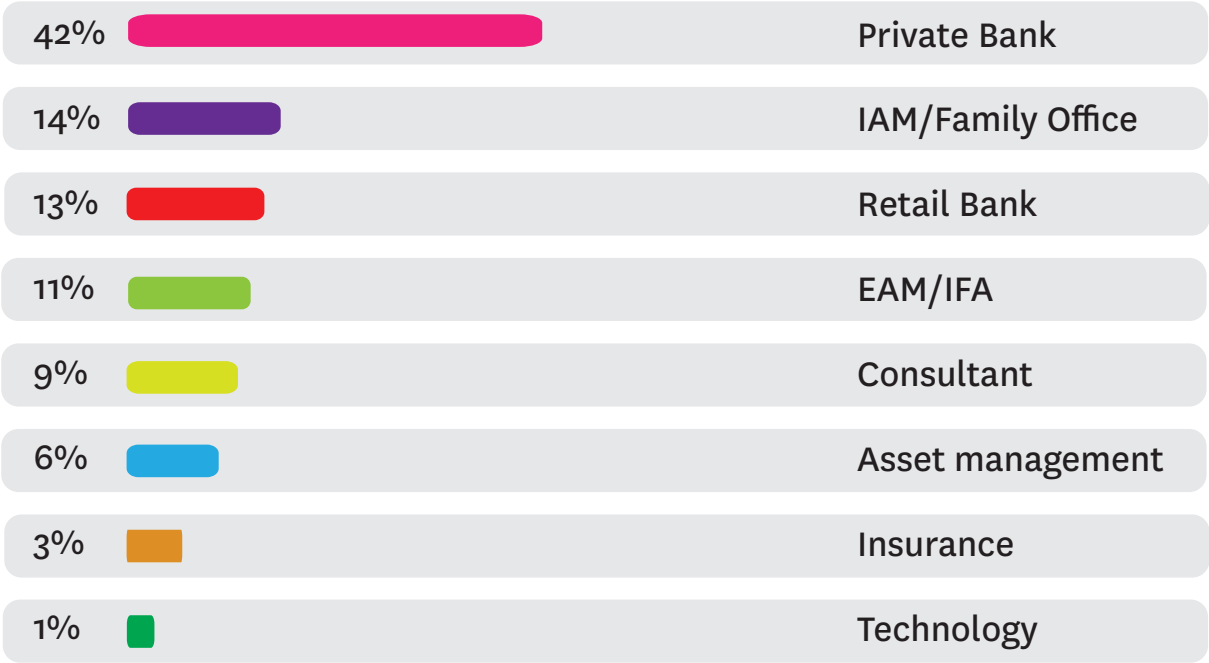
How do compliance professionals ensure that their firms take a holistic view of compliance within the wealth advisory businesses, rather than seeing compliance as a grey discipline with little or no connection to the core business?

Further along the line, how do compliance experts interface with regulators and potentially with lawyers and forensic IT sleuths if there is an investigation that they become embroiled with? And how do the wealth firms protect themselves and their firm's reputations?

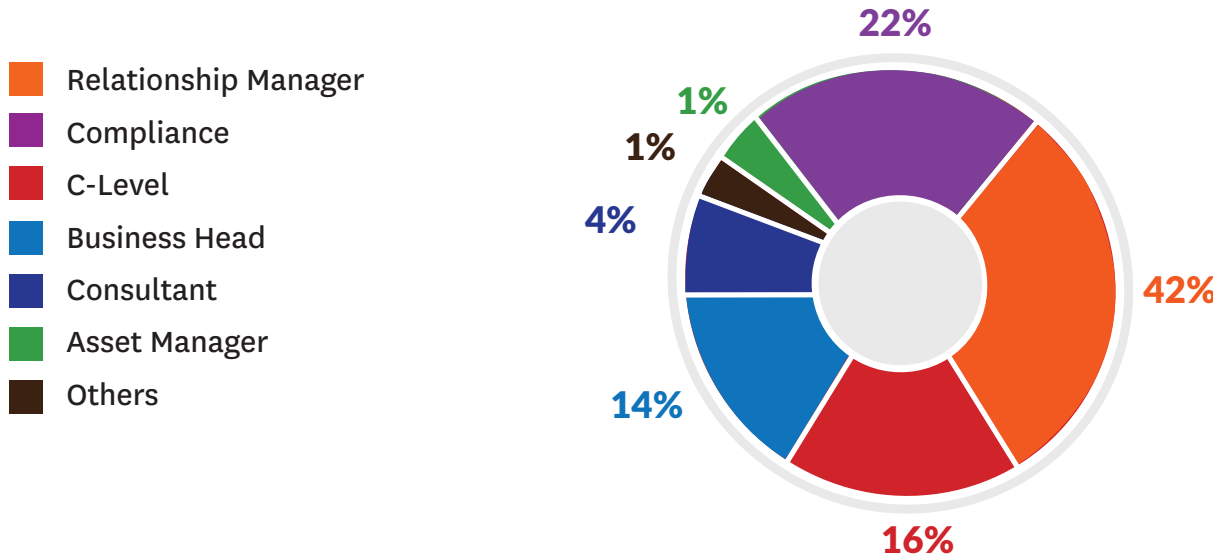
The Hubbis event provided an excellent platform for open and in-depth discussion on these and many other topics so vital to the compliance arena in the Asian wealth management industry. ■

Attendee Profile

Type of firm



Job role



Attendees from these firms

Abacare
AL Wealth Partners
ANZ
Aon Risk Solutions
Aris PrimePartners Asset Management
Ascend Wealth
AT Asset Management
Avallis Investments
AXA
AZ Investment Management
Baker & McKenzie
Banjaran Asset Management
Bank J Safra Sarasin
Bank Julius Baer
BB Securities Asia
BNP Paribas Wealth Management
Bordier & Cie
Business Concept
Cambridge Associates
Centurion Capital Investment
China Life
CIMB
CIMB Private Banking
Citi
Citi Private Bank
Control Risks
Corecam
Cornerstone Planners
Credit Suisse Private Banking
Crossbridge Capital
CTBC Bank
Dai-ichi Life
Daiwa Capital Markets
Daiwa Capital Markets Singapore Limited
DBS Bank
DBS Private Banking
Deloitte
Deutsche Bank
Deutsche Bank Wealth Management
EFA Group
EFG Bank
Federation of Investment Managers Malaysia
Financial Simplicity
Finaport
Forever Capital
Friends Provident International
Golden Equator
Gordian Capital
Goshen Global Management
GYC Financial Advisory
Hawksford
Helvetic Investments
Hong Leong Bank
HP Wealth Management
HSBC
Hubbis
ICBC Private Banking
IMTF
Indosuez Wealth Management
Ingenia Consultants
Invest Partners Capital Group
IPG Financial Services
IPP Financial Advisers
Island Asset Management
Iyer Practice Advisers
IZCAP
J O Hambro Capital Management
Janus Henderson Investors
Javelin Wealth Management
Kingsmead Holdings
KPMG
Kroll
LGT Bank
Life Planning Associates
Lombard Odier
Manulife Financial Advisers
Marc Faber Group
Marcuard Asia
Marcuard Trust
Maybank
Milltrust International
Mindfulwealth
MK Wealth Management
Morgan Stanley
Morrison & Foerster
N/A
Nexus Group
Nomura
Oclaner Asset Management
Paramount Capital
Pictet & Cie
Pinnacle Capital Asia
Prime Asia Asset Management
PwC
Rajah & Tann
RBC Wealth Management
Regulus Advisors
Reyl & Cie
RHB Asset Management
RHB Bank
RISKflo
RP Digital Security
SandAire
Schroders Wealth Management
Shook Lin & Bok
Silversea Asset Management
SingAlliance
SMBC
St. Gallen Institute of Management
St. James's Place Wealth Management
Standard Chartered Bank
Standard Chartered Private Bank

State Street Global Advisors
STG Asset Management
Sumitomo Mitsui Banking Corporation
Sun Life Asset Management
Sunline Wealth Management
Swiss FTS
Synergy Financial Advisers
Synpulse
Taurus Wealth Advisors
Thirdrock Capital
Tokio Marine Life Insurance
Trident Trust
Triumph Capital
UBP
UBS Wealth Management
UCAP Asset Management
United Security Solutions
Uob
UOB Bank
UOB Private Bank
UTI International
VAHOCA Pte Ltd
Valunter Group
Vickers Venture Partners
VinaCapital
VP Bank
VP Bank (Singapore) Ltd
Wealth Management Alliance
Whitman Independent Advisors
Withers KhattarWong
ZICO Asset Management

Speakers

Alison Fidler
Standard Chartered Bank

Andreas Wenger
IMTF

Andrew Mahony
Aon Risk Solutions

Anthonia Hui
AL Wealth Partners

Conrad Lim
LGT Bank

Daniel P. Levison
Morrison & Foerster

Denise Lim
PwC

Evelyn Koh
Standard Chartered Bank

Fernando Gandioli
Withers KhattarWong

Gez Owen
Hubbis

Jarrod Baker
FTI Consulting

Jason Tan
KPMG

Julia Leong
PwC

Kenneth Chia
Independent Consultant

Marina Woon
Schroders Wealth Management

Matthew Maddocks
RISKflo

Nigel Pereira
Rajah & Tann

Peter Coleman
United Security Solutions

Peter Kiernan
Consultant

Phil Johnson
Control Risks

Philipp Piaz
Finaport

Rob Phillips
RP Digital Security

Rolf Haudenschild
Ingenia Consultants

Stefan Kuhn
Credit Suisse Private Banking

Stefano Demichelis
Kroll

Stephanie Magnus
Baker & McKenzie

Sunil Iyer
Iyer Practice Advisers

Vikna Rajah
Rajah & Tann

Ville Oehman
Helvetic Investments

Woon Hum Tan
Shook Lin & Bok

Key voting poll results

The Hubbis Compliance in Asian Wealth Management event in Singapore on January 18 provided fascinating and thought-provoking discussions and talks for the assembled delegates. As usual we also polled the attendees and mined out the following nuggets.

- With 47% of the vote, data security and cyber resilience is the major compliance challenge in 2018. Closely followed by CRS (30%) with AEOI and MiFIID II a distant third and fourth. What our compliance community agreed on however was that the next big data leak (after Paradise) did not factor into this year's challenges.
- 50% of respondents believe that the major lesson we should have learned in 2017 is understanding the difference between real and theoretical risk, with Digitisation of compliance receiving 31% of the vote.
- 85% of our audience was not convinced that compliance staff in Singapore have sufficient knowledge and skills to meet the increasing push for Digitisation of their function.
- The regulatory burden on small firms too deemed too great by 87% of attendees.
- 68% of our community believe that the adverse media coverage of the Panama and Paradise paper leaks makes even the most benign use of offshore structures look "seedy", but this does not mean that the continued use of such structures is considered too risky (yet).
- 60% of respondents are concerned about their company's ability to withstand a cyberattack
- Harmonisation of regulations is viewed as impossible given the commercial advantages poorer countries gain from being less regulated
- 71% of our audience believe that a culture of compliance requires strong leadership, while staff accountability counted for 21% of the vote. Training was seen as least important with 5% of the vote.
- 92% of our compliance community believe that cryptocurrencies are still not a viable investment product for wealth managers to propose to clients
- Over half of our attendees believe they do not receive enough compliance training, with 42% stating their internal training is "a pointless waste of time" and 43% of the audience still only do training for CPD.
- The preferred careers for the next generation? Lawyer (24%), You tube blogger (23%), Fin Tech startup (22%), Compliance officer (12%), Private Banker (9%), Crypto trader (5%).
- Are people more honest today than 10 years ago? Not according to our audience with a resounding 72% that said no, while 26% said they were but only because they had to be.
- 48% of respondents do not believe a robot will ever replace them, and 40% hope that a robot will.
- According to 69% of our audience humans make the right decisions sometimes
- 58% of our attendees enjoy what they do today LESS than 10 years ago

Compliance in Asian Wealth Management Forum 2019

Thursday 17th January