

# THE FSC'S SUPERVISION PROGRAM

# FUNCTIONS OF THE COMPLIANCE DEPARTMENT



- Maintain surveillance over the securities market and ensure orderly, fair and equitable dealings in securities;
- Regulate market actors with a view to maintaining proper standards of conduct and professionalism in the securities industry;
- Protect the integrity of the securities markets
- Promote conditions that facilitate the orderly development of capital markets
- Ensure compliance with the Money Laundering and Terrorism (Prevention) Act and any other law or written guidance in relation to the prevention of money laundering and the financing of terrorism

# THE SUPERVISORY APPROACH



## Risk-based Approach

Applies to Regulatory Supervision and AML/CFT/CPF Supervision

### Factors that determine risk and supervisory priorities:

- High-risk areas identified by global standards setters;
- Risk areas prioritised under the country's National Risk Assessment program and National AML/CFT Policy and Strategy;
- Compliance and non-compliance trends of registrants stemming from onsite and offsite reviews/examinations;
- Global financial crime trends; and
- The Commission's own observations and experiences.

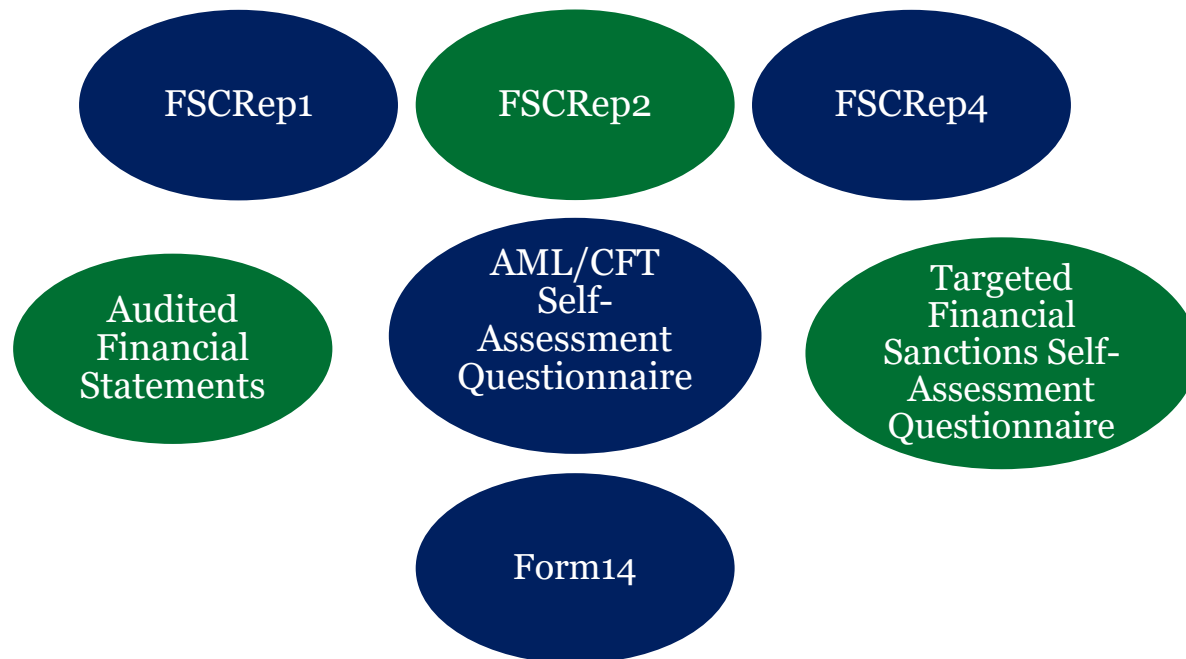
# SUPERVISORY ACTIVITIES



# COMPLIANCE REPORTING & REVIEWS

- Foster strict compliance with reporting obligations
- Review of filings by all registrants conducted to assess among other things business risk, money laundering and terrorist financing risk, market conduct and the financial solvency of registrants.

## Reports and Filings that are the focus of the Reviews





# COMPLIANCE EXAMINATIONS

- **Offsite Examinations**

- Desk-based reviews and assessments
- Non-face-to-face interviews

- **Onsite Examinations**

- Site visits to obtain information, sample documents, test processes and procedures and review financial technology used to deliver services and comply with regulatory requirements.





AUDIT

REQUIREMENTS

COMPLIANCE

GUIDELINE

# ISSUING OF COMPLIANCE DIRECTIVES

## Compliance Directives

- Who** - Issued by the Commission to Registrants and Non-Registrants.
- What** - Instructions directing a registrant to take measures that are necessary to remedy any course of conduct that breaches legal obligations or is contrary to generally accepted standards of conduct or prudent operation and behavior.
- When** - Usually Issued after a compliance examination where deficiencies are identified. Can be issued where compliances deficiencies are identified through other supervisory activities.
- How** - Issued via written correspondence to the registrant who is required to acknowledge receipt.
- Why** - Compliance deficiencies have been identified.

# MONITORING COMPLIANCE WITH DIRECTIVES ISSUED

- Timelines for compliance monitored
- Confirmation of compliance with evidence where applicable requested.
- Follow-up testing or examinations to confirm deficiencies identified are rectified.



# REFERRAL OF MATTERS FOR LEGAL ENFORCEMENT



**Refer matters for legal enforcement with recommendation for type of sanction in instances where:**

- a person fails to take measures as directed in a compliance direction.
- a registrant is in breach of obligations or securities and AML/CFT laws and related legislation





# INDUSTRY OUTREACH

**Communication and coordination with stakeholders to promote clear understanding of their regulatory and AML/CFT obligations**

- Issuing of guidelines and advisories
- Face to face training and information sharing sessions
- Webinars
- Use of Social Media to share tips and recommendations
- Website Resources