

P R E S S R E L E A S E

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No Embargo

“APCC welcomes FSA interest in compliance consultants’ activities”

The Association of Professional Compliance Consultants (“APCC”) has welcomed the feedback following the recent outsourcing project undertaken by the FSA in to the relationship that exists between regulated firms and compliance consultants.

Understandably the APCC has been keenly following progress of the project given its own role and overall it is very pleased to see that the project confirms that compliance consultants are undertaking a very important role in assisting the regulated firm meet its regulatory responsibilities.

Throughout the project the APCC has been in dialogue with members of the FSA project team and has provided feedback on the project’s scope and delivery which involved questionnaires and visits to a sample of firms in the retail sector and meetings and visits to a number of consultancies.

The APCC encourages firms to choose their consultants carefully, ensuring the consultants have the right skills and resources to meet client needs and the results confirm that it is key that firms agree with their consultants the scope of support they will provide. However the fact that the FSA found evidence that the advice from consultants was ignored by firms in a number of cases is regrettable. This is an issue consultants need to look at and how they can ensure that firms take the appropriate recommended actions. The APCC has developed a number of professional standards over the last 12 months and this is an area that it will also be looking at over the coming months.

APCC is developing professional standards for its members to ensure that regulated firms can place reliance on APCC members. The APCC is also developing an information pack for regulated firms to assist them in identifying what their needs are, and then in selecting the right consultant to meet their needs. The APCC website already has information on the questions a firm needs to ask a consultant before using their services.

Regulated firms need to keep up to date with the ever changing FSA regulations. The regulations consist of many hundreds of pages and are subject to change and differing interpretation. Smaller firms in particular rely on the depth and breadth of experience that professional compliance consultants are able to provide as well as the advice and on-going support they need to comply with these regulations. Of course regulated firms must never lose sight of the fact that compliance with the regulations is the firm's responsibility, however using a good compliance consultant will ensure that this is a message that is never lost.

A particular point that came out of this project is the importance of the Regulator's and Firms' understanding the scope of engagement entered into by the compliance consultant. Compliance consultants are service providers and the level of support that they provide is determined by negotiation, ranging from one-off projects through to full service agreements. Clear service level agreements are essential so that both parties and the Regulator can understand the respective responsibilities and what can be expected from the consultant

Simon Collins, Chairman of the APCC, commented, "The financial services industry has undergone rapid and significant change in recent years. The development of principle based regulation requires consultants to deliver proportionate and risk based solutions to their clients. This requires judgment and considerable experience of the industry and current best practice, experience that a full member of APCC is ideally placed to provide. The APCC has always promoted the necessity for clear service agreements between its member and the regulated firm which sets out the services provided and responsibilities of the parties ensuring that regulated firms are never in any doubt of their compliance responsibilities. It is undoubtedly the case that APCC members are a major facilitator of the UK financial services industry helping some thousands of firms meet their regulatory demands in a timely and cost efficient manner"

ENDS

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Notes to Editors

The Association of Professional Compliance Consultants, or APCC, formed in 2004, is the body for compliance consultants who advise firms regulated by the Financial Services Authority in the UK. The APCC has over 100 member firms.

The APCC issues mailings on matters affecting compliance consultants, holds forum events to discuss topical issues in the compliance field and liaises with the FSA on these issues. The APCC meets regularly with FSA and provides a communication channel between the FSA and compliance consultants.

The APCC is active in enhancing the professional standards of compliance consultants and is recognised as a trade body by the FSA.

Compliance consultancy firms who support the APCC's objectives are eligible to become members of the APCC. Membership gives priority booking at APCC events, improved access to the FSA and enhanced professional standing.

The APCC recently held its 3rd Annual forum on 7th March with over 90 delegates from all over the UK and included senior FSA and industry speakers plus break out sessions on MiFID/CRD, NEWCOB and GI regulatory hot spots and the APCC AGM.