

## Financial Services

## Pioneering a **data-led** approach to managing **regulatory, legislative** and **compliance risks**

BSG assisted a leading South African insurance and investment company to understand the South African and European **regulatory landscape** and **define a list of applicable compliance initiatives** that needed to be executed across the organisation to **mitigate major financial and reputational risks**, and **meet regulatory requirements**.



### Overview of the client's needs

- Understand the South African and relevant European regulatory environment and the regulations applicable to the client
- Understand the client's compliance gaps across people, process, systems and data components
- Create a roadmap to execute compliance initiatives against, meeting regulatory requirements and deadlines



### Objectives of the engagement

- Create a clear view of compliance gaps that may lead to regulatory fines
- Outline business requirements to close these compliance gaps
- Provide a practical approach and roadmap to implement these key compliance initiatives
- Create and implement a regulatory operating model to ensure compliance going forward
- Drive implementation of process, system and people related regulatory change



### Benefits of the change

- Reducing financial and reputational risk emanating from potential fines
- Reduction in errors and omissions from a financial perspective due to automation of manual compliance checks
- Seamless management of regulatory, legislative and compliance changes
- Automation of business compliance requirements
- Enhanced compliance business intelligence reporting

Leveraging existing client and industry data to create a view that **closes compliance gaps**, and **mitigates major financial and reputational risks**.

 [www.bsg.co.za](http://www.bsg.co.za)

 /bsgcareers

 @bsgafrica

 /company/bsg

 BSLive

## Engagement Overview

The South African insurance and investment industries are in the midst of strong regulatory reforms with a number of new regulations and looming deadlines. Financial Crime, Market Conduct and Privacy regulatory changes have recently been introduced and many more are on the horizon. Non-compliance with new regulations within the stipulated deadlines would lead to the offending organisation facing major financial and reputational risk.

Furthermore, regulatory agencies are also shifting away from the traditional reactive approach of responding to harm after it has occurred, to a far more proactive, preventative approach. Thus putting accountability on insurance and investment companies to have the right framework and processes in place to detect, prevent, mitigate and resolve any harm faced in line with the new regulations.

A leading South African insurance and investment company recognised that there is a critical need to re-evaluate and align their compliance landscape to regulator expectations to not only reduce the risk of being fined, but also to better pursue business opportunities that will either increase revenue or decrease costs.

## Solution

To achieve this, the client required a translation of the new regulations into business requirements to use as input into a gap analysis of the organisation's business processes. This would be used to determine the initiatives that would be part of the regulatory programme. The client also needed guidance on how to proceed with the implementation of the regulatory initiatives.

In order to achieve these goals, the client trusted BSG to provide strategic guidance and operational know how. BSG identified that it is key to first understand the South African and relevant European regulatory landscapes in order to present a comprehensive view to the client. Once BSG formulated a clear understanding of these, they were able to identify and indicate the regulations applicable to the industry and client.

BSG then worked with the client's compliance and business teams to understand the compliance gaps across people, process, system and data components. The BSG team collaborated with the client to translate these regulatory gaps into business requirements and used these as input into devising a practical approach to close the gaps.

The resulting analysis was used as input into developing an inventory of highly relevant and required compliance initiatives for the organisation and an implementation roadmap to ensure these are implemented within regulatory deadlines.

## BSG making a difference

By creating a heatmap outlining gaps across the enterprise, BSG provided the client with a comprehensive big picture view of the impact of the regulatory changes. This equipped the client to make a data-led decision regarding which initiatives should be implemented and in which priority. This prevented wasted efforts and allowed for targeted effective application of resources.

BSG provided the client with a clear direction as to how to mitigate the compliance risks, reducing the exposure to financial and reputational risk emanating from potential fines. BSGs support allowed for the creation a plan to seamlessly manage regulatory, legislative and compliance changes, areas often fraught with pitfalls.

The automation of manual compliance checks also resulted in the reduction in errors and omissions from a financial perspective. Enhanced automated compliance processes produced better data and in-turn allowed for improved business intelligence reporting.

## Contact

Jurie Schoeman – Chief Executive Officer  
Mobile: +27 (0) 83 302 7169  
[jurie.schoeman@bsg.co.za](mailto:jurie.schoeman@bsg.co.za)