



FOREIGN BANKS TRAINING BROCHURE



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INTRODUCTION

The UK and the City of London has a longstanding, proud history of providing a cooperative and integral home to foreign banks, who we see as an important component of an open world economy, financing the growth of European and international trade. Bank of England data suggests that foreign banks account for a third of total net deposits in the United Kingdom. The Prudential Regulatory Authority (PRA) has supervisory responsibility for banks' branches in the UK, but also works closely with regulators from home jurisdictions. At UK Finance we are keen to support our foreign banks members and are pleased to offer a wide-ranging and comprehensive suite of training courses to help support their activities in the UK, keeping them current, informed and connected.

These courses are specifically selected to cover the essential "must knows" for any foreign firm navigating the UK regulatory market. The below workshops and courses will ensure that your staff are prepared for everyday challenges, sufficiently competent in delivering services safely, and are able to meet regulatory expectations.

The UK regulatory regime

The UK regulatory regime is long established, multi-layered, and split across numerous handbooks and statutes. With its many specific requirements and high level of regulatory expectations regarding not only activity but conduct and culture, it can be challenging for new starters or incoming employees from overseas to navigate, meaning that for many firms utilising external training is an appropriate option.

The courses below cover three areas of particular importance to foreign banks:

- Senior Managers and Certification Regime
- Training for MLROs, and Anti-Bribery and Corruption for foreign banks
- The 'Three Lines of Defence' model and how it can work for your business

Who are these courses for?

These courses are suitable for staff from a variety of job roles, however, they are predominantly aimed at senior managers operating in foreign banks in the UK, and those who are preparing for appointment to these roles. See each course for specific applicability.



SENIOR MANAGERS AND CERTIFICATION REGIME

Of particular relevance to most foreign banks is the Senior Managers and Certification Regime (SM&CR). Applicable to all FCA/PRA regulated banking institutions, the SM&CR requirements have been in force since March 2016, with the aim of reducing consumer harm and boosting market integrity. The requirements hold individual employees responsible for their own conduct and competence, and also that of their firms.

Within the FCA, 'competent employees' rules' apply to individual employees that are involved in the regulated activities of UK-authorized firms. Within this, the FCA's 'Senior Managers Arrangements' requirements are enforced to encourage directors and other senior managers to take practical responsibility for their firm's activities; to take appropriate control; and to encourage firms to place such responsibilities on specific senior employees.



Fulfilling requirements

The application of the SMCR for banks has now been in place for five years but the everyday implications are still keenly felt. Feedback from the regulators has demonstrated that much can be learned from mistakes and lack of application to the process. 'The regulators are expecting all firms to learn from their mistakes and will have little tolerance for those who fail to do so.

The focus on the behaviour and competence of individuals who hold positions of responsibility which could cause client, industry and market detriment has never been more intense, with the regulator expecting the SMCR to be an itemised agenda point on Board meeting minutes

The below series of courses cover the background to the SM&CR and what it means for foreign banks and provide practical training on how to ensure banks meet regulatory expectations.

Who are these courses for?

This series is aimed at senior managers in foreign banks or those who are preparing for appointment for these roles. To take full advantage of the series we recommend you send the most appropriate colleague to the relevant session/s.

SESSION	DETAILS
<p>Embedding SM&CR</p> <p>Duration: 2.5 hours</p>	<p>This session contains two sections:</p> <ol style="list-style-type: none">1. Introduction: The focus of the FCA & PRA<ul style="list-style-type: none">• The implications of SM&CR for foreign banks• How the Senior Managers and Certification Regime has affected foreign banks• ‘Fit and Proper’ and what this means to your population2. Key considerations for SMFs and those with delegated responsibilities<ul style="list-style-type: none">Covering the six SMF core competencies:<ul style="list-style-type: none">• Duty of responsibility• Responsibility and accountability – what this means in practice• The Conduct Rules – how and to whom do they apply• What this means for you• Breaches and reporting• Evidencing reasonable steps

Taking Reasonable Steps

Duration:
2.5 hours

The term Reasonable Steps is used in the first three SMF Conduct Rules:

1. You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.
2. You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with relevant requirements and standards of the regulatory system.
3. You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegate's responsibility effectively.

This course explores what is meant by 'reasonable steps'.

In addition, this course examines the 'Culpability Standard'.

The regulator has stated that "A person will only be in breach of any of the rules in COCON where they are personally culpable. Personal culpability arises where:

- a. a person's conduct was deliberate
- b. the person's standard of conduct was below that which would be reasonable in all circumstances".

This two-hour workshop aims to unravel the confusion that lies around this terminology and shed light on the regulator's expectations:

- By attending this workshop delegates will be able to:
- gain awareness of the type of evidence the regulator expects to see
- see examples of reasonable steps aligned to Prescribed and Other responsibilities
- understand when the requirement to take "extra notes" might arise
- understand the need for evidence post leaving a senior management function role.

**SM&CR
and The
Importance
of Effective
Minute Taking**

Duration:
2.5 hours

The quality of a firm's minute taking comes under further scrutiny under the Senior Managers and Certification Regime, with minutes even possibly being inspected as part of a regulatory inspection. Therefore, it is crucial that banks make sure that board and committee meeting minutes are truly a reflection of the good governance practices, effective challenges and scrutiny of strategic decisions that occur within the Bank. Unfortunately, many firms do not ensure that those who have been given the responsibility for minute taking have the tools and knowledge to effectively carry out the role.

This 2.5-hour workshop will allow delegates to:

- understand the regulatory importance of effective minute taking
- know what should and shouldn't be included
- consider how to capture effective challenges
- consider what actions need to be taken before and after the meeting and how to access details after the meeting
- align consistency of approach across all your meeting minutes.

**Preparation
for Regulatory
Supervision**

Duration:
2.5 hours

During this session, delegates will learn how to survive a supervisory visit.

This fast-paced, highly practical 2.5 hour executive briefing will help attendees:

- determine how ready their firm is for an FCA/PRA visit / interview
- learn what they can expect from the interaction (including actual questions asked)
- anticipate who in their firm is most likely to be interviewed
- predict what client activities they may want to monitor
- understand current "hot topics" and how they will influence a visit
- be prepared for questions the regulator(s) is likely to pose

Delegates will return to work with a much clearer understanding of which systems and processes need their attention, allowing them to allocate valuable time and effort more efficiently.

Regulatory Interview Preparation (Optional)

Duration:
2.5 hours

This session will prepare delegates on what to expect from an interview with a regulator. Such interviews are standard practice for those taking on a senior role in a UK firm. This session is formed of two sections:

Stage 1: Call prior to interview role play

Understanding the background experience and the capability of the individual that will hold the aforementioned positions:

- enables more focused support on the individual's areas of development
- informs the design of the interview questions for the second part of the process

We will use up to date industry knowledge of the way in which the regulator is likely to undertake the interview, the current "hot topics" and areas of concern with the foreign bank sector and any previous dealings the firm has had with the regulator. This usually takes approximately one hour.

The individual will leave the session understanding:

- the approved person core competency areas they need to prepare and develop their understanding on
- the areas of business understanding they are likely to be asked questions on
- the required documentation/support material they will need to access

Stage 2: The Interview

This section can be personalised for each firm, but it is recommended that each person is interviewed on a 2:1 basis as with most supervisory visits (reflecting common practice). Typically, delegates are accompanied by a colleague observer who can confirm the individual's understanding of the bank's business model, strategy and structure.

The practice interview typically takes 90 minutes and is followed by a 30 – 45-minute discussion where the interviewers and the staff observer conduct a "levelling session". This session allows delegates and trainers to discuss answers across the session and identify any areas of inconsistency or weakness in the answers given. The feedback from this levelling session is then discussed with the interviewee in a final "plenary" session.

FINANCIAL CRIME

MLROs of foreign banks – 3.5 hours

Senior financial crime compliance managers in foreign banks in the UK are under increasing pressure to retain, maintain and enhance their skills and knowledge, whilst managing risks according to a risk-based approach. Senior managers who do not keep abreast of legal and regulatory developments may face personal accountability and enforcement action.

This workshop has been designed to support delegates who operate in foreign banks in the UK and who wish to develop and maintain an 'advanced' level of understanding of financial crime risk management responsibilities. Delegates will learn more about the role and responsibilities for senior financial crime managers, learn about the latest financial crime trends and typologies, conduct a review of the latest international regulatory and legislative developments through the lens of foreign banks in the UK, and review the latest approaches to mitigate offences that include money laundering, tax evasion, bribery and corruption and sanctions evasion.

Delegates will be provided with the opportunity, including through interactive sessions, to learn more about the very latest international financial crime regulatory developments and benchmark their personal skills and knowledge amongst a peer group of senior risk compliance professionals who operate in foreign banks in the UK.

The course includes a session conducting a review of the latest regulatory developments, including details of the very latest from the FCA on the regulatory expectations under the Senior Manager Regime and the effectiveness of financial crime controls, which will provide delegates with a detailed understanding of how these laws and regulations apply to operational activity and the role and responsibilities of the MLRO and Nominated Officer in foreign banks in the UK.

By attending this session delegates will:

- Learn more about the role and responsibilities of senior financial crime managers.
- Consider the impact of the latest international regulatory developments and future legislative and regulatory changes facing foreign banks in the UK.
- Review the latest hot topics, and how these can be used to inform the risk assessment process.
- Learn more about the latest UK FCA, FATF and EU news and enforcement actions relating to financial crime non-compliance.
- Analyse some key case studies concerning individual accountability and failings.

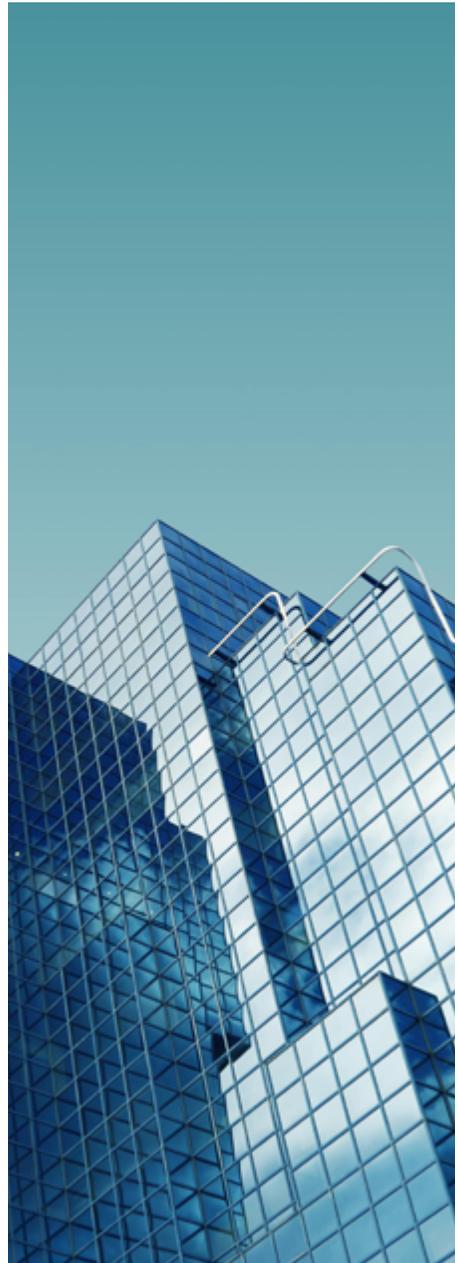
Anti-Bribery and Corruption for Foreign Banks

– 90 minutes

Anti-bribery and corruption continues to rise up the agenda, with UK financial institutions the subject of recent regulatory fines and previous criminal settlements. The UK government continues to introduce new legal tools for tackling the proceeds of corruption, including Unexplained Wealth Orders and Sanctions Designations for Corruption, and expectations of business anti-bribery efforts remains high as typified by the far-reaching Bribery Act. With overlapping criminal and regulatory obligations, it is important for firms to understand how UK legal and regulatory requirements can often go beyond international standards and consider how far their group-wide policies and procedures meet local expectations.

This session will cover:

- **Corruption.** How the law has struggled to react to this ongoing problem, the implications of the legal statute including the Anti-terrorism Crime and Security Act 2001, and its extra-territoriality implications.
- **Bribery Act.** Definitions of “relevant activities”, the extra-territorial reach and requirements, and relevant guidance on how to provide adequate procedures.
- **Unacceptable practices.** A focus on how cultural norms are (and are not) a factor in determining if an offence has been committed.



THREE LINES OF DEFENCE

The 3LOD model is an essential part of firms' defence, but it is crucial that banks ensure that it is aligned to their firm's overall risk management and control processes, including the conduct and decision making of senior management.

This two-hour workshop begins by looking at the collective responsibility and accountability senior management has and how this cascades down through the firm's objectives; defining strategies to achieve those objectives; and establishing governance structures and processes to best manage the risks in accomplishing those objectives. However, the main part of the training concentrates on the component parts of the 3 Lines of Defence (3LOD) with practical examples and case studies to effectively explain the way the FCA and the PRA expect a bank to holistically operate

This session will:

- inform delegates of the position the role of the Board and senior management in relation to the 3 Lines of Defence model
- clarify how the 3LOD model works and the role the key component parts should play
- provide discussion and inform recommended practices for implementation and application of the model.

The session contains three core sections:

- The role of the Board and senior management
- The 3LOD and in-depth explanation (including the functions that own and manage risk, oversee it, and provide independent assurance)
- Coordination of the 3LOD (collaboration, MI, and case studies)

Venue: Online

Cost: The series, which consists of seven sessions, is £2,499 +VAT for members & associate members and £3,499 +VAT for non-members.

You can also book **individual sessions 1 to 7 for £425 +VAT for members and £550 +VAT for non-members.**

The eighth session is a 1 to 1 session and is optional - **Regulatory Interview Preparation** and carries an additional cost of £2,499 + VAT for members & associate members and £2,999 + VAT for non-members.

Please note: Our recommendation is for your organisation to send the most appropriate colleague to the relevant session – the same staff member does not need to attend each workshop, instead the most appropriate colleague can attend each one.

Take the training in-house

If you have five or more delegates who wish to attend these courses, it may be more cost effective to run it in-company. To find out more about in-company training, please contact the team on 020 3934 1197 or training@ukfinance.org.uk.