



Risk, Regulations and Compliance

Redefining the value of
regulation for Fund
Management Companies

*“Keep pace with the ever changing
regulatory landscape to cope with
the evolving fund management
business”*

A corporation that conduct business in the regulated activity of fund management in Singapore are required to either hold a capital markets services licence issued by the Monetary Authority of Singapore (“MAS”) as a Licensed Fund Management Company (“LFMC”) or Venture Capital Fund Manager (“VCFM”), or be registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations as a Registered Fund Management Company (“RFMC”) (collectively known as “FMCs”).

Such FMCs are subject to local regulatory requirements prescribed in the Securities and Futures Act (Cap. 289) (“SFA”), and all subsidiary legislation issued pursuant to the SFA (together with all codes, guidelines, notices and circulars issued by the MAS). The MAS expects FMCs to have in a place a compliance monitoring and risk management framework so as to satisfy all applicable local regulatory requirements.

From financial institutions seeking to conduct business in fund management, to existing fund management companies, our team provides a wide array of compliance support services to assist you in meeting your regulatory obligations.



Regulatory Compliance

How can we help?

Have you laid down a concrete foundation?

Review and update of compliance framework

- Compliance knowledge to assist the Company's set up of internal compliance framework
- Review and update of the Company's policies and procedures

Are you informed of regulatory updates?

Provision of ongoing regulatory updates

- Provide ongoing regulatory alerts regarding any key changes to regulations
- Conduct meetings with management to discuss the potential impact of these key changes to the Company's business
- Advise on practical operationalisation where new process implementation is necessary to address the new regulatory requirements

Do you need a sounding board for questions on compliance?

An external sounding board on regulatory questions and issues as they arise

- A dedicated compliance professional as the Company's first contact point to discuss, or coordinate another more relevant professional to discuss ad-hoc regulatory queries

Are you complying with the relevant laws and regulations?

Regulatory hot-spot reviews

- Perform periodic compliance reviews on regulatory hot-spot areas
- Identify key compliance issues and provision of recommendations based on industry best practices

Are you prepared for a regulatory inspection?

Compliance Health Check

- Perform preliminary assessment of key policies and procedures
- Independent review of selected hot-spot areas and provide recommendations on gaps

RFMC, LFMC or VCFM?

Assistance in the application as a FMCs

- Provide support in reviewing the Company's business plan and application forms
- Provide practical advice and suggestions on queries received from MAS
- Facilitate the communication with MAS on the application

Is your compliance function adequately prepared and equipped?

Equipping the compliance function

- Develop a compliance monitoring programme tailored to the scale and complexity of your business
- Monthly visits to monitor the completion of the compliance monitoring programme

Do your staff receive adequate training?

Ongoing compliance training

- Briefing session to all staff on the Company's key regulatory obligations
- Ongoing trainings on new regulations, refresher training on existing regulations or compulsory trainings such as anti-money laundering and countering the financing of terrorism ("AML/CFT")

Do you comply with the risk based capital framework?

Training and review of periodic returns

- Conduct workshop on the risk based capital framework with the relevant staff of the Company responsible for the ongoing monitoring, filing, and review of periodic returns
- Assist in the ongoing review of the quarterly forms (Form 1 and Form 2) to ensure that the basis of preparation and computation is consistent with the relevant MAS' Notice



“Risk management framework which is commensurate with the nature, scale and complexity of the assets under management”

FMCs are required under the Securities and Futures (Licensing and Conduct of Business) Regulations 13(b)(iii) and (iv) to:

- Identify, address and monitor the risks associated with the business activities of the holder;
- ensure that its business activities are subject to adequate internal audit.

With ever increasing regulatory burdens and emergence of new risks, it has exposed FMCs to greater regulatory and business risks, forcing businesses to think about risks in new ways.

We understand the interconnections between the “lines of defense” and help you turn each function – internal audit, risk management and compliance – into strategic asset to drive business performance.

It is imperative to always focus on efficiency in risk management, the development of an effective control environment and delivery of strategic goals to meet the expectations of stakeholders.

The role of internal audit is changing, from a process compliance role to a more proactive role that adds value. By outsourcing or co-sourcing your internal audit function, it can reduce your costs and tap on the expertise of a professional firm which you can leverage knowledge from.

Our Risk and Controls practice helps you build effective internal audit and risk management functions and anticipate the risks and risk interdependencies that can threaten your business and impact your growth.

Turn your risks into competitive advantage by anticipating future challenges and acting ahead of threats.

“Insight-driven risk assessment and intelligent audit planning”



Risk & Controls

How can we help?

Are your key risks identified?

Identification of risks through the Risk Management Framework

- Add value by raising awareness of risks that the business may face.
- Our industry-focused professionals design and review risk mitigation and measurement plans as well as develop risk management frameworks and process designs in line with your risk appetite.
- This is done with a sound understanding and underpinning of a strong foundation in the fund management industry.

Do you have robust internal controls?

An internal audit that is client-need driven and risk focused

- We are a partner who thinks about risk in the context of your business. Applying a business lens to your challenges and opportunities, we draw on our experience and sector insight to help you get out of your investment in internal audit.
- With a global internal audit methodology, our audit approach is tailored to the understanding of your operations. Our audit plan is developed with the identification of key risks upon assessing the risks of your company.



Our dedicated team

PricewaterhouseCoopers has a global network of specialists who can provide solutions to all your risk, regulations and compliance related needs

Contact us

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