



SMCR toolkit

Part 3: Solution identification and design

2019 guide

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Certain policies, processes and procedures will need to be revised or even developed from scratch to support implementation of the core requirements of the regime; for instance:

- Recruitment and vetting
- Performance review
- Training
- Certification
- Conduct rules breach reporting
- Regulatory references
- Whistleblowing

However other policies, processes and procedures will require review to ensure they support the drivers behind the regime, that is accountability and transparency, culture and conduct. Examples could include:

- Complaints or claims handling
- Suitability and appropriateness
- Arrears and forbearance, responsible lending

Firms should also consider whether their existing governance and internal reporting arrangements support the discharge by senior managers of their legal duty of responsibility.



When?

Your timescales:

The process of solution identification and design and implementation is likely to run **through much of Q2 and Q3 2019**, and quite possibly into Q4. The earlier Firms begin their SMCR programme, the greater the range of options they are likely to have in terms of deployment of optimal solutions.

Who?

Key stakeholders:

- Senior Management: Board/ExCo (or similar)
- Business change/project management team
- Heads of impacted business areas and functions
- Head of Compliance
- Head of HR
- Head of IT

How?

Key questions and considerations:

- Can existing systems (e.g., for performance management and review) be adapted to bring in SMCR requirements?
- How will any potential conflicts between employment law and regulatory compliance be managed effectively?
- Will the Firm use the full timescale to complete the certification process for existing staff (by 9 December 2020) or is it preferable to deploy this in line with wider changes? What is likely to be the most effective but also pragmatic approach to delivering conduct rules training? How will the effectiveness of this training be tracked?

Key “dos”

- ✓ Consider the wider implications of SMCR in terms of impacted policies
- ✓ Ensure you track progress against plan and impact/gap analysis
- ✓ Consider making use of external support to provide you with template documentation or to review/benchmark your proposed solutions

Key “don’ts”

- ✗ Neglect to consider policies and procedures that may not be directly SMCR related, but where culture and conduct are key
- ✗ Assume that compliance will need to “own” or sign off on all elements of the solution
- ✗ Ignore the potential employment law considerations of SMCR

How Kemp Little can help you...



Providing template documentation and examples of policies and procedures



Reviewing proposed solutions and providing independent benchmarking or challenge



Providing bespoke legal advice on HR, regulatory, corporate, tax and other issues



The team is excellent and provides consistently good advice.

Client quote
Chambers and Partners
Guide to the Legal Profession



Your key contacts



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