

Compliance risk management in 2018: 100 days in

Is your compliance planning in response to the DNB Supervision Outlook 2018 already underway?

We are already over 100 days into 2018, and while improvement by financial institutions in their management of compliance risks is visible, it is also clear that there is still more work to be done.

The DNB advised action points give direction for financial institutions to strengthen their compliance risk management. Financial institutions should therefore have a proper response to technological innovation, fostering a forward-looking and sustainable sector, and taking a hard stance against financial and economic crime.

Here is a recap of DNB's supervision focus areas.



Taking a hard stance against financial and economic crime

Anticipating legislative changes

Impending changes in legislation and regulations, such as the Fourth AML Directive, require the financial sector to be adaptable and proactive to ensure on-time compliance. The DNB intends to test that compliance is in place from the date that amended legislation comes into effect.

SIRA in practice

In an attempt to move away from often-inaccurate paper SIRAs, this year the DNB plans to examine the reality of how financial organisations put SIRA outcomes into practice, through on-site research of the actual effectiveness of controls.

Responding to technological innovation



Controlling risks: cybercrime

Increasing digitisation and cyber attacks were identified by the DNB as a key risk for 2018. Examinations of financial institutions' cyber risk controls are continuing this year.



Fostering a forward-looking and sustainable sector

Understanding capacity for change

Financial institutions must understand how the accelerating pace of external changes will affect them, and the appropriate strategic responses. Eight different types of institution will have their change capacity investigated by the regulators during 2018.

Prevention of terrorist financing and evasion of financial sanctions

The DNB intends to examine risk controls (including transaction monitoring) and compliance with reporting requirements across the financial sector in 2018, to ensure adequacy against the Sanctions Act 1977 and related legislation and regulations.

Deloitte can help you to become future-proof in these areas and to stay a step ahead of your competitors.