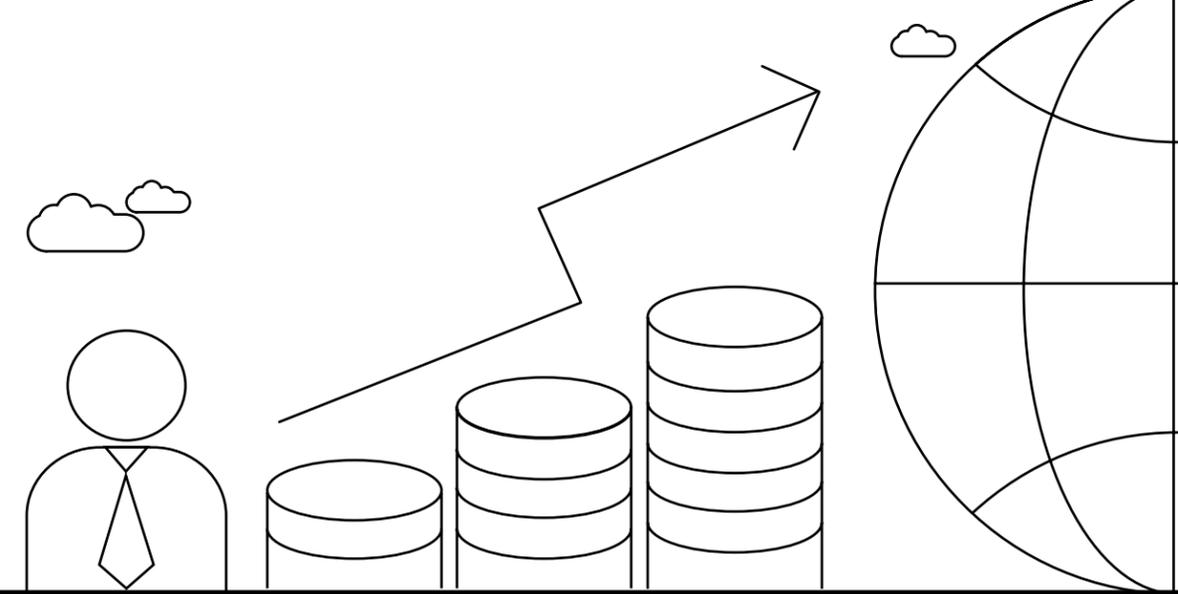




Transforming Investment Compliance for a large global investment manager

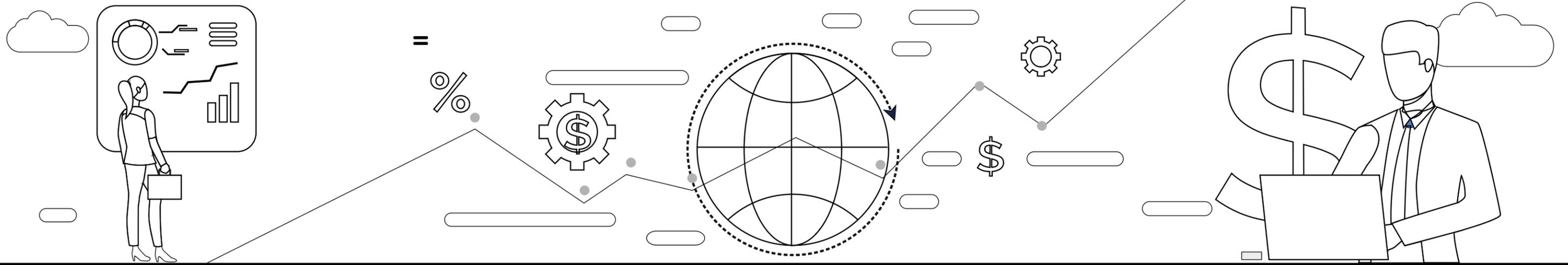


The challenges

A global investment manager sought to optimize its investment compliance rules and align them globally within its order management systems ("OMS"). The investment manager recognized the rule creation process was disjointed, which had resulted in rule duplication and a proliferation of false positive alerts and warnings. In addition, the manager's operating model to support the core Investment Compliance Monitoring ("ICM") activities was decentralized, with a lack of clarity on the scope of investment compliance roles and responsibilities resulting in process duplication and high staffing costs.

To remediate its challenges the investment manager sought to:

- Design a target operating model ("TOM") for the ICM function which:
 - Re-defined the organizational structure, people, processes, data, technology and governance required to support that model
 - Established a method to assign jurisdictional responsibilities and accountabilities associated with ICM activities for global products
 - Provided transparency into existing workload misalignment and skillset deficiencies that would need to be mitigated in order to properly support the demands of the TOM
- Globally streamline its investment compliance rule inventory within its OMS' while also confirming the completeness and accuracy of the investment rules



The approach

Deloitte collaborated with the global investment manager to:

- Design a TOM for the ICM function; and
- Perform a Proof of Concept (“POC”) for the investment manager to re-code investment rules in the incumbent OMS’ for ~300 EMEA and ~250 NA regulated products and institutional accounts as well as 15+ regulatory rulesets

The POC served two objectives for the investment manager:

1. Begin to implement the TOM design
2. Streamline its rules while confirming their completeness and accuracy

To complete this transformation, Deloitte and the global investment manager...

designed the TOM by:

- Agreeing on future state ICM activities and associated responsibilities and accountabilities, documenting detailed process flows, policies & procedures and role profiles
- Establishing the organizational structure for the ICM function, including regional centers of excellence (“CoE”) for Compliance professionals and a Shared Service center for rule coding, testing and ICM maintenance processes
- Determining resource task and capacity utilization for ICM and non-ICM activities, generating insights, and advising management on an approach to realign resources and tasks

performed the POC by:

- Using [UnifyIC](#), Deloitte’s cloud-hosted Software-as-a-Service (“SaaS”) technology, to:
 - Extract investment restrictions from source contractual documentation
 - Enrich the restrictions with interpretive insight
 - Memorialize account-restriction-rule associations and
 - Generate reporting on the analysis
- Providing account and restriction-based reporting from [UnifyIC](#) to Rule Coding & Testing teams to establish standardized and streamlined rules in the OMS’



The benefits achieved

Deloitte and the global investment manager designed an operating model for ICM which clarified roles and responsibilities across the function and distributed work globally. The investment manager then implemented the TOM through the POC, using [UnifyIC](#), which streamlined OMS rules on a global scale and established a governed and auditable mapping from source document to rule. Specifically, through the collaboration the global investment manager established:



Functionalization of ICM vs. non-ICM tasks, [resulting in up to a 25% reduction in FTE allocation](#) from resource realignment



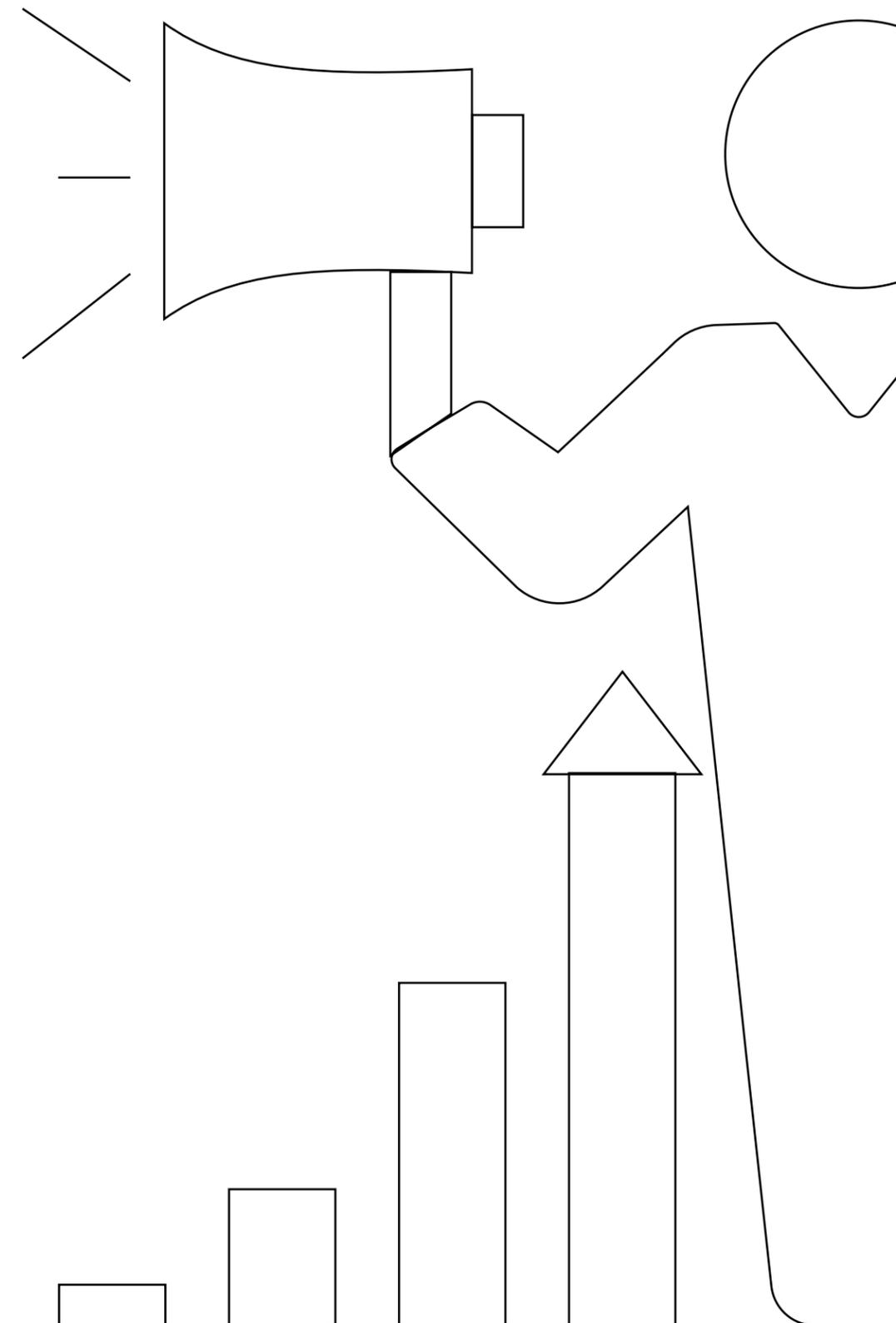
A robust process for delivery of standardized investment restriction requirements to accelerate rule coding, [mitigating a high residual risk item](#)

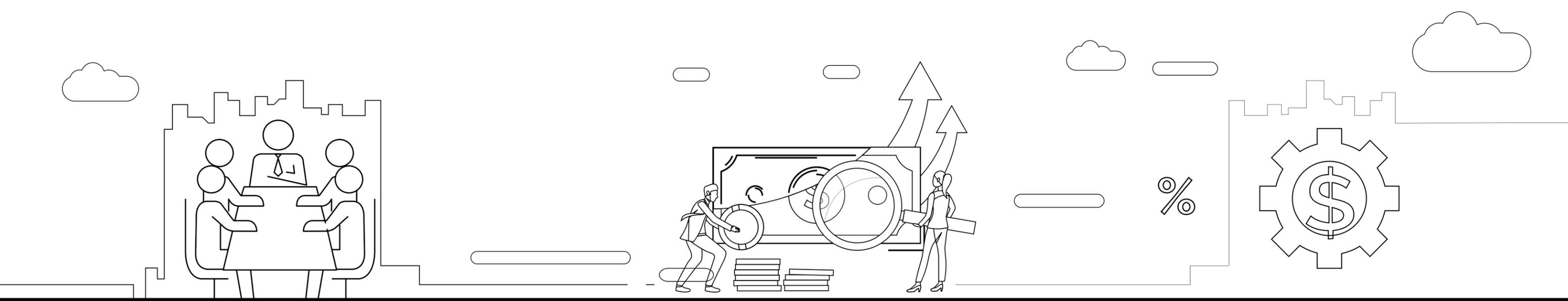


[The development and training of a low-cost Shared Service center](#) in India for Rule Coding, Testing and ICM maintenance tasks



A re-coded rule inventory for all EMEA products and accounts and a significant North American population, [resulting in a 50% reduction in the rule inventory for those accounts](#)





Spotlight On: UnifyIC

Investment compliance has traditionally been a series of labor-intensive processes across multiple systems, requiring time and specialist resources, both of which are often in short supply. Performing these tasks manually may produce bloated and unverifiable rulesets, and—in conjunction with order management systems (“OMS”) which often lack standardization and controls—produces impediments to an end-to-end investment compliance lifecycle.

[UnifyIC, Deloitte’s cloud-hosted Software-as-a-Service \(“SaaS”\) technology](#), brings together in one place, all the requirements that are coded into an OMS enabling better accountability and monitoring quality among compliance users, ultimately benefiting the bottom line.

UnifyIC’s capabilities include:



Auditable link—Establishes links from source documentation to coded and manual rules to support periodic reconciliations



Consolidated restriction—Provides a single source for all contractual restrictions



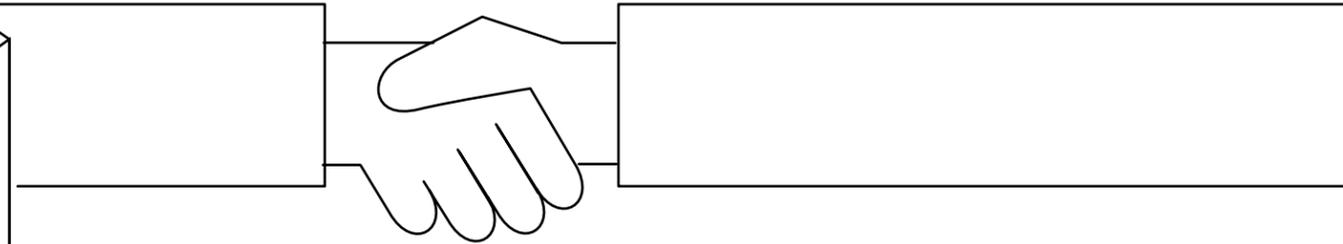
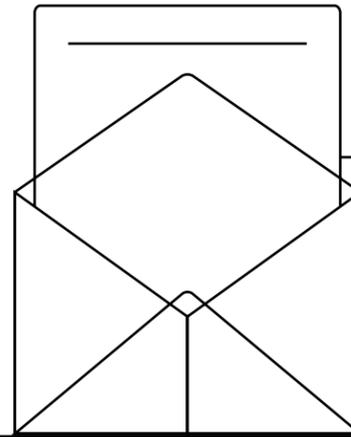
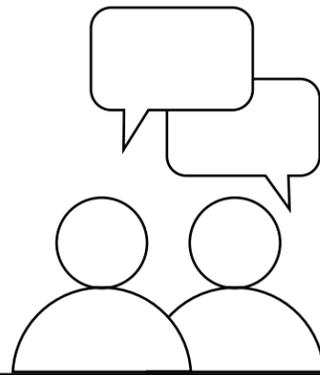
Governed workflow—Supports a governed process through which users create a unique workflow and assign roles for each product or account



Restriction clause identification—Optimizes the manually intensive process of restriction text confirmation from the source client document



Restriction requirement generation—Enable consistency of rule coding through standardized plain language and interpretations



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