

Εισαγωγή στην λειτουργία του Compliance

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Why and when was Compliance introduced (1/3)



Increasing number of various serious fraud cases, where the authorities required the active assistance of professionals and financial institutions



Why and when was Compliance introduced (2/3)

➡ First elements of Compliance in the 1970's and 1980's:

- US Bank Secrecy Act (first introduced in 1970 by President Richard Nixon)
- Foreign Corrupt Practices Act (FCPA – first introduced in 1977 for publicly traded companies)
- Committee of the Sponsoring Organizations of the Treadway Commission (known As COSO formed in 1985)
- US Federal Sentencing Guidelines for Felonies and Serious Misdemeanors (*first introduced 7 points for an effective Compliance Program*)
- Establishment of the Financial Action Task Force (FATF est. in 1989 by G7; first recommendations provided in 1990)

➡ The first EU Directives for AML & Data Protection in the 1990's – entered into EU National Laws



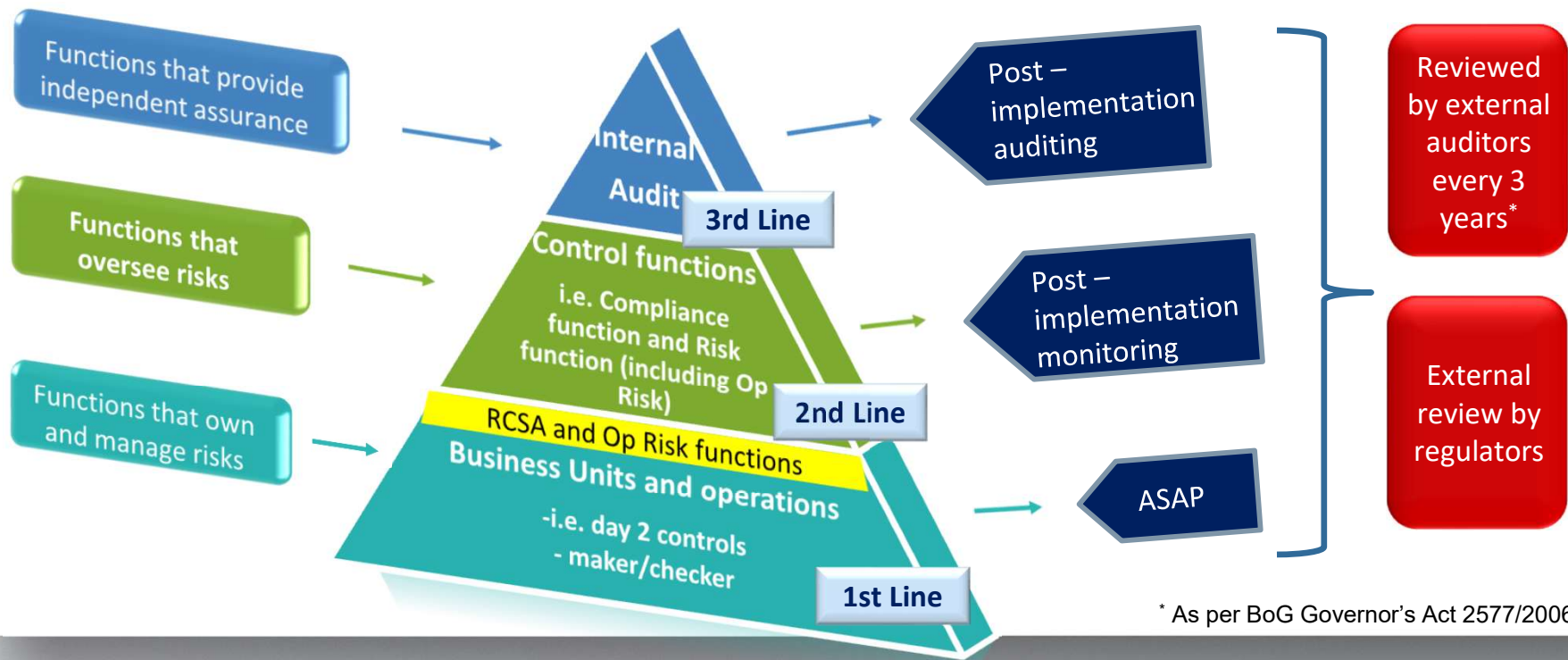
Why and when was Compliance introduced (3/3)

➡ Systematic approach in Banking

- The Basel Committee on Banking Supervision (2003-2005)
Basic Compliance Risk definition: *“compliance risk” the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its banking activities.*
- The guidelines of the Bank of Greece (Governor’s Act 2577/2006)

➡ Law 4706/2020 on Corporate Governance

COSO framework (3 lines of defence) implementation



What has been the role of Compliance in Banks?*

Business strategy

- Tone at the top
- Risk Assessment
- Lines of communication

Business management

- Oversight and responsibility
- Policies and procedures
- Monitoring
- Response and prevention

Business oversight

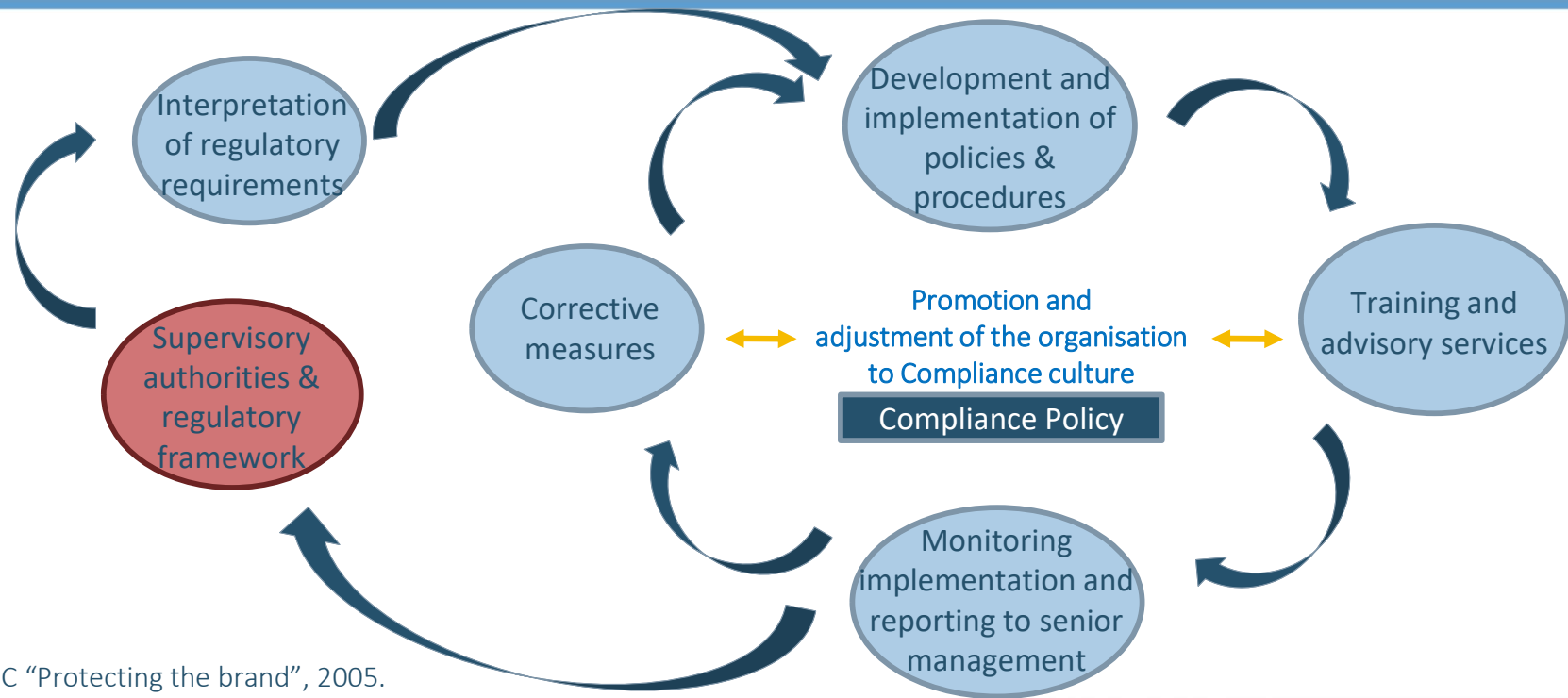
- Auditing
- Training
- Enforcement and discipline



Compliance should develop a framework to help the business manage Compliance issues.

* PWC "Moving beyond the baseline: Leveraging the compliance function to gain a competitive edge", State of Compliance Survey 2015.

Compliance function cycle of responsibilities



* PWC "Protecting the brand", 2005.

What are the Compliance interactions with other functions ? (1/2)

Legal

- Interpretation of Laws
- Development of internal Policies
- Development of Codes of Conduct

Risk

- Methodology for evaluating risks by measuring Probability and Impact
- Take actions to mitigate risk



What are the Compliance interactions with other functions ? (2/2)

Auditing

- Monitoring vs. Auditing
- Findings follow up and post-implementation review
- Independence

HR & Training

- Training needs and delivery
- Introducing Compliance elements in the employee evaluation process

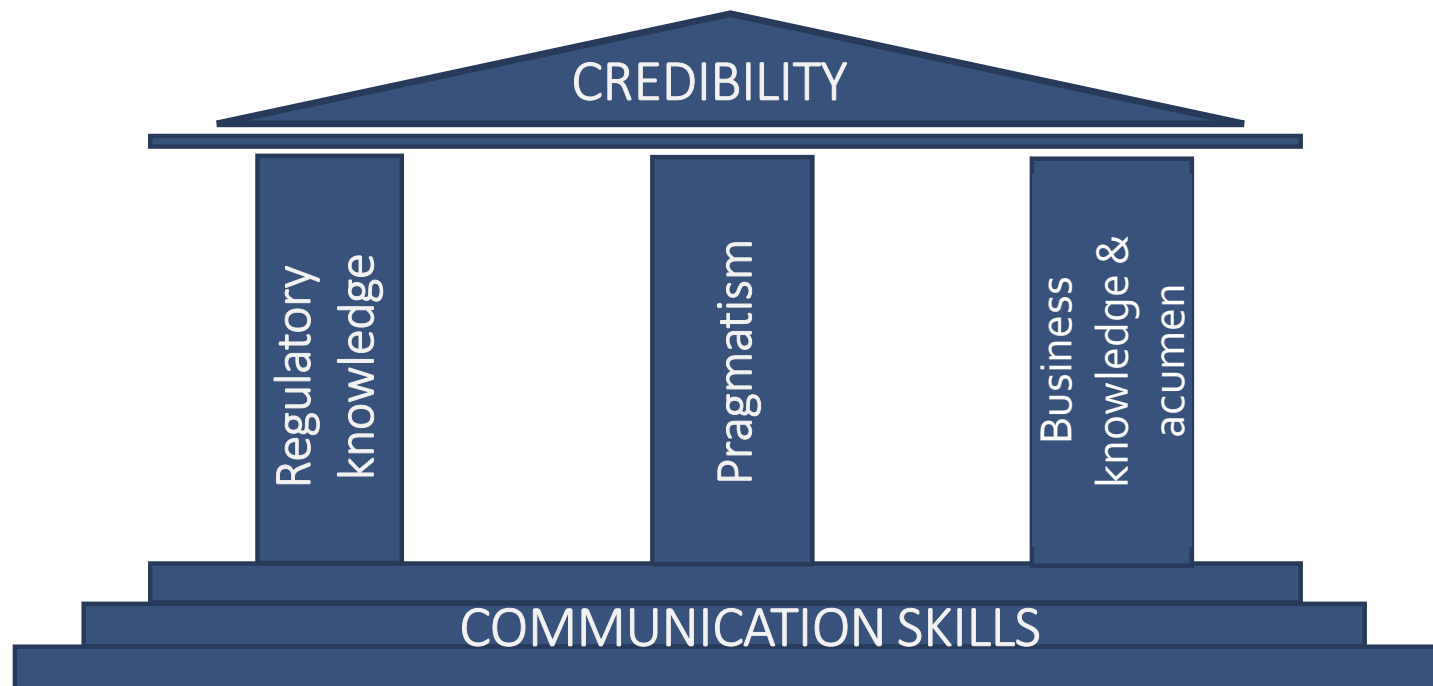


What is a Compliance Officer?

There are similarities with the following professionals:



Key Skills/Attributes of a Compliance Officer





Compliance is everyone's responsibility!





Thank you !