

SESSIONS

PRE-CONFERENCE WORKSHOP: REGULATORY REPORTING IN INVESTMENT FIRMS - 30/06/2020

Capital Requirements for Investment Firms - 14th Annual Forum

30 June - 3 July 2020
Online virtual conference
BST UTC+1h

Registration

09:00 - 09:30

Welcome & Introduction

09:30 - 09:45

Participants

Oivind Andresen - Director Risk Advisory, BDO

The Architecture of Financial Regulation

09:45 - 10:10

- Basel III
- European Union
- HM Treasury, Bank of England and the FCA

Participants

Oivind Andresen - Director Risk Advisory, BDO

Firm Categorisation and Reporting Requirements

10:10 - 10:35

- Firm categories - CPM, CPMI, IFPRU Limited Licence or exempt CAD firms
- Regulatory activity groups and permissions
- Submission schedule and content
- Audit reports and others

Participants

Oivind Andresen - Director Risk Advisory, BDO

Networking & Refreshment Break

10:35 - 10:55

COREP/FINREP Templates and Reporting

10:55 - 11:20

- COREP capital adequacy, transitional provisions, credit risk and market risk templates (using COREP v2.8)
- Consolidated reporting
- Structure of the forms and how they work
- Identifying which items are relevant
- Common mistakes and how they can be addressed
- Overview of key governance and control environments.

Participants

Oivind Andresen - Director Risk Advisory, BDO

GABRIEL Returns

11:20 - 11:45

- Avoiding common mistakes on FSA001, FSA002 & FSA003
-

Workgroup Session: Completing the GABRIEL returns

11:45 - 12:10

Networking & Lunch Break

12:10 - 13:10

Capital Requirements under CRR, GENPRU / BIPRU and AIFMD

13:10 - 13:35

- Base and variable capital requirements
 - Calculating capital charges for risk:
 - Market risk
 - Credit risk
 - Fixed overhead requirement
 - Own funds requirement
 - Liquid assets requirement
 - Funds Under Management requirement
 - Capital mixes and capital structuring
 - Capital deductions
 - CRD IV transitional provisions:
 - Large Exposures
-

Workgroup Session: Calculating Capital Requirements

13:35 - 14:00

Consolidated Reporting Requirements

14:00 - 14:25

- Types of groups
 - Scope of forms
 - Types, timing and frequency
-

Consolidated Reporting Requirements

14:25 - 14:50

- Types of groups
 - Scope of forms
 - Types, timing and frequency
-

Pillar 2 and ICAAP

14:50 - 15:20

- Particular challenges
 - Interaction between the FSA019 and wider ICAAP processes
 - Stress testing capital buffers
 - Wind down costs analysis
-

Networking & Refreshment Break

15:20 - 15:40

Discussion Session: common issues during the ICAAP process

15:40 - 16:05

Other Reporting Requirements

16:05 - 16:30

- GABRIEL FSA0xx items
 - AIFM reports
-

Issues on the Horizon

16:30 - 16:55

- EBA proposals for a new Prudential regime for Investment Firms (the K-Factors)
-

Summary & Close of Workshop

16:55 - 17:00

SCHEDULE

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09:00	09:00 - Registration 09:30 - Welcome & Introduction 09:45 - The Architecture of Financial Regulation
10:00	10:10 - Firm Categorisation and Reporting Requirements 10:35 - Networking & Refreshment Break 10:55 - COREP/FINREP Templates and Reporting
11:00	11:20 - GABRIEL Returns 11:45 - Workgroup Session: Completing the GABRIEL returns
12:00	12:10 - Networking & Lunch Break
13:00	13:10 - Capital Requirements under CRR, GENPRU / BIPRU and AIFMD 13:35 - Workgroup Session: Calculating Capital Requirements
14:00	14:00 - Consolidated Reporting Requirements 14:25 - Consolidated Reporting Requirements 14:50 - Pillar 2 and ICAAP
15:00	15:20 - Networking & Refreshment Break 15:40 - Discussion Session: common issues during the ICAAP process
16:00	16:05 - Other Reporting Requirements 16:30 - Issues on the Horizon 16:55 - Summary & Close of Workshop

Registration & Networking

09:00 - 09:30

Chairperson's Opening Remarks

09:30 - 09:40

Participants

Andrew Brand - Head of Operational Risk, XTX MARKETS

Regulatory Perspective: Prudential Requirements for Investment Firms – Where are We and Where are We Going

09:40 - 10:25

Day 1

Participants

Duarte Delgado - Regulatory Specialist, INVESCO

Planning for the New EU Investment Firms Regime (IFR/ IFD) Including K-Factors, Remuneration, Governance and Liquidity

10:25 - 11:00

Day 1

The Investment Firm Directive and Regulation were published in the Official Journal in December 2019. This means they will come into force in June 2021. This session will examine how firms should be preparing for the new prudential regime and some of the issues they may face. In particular the session will focus on:

- Changes to governance requirements
- Preparation and issues concerning the K-Factors
- Impacts on remuneration
- Liquidity regime

Participants

Laurence Blake - Head of Risk, JANE STREET EUROPE

Investment Firms Panel Session: Discussing Progress with Interpreting and Preparing for the Practical Implications of New EU Investment Management Prudential Regime

11:00 - 11:35

Day 1

Participants

Andrew Johnstone - Director Prudential Policy & Chairman of the Investment Association Prudential Committee, BLACKROCK

Diederik Dorst - Global Head of Regulation & Market Structure, FLOW TRADERS

Alan Sievwright - Deputy CFO & Chair of Investment Association IFR Working Group, BAILLIE GIFFORD & CO

Ian Kelly - Head of Regulatory Advisory, RBC CAPITAL MARKETS

Networking & Refreshment Break

11:35 - 11:55

Day 1

Addressing Key Disconnects Between the Risk Management Framework and Risk Appetite Statement with Particular Focus on Difficult Risk Types

11:55 - 12:30

Day 1

Recent industry analysis has shown that the disconnects between the Risk Management Framework and Risk Appetite Statement are not yet resolved for complex risk groups, such as (but not limited to) Strategic, Reputational, Group and Concentration risks. This presentation delves into the Risk Management Framework coupled with major risk groups typically included in Risk Appetite Statements to:

- Identify why these disconnects still exist.
- Explore the implications of these disconnects within the risk groups; and
- Discuss approaches in resolving these disconnects.

Participants

Liezl De Villiers - Head of Operational Risk Identification, AVIVA INVESTORS

Investment Firms Panel Session: Enhancing Risk Management Frameworks and Risk Appetite Statements to Demonstrate Effective Monitoring and Reporting of Key ICAAP Risks

12:30 - 13:05

Day 1

Participants

Darren Nicholls - Head of Risk - Non-Continental Europe, GAM

Will Manfield - Chief Risk Officer, BNP PARIBAS ASSET MANAGEMENT UK

Stephen Pritchard - Chief Risk Officer, HARGREAVES LANSDOWN ASSET MANAGEMENT

Networking & Lunch Break

13:05 - 14:00

Addressing the Challenge of Identifying Emerging Risks and Incorporating them into the ICAAP

14:00 - 14:35

Day 1

In the real world, a risk manager must be prepared to deal with the known unknowns and unknown unknowns. A dynamic enterprise risk management framework must be capable to detect and assess the emerging risks relevant to the business, and the implications thereon. The drivers of emerging risks could be very diverse, from technological to geopolitical change. They are connected to some unsettled framework conditions which make evaluation difficult.

For financial services firms, it is important to incorporate the consideration of emerging risks in its methodology as part of the capital planning process. The top level management should drive the culture and has a structured method in place to socialise and communicate any emerging risks identified. This will inform the leadership to reflect on the current risk mitigation strategies and required risk capital.

Participants

Anthony Ma - Head of Prudential Risk & Regulation, GRANT THORNTON

Clarifying Operational Resilience Expectations and How it Impacts ICAAP Activities and Regulatory Capital

14:35 - 15:10
Day 1

Are operational risk and operational resilience the same thing? With regulators increasingly focussed on operational resilience, this session explores the benefits of being able to demonstrate that your business is operationally resilient, and how evidencing this might lead to lower capital requirements and a better embedded ICAAP.

- What is operational resilience and why is it important for an investment firm?
- How does operational resilience differ from operational risk?
- How operational resilience is about more than just about technology resilience
- What firms should be doing to demonstrate they are operationally resilient
- How can getting operational resilience right benefit the ICAAP process and subsequent capital requirements?

Participants

David Croker - Partner, PWC

Refreshment & Networking Break

15:10 - 15:30
Day 1

Addressing the Treatment of Sustainability and Climate Risk within the ICAAP

15:30 - 16:05
Day 1

Climate risk, Sustainability and ESG are themes that the industry are addressing in various ways. This session provides a practical look at risk processes to identify climate risks and how these risks and opportunities will be incorporated within the ICAAP. The discussion will also include the following areas:

- Emerging risks and horizon scanning;
- Risk governance;
- The context and background of Climate risks including the Task Force for Climate Related Disclosures (TCFD);
- Scenario and Stress testing for climate risks;
- Physical and transitional risks.

Participants

Sopun Leng - Head of Risk, PGIM

Enhancing Governance and Controls Around Pillar 1 Calculation and Reporting and Future Under the EU Investment Firms Regime

16:05 - 16:40
Day 1

Participants

Oivind Andresen - Director Risk Advisory, BDO

Chairperson's Summation and Close of Day One

16:40 - 16:45

SCHEDULE

CONFERENCE - DAY ONE - 01/07/2020

Capital Requirements for Investment Firms - 14th Annual Forum

30 June - 3 July 2020
Online virtual conference
BST UTC+1h

TIME	DAY 1
09:00	09:00 - Registration & Networking 09:30 - Chairperson's Opening Remarks 09:40 - Regulatory Perspective: Prudential Requirements for Investment Firms – Where are We and Where are We Going
10:00	10:25 - Planning for the New EU Investment Firms Regime (IFR/ IFD) Including K-Factors, Remuneration, Governance and Liquidity
11:00	11:00 - Investment Firms Panel Session: Discussing Progress with Interpreting and Preparing for the Practical Implications of New EU Investment Management Prudential Regime 11:35 - Networking & Refreshment Break 11:55 - Addressing Key Disconnects Between the Risk Management Framework and Risk Appetite Statement with Particular Focus on Difficult Risk Types
12:00	12:30 - Investment Firms Panel Session: Enhancing Risk Management Frameworks and Risk Appetite Statements to Demonstrate Effective Monitoring and Reporting of Key ICAAP Risks
13:00	13:05 - Networking & Lunch Break
14:00	14:00 - Addressing the Challenge of Identifying Emerging Risks and Incorporating them into the ICAAP 14:35 - Clarifying Operational Resilience Expectations and How it Impacts ICAAP Activities and Regulatory Capital
15:00	15:10 - Refreshment & Networking Break 15:30 - Addressing the Treatment of Sustainability and Climate Risk within the ICAAP
16:00	16:05 - Enhancing Governance and Controls Around Pillar 1 Calculation and Reporting and Future Under the EU Investment Firms Regime 16:40 - Chairperson's Summation and Close of Day One

Chairperson's Welcome to Day 2

09:15 - 09:25

Participants

Andrew Brand - Head of Operational Risk, XTX MARKETS

Investment Firms Panel Session: Insights into Practical Experience Gained Preparing for and Managing SREP Reviews

09:25 - 10:00

Day 2

Participants

Andrew Johnstone - Director Prudential Policy & Chairman of the Investment Association Prudential Committee, BLACKROCK

Liezl De Villiers - Head of Operational Risk Identification, AVIVA INVESTORS

Andrew Wedlock - Head of Prudential Risk, HAGREAVES LANSDOWN

Nick Evans - Business Risk Manager - Europe, VANGUARD ASSET MANAGEMENT

Investment Firms Panel Session: Managing the Interaction Between Operational Resilience and the ICAAP Process in Practice

10:00 - 10:35

Day 2

Participants

Oliver Scott - Head of Prudential Regulatory Reporting, XTX MARKETS

Sarah Finnegan - Head of Risk & Outsourcing, VERITAS INVESTMENT MANAGEMENT

Improving Liquidity Stress Testing, Risk Appetite, Contingency Funding and Governance in Light of Increased Regulatory Scrutiny

10:35 - 11:10

Day 2

Corporate liquidity for asset managers has increasingly become a theme of FCA SREP visits. This presentation covers some practical tips on how to develop a management framework and stress testing that fits an agency type business model.

- How to identify liquidity risks and who should be involved
- Developing stress scenarios
- How should stress testing results be used in the business
- Considering impact of fund liquidity on the corporate position
- Looking ahead: Liquidity approach in the new regime

Participants

Colm Donnelly - Head of EMEA regulatory Reporting, INVESCO PERPETUAL

Refreshment & Networking Break

11:10 - 11:30

Day 2

Investment Firms Panel Session: Responding to the Challenge of Meeting Current Liquidity Risk Expectations in Practice

11:30 - 12:05

Day 2

Participants

Colm Donnelly - Head of EMEA regulatory Reporting, INVESCO PERPETUAL

Oliver Scott - Head of Prudential Regulatory Reporting, XTX MARKETS

Advisory Panel Q&A: Ask the Expert – Highlighting Current ICAAP Expectations, Recent SREP Themes and Future Direction for Capital Requirements

12:05 - 12:40

Participants

Brian Thornhill - Associate Director, DELOITTE

Shailen Patel - Head of, CFO ADVISORY SERVICES

Stefan Babic - Manager, PWC

Lunch & Networking Break

12:40 - 13:40

Day 2

Investment Firms Panel Session: Discussing Selection and Application of 'Plausible & Severe' Stress Scenarios for Macro, Idiosyncratic and Combined Stress Testing

13:40 - 14:15

Day 2

Participants

David Harper - Head of Enterprise Risk, FIDELITY INTERNATIONAL

Adrian Mackaay - Director, Risk Quantitative Analysis, BLACKROCK

Andrew Wedlock - Head of Prudential Risk, HAGREAVES LANSDOWN

Managing Conduct Risk Impacts Across Operational Risk Profiles Feeding into ICAAP Operational Risk Scenarios

14:15 - 14:50

Day 2

Managing Conduct risk impacts, translates to identifying and mitigating conduct risk impacts. This session addresses some of the challenges faced in extracting the relevant narrative from existing processes and procedures to reflect consideration of conduct and then to identify the risk of poor conduct that could cause harm to our customers or to the market.

- To manage conduct risk requires to identify and then to formulate a mitigation plan
- Direction of focus to the key risks of harm to customers and markets
- Leveraging off the Senior Managers Certification Regime Regulations
- What are those activities, that provide the greatest opportunity to cause detriment to customers or harm to the market?
- Two key areas of focus, 'Firm Governance' and 'Product Governance'
- Clarifying the risk appetite question and communicating/cascading an understanding of this throughout the firm
- Consideration of Conduct Risk within the ICAAP OR Scenarios

Participants

Orlagh Culliton - Head of UK Operational Risk, AXA INVESTMENT MANAGERS

Refreshment & Networking Break

14:50 - 15:10

Day 2

Investment Firms Panel Session: Improving Approaches to Operational Risk Scenario Assessment, Scoring and Governance

15:10 - 15:45

Day 2

Participants

Adrian Mackaay - Director, Risk Quantitative Analysis, BLACKROCK

Darren Nicholls - Head of Risk - Non-Continental Europe, GAM

Orlagh Culliton - Head of UK Operational Risk, AXA INVESTMENT MANAGERS

Justine Elkington - Senior Manager, FIDELITY INTERNATIONAL

Nick Evans - Business Risk Manager - Europe, VANGUARD ASSET MANAGEMENT

Investment Firms Panel Session: Addressing Governance Challenges, Senior Management Engagement and other Operational Challenges of the ICAAP Process

15:45 - 16:20

Day 2

Participants

Liezl De Villiers - Head of Operational Risk Identification, AVIVA INVESTORS

Sopun Leng - Head of Risk, PGIM

Darren Nicholls - Head of Risk - Non-Continental Europe, GAM

Andrew Johnstone - Director Prudential Policy & Chairman of the Investment Association Prudential Committee, BLACKROCK

Chairperson's Summation & Close of Conference

16:20 - 16:30

SCHEDULE

Capital Requirements for Investment Firms - 14th Annual Forum

CONFERENCE - DAY TWO - 02/07/2020

30 June - 3 July 2020
Online virtual conference
BST UTC+1h

TIME	DAY 2
09:00	<p>09:15 - Chairperson's Welcome to Day 2</p> <p>09:25 - Investment Firms Panel Session: Insights into Practical Experience Gained Preparing for and Managing SREP Reviews</p>
10:00	<p>10:00 - Investment Firms Panel Session: Managing the Interaction Between Operational Resilience and the ICAAP Process in Practice</p> <p>10:35 - Improving Liquidity Stress Testing, Risk Appetite, Contingency Funding and Governance in Light of Increased Regulatory Scrutiny</p>
11:00	<p>11:10 - Refreshment & Networking Break</p> <p>11:30 - Investment Firms Panel Session: Responding to the Challenge of Meeting Current Liquidity Risk Expectations in Practice</p>
12:00	<p>12:05 - Advisory Panel Q&A: Ask the Expert – Highlighting Current ICAAP Expectations, Recent SREP Themes and Future Direction for Capital Requirements</p> <p>12:40 - Lunch & Networking Break</p>
13:00	<p>13:40 - Investment Firms Panel Session: Discussing Selection and Application of 'Plausible & Severe' Stress Scenarios for Macro, Idiosyncratic and Combined Stress Testing</p>
14:00	<p>14:15 - Managing Conduct Risk Impacts Across Operational Risk Profiles Feeding into ICAAP Operational Risk Scenarios</p> <p>14:50 - Refreshment & Networking Break</p>
15:00	<p>15:10 - Investment Firms Panel Session: Improving Approaches to Operational Risk Scenario Assessment, Scoring and Governance</p> <p>15:45 - Investment Firms Panel Session: Addressing Governance Challenges, Senior Management Engagement and other Operational Challenges of the ICAAP Process</p>
16:00	<p>16:20 - Chairperson's Summation & Close of Conference</p>

Registration

09:00 - 09:30

Overview of the Key Changes for Investment Firms

09:30 - 09:45

- Introduction
- Learning objectives
- The investment firm review: prudential requirements and supervisory arrangements for investment firms
- CRD V – changes for larger investment firms

Participants

Oivind Andresen - Director Risk Advisory, BDO

Clarifying the Differing Elements of the New Capital Requirements Rules and Introduction of the 'K-Factors'

09:45 - 10:30

- Timelines for implementation of the new rules and overview of what is still to come and when in terms of changes.
- Classification of investment firms under the new regulation
- Overview of the key components in the k-factor calculations
- Liquidity Requirements – what do firms need to do?
- Pillar 2 requirements including ICAAPs
- Reporting of the new requirements
- Impact on equity holdings in financial institutions
- Remuneration
- Challenges in implementing the k-factors

Participants

Oivind Andresen - Director Risk Advisory, BDO

Networking & Refreshment Break

10:30 - 11:00

Deep Dive on the K-Factors Requirements and Implementation

11:00 - 12:30

- Challenges in implementing the k-factors
- Impact on equity holdings in financial institutions
- Detailed walk-through of risk to firm, risk to clients and risk to market.

Participants

Oivind Andresen - Director Risk Advisory, BDO

Networking & Lunch Break

12:30 - 13:30

Case-Study Session – Practical Example on the Potential Impacts of the New Regime for Firms

13:30 - 15:20

Using case studies, this session will examine practical examples of how and where the new k-factors and Regime will impact an investment firms. This includes comparing the impact of the changes to the current CRR rules.

Participants

Oivind Andresen - Director Risk Advisory, BDO

Networking & Refreshment Break

15:20 - 15:50

Discussing the New CRD V / Basel 4 Changes

15:50 - 16:25

- Firms in scope for the updated CRD V rules
- Key changes for investment firms in scope
- Impact of the changes to credit, market and operational risk.

Participants

Oivind Andresen - Director Risk Advisory, BDO

Final Q&A and Close of Workshop

16:25 - 16:30

SCHEDULE

POST-CONFERENCE WSH: NEW PRUDENTIAL REGIME FOR EU
INVESTMENT FIRMS - 03/07/2020

Capital Requirements for Investment
Firms - 14th Annual Forum

30 June - 3 July 2020
Online virtual conference
BST UTC+1h

TIME	
09:00	09:00 - Registration 09:30 - Overview of the Key Changes for Investment Firms 09:45 - Clarifying the Differing Elements of the New Capital Requirements Rules and Introduction of the 'K-Factors'
10:00	10:30 - Networking & Refreshment Break
11:00	11:00 - Deep Dive on the K-Factors Requirements and Implementation
12:00	12:30 - Networking & Lunch Break
13:00	13:30 - Case-Study Session – Practical Example on the Potential Impacts of the New Regime for Firms
14:00	
15:00	15:20 - Networking & Refreshment Break 15:50 - Discussing the New CRD V / Basel 4 Changes
16:00	16:25 - Final Q&A and Close of Workshop