

Securities Houses Compliance Officers Group

Chairman's Report 2014/15

Dear SHCOG Member,

Every year since I joined the SHCOG Steering Committee I have looked back at the pace and amount of change and wondered how Compliance manages to continue to maintain its momentum. This year has been no exception and the tsunami of regulation is unrelenting and is not likely to reduce in the near future.

Despite the on-going challenges of change, and maybe even because of it, we have seen demand for the SHCOG offering increase with record numbers of attendees at our monthly meetings. The TECC conference which for the first time in its history was held in London encouraged UK based firms to proactively support the conference in large numbers and we received a number of offers to support other SHCOG offerings on the back of it which demonstrated the commitment member firms have made and continue to make.

New Members of the Group

In recent months we have welcomed the following firms as new or re-joining members. As can be seen from the list we continue to attract both large and small firms across a wide range of financial services.

Banco do Brasil
BB Securities Ltd
Charles Stanley
Commonwealth Bank of Australia
Lazard & Co Ltd
Mount Kellett
Nationwide Building Society
OPT Fx
Willis CMA

SHCOG Steering Committee

I would like to take this opportunity to personally thank all the members of the Steering Committee, who have provided their support to, and frequently led the monthly meetings during 2014/2015. The time and effort that they have dedicated to our activities despite their heavy agendas is what enables us to continue to provide the range of training and networking opportunities that you have all enjoyed.

Unfortunately for SHCOG and its Steering Committee, we have lost two valued members of the Steering Committee. Alan Williams formally of RBS, has decided to take early retirement. We would like to thank Alan for the marvellous contribution he made during his tenure on the Committee and wish him success as he circumnavigates the globe. Dan Batchelor of Stormharbour, who has provided significant support to the committee as Secretary has also decided to resign. Dan has held this role for the last 3 years and has provided valuable guidance to us all during that time. They will both be sorely missed and I should like to thank both Dan and Alan for their past support.

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SHCOG Steering Committee – contd.

I am, however delighted to advise you that we have a number of new additions to the SHCOG Steering Committee, who bring a wealth of experience to the Committee and will support us in continuing to deliver our product offerings. From October 2015, the Committee will comprise:-

Chair	Merope Sylvester	Barclays Bank
Deputy Chair	Antony Whitehouse	BNP Paribas
Treasurer	Mark Goulden	JP Morgan
	Nikki Altria	CIBC
	Jonathan Bibby	UBS AG
	Richard Brearley	Investec
	Elizabeth Canning	Pershing
	Nigel Cole	HSBC
	Claire Edwards	Nomura International
	Adrian Lewis	Credit Suisse
	Stephan Niermann	Commerzbank

Achievements

We have continued to develop our offering to the membership with both the monthly meetings and our annual drinks reception continuing to attract significant attendance. We are conscious that over the last few years there have been some challenges with regard to our IT systems and we are currently rolling out an IT upgrade which will enhance our service and reduce the amount of manual processes which support you all as members.

Monthly Meetings

The monthly meetings continue to be the mainstay of the Group's activities providing both an opportunity to hear from Compliance professionals and to network with colleagues across the membership. We have attempted this year to ensure that we have a broad range of topics but it is clear that upcoming MiFID II implementation and the on-going challenges around driving cultural change have continued to dominate people's agendas and hence attracted significant interest.

As always, a full list of meeting topics is available on the SHCOG website - and copies of the recent presentations are available in 'The Library' (www.shcog.co.uk)

On behalf of the SHCOG membership, I would like to take this opportunity to thank all the speakers and meeting Chairs, who have given and continue to give up their valuable time and contribute to making these meetings so informative for our members.

The Steering Committee would also like to offer our deepest thanks to Bank of America Merrill Lynch who for over 13 years have been able to support SHCOG by allowing the group to hire its excellent meeting facilities. We will all miss the sumptuous King Edward Hall, but I am delighted to advise you that Commerzbank, at its Gresham Street offices, has been able to step in and offer us a venue for our Monthly Meetings.

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Conferences and Other Events

Compliance Academy

We continue to provide specialist training to our SHCOG community via the Compliance Academy training programme and there is a full schedule planned for the rest of 2015 and all of 2016. The Compliance Academy provides a range of topics in half-day or full-day workshops where subjects of particular interest can be worked through in more detail than at monthly meetings. These courses are suitable for those wanting to develop their Compliance skills, as well as more seasoned professionals wishing to refresh their knowledge.

New Topic

We hope that you will find the two new topics added to the syllabus useful to the more junior members of your teams and also to those transferring into Compliance from other areas or those who want a basic understanding of the regulatory environment:

2-day **Introduction to Financial Regulation and Compliance** - for compliance staff

1-day **Introduction to Financial Regulation – General** - for all staff **

These courses will start in 2016; the syllabus and dates will be published later this year - but do register your interest now.

**Please advise your training and HR departments.

TECC – London 2015

For the first time in its 16-year history TECC – The European Compliance Conference – was held in London, which proved a popular venue not only with our European colleagues but also with our UK SHCOG member firms resulting in an attendance of nearly 200 delegates. As always our thanks go out to all the members of the Planning Committee and our numerous speakers, but particular thanks should go to Jonathan Bibby's (UBS) for his continued support for TECC and his significant contribution to the planning committee. This year a massive thanks also goes to Stephen Sanders' (JPMorgan) for managing to secure Alan Yarrow, the Lord Mayor of London, as keynote speaker.

Heads of Compliance Forum

The Heads of Compliance Forum had the opportunity, in November 2014, to exchange views with Mark Garnier MP who had been Parliamentary Commissioner on Banking Standards and Governance. One of the key topics of this debate was the potential reaction of financial institutions in the City, should the UK leave the EU, a topic which continues to attract a wide variety of views and concerns.

Drinks Receptions

The Annual Drinks Reception for 2014 was held on 20 November. It was extremely well attended and the fork buffet supper drew particular attention. The provisional date for this year's event is 19 November and further information will be circulated on venue and timings shortly. We would like to take this opportunity to thank On-Location and more specifically Georgina Hickleton for organising this and for dedicating time to ensure that new attendees were introduced to others thereby starting their networking journey as a member of SHCOG.

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IT Upgrade

As you will have noted we are in the process of upgrading our IT systems. The plan is to offer members a better service by utilising modern email and event management platforms, co-ordinated through a new website. This will improve access via mobile devices as well as allowing members to manage proactively their registrations for meetings and other events.

The upgrades are being phased in with the new emailing system having already been implemented. The next phase will be the launch of the new website; the full upgrade being rolled by early 2016.

I think it is important to emphasise at this point that as a matter of policy SHCOG does not share your data with any third parties.

Membership Fees

As you know we are a not for profit organisation and our aim is to keep our costs to the minimum. Having reviewed our finances in 2015 we maintained our fees unchanged from 2014 at the rates shown below:-

<u>Band</u>	<u>No. of Staff</u>	<u>Fees</u>
A	1- 5 Compliance professionals	£ 570 + VAT
B	6-10 Compliance professionals	£ 895 + VAT
C	11-20 Compliance professionals	£1,495 + VAT
D	21-30 Compliance professionals	£2,175 + VAT
E	Large Firms & Groups	£3,575 + VAT

We are currently reviewing the fees for the year ahead and will make every effort to keep any increase to the minimum.

As I am sure you all agree we could not continue to provide the level of service you currently experience without the support of On Location and I would like to take this opportunity to thank Georgina Hickleton, and her colleagues Jessica Chalmers and Arianna Moretti for all the administrative support they have given over the period. We have all benefited from this, both as SHCOG and Steering Committee Members.

On a final note I wanted to remind you that SHCOG is *'run by Compliance for Compliance'*, and without your support and input we could not continue to evolve to meet your needs so as always your comments and questions are most welcome.

Kind regards.

Yours sincerely,

Merope Sylvester
SHCOG Chairman

October 2015