

Table of Contents

About Wolters Kluwer Hong Kong Limited.....	iii
Acknowledgements	v
About the Authors	vii

Part I

Chapter 1

The Basics and an Overview.....	3
¶11-010 What is Compliance?	3
¶11-020 Why is Compliance Important?	4
¶11-030 What Has This Book Got to Offer?	6

Chapter 2

Roles and Functions of Compliance.....	9
¶12-010 Introduction	9
¶12-020 Scope of the Compliance Functions and the Job	10
¶12-030 Advisory	12
¶12-040 Policy Setting and Procedures	13
¶12-050 Regulatory Research and Development	16
¶12-060 Compliance Surveillance and Monitoring.....	17
¶12-070 New Product Approval Process.....	19
¶12-080 Registration and Licensing	20
¶12-090 Internal Inquiries and Investigations	20
¶12-100 Regulatory Examinations and Investigations	22
¶12-110 Education and Training.....	23
¶12-120 Promoting Internal Compliance Culture.....	24
¶12-130 Risk Assessment and Remediation.....	26
¶12-140 A Dedicated Compliance Function.....	26
¶12-150 Compliance and AML.....	26
¶12-160 Defining the Relationship Between Compliance and Business Functions	28
¶12-170 Defining the Relationship Between the Compliance Department and the External and Internal Auditors	29
¶12-180 Defining the Relationship Between the Compliance Department and Regulators	30

¶2-190	Organization of the Compliance Department	31
¶2-200	Conclusions and Commentaries	32

Chapter 3

Effectiveness of the Compliance Function.....33

¶3-010	Introduction	33
¶3-020	Management's Commitment and Culture	34
¶3-030	Introduction to the Compliance Function	39
¶3-040	Alignment of Goals Between Compliance Functions and Business Strategy.....	39
¶3-050	Compliance Mandate and Reporting Structure.....	40
¶3-060	Competence and Resources	44
¶3-070	Technology	46
¶3-080	Conclusions and Commentaries	46

Chapter 4

Overview of the financial regimes and the regulators.....49

¶4-010	Introduction	49
¶4-020	United States	50
¶4-030	Federal Reserve System	51
¶4-040	Federal Deposit Insurance Corporation	52
¶4-050	Office of the Comptroller of the Currency	52
¶4-060	Securities & Exchange Commission	53
¶4-070	Financial Industry Regulatory Authority	53
¶4-080	Commodity Futures Trading Commission	54
¶4-090	National Futures Association	54
¶4-100	Financial Crimes Enforcement Network	55
¶4-110	Other Regulatory Bodies in the United States	55
¶4-120	United Kingdom	55
¶4-130	Prudential Regulation Authority	56
¶4-140	Financial Conduct Authority	57
¶4-150	National Crime Agency (NCA)	59
¶4-160	Australia	59
¶4-170	Reserve Bank of Australia	59
¶4-180	Australian Prudential Regulation Authority	60
¶4-190	Australian Securities and Investments Commission	61

¶14-200	Australian Transaction Reports & Analysis Centre	62
¶14-210	The Australian Treasury	62
¶14-220	Hong Kong	63
¶14-230	Hong Kong Monetary Authority	63
¶14-240	Securities and Futures Commission	64
¶14-250	Insurance Authority	65
¶14-260	The Mandatory Provident Fund Schemes Authority (MPFA)	65
¶14-270	Jurisdictions and Scope of Regulatory Powers	66
¶14-280	Differences Among Different Statutory or Non-statutory Instruments (e.g. Ordinances, Rules, Regulations, Codes, Guidelines, Circulars)	67
¶14-290	Establish Compliance Programme, Policies and Procedures	69
¶14-300	Regulatory Investigation and Enforcement	70
¶14-310	Conclusions and Commentaries	76

Part II

Chapter 5

From Regulatory Methods, Regulators to Wider Considerations

¶15-010	Introduction	79
¶15-020	Principles	79
¶15-030	Issues	79
¶15-040	Recommendations	87
¶15-050	Conclusions and Commentaries	90

Chapter 6

From Risk Management to Managing Compliance Risks

¶16-010	Introduction	91
¶16-020	Principles	91
¶16-030	Issues	91
¶16-040	Recommendations	99
¶16-050	Conclusions and Commentaries	101

Chapter 7

From Corporate Governance to Corporate Social Responsibility

¶17-010	Introduction	103
¶17-020	Principles	103

¶7-030	Issues.....	104
¶7-040	Recommendations.....	114
¶7-050	Conclusions and Commentaries	115

Chapter 8

From Compliance Planning, Policies, Internal Control, Resources to Training.....117

¶8-010	Introduction	117
¶8-020	Principles	117
¶8-030	Issues.....	117
¶8-040	Recommendations.....	127
¶8-050	Conclusions and Commentaries	129

Chapter 9

From Compliance Culture to Code of Conduct.....131

¶9-010	Introduction	131
¶9-020	Principles	131
¶9-030	Issues.....	132
¶9-040	Recommendations.....	138
¶9-050	Conclusions and Commentaries	140

Chapter 10

From Compliance Monitoring, Review to Audit141

¶10-010	Introduction	141
¶10-020	Principles	141
¶10-030	Issues.....	141
¶10-040	Recommendations.....	148
¶10-050	Conclusions and Commentaries	150

Chapter 11

From Being Professionals to Relationships with Key Stakeholders151

¶11-010	Introduction	151
¶11-020	Principles	151
¶11-030	Issues.....	151
¶11-040	Recommendations.....	157
¶11-050	Conclusions and Commentaries	158

Part III**Chapter 12**

The Three Lines Model.....	161
¶12-010 Introduction	161
¶12-020 Principles	161
¶12-030 Issues	162
¶12-040 Implications.....	180
¶12-050 Recommendations.....	182
¶12-060 Conclusions and Commentaries	182

Chapter 13

Leadership and Future of Compliance	185
¶13-010 Introduction	185
¶13-020 Principles	185
¶13-030 Issues	186
¶13-040 Recommendations.....	203
¶13-050 Conclusions and Commentaries	204
Index	207