



REGULATORY MAPPING SUPPORT

turning risk into reward

A JW Michaels Company

“ My Firm is currently implementing the Thomson Reuters GRC platform and in order to maximize the product's use, we needed to map all of our policies and procedures into the system. In order to handle this major task efficiently and properly, we hired CRC to assist us. CRC assigned a seasoned compliance professional to our project and he has done an excellent job managing and executing the mapping process. CRC has not only worked on the mapping, they have also provided advice, guidance and support in helping us coordinate with Thomson Reuters to ensure that the project is completed in timely fashion.”

-Steven Cohen, Managing Director, CCO | Cowen Group, Inc



SERVICE SPOTLIGHT: REGULATORY MAPPING SUPPORT

Over the past several years, the massive and sweeping changes in the regulatory environment have forced financial services organizations to focus their attention and efforts toward ensuring their internal controls adequately capture all applicable laws & regulations.

Additionally, firms have struggled with the methodology and infrastructure required to effectively execute on these demands. This has led to the advent of many Governance, Risk and Compliance (“GRC”) solutions, all geared toward helping financial services firms successfully deal with the burden of managing their discrete

compliance and regulatory risks.

In order to maximize the overall benefit of a GRC implementation, organizations must undertake an exercise to “map” existing policies and procedures to applicable laws & regulations and business structure. This will enable firms to track actions required to facilitate compliance with new or amended regulatory requirements, and automatically notify business owners to determine applicability. Ultimately, an organization implementing GRC should be able to leverage its solution to identify gaps in how the organization is managing regulatory risk.

MITCH AVNET

Founder and Managing Partner of Compliance Risk Concepts LLC

Over the past 12 years, Mitch Avnet has built CRC programs to support the manufacturing / origination and distribution of proprietary products as well as source third party products on behalf of customers / client relationships.

Throughout the course of Avnet’s 20-year career in the financial services industry, he has worked for top-tier investment banks, commercial banks and hedge funds such as Wachovia Capital Markets, PNC Bank and D E Shaw.

Avnet obtained his bachelor’s degree in economics, graduating magna cum laude from the State University of New York at Oneonta.



THE UNDERLYING PROBLEM –

GRC IMPLEMENTATION TEAMS HAVE DAY JOBS!

Since our inception, Compliance Risk Concepts (“CRC”) has been intimately involved in the management and execution of many GRC implementation engagements. Based on our knowledge and overall experience with GRC, we understand the strategic significance of GRC purchase decisions and the internal coordination of efforts that must be undertaken to create a compelling “business case” to support the undertaking of a holistic enterprise risk management solution.

Given the complexity and the resources required to successfully implement GRC, we quickly realized that organizations weren’t budgeting or allocating adequate resources to ensure appropriate regulatory mapping was occurring with GRC tools at implementation.

In most cases, this is due to the fact that organizations are simply not staffed adequately nor have knowledgeable resources to dedicate to the tedious task of mapping policies and procedures to applicable laws & regulations and business structure.



HOW CAN CRC HELP?

Organizations implementing a GRC solution often misunderstand and underestimate the requirements and complexity of a successful GRC undertaking, often thinking that once they have access to regulatory intelligence and content – their problems are solved. This couldn't be further from the truth...

CRC quickly recognized the “gap” in organizational thinking and failure to adequately plan / budget for internal regulatory mapping efforts.

Based on the above, CRC created a regulatory mapping support model that addresses this gap through the execution of the following critical tasks:

- ✓ Creation of an Inventory of Rules – Complete Review of all applicable rules / or a targeted review of new / amended rules impacting organization
- ✓ Gap Analysis Execution– Review of internal controls and issue management specific to applicable rules and regulations
- ✓ Mapping all identified and applicable policies and procedures to laws & regulations (by regulatory themes) to the business structure (region, country, business unit, desk level, etc.)
- ✓ Identification and mapping where in the organizational structure the laws and regulations apply
- ✓ Enabling transparency and visibility into the coverage that has been achieved by existing policies and procedures and other mitigating controls.
- ✓ Training of key employees to independently execute mapping activities upon completion of engagement

HOW DOES CRC DIFFERENTIATE?

The ability to successfully execute a “mapping” exercise comes down to the knowledge and skill-set of the resources undertaking the exercise. CRC’s support model differs from many of our competitors in the following areas:

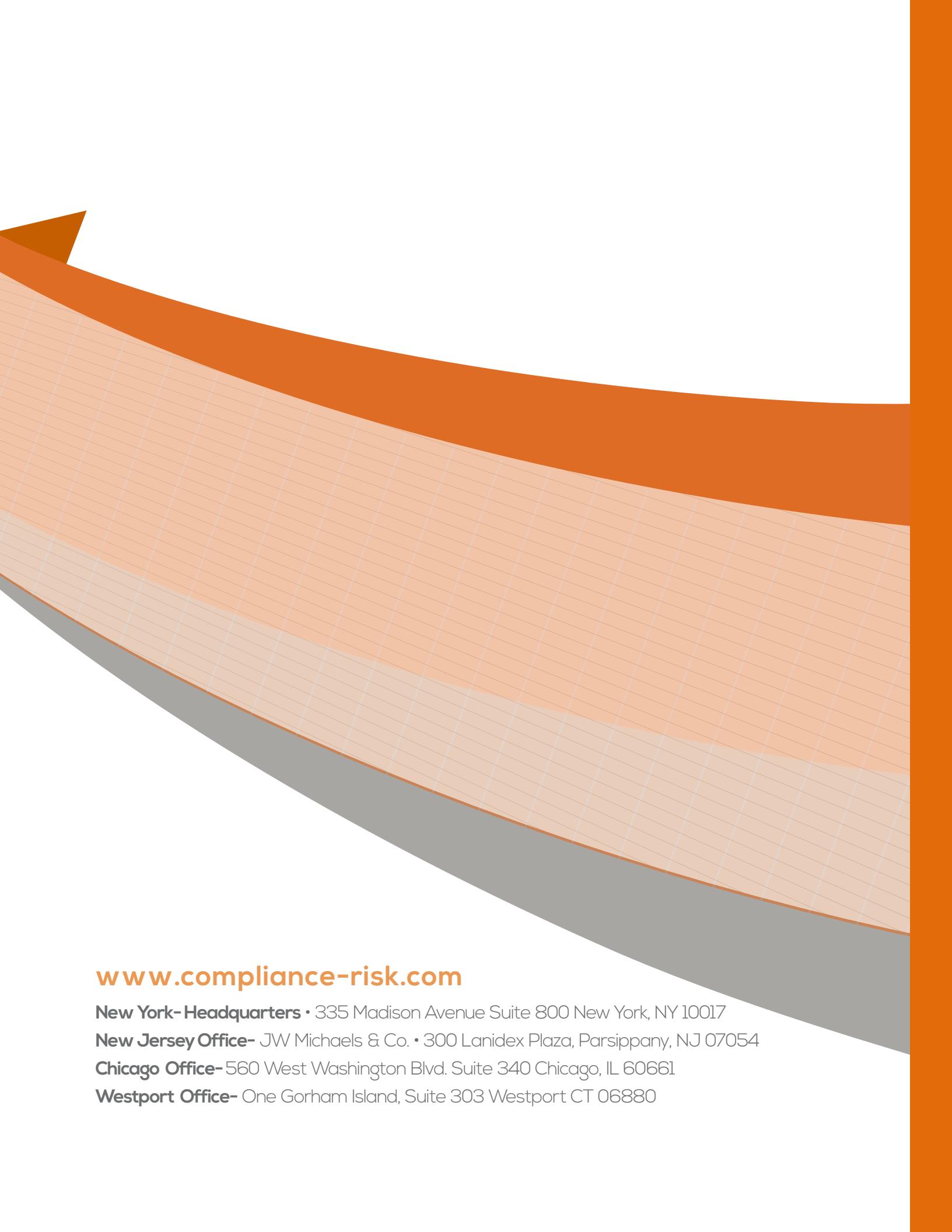
- ✓ Our team is staffed with industry compliance professionals – not “consultants”.
(We will never employ consultants).
- ✓ Each member of the CRC team has an average of 20+ years of experience as Senior Compliance, Regulatory and Legal Executives – (Former CCO’s for Fortune 500 Organizations, Former FINRA Executives, Former Compliance Directors, etc.)
- ✓ CRC is located in the United States (Headquartered in New York City).
- ✓ We never offshore / outsource any of our work – All of our staff is “on shore” and available 24/7 /365 for client support needs.
- ✓ All of our work is executed by our dedicated employees.
- ✓ Our pricing model is extremely aggressive and competitive, more often providing greater value than the perceived “cheaper” off-shore solution providers.

The biggest differentiator that CRC maintains is our “execution” based support model. As industry veterans, we’ve all “walked in our clients’ shoes”. With our strong understanding of the compliance and regulatory environment and success in program implementation, our #1 objective is to be an “execution partner”. This requires us to “execute” on our clients’ behalf – not just point out the obvious problem. CRC delivers stellar results in a cost effective and efficient manner.

To learn more and schedule a meeting to discuss GRC and the CRC mapping support service, please feel free to contact us directly.

mitch avnet | managing partner | compliance risk concepts
p: (646) 346-2468 e: mavnet@compliance-risk.com





www.compliance-risk.com

New York- Headquarters • 335 Madison Avenue Suite 800 New York, NY 10017

New Jersey Office- JW Michaels & Co. • 300 Lanidex Plaza, Parsippany, NJ 07054

Chicago Office- 560 West Washington Blvd. Suite 340 Chicago, IL 60661

Westport Office- One Gorham Island, Suite 303 Westport CT 06880