

## **Selecting the Right Consultant as your Outsourced Compliance Officer**

### **Background**

Ultimate responsibility for compliance with the DFSA Rules rests with the Governing Body of the firm and in particular with the firm's Senior Executive Officer, who is responsible for the day to day management, supervision and control of the firm's financial services.

All firms must appoint a Compliance Officer to oversee their compliance arrangements: if this function is outsourced to an external consultant, the Governing Body and Senior Executive Officer continue to be accountable for the firm's compliance, just as if the function were carried on in-house by the Firm itself. In short, a firm can delegate the task but not the responsibility. Therefore choosing the right compliance consultant is vital - if your firm fails to meet applicable regulatory requirements and standards, it is you – as well as the consultant - who the regulator will hold to account.

Consultants vary considerably in their expertise, experience and resources. When deciding on who to use, we recommend you ask your prospective Consultant the following questions. For your convenience we have also included CCL's answers.

### **Expertise, experience, resources and commitment**

#### **Does the consultant have the qualifications and experience that are relevant to your firm's business?**

Our consultants hold relevant qualifications and collectively have many years' experience as former practitioners across all sectors of the banking, securities and insurance industry. They understand your products and markets and know the particular issues you face. Full details are available from our website: [www.ccl.ae](http://www.ccl.ae). Our consultants work together, continually contributing to the knowledge base of the firm, to ensure that clients receive the best possible advice.

#### **Does the consultant have sufficient resources to give your firm the time and attention it needs, when it needs it?**

CCL purposely limits the number of outsourced roles it will allow any of its consultants to accept. Each outsourced role is supervised by a Director and supported by a second consultant to ensure that you receive first class professional advice and attention, promptly, when you need it.

#### **Can the consultant ensure continuity of service?**

CCL was the first independent compliance consulting firm to establish in the DIFC. Our presence ensures we are always close to our clients and underlines our long term commitment to the local investment community.

### **Range and quality of services**

#### **Can the consultant provide the related services you may need?**

CCL provides the full range of compliance and regulatory services including:

- Authorisation and variation of permission
- Risk analysis
- Designing policies, procedures and other operational aids to compliance
- Outsourcing the MLRO function as well as the Compliance Officer Function
- Delivering training and carrying out competence assessments

Visit our website for a full list of services: [www.ccl.ae](http://www.ccl.ae)

**Is the consultant willing to provide references?**

CCL will not disclose any client's name without its prior consent, but is always happy to arrange references for prospects prior to formal engagement.

**Have you compared the consultant to any other consultants?**

We recommend you to obtain proposals from at least 3 consulting firms prior to finalising the appointment. This comparison should look at not only the cost but also at what that cost covers to ensure that the full scope of the activities required are covered as well as all the other points noted in this document. An initial low cost may end up costing you a lot more in the future.

**Has the consultant set out in writing exactly what outsourced services they will provide?**

The DFSA requires all significant outsourcing agreements to be documented in writing. This is also good practice. Before undertaking any outsourced compliance role, CCL will set out full details of the services to be provided in a detailed Engagement Letter. Amongst other things, the Engagement Letter will address:

- Approach and resources
- Conflicts of interest
- Confidentiality, publicity, intellectual property and data protection
- Standard of care
- Scope of work
- Reporting lines
- Respective obligations of the client and consultant

**How will you satisfy yourself that the consultant is providing the service you need to achieve compliance? How will you know if the consultant has helped?**

Our detailed Engagement Letter will provide sufficient information for you to determine whether we are delivering the required service whilst our compliance monitoring and reporting will enable you to determine whether our intervention has been beneficial. Throughout the engagement, CCL will maintain, and indeed expect, an open and transparent dialogue with the Governing Body and Senior Management so that there is always clarity as to current issues, progress being made and the standard of compliance achieved.