

7226001-Compliance Institute of South Africa

New rules to shield clients' investments

SANCHIA TEMKIN

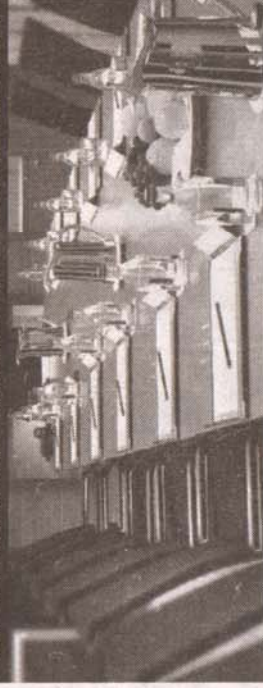
A NEW framework to assist both compliance professionals and regulators in achieving high standards of corporate governance and ethical conduct in the financial services sector was released by the Compliance Institute of South Africa yesterday.

Recent corporate scandals in SA and international financial markets had highlighted the need for additional focus on the fair treatment of clients and the protection of their interests. This led to increased regulation and more emphasis on the compliance function.

Three years ago the Compliance Institute of SA embarked on a project to develop a blueprint for compliance — the first of its kind in the world.

Gerry Anderson, deputy executive officer of the Financial Services Board, said the completed framework, the Generally Accepted Compliance Practice Framework, was a contribution to good governance which, in turn, would enhance consumer protection in the South African financial services industry.

NEW FRAMEWORK TO ENHANCE CORPORATE GOVERNANCE IN FINANCIAL SERVICES SECTOR



- A new framework to assist compliance professionals and regulators in achieving high standards of corporate governance and ethical conduct in the financial services sector was released yesterday
- The new framework provides a set of standards and norms that act as a benchmark of compliance best practice
- Companies with mature compliance cultures consider the compliance function a vital element of business operations
- The framework provides a code of ethics and professional conduct for compliance officers

The new framework provides a set of standards and norms that act as a benchmark of compliance best practice. It consists of a set of principles considered critical for establishing and maintaining an effective compliance risk

Julie Methven, CEO of the Compliance Institute, said that companies with mature compliance cultures considered the compliance function a vital element of business operations and no decisions, for instance on new business ventures or services, were taken in such organisations without the involvement of the compliance function.

Writing in the foreword to the new framework, Anderson said: "The role of the compliance officer in SA has grown into one of significance importance, as financial service providers are increasingly relying on their compliance officers to guide them through their regulatory responsibilities."

The principles contained in the framework were expanded into individual standards and codes that provide detailed criteria for effectiveness in 15 areas.

Further, the framework provides a code of ethics and professional conduct for compliance officers that provides a benchmark of behaviour and conduct that is ultimately aimed at promoting confidence in the profession.

New rule

BUSINESS DAY (Final), Companies & Markets
Thursday, 13 August 2009, p. 14

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management framework. These include a number of issues such as governance, the responsibility of management in respect of compliance, independence, and fit and proper requirements for compliance officers.

Further, the framework provides a code of ethics and professional conduct for compliance officers that provides a benchmark of behaviour and conduct that is ultimately aimed at promoting confidence in the profession.