

CASE STUDY

RegDelta document management system for regulatory documents at JWG



JWG

JWG is a group of operations and technology professionals, trusted by the global financial services industry as experts in regulatory change management. Its team of independent analysts helps the industry interpret large quantities of regulatory reform and action it in a smart and intelligent way. JWG is recognised by regulators, financial institutions and technology firms as the independent analysts to help determine how the right regulations can be implemented in the right way.

PJ: "67 Bricks have enabled us to quickly go to market with an industry leading product. They have been a key partner in helping us achieve our successes. I would highly recommend anyone looking to develop an enriched content digital product to work with 67 Bricks."

Business challenge:

Since the financial crisis of 2008, the number of regulations governing the financial services industry has burgeoned and there is no sign of a slowdown. It has become increasingly challenging for firms to keep up with the regulatory burden. A wide array of government and industry bodies produce regulations. These all need to be tracked by topic, by country and over time. Firms must assess the implications of every

regulation on each of their business processes at a detailed level. They must then distil them into a series of rules that their processes must satisfy, and be able to demonstrate adherence to these rules (e.g. through a series of reports to the regulatory authorities). Firms have typically taken a 'brute force' approach to compliance by hiring large teams of staff or consultants to manually find, sift and assess all the regulatory documentation. This is fast becoming unsustainable to the extent that there are literally not enough people in the world who are experienced in compliance to advise on all the regulations being published.

The solution:

JWG realised that all firms were undertaking the same labour intensive task of researching and collating the regulations on which they needed to act, and that technology could be used to lighten the load. The idea of RegDelta, a smart document management system for regulatory materials, was born.

JWG chose 67 Bricks to because of their experience of building enriched content digital products in the publishing sector and their experience with cutting edge semantic technologies.

The initial focus was on creating a semantically enriched repository of regulatory materials. Key metadata is added during the upload process. Crucially this includes the automatic classification of each paragraph within a document according to JWG's carefully curated financial services taxonomy of around 4,000 topics (Figure 1).

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Figure 1: Document analysis - the relevant paragraph is displayed according to the automated classification

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Alex: "Using 67 Bricks is like having an internal developer without any of the headaches. We get exposure to all the other techniques that they know about. We really appreciate the ability to call on other expert resources within the company when needed - which means we are confident we always get a good solution to new challenges should they arise."

These topics are key to enable customers to easily find and pull together all the relevant paragraphs on a particular theme for subsequent assessment and analysis (Figure 1). The client analyses the relevant paragraphs and writes a series of rules that interpret those paragraphs into the actions that the company must take to comply with them (Figure 2). Since each rule is associated with the paragraphs that reference it, this provides traceability.

A user-friendly workflow includes a configurable dashboard based on the role of the user. An organisational taxonomy forms an important component in the workflow. Configured for each client, it allows rules to be assigned for action by the relevant department or person. A business impact can also be applied: this indicates at a high level the part of the business that will be affected by a given document and is useful in management reporting.

Users can set up customised automated email alerts to stay informed about news specific to certain regulators or countries, or newly published or updated documents. This provides a trigger to review the business rules in a timely manner.

The user can also create a visual graph that shows the connections between these parties. This is just one of a variety of reporting tools that are available to enable managers to understand how the firm is performing in managing its compliance obligations.

Figure 2: Rule interpretation linked to regulatory text

Name	Sign off	Legislative Initiatives	Owner	Modification date	Rule version
★ Conduct rules second tier	Editing	Senior Managers Regime (SMR)	rd-admin	23/02/2016 08:30:24	4
★ Conduct rules standard of compliance	Pending	Senior Managers Regime (SMR)	rd-admin	24/02/2016 10:09:21	4
★ Definition of Market Abuse	Editing	Market Abuse Regulation (MAR)	s.gill	08/03/2016 12:50:42	3
★ Disclosure of Inside Information Permitted	Editing	Market Abuse Regulation (MAR)	s.gill	10/03/2016 13:35:25	3
★ Disclosure Requirements: Exemptions, Allowances	Signed Off	Market Abuse Regulation (MAR)	leal.janet	22/06/2016 11:18:06	6

Country: United Kingdom
 Created by Admin user (rd-admin) | Modified by Admin user (rd-admin)
 Creation date: 22/02/2016 12:44:16 | Modification date: 24/02/2016 10:09:21
 Signed off by: [Name] | Signed off date: [Date]

Paragraphs:
 CP15/22 Strengthening accountability in banking: Final rules (including feedback on CP14/31 and CP15/5) and consultation on extending the Certification Regime to wholesale market activities 3.1.5(i) in assessing compliance with, or a breach of, a rule in COCCO, the FCA will have regard to the context in which course of conduct was undertaken, including:
 (1)the precise circumstances of the individual case;
 CP15/22 Strengthening accountability in banking: Final rules (including feedback on CP14/31 and CP15/5) and consultation on extending the Certification Regime to wholesale market activities
 (2)the characteristics of the particular function performed by the individual in question; and
 CP15/22 Strengthening accountability in banking: Final rules (including feedback on CP14/31 and CP15/5) and consultation on extending the Certification Regime to wholesale market activities
 (3)the behaviour expected in that function.
 CP15/22 Strengthening accountability in banking: Final rules (including feedback on CP14/31 and CP15/5) and consultation on extending the Certification Regime to wholesale market activities

Interpretation:
 When assessing the standard of conduct, the FCA will look at whether the senior manager exercised reasonable care with the information available to them, reached a reasonable conclusion on it, as well as the nature of the banks business, their role and responsibility, and what they knew or ought to have known about regulatory concerns over their role and responsibilities.

Business value:

RegDelta is now recognised as the world's first regulatory change management platform. It has transformed JWG's business and has won some major awards in the financial services sector.

Elliot: "67 Bricks are good at forcing us to decide what the desired outcome of the solution is, or at least find that out from our clients. They often suggest alternative ways of doing things that are simpler or fit better with what we've already built. They helped us navigate our way through the work on semantics – using RDF triple stores was something we had not done before."

Call Sam Herbert at 67 Bricks on +44 (0)7734 138274 or email us at contact@67bricks.com to discuss how we can help you.