



# Clarifying Roles: Differentiating Supervision and Enforcement in Corrective Actions

Presented by

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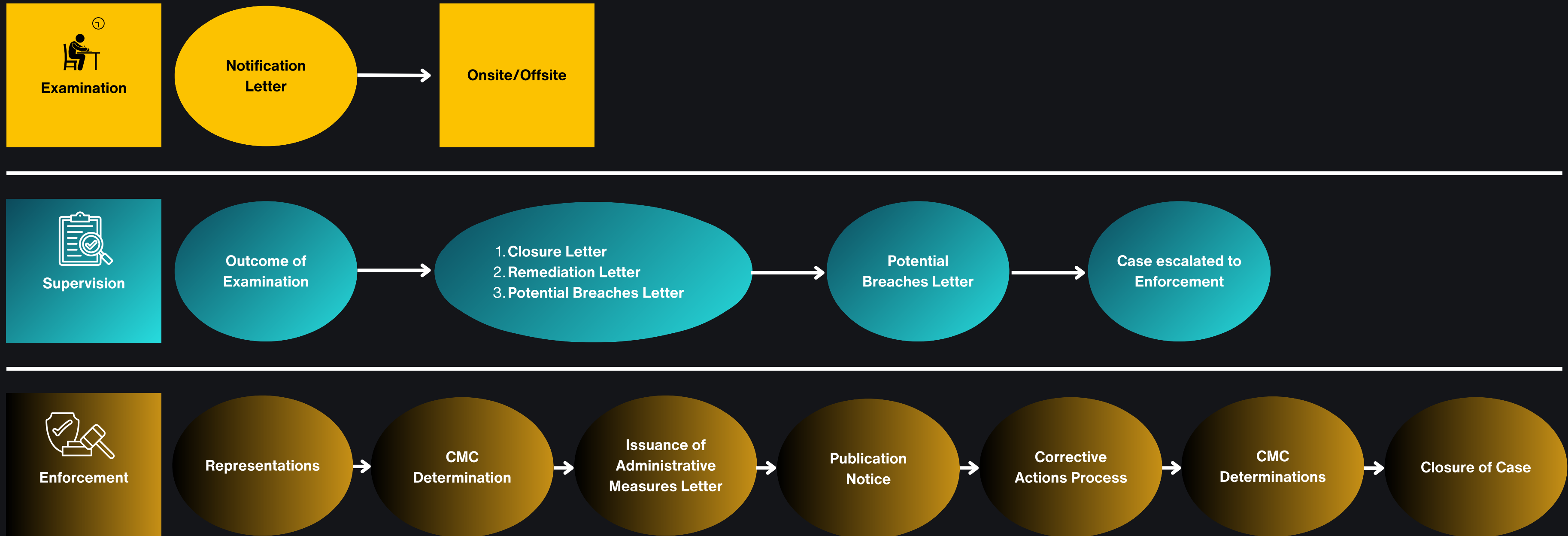


# CORRECTIVE ACTIONS: OPPORTUNITY?

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# CORRECTIVE ACTIONS – SUPERVISION VS ENFORCEMENT



# SUPERVISION AND ENFORCEMENT IN CORRECTIVE ACTIONS: WHAT IS THE DIFFERENCE?



## Supervision

### Responsible Committee

- Supervision Committee

### Outcome of Examination

- Closure Letter
- **Remediation Letter**
- Potential Breaches Letter (automatically escalated to Enforcement)

### Process Review

- Remedial actions submitted by SP
- Clarifications and supporting documentation (if required)

### Closure Letters

- Closure Letter with or without observations

### Failure to Remediate

- Case is referred to Enforcement

# SUPERVISION AND ENFORCEMENT IN CORRECTIVE ACTIONS: WHAT IS THE DIFFERENCE?



## Enforcement

### Trigger

- Potential Breaches Letter
- Failure to Remediate (Supervision)

### Responsible Committee

- Compliance Monitoring Committee (CMC)
1. Administrative Measures
  2. Outcome of Directive

### Process Review

- Remote meetings held for Remediation and Follow-up Directives
- No. of meetings depend on the severity of the case
- File testing

### Closure Letters

- Closure letter with no comments
- Closure with Recommendations
- Closure with Reservations

### Failure to Remediate

- Imminent supervisory visit
- Breach of Directive (Penalty/Periodic Penalty Payment)
- Letter of Concerns to Regulators

### Repetitive Element

- Administrative penalty to be imposed on new visits will take into consideration repetitive issues

# REMEDIATION LETTER/REMEDIATION AND FOLLOW-UP DIRECTIVES: **SIMILARITIES**



Collaboration and Cooperation



Supporting Documentation



Meeting the deadlines



Presentation of the case to the Committee



Committee's decision



Issue of the Letter

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***Enhancing SP's AML/CFT compliance frameworks and ensuring they are better equipped to swiftly detect potential money laundering and/or financing of terrorism***

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# Thank you!



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