

We're celebrating 10 years of Gem Compliance



2006 - 2016



GEM Compliance Consulting

How it all started ...

Gem Compliance Consulting Limited was launched 10 years ago in April 2006 by Gillian Gallacher. Gillian had previously worked in a variety of senior client-side compliance roles in both Edinburgh and London.

We started with two offices (in Richmond-upon-Thames and St Andrew Square in Edinburgh) and no clients! By summer 2006, we had three clients - one of these is still with us today. Since then, client numbers have steadily increased, with many new clients pleasantly arriving as referrals from existing clients.

Shortly after we set up, we joined the APCC, the Association of Professional Compliance Consultants - an industry association set up to represent and set professional standards for the compliance consulting industry. The APCC's own membership has increased significantly over the last 10 years and there appears to be more acceptance by the FCA and industry bodies of the support role that compliance consultants can perform.

It's difficult to remember any period during the last decade when compliance activity has been quiet. No doubt, many of our clients may feel the same!

The world in 2006

Tony Blair was Prime Minister and George W. Bush was US President.



Italy won the soccer world cup. Roger Federer and Amelie Mauresmo won at Wimbledon and Tiger Woods won the Open.



Twitter was launched.

Alan Greenspan resigned as Chairman of the Federal Reserve.



Daniel Craig made his first appearance as James Bond in Casino Royale.

In an era when people still bought music, the year's best selling single was 'Crazy' by Gnarls Barkley and Snow Patrol had the best selling album.

But things were changing ... after over 40 years, the BBC axed chart show Top of the Pops and Paul McCartney - who at the age of 16 had written the Beatles song 'When I'm 64' - finally turned 64!



Who we have worked with

Our early clients were mainly drawn from the employee benefits compliance sector, but we now work with clients across a broad range of sectors.

- Fund managers including hedge fund, private equity and more recently alternative investment funds.
- Financial advisers.
- Pensions advisers and SIPP operators.
- Third party administrators such as pensions and flexible benefits administration providers.
- Authorised professional firms, including actuaries, accountants and solicitors.
- Payment services providers.
- Consumer Credit Act firms including Social Housing Groups.
- Insurance intermediaries.
- Unauthorised firms providing support services to the financial services industry.



What we do

We have been involved in many varied and interesting tasks for different clients. Our focus has been on smaller to medium sized firms, often working with firms who are new to FCA regulation.

We provide a bespoke service, tailored to each client's needs. Our aim is to ensure that a firm's compliance regime is proportionate and supports the commercial objectives of the business.

Our services include:

- Guidance on FCA perimeter issues - whether or not certain activities are regulated and possible exemptions that might apply in whole or in part.
- FCA authorisation, variation of permission and change in control applications.
- Appointed representatives – due diligence, onboarding and monitoring.
- Regular and ad hoc reviews of firms' systems and controls including general healthchecks and more targeted reviews.
- 'Cold' file reviews.
- Occasional interim CF 10 and CF 11 appointments.
- Providing general and tailored reviews of regulatory and legislative developments (of which there have been many...) i.e. reviewing new FCA rules and advising on implementation.
- Ongoing technical support such as a compliance 'helpdesk'.
- In-house training requests.
- Review and updating of policies, procedures and documentation including compliance manuals and monitoring plans.

How Gem Compliance has evolved

We still have two offices, in London and Edinburgh, but the Edinburgh office moved from St Andrew Square to Hill Street in November 2013 to provide more space. Our London Office has also recently moved from the City to Stratford Place next to Bond Street tube and the new Crossrail station.

We are increasing staff numbers. Gillian remains as the main consultant. In September 2014, Emma Jones joined as Compliance Manager and has been invaluable in providing experienced resources for client activity but also internal process improvements.

We are now in the process of appointing a further member of staff from May 2016, who will initially be working on FCA applications and also on ongoing monitoring visits and documentation. We are also actively looking at acquisition opportunities for further expansion.

Over the last 2 – 3 years, Gem Compliance has also been working more closely with an FCA authorised investment manager, Midmar Capital LLP, which provides regulatory incubation services.

This enables innovative new businesses wishing to set up wholesale investment management businesses to commence regulated activities as an appointed representative, whilst Gem Compliance assists them with applications to the FCA for direct authorisation. This also provides a period of internal compliance support/training to individuals who may be new to running regulated firms themselves. Many of these clients stay on as direct clients of Gem Compliance Consulting post-authorisation.



Hill Street, Edinburgh



Stratford Place, London

Some of the regulatory developments in the last decade

2007

- MiFID/CRD introduced
- SIPPS become regulated
- UK banking crisis starts with government bail-out of Northern Rock

2009

- Payment Services Regulations introduced

2011

- AIFMD came into force with 2 year transition period

2013

- FSA becomes FCA
- PRA introduced
- FPC established
- EUVECA Regulation came into effect

2015

- FCA Chief Executive resigns
- Requirements for ADRD came into force

2008

- UK banking crisis continues with government bail-outs of RBS, Lloyds TSB & HBOS

2010

- Financial Services Act adds financial stability to FSA's statutory objectives

2012

- RDR implemented banning initial commission

2014

- Consumer Credit regulation transfers to FCA
- New Payment Services Regulator established
- MMR Rules come into force

2016

- New FCA Chief Executive announced
- New Senior Managers & Certification Regime implemented
- MCD came into force



What's on the regulatory horizon?

We don't have to look too far into the future to see a whole new set of regulatory changes due in the next couple of years - never mind the next ten. It appears regulatory changes continue at a pace and there are currently no indications this will reduce. Specific developments on the horizon include:

2016

- April 2016 – FCA 2016 Business Plan produced showing their regulatory roadmap over the next 12 – 18 months.
- UCITS 5 implementation.
- Mid 2016 – new Market Abuse Regulation and the removal of s.118 of the Financial Services and Markets Act.
- End 2016 – Packaged Retail and Investment Based Products ('PRIIPS') disclosure changes.

2017

- 4th Money Laundering Directive.
- Planning for implementation of many of the major developments due in the following 12 months as below.

2018

A busy year to include the implementation of the following:

- Markets and Financial Instruments Directive/Regulations 2.
- Forthcoming Payment Services Directive/Regulations 2.
- New Data Protection Regulation.
- Implementation of the new Senior Managers and Certification Regime for all FCA approved persons.
- Insurance Distribution Directive.



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And finally, a personal message from Gillian Gallacher, Managing Director



Many of our clients have been with us over a long period of time including our very first client which remains a client to date.

I would like to thank all of our clients for their support over the first 10 years and look forward to continuing to support them – and of course new clients – in the future.

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