



Product Due Diligence: Distributor

Regulators require firms to closely control the financial products and services they distribute to retail investors.

Our Distributor's Product Due Diligence solution covers regulatory requirements:

- **Product Assessment** – thoroughly check all products before they are offered to clients, including: target client profile, risk level, etc.
- **Documentation** – ensure each product is correctly documented
- **Monitoring** – periodic checks to ensure products perform as intended
- **Resources** – record the resources (human/technical) for monitoring products

Off the Shelf Solution

The Product Due Diligence solution meets regulatory requirements “off the shelf”:

- **No software** – browser based so no installation
- **No hardware** – hosted on Microsoft Azure
- **No configuration** – load your users and you are good to go

Great Value

Pre-configured to give you Product Due Diligence at a low price:

- **Standardised** – regulatory controls built once and used across regulated firms, achieve compliance with an “off the shelf solution”
- **Multiple Regulators** – simply add “solution” for each relevant regulator on single system
- **Customise** – easy to add/edit controls/checks

Key Features

Powerful inbuilt security and internal controls to efficiently manage and evidence your Product Due Diligence:

- **Regulated Firms** – log and manage your Product Due Diligence at group or country level
- **Incident Management** – identify potential breaches of threshold rules and resolve
- **Augment** – option to add/edit controls for country/business management or regulators
- **Management Information** – extract recorded data and filter for management or regulators

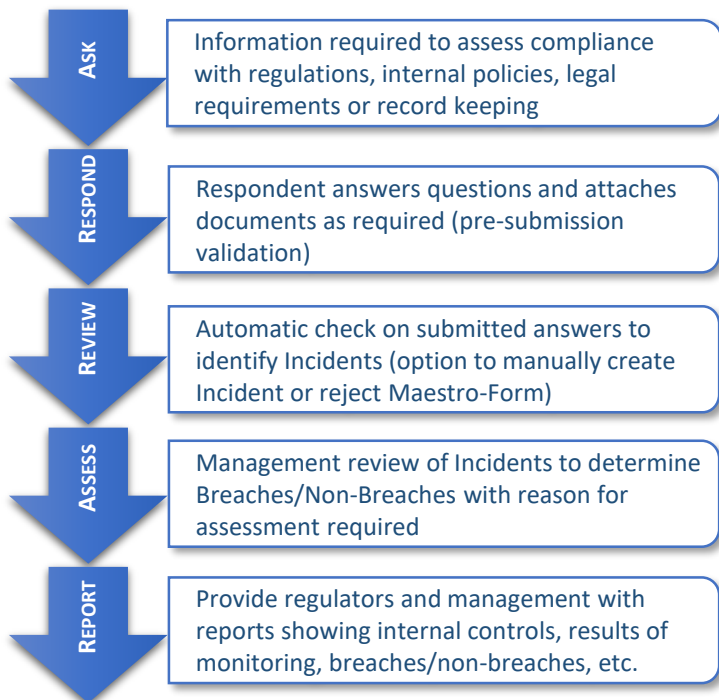
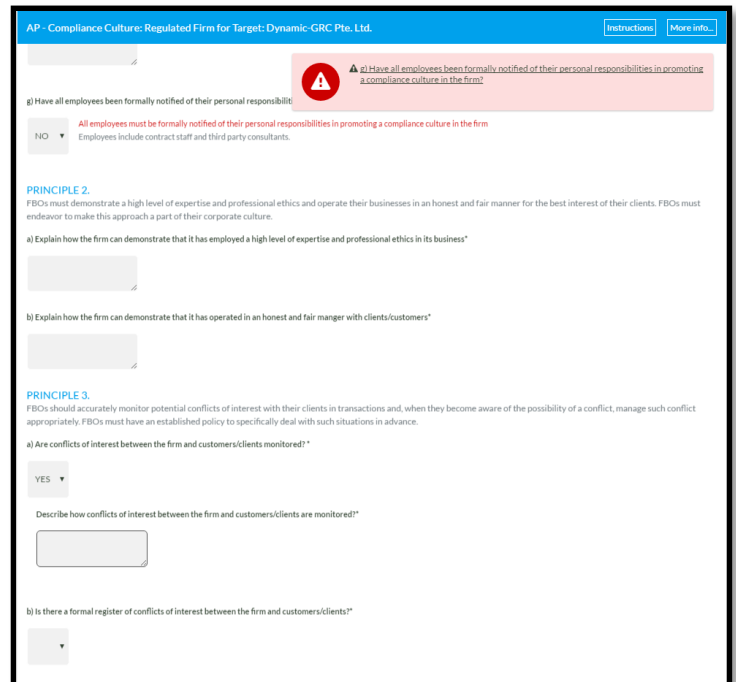
Distributor Product Due Diligence Requirements

GRC-Maestro supports your Distributor Product Due Diligence management requirements across your organisation, whether you have a single regulated entity to multiple entities with different regulators.

Regulatory Requirements/Best Practice

- **Policies:** Senior Management should regularly review the products distributed to ensure they are consistent with the firm's objectives, capabilities, resources and clients
- **Conflicts of Interests:** Ensure products meet the client's investment objectives and not those of the Distributor or the Producer.
- **Resources:** Assess the resources necessary to distribute and support each product, e.g. personnel (qualifications, training, time), systems (hardware, software) and data
- **Periodic Review:** Check investment products are performing as specified (if not, then take remedial action and work with the producer to address the issue)
- **Record Keeping:** Capture information to evidence Product Due Diligence checks and controls

Ask, Respond, Review, Assess, Report and Record

AP - Compliance Culture: Regulated Firm for Target: Dynamic-GRC Pte. Ltd. Instructions More info.

g) Have all employees been formally notified of their personal responsibilities in promoting a compliance culture in the firm?

NO YES YES

All employees must be formally notified of their personal responsibilities in promoting a compliance culture in the firm
Employees include contract staff and third party consultants.

PRINCIPLE 2.
FBOs must demonstrate a high level of expertise and professional ethics and operate their businesses in an honest and fair manner for the best interest of their clients. FBOs must endeavor to make this approach a part of their corporate culture.

a) Explain how the firm can demonstrate that it has employed a high level of expertise and professional ethics in its business*

b) Explain how the firm can demonstrate that it has operated in an honest and fair manner with clients/customers*

PRINCIPLE 3.
FBOs should accurately monitor potential conflicts of interest with their clients in transactions and, when they become aware of the possibility of a conflict, manage such conflict appropriately. FBOs must have an established policy to specifically deal with such situations in advance.

a) Are conflicts of interest between the firm and customers/clients monitored?*

YES NO YES

Describe how conflicts of interest between the firm and customers/clients are monitored?*

b) Is there a formal register of conflicts of interest between the firm and customers/clients?*

YES NO YES

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