International Association of Risk and Compliance Professionals (IARCP)
1200 G Street NW Suite 800, Washington DC, 20005-6705 USA
Tel: 202-449-9750 Web: www.risk-compliance-association.com

Monday, April 5, 2021

Top 10 risk and compliance related news stories and world events that (for better or for worse) shaped the week's agenda, and what is next.

Dear members and friends,

I am certainly no fan of Friedrich Nietzsche, who believed that *we have art in order not to die of the truth*.

Francis Bacon has said that *the job of the artist is always to deepen the mystery*. I love this approach.

Art has commercial and social value, and in this complex and constantly evolving world of artists, dealers, and collectors, we have a major development.

Section 6110 of the National Defense Authorization Act for Fiscal Year 2021 has *expanded the scope* of the U.S. Bank Secrecy Act (BSA) to "persons engaged in the trade of antiquities, including an advisor, consultant, or any other person who engages as a business in the solicitation or the sale of antiquities, subject to regulations prescribed by the Secretary".

Financial institutions covered by the BSA must now meet certain record keeping, reporting, and other AML compliance requirements for antiquities traders.

This is an interesting step to understand better the role of antiquities trade in terrorist, criminal, and militant financing, in a fragmented international legal landscape without global standards.

Dark web marketplaces can also be used to traffic antiquities. It is clear and well established that antiquities provide a reliable revenue source for the organized crime, and for state-sponsored adversaries with a political, commercial, or military agenda.

You can read more at number 9 and 10 below. Welcome to the top 10 list.

Best regards,

George Lekatis
President of the IARCP
1200 G Street NW Suite 800,
Washington DC 20005, USA
Tel: (202) 449-9750
Email: lekatis@risk-compliance-association.com
Web: www.risk-compliance-association.com
HQ: 1220 N. Market Street Suite 804,
Wilmington DE 19801, USA
Tel: (302) 342-8828

Number 1 (Page 6)

BIS Working Papers No 932

Macroeconomic consequences of pandexit

by Phurichai Rungcharoenkitkul, Monetary and Economic Department

Number 2 (Page 8)

Integrating information and financial systems- beyond as-a-service

Haruhiko Kuroda, Governor of the Bank of Japan, at the FIN/SUM 2021

Number 3 (Page 13)

Brave new world

Sam Woods, Deputy Governor for Prudential Regulation of the Bank of England and Chief Executive of the Prudential Regulation Authority (PRA), at the Association of British Insurers.

Number 4 (Page 17)

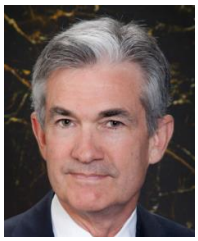
APRA urges life insurers and superannuation funds to address sustainability of insurance in superannuation

Number 5 (Page 19)

Closing remarks – "Pushing the frontiers of payments: towards faster, cheaper, more transparent and more inclusive cross border payments"

Jerome H Powell, Chair of the Board of Governors of the Federal Reserve System, at "Pushing the frontiers of payments: towards faster, cheaper,

more transparent and more inclusive cross border payments", a conference hosted by the Committee on Payments and Market Infrastructures, Basel, Switzerland.



Number 6 (Page 22)

Hearing at the Committee on Economic and Monetary Affairs of the European Parliament

Christine Lagarde, President of the European Central Bank, before the Hearing at the Committee on Economic and Monetary Affairs of the European Parliament, Frankfurt am Main, 18 March 2021.

Number 7 (Page 28)

The IFSB Issues Two New Working Papers on: Assessing the Stability of Islamic Banking Amid COVID-19, and Digital Transformations in Islamic Banking

ISLAMIC FINANCIAL SERVICES BOARD

Number 8 (Page 30)

NNSA's 2020 Cities Initiative helped U.S. cities prevent radiological terrorism

NNSA NATIONAL NUCLEAR SECURITY ADMINISTRATION

Number 9 (Page 34)

FinCEN Informs Financial Institutions of Efforts Related to Trade in Antiquities and Art

Number 10 (Page 38)

The issues – cultural property

There is a lucrative black market in cultural property with strong links to organized crime

Number 1

BIS Working Papers No 932

Macroeconomic consequences of pandexit

by Phurichai Rungcharoenkitkul, Monetary and Economic Department

Abstract

This paper proposes a quantitative framework to analyse the interactions between epidemiological and economic developments, and assesses the macroeconomic impact of managing the late stage of the Covid-19 pandemic.

The framework features a susceptible-exposed-infectious-recovered (SEIR)-type model that describes the pandemic evolution conditional on society's mobility choice, and a policy unit that chooses mobility optimally to balance lives and livelihood objectives.

The model can be matched to daily data via a fast and robust empirical procedure, allowing a timely policy analysis as situations evolve.

As of 10 March 2021, the projected median output loss across 27 advanced and emerging market economies in 2021 is about 21/4% of pre-pandemic trends.

This projected outcome hinges on a sustained progress in vaccination and no major epidemiological setbacks. Vaccination impediments or a third-wave surge in infection rate could raise median output loss to 3 – 33/4%.

In the most severe scenario, virus mutations that compromise existing immunity could require more protracted lockdowns. In this case, median output loss may reach 5% in 2021 alone, with further repercussions in subsequent years.

Introduction

The Covid-19 pandemic is both a global health and economic crisis. As of 10 March 2021, more than 2.6 million lives have been lost to the disease, more than one million of which occurred since December 2020 as a result of a second wave of infections. Authorities around the world have put in place drastic measures to restrict human interaction and curb the virus spread, extending them as needed to suppress a resurgence of cases.

These measures, while necessary from a public health standpoint and enacted as a means to end the crisis, have led to macroeconomic consequences of truly historic proportions.

Output losses during the `great lockdown' of 2020 are as high as 8% on average, exceeding even the sharp contraction associated with past financial crises.

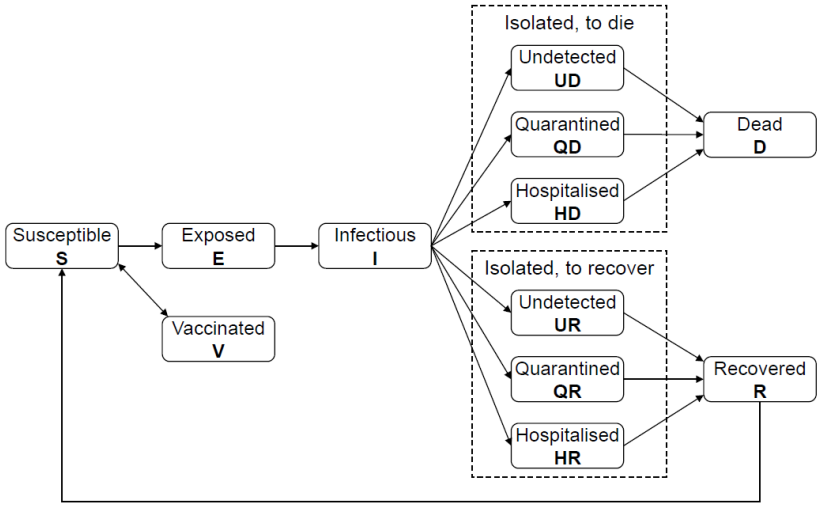
The macroeconomic damages are higher still for those reliant on the most affected sectors, such as tourism and services.

The arrival of vaccines in late 2020 ushered in a new phase of the pandemic and opened up the possibility of a quick and smooth `pandexit'. After showing high efficacy in trials, several vaccines are being quickly rolled out in a number of countries, particularly in advanced economies that have secured most of the available dosages.

At the same time, significant challenges and risks remain in the months ahead. If the production and take-up of vaccines disappoint, economic activity could suffer again.

Virus mutations could also present unpredictable new challenges, possibly negating the effects of vaccines. Should these downside risk scenarios play out, what would be the resulting macroeconomic consequences? How long should lockdowns and mobility restrictions be expected, and to what extent? These questions are of first-order importance for macroeconomists and those in charge of fiscal, monetary and regulatory policies.

To read more: https://www.bis.org/publ/work932.pdf



Note: Boxes represent 12 key states of the SEIR model, with arrows denoting the direction of population flows between states. See Table 1 for further explanation of notations.

Number 2

Integrating information and financial systems- beyond as-a-service

Haruhiko Kuroda, Governor of the Bank of Japan, at the FIN/SUM 2021

Introduction

I am delighted to be given this opportunity to speak to you at the FIN/SUM 2021 through a video message.

Rise of As-a-Service

The main theme of this year's FIN/SUM is "Fintech as a Service, in search for a platform for digitalized society." The term "as-a-Service," appearing more frequently nowadays, seems to indicate servitization of product functions or, to put it simply, a business model for providing "services" on customer demand, instead of "sales" to sell products out to customers.

For example, a software service used to consist of a combination of purchase and usage. In the internet society, however, we only have to call for necessary services when they are needed. When we make a restaurant reservation on a smartphone, we only receive a reservation service.

As for business activities, various business applications are available - for services such as accounting, ordering and invoicing, customer management and sales support, and human resources and labor management - as Software as a Service (SaaS) to be called on demand.

These developments are not limited to software. Various types of as-a-Service are appearing one after another, partly with the shift toward a service economy.

These include Mobility as a Service (MaaS) - where a user purchases a mobility service instead of owning a car - and Infrastructure as a Service (IaaS) - where a user purchases a service to use IT infrastructure, including servers, instead of owning the hardware. These are sometimes collectively referred to as "Everything as a Service" (XaaS).

As-a-Service in Finance

The trend of as-a-Service is also emerging in Finance.

The financial businesses of banking, securities, and insurance are industries that require large fixed costs and strict compliance with regulations. For this reason, instead of recreating financial businesses from scratch, it has become mainstream for fintech providers to utilize deposit and loan services of traditional financial institutions through an open Application Programming Interface (open API) to create new customer services and convenient and comfortable user experiences.

The bearers of these services are wide-ranging. They are not limited to startups but include large firms with core businesses in telecommunications, media, transport, and electronic commerce and internet business firms who are managing touchpoints with a large-scale customer base.

Conversely, there are also financial institutions that actively adopt services of fintech providers. As for Fintech as a Service - the theme of this year's FIN/SUM - there are cases where financial institutions utilize the advanced electronic know-your-customer (e-KYC) and fraud detection services of fintech providers in their applications.

There is also a recent trend toward unbundling financial services that financial institutions used to provide as tightly coupled, thereby enabling componentized financial services to be combined with services of non-financial firms.

This is referred to as "Banking as a Service" (BaaS), also known as embedded finance. It allows, for example, consumer firms issuing discount coupons or providing loyalty points on their applications to enhance the usability of the coupons or points by plugging in cashless payment services provided as BaaS to their applications.

There are also non-financial firms that seek to improve customer convenience and customer marketing by providing banking services under their own brands together with their businesses through BaaS.

Integrating Information and Financial Systems

In this way, a broad range of enterprises and entrepreneurs is creating new businesses through neue Kombination (new combinations). The term neue Kombination was originally introduced by Schumpeter in his book The Theory of Economic Development, and it was later interpreted as

describing innovation. According to Schumpeter, innovation is not necessarily about invention but is more about creating or changing combinations. Needless to say, it is digitalization in various fields that is currently accelerating the creation of neue Kombination.

Neue Kombination 2.0, brought about by digitalization, is reinforced by linking what were traditionally two separate systems: (1) the information systems assisting people's livelihoods and business activities and (2) the systems supporting financial services.

For example, most economic activities involve payments as financial activities. While commercial data such as billing and payments have been leveraged to improve the business efficiency of a supply chain, they have not been shared with financial services. This means that neue Kombination, or innovation, could occur if the matching of commercial and payment data is enabled by linking commercial systems and payment services.

For example, large volumes of invoice receipts could be automatically matched with payment records, thereby improving business efficiency, and potentially enabling real-time visualization of business management. These developments could further enable a grasp of business conditions, cash flow management, the production of credit information, automated lending, and management consultation.

The benefits of linking these two systems are not limited to improving the efficiency of economic activities. For example, data on deposit account activities contain various kinds of information on the account holder's livelihoods.

Elaborating on the information on the customer's lifestyle obtained from these business data could help identify where there is a hidden potential demand for financial and non-financial services. In this regard, online businesses and consumer businesses have taken the lead in adopting personalized marketing, or a strategy to increase customer satisfaction.

It is likely that financial institutions will accelerate their efforts to utilize the information that they have as a business asset and find neue Kombination with other business categories.

Thus, linking the information systems assisting people's livelihoods and business activities and the systems supporting financial services, which were traditionally separated, could improve the convenience of both financial and non-financial services, thereby leading to the creation of new services.

On this basis, it is important to understand as-a-Service - which I introduced as a business model earlier - not merely as a methodology, but as a concept that provides the perspective of creating new services and expanding demand through continuous improvements to achieve economic growth and an affluent society.

For example, some may think that banks are only playing a behind-the-scenes role to assist actors, or their partner firms, to provide financial services in BaaS. There is also a potential, however, for banks to play a role as a director who manages the production of a digitalized neue Kombination 2.0, by being actively involved in the creation of new services and maximizing the potential of the platforms.

Digital Transformation

Integrating information and financial systems first requires advances in the digitalization of each system. A system needs to be put in place that supports end-to-end automatic processing, from information input on a smartphone or a business system screen, to service completion as well as database preparation for the analysis and high value-added conversion of information for the subsequent information business.

To this end, changes need to be made in the current way of work that remains bound to paper-based processes or manual transcription of information. Moreover, the way work is transformed should aim at not only improving business efficiency but also creating new business models by linking information. Neue Kombination 2.0 is only possible if this digital transformation takes place.

In BaaS, the componentization and loose coupling of a bank's internal systems have enabled its systems to be linked in a costless, fast, and flexible manner. In other words, the loose coupling within a bank at the micro level has enabled service creation in coordination with other industries, which leads to a redesign of the industrial structure at the macro level.

Moreover, improvements in development costs and speed through technological innovation and development method innovation have enabled high-speed cycles of Continuous Integration and Continuous Delivery (CI/CD). The advantage of these IT systems that tolerate trial and error has also become the trigger for transforming the corporate culture of the financial industry.

Originally, the financial industry was an information industry as well as an equipment industry. Financial institutions and the financial service industry therefore have the potential to leverage the benefits of

digitalization to their fullest. I believe that we are currently facing digital transformation challenges in the move toward neue Kombination 2.0.

Central Bank Digital Currency

Finally, I would like to touch upon central bank digital currency (CBDC). Since the release of "The Bank of Japan's Approach to Central Bank Digital Currency" in October 2020, the Bank of Japan has been preparing to conduct experiments in accordance with this approach. We are finally scheduled to begin these experiments in spring 2021.

While there is no change in the Bank's stance that it "currently has no plan to issue CBDC," from the viewpoint of ensuring the stability and efficiency of the overall payment and settlement systems, we consider it important to prepare thoroughly to respond to changes in circumstances in an appropriate manner.

Central banks share the view that it is not an appropriate policy response to start considering CBDC only when the need to issue CBDC arises in the future. According to a recent survey of 65 central banks conducted by the Bank for International Settlements (BIS), 86 percent were exploring the benefits and drawbacks of CBDC issuance for some forms of work and about 60 percent were conducting experiments or a Proof-of-Concept (PoC).

As for the Bank, amid significant changes that are occurring with the advent of the digital society, we will take this opportunity to carefully consider the way in which we should provide central bank money, or, using expressions from today's theme, "Central Banking as a Service."

Closing Remarks

We are delighted to see a rich variety of participants attending this year's FIN/SUM, including those from the financial and technology sectors with the help of online technology despite being in the midst of the COVID-19 infection, as in FIN/SUM 2020. I would like to close my remarks by expressing my hope that interactions between the participants will lead to many neue Kombination. Thank you for your attention.

Number 3

Brave new world

Sam Woods, Deputy Governor for Prudential Regulation of the Bank of England and Chief Executive of the Prudential Regulation Authority (PRA), at the Association of British Insurers.

Thank you for the invitation to speak today, and for coming along to this session. Although I can see nobody on my screen the ABI assures me that an implausibly large number of leaders of the insurance industry are in fact present, and that some of you may even be listening to this speech.

As a prudential regulator we oversee a large and vibrant insurance sector supplying vital financial services to the wider economy.

I will not bore you with another list of the magnificent variety, size and importance of those services – that is the job of the ABI. But safeguarding the stability of their supply is the whole point of our role. That role is about to change in two ways.

First, the Solvency II review is well under way – I will come back to that.

But I want to begin with the second change, which is more fundamental – the proposed reforms to the architecture of financial regulation as we enter the brave new world of post-Brexit Britain – and explain why we favour a shift towards more rule-making by the regulator, and the enhanced accountability that needs to come with that.

The future regulatory framework: rules and statutes

Now you may be thinking: "quelle surprise, the regulator wants to have more control over the rules!" In fact, I can tell you that the PRA has no pro-active desire to increase its responsibilities. We have enough on our plate already.

It's just that it seems clear that, for our market, putting the details in the regulator's rules rather than in statute (as the EU typically does) is a better approach.

I say better for our market, but in fact this is the norm in all major jurisdictions apart from the EU and Switzerland.

As a point of principle, it is consistent with the established model of an independent regulator taking time-consistent decisions in pursuit of long-term objectives given to it by Parliament.

This follows the same logic as the arrangements in this country and many others for setting monetary policy. And on a purely practical level, it ensures that rule-making is closely informed by the day-to-day risk assessments that we have to make as supervisors.

This approach also helps ensure that rule-making keeps pace with developments and supports innovation.

A changing world requires a tough but flexible regulatory regime that can adapt itself rapidly as needed – both to remove unnecessary barriers to innovation and to give policyholders reasonable protection from any new risks that arrive with it.

The alternative is a more sluggish regime, more conservatively calibrated to compensate for its lack of manoeuvrability.

A regime largely contained in the PRA's rulebook is also easier to update when it seems that a rule is not working properly.

The most obvious current example is the current implementation of the risk margin – no one here can be unaware of this issue, or if you are you've come to the wrong webinar!

At a more granular level, while we will always take a very close interest in internal models given they set capital requirements, I have long wanted to simplify the bottom-up process for approving them, which entails assessing compliance with more than 300 tests and standards – all of them currently set out in legislation.

That is just one example of our more general, longterm aspiration to condense and reduce the volume of material that defines the regime – the original Solvency II came in at nearly 1000 pages of legislation plus many hundreds more of technical standards.

Having a streamlined set of rules all in one place would substantially ease the burden of compliance on firms and on us, without reducing resilience.

In short, now that we have left the EU we have no interest whatsoever in lowering levels of resilience or policyholder protection, but we can and should make changes to tailor regulation so it fits our market better and is more efficient and coherent.

That process will take some time but it will work better if the detailed rules are placed into our rulebook.

Risks of changing the regulator's role

If you accept the case for detailed rules being made by regulators, the next debate then is over what checks and balances are needed to give stakeholders confidence in the operation of the new framework.

Might we pursue the stability of the graveyard by imposing ever more stringent rules? Or might we go the other way, becoming captured by industry and not protecting policyholders enough? Put bluntly, can we be trusted with more power?

To address the point about the graveyard head on: I do not for one moment accept the caricature of a rampant regulator intent on crushing the industry under a slow-motion avalanche of new capital requirements, heedless of the wider consequences.

History gives the lie to this caricature. Take the topical example of the matching adjustment (MA), which I read in the trade press last month is to be a 'key battleground' in the review of Solvency II.

The primary effect of the MA is to reinforce the incentives that life insurers have to make longterm investments. It is something that the PRA had to fight hard for in EIOPA, often with little support from other countries.

This matching is prudentially beneficial and may make annuities cheaper than they would otherwise be, but of course it also involves taking more risk because it boosts capital levels and lowers capital requirements.

Another way to consider the graveyard question is to look at the returns of the insurance firms that we oversee and ask whether or not they resemble tombstones.

Empirically, returns on equity can be volatile thanks to things like competitive pricing pressures, catastrophe risk losses and asset market volatility, but they have remained healthy in recent years. Since the introduction of Solvency II, returns have been in ranges of about 8 to 10% in general insurance, and 10% to 15% in the life sector.

Our insurance sector is clearly alive and kicking. Moreover, the PRA does not aspire to a zero failure regime – more than fifty insurers regulated by the PRA are currently in some form of run off, for example – and even our primary objective of safety and soundness is in some ways just a means to end.

Policyholders are not well served by firms that are so safe and cautious that they might apparently be able to live forever, but never grow or change.

Such firms are more likely to be broken by a storm than to bend with it.

On the contrary, policyholders are better protected by firms that: first, are sufficiently profitable and attractive to external capital to be able to change and grow in response to the changing external environment; and second, are able, if their business models do fail, to exit the market in an orderly fashion, paying their remaining liabilities as they fall due.

To read more:
https://www.bankofengland.co.uk/speech/2021/march/sam-woods-association-of-british-insurers-executives-neds-and-chairs-network-webinar

Number 4

APRA urges life insurers and superannuation funds to address sustainability of insurance in superannuation

The Australian Prudential Regulation Authority (APRA) has written to life insurers and registrable superannuation entity (RSE) licensees, urging them to address concerning trends and practices in the provision of insurance to superannuation members.

APRA has noted significant deterioration in group life insurance claims experience in 2019 and 2020, with the potential for the re-emergence of unpredictability and volatility in insurance premiums.

APRA is concerned that, if the observed trends and practices continue, members are likely to be adversely affected by further substantial increases in insurance premiums and/or reductions in the value and quality of life insurance offered through superannuation.

APRA expects life insurers and superannuation funds to take steps to ensure that insurance offerings and benefits are sustainably designed and priced, provide appropriate value for members, and adequately reflect the underlying risks.

APRA has identified the need for:

- superannuation trustees to maintain, and make available to insurers, high quality and sufficiently granular data to facilitate sustainable insurance design and pricing;

- clear insurance strategies developed and maintained by trustees, that reflect a scheme design for default insurance which carefully considers and appropriately balances their members' needs and the cost of insurance; and

- tender processes that provide adequate information and time to all participants, to enable them to consult on scheme design and appropriately price the risks and benefits.

APRA Deputy Chair Helen Rowell said the provision of insurance by superannuation funds is an important component of the value provided by trustees to their members.

"For most people, the life insurance they receive through their super fund is the only cover they have to protect themselves and their family.

"It's critical that these issues are addressed so sustainable and affordable insurance is available to members through their superannuation fund over the medium to long-term.

"APRA will continue to engage closely with life insurers and superannuation trustees to monitor their progress as they respond to these issues, with a focus on the interests of current and future superannuation members," Mrs Rowell said.

The letter to life insurers and superannuation funds is available on the APRA website at:
https://www.apra.gov.au/sustainability-of-life-insurance-superannuation

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY
1 Martin Place (Level 12), Sydney, NSW 2000
GPO Box 9836, Sydney, NSW 2001

T 02 9210 3000 | W www.apra.gov.au

APRA

9 March 2021

TO: ALL RSE LICENSEES AND GROUP LIFE INSURANCE CHIEF EXECUTIVE OFFICERS

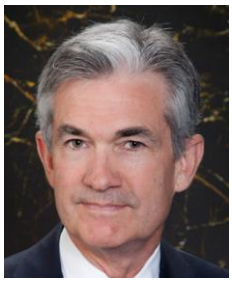
SUSTAINABILITY OF LIFE INSURANCE IN SUPERANNUATION

Recently, the Australian Prudential Regulation Authority (APRA) has seen a re-emergence of some concerning developments in group life insurance in superannuation in relation to premium volatility, availability and provision of data, and tender practices. APRA's view is that these developments, if unaddressed, are likely to result in poor member outcomes, and adversely impact the availability and sustainability of life insurance through superannuation.

Number 5

Closing remarks – "Pushing the frontiers of payments: towards faster, cheaper, more transparent and more inclusive cross border payments"

Jerome H Powell, Chair of the Board of Governors of the Federal Reserve System, at "Pushing the frontiers of payments: towards faster, cheaper, more transparent and more inclusive cross border payments", a conference hosted by the Committee on Payments and Market Infrastructures, Basel, Switzerland.



I would like to thank Sir Jon Cunliffe and the Committee on Payments and Market Infrastructures (CPMI) for inviting me to close out the first day of this conference on pushing the frontiers of payments.

Last year, the Group of Twenty (G-20) asked the Financial Stability Board (FSB) to coordinate the development of a roadmap on how the global community could enhance cross-border payments.

It has long been acknowledged that the existing system, while safe and dependable, suffers from frictions, including processes that make it difficult to comply with anti-money-laundering and countering-terrorist-financing requirements, difficulty in managing payments across time zones, and, in certain areas, a reliance on outdated technology.

Moreover, these frictions contribute to higher costs for cross-border transactions.

As with many aspects of life these days, the COVID-19 pandemic has shined a light on the less efficient areas of our current payment system and accelerated the desire for improvement and digitalization.

Even before the pandemic, advancements in the private sector served as a catalyst to get the attention of consumers and to prompt more engagement by the public sector.

The goal of the FSB roadmap is simple-to create an ecosystem for cross-border payments that is faster, cheaper, more transparent, and more inclusive.

A year into the process, I am encouraged that we are making meaningful progress. The stage 3 report released in October laid out a practical set of steps for moving ahead on the 19 building blocks that will bring about an improved system.

Indeed, the themes discussed in the four sessions of the conference today correspond well to approaches described in the building blocks.

The title of the first panel sets up a choice between "improving existing rails or laying new tracks."

As the roadmap makes clear, one of the keys to moving forward will be doing both-improving the existing system where we can while also evaluating the potential of and the best uses for emerging technologies.

As an example, the Federal Reserve is working to improve the current system through the introduction of instant or fast payments via the FedNow Service.

The service will be designed to maintain uninterrupted processing-24 hours a day, 7 days a week, 365 days a year-with security features that will ensure payment integrity and data security. The target launch date is sometime in 2023.*

The Federal Reserve is also doing its part to examine the role of new technologies. Experiments with central bank digital currencies (CBDCs) are being conducted at the Board of Governors, as well as complementary efforts by the Federal Reserve Bank of Boston in collaboration with researchers at MIT.

In addition, a recent report from the Bank for International Settlements and a group of seven central banks, which includes the Fed, assessed the feasibility of CBDCs in helping central banks deliver their public policy objectives.

Relevant to today's topic, one of the three key principles highlighted in the report is that a CBDC needs to coexist with cash and other types of money in a flexible and innovative payment system.

Improvements in the global payments system will come not just from the public sector, but from the private sector as well.

As today's second panel, "Of Lions and Unicorns," described, the private sector has the experience and expertise to develop consumer-facing

infrastructure that improves and simplifies how the public engages with the financial system.

Digitalization of financial services, combined with an improved consumer experience, can help increase financial inclusion, particularly in countries or areas with a large unbanked population.

And the last two panels of the day, "Addressing Legal Barriers to Cross-Border Payments" and "Harmonised Data to Oil the Cross-Border Payments Machinery," highlight that improving the system must be a collaborative effort.

By definition, cross-border payments involve multiple jurisdictions. So it will only be through countries working together, via all of the international forums-the Group of Seven, the G-20, the CPMI, the FSB, and others-that solutions will be possible.

And, finally, it is only by engaging all stakeholders-policymakers, private-sector participants, and academia-as this conference is doing, that we will achieve the improved payments ecosystem we are striving toward.

The COVID crisis has brought into even sharper focus the need to address the limitations of our current arrangements for cross-border payments. And as this conference amply demonstrates, despite the challenges of this last year, we still have been able to make important progress.

I again thank the CPMI and Jon Cunliffe for their leadership and look forward to working together as we improve these payments for businesses and individuals alike.

* This sentence was updated after publication: the phrase "sometime in late 2023 or 2024" was updated to "sometime in 2023".

Number 6

Hearing at the Committee on Economic and Monetary Affairs of the European Parliament

Christine Lagarde, President of the European Central Bank, before the Hearing at the Committee on Economic and Monetary Affairs of the European Parliament, Frankfurt am Main, 18 March 2021.

Madam Chair,
Honourable members of the Economic and Monetary Affairs Committee,
Ladies and gentlemen,

I am very happy to appear again before the Committee in our first regular hearing this year.

Today marks the one-year anniversary of the extraordinary Governing Council meeting during which we decided to launch the pandemic emergency purchase programme (PEPP).

Standing where we are today, the economic situation looks brighter now than it did back then and we can expect it to improve over 2021.

In the short term, however, the economic outlook for the euro area remains surrounded by uncertainty due to the dynamics of the pandemic and the speed of vaccination campaigns.

The severe impact that the pandemic continues to have on not just the economy, but on all aspects of the lives of many Europeans, does not allow us to "celebrate" the anniversary of the PEPP.

It is nevertheless important to look back and proudly acknowledge our collective efforts in shielding European citizens from even worse outcomes.

In my remarks today, I will focus on the euro area economic outlook and the ECB's monetary policy stance in the light of the Governing Council's decisions taken on Thursday of last week. I will conclude by discussing the policy mix required to secure a solid path to economic recovery.

The current macroeconomic outlook

The rebound in global demand and additional fiscal measures are supporting global and euro area activity.

At the same time, persistently high coronavirus (COVID-19) infection rates, the spread of virus mutations, and the associated extension and tightening of containment measures continue to have a negative impact on euro area economic activity.

As a result, real gross domestic product (GDP) is likely to contract again in the first quarter of the year after declining by 0.7 per cent in the fourth quarter of 2020.

Looking ahead, the ongoing vaccination campaigns, together with the gradual relaxation of containment measures underpin expectation of a firm rebound in economic activity in the second half of 2021.

Over the medium term, we expect the recovery in demand, as containment measures are lifted, to be supported by favourable financing conditions, and an expansionary fiscal stance.

This assessment is also reflected in the March 2021 ECB staff macroeconomic projections for the euro area, which foresee annual real GDP growth at 4.0 per cent in 2021, 4.1 per cent in 2022 and 2.1 per cent in 2023, broadly unchanged compared with the December 2020 Eurosystem staff macroeconomic projections.

The risks surrounding the euro area growth outlook over the medium term have become more balanced owing to better prospects for the global economy and progress in vaccination campaigns.

However, downside risks remain in the near term, mainly related to the spread of virus mutations and the implications of the ongoing pandemic for economic and financial conditions.

Euro area annual inflation has picked up over recent months, mainly on account of some transitory factors.

Headline inflation is likely to increase in the coming months, but some volatility is expected throughout 2021 reflecting the changing dynamics of the idiosyncratic factors which are currently pushing inflation up but which can be expected to fade out early next year.

Underlying price pressures are expected to increase somewhat this year due to current supply constraints and the recovery in domestic demand.

Nevertheless, we judge that these pressures will remain subdued overall, also reflecting low wage dynamics and the past appreciation of the euro.

Once the impact of the pandemic fades, the unwinding of the high level of slack, supported by accommodative fiscal and monetary policies, will contribute to a gradual increase in inflation over the medium term. Survey-based measures and market-based indicators of longer-term inflation expectations remain at subdued levels.

While our latest staff projection exercise foresees a gradual increase in underlying inflation pressures, the medium-term inflation outlook – with projected annual inflation at 1.5 per cent in 2021, 1.2 per cent in 2022 and 1.4 per cent in 2023 – remains broadly unchanged from the staff projections in December 2020 and below our inflation aim.

The ECB's monetary policy stance and effectiveness

Against this background, preserving favourable financing conditions over the pandemic period remains essential to reduce uncertainty and bolster confidence, thereby underpinning economic activity and safeguarding medium-term price stability.

Let me further elaborate on our assessment of financing conditions. This is defined by a holistic and multifaceted set of indicators.

It is holistic because we consider a broad array of indicators, spanning the entire transmission chain of monetary policy from risk-free interest rates and sovereign bond yields to corporate bond yields and bank credit conditions.

It is also multifaceted, because we take a sufficiently granular view that enables us to detect movements in specific market segments in a timely manner.

Last week, as it received a new round of staff projections, the Governing Council conducted a joint assessment of these multiple set of indicators against the evolution of our inflation outlook since the last projection exercise.

We concluded that the increase in risk-free market interest rates and sovereign bond yields that we have observed since the start of the year

could spur a tightening in the wider set of financing conditions, as banks use them as key reference points for determining credit conditions.

Therefore, if sizeable and persistent, increases in those market interest rates, when left unchecked, may become inconsistent with countering the downward impact of the pandemic on the projected path of inflation.

Based on this joint assessment, the Governing Council announced that it expects purchases under the PEPP over the next quarter to be conducted at a significantly higher pace than during the first months of this year.

While records of our weekly purchases will continue to be distorted by short-term noisy factors – such as occasionally lumpy redemptions – the step-up in the run-rate of our programme will become visible when ascertained over longer time intervals.

Purchases will be implemented flexibly according to market conditions and always with a view to preventing a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation.

In addition, the flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy.

If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full.

Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

The PEPP is not the only tool the ECB is using to support favourable financing conditions over the pandemic period for all sectors of the economy.

The third series of targeted longer-term refinancing operations (TLTRO III) remains an attractive source of funding for banks.

The TLTROs' built-in incentive structure ensures that banks have access to ample funding at very favourable conditions if they maintain their lending to the real economy. This supports bank-based financing conditions for firms and households.

Likewise, the remaining monetary policy instruments in place – ranging from our key ECB interest rates to the Governing Council's forward guidance and the Asset Purchase Programme – make a crucial contribution to the ample degree of monetary accommodation that is necessary to support economic activity and the robust convergence of inflation to our definition of price stability.

We will also continue to monitor developments in the exchange rate regarding their possible implications for the medium-term inflation outlook.

We stand ready to adjust all of our instruments, as appropriate, to ensure that inflation moves towards our aim in a sustained manner, in line with our commitment to symmetry.

The path to a solid economic recovery

Looking ahead, decisive action in other policy areas to support the recovery remains essential and should build on the favourable financing conditions prevailing in the euro area.

When appearing before the European Parliament last month, I pointed out that the strength of Europe's crisis response over the last twelve months crucially depended on the strength of national and European responses across all policy areas: monetary, fiscal, supervisory and regulatory.

We should continue to rely on the same recipe when it comes to securing a path to a solid economic recovery.

An ambitious and coordinated fiscal stance remains critical. National fiscal policies should continue to provide critical and timely support to firms and households most exposed to the pandemic and the associated containment measures.

At the same time, these measures should, as much as possible, remain temporary and targeted in nature to address vulnerabilities effectively and support a swift recovery.

By brightening economic prospects for firms and households, fiscal policy would also strengthen the transmission of our monetary policy measures. Fiscal policy can also act as a catalyst to transform our economies in the recovery phase.

This is why the NextGenerationEU package should become operational without delay.

In the coming weeks, Member States should ensure a timely ratification of the Own Resources Decision and should finalise their recovery and resilience plans.

The European Parliament can play an important role in making sure that these plans are well-designed and that they include productivity-enhancing structural policies to address long-standing weaknesses and accelerate the green and digital transitions.

All of us, across all policy levels, should ensure that we use the thrust of the recovery to transform our economies and make them fit for the world of tomorrow, for instance by reducing and preventing climate risks. The ECB is ready to play its part in line with its mandate.

This morning we published the preliminary results of our first economy-wide climate stress test to help both authorities and financial institutions assess the impact of climate risks over the next 30 years.

Conclusion

When we announced the PEPP one year ago, the Governing Council declared that it would do everything necessary within its mandate and explore all options and all contingencies to support the economy through this shock.

Looking back at the past year, I think we can affirm that we have delivered on this commitment.

But there is no room for complacency – the ECB will continue to deliver on its mandate and support the recovery with all appropriate measures.

I now stand ready to take your questions.

Number 7

The IFSB Issues Two New Working Papers on: Assessing the Stability of Islamic Banking Amid COVID-19, and Digital Transformations in Islamic Banking

The Islamic Financial Services Board (IFSB) has issued its 18th and 19th research papers in the Working Paper series.

WP-18 empirically assesses the preliminary effect and implication of the abrupt and pervasive COVID-19 pandemic for the stability of the global Islamic banking industry.

Data extracted from the IFSB Prudential and Structural Islamic Finance Indicators (PSIFIs) from 1Q 2018 to 3Q 2020 for eight jurisdictions is used for the analysis.

Specific focus is on the quarter-on- quarter changes in five core prudential indicators: capital adequacy, asset quality, earnings, leverage, and liquidity.

Findings indicate that while the Islamic banking sector across jurisdictions in the sample still records prudential indicators well-above the minimum regulatory and their historical average thresholds, preliminary impact of the COVID-19 pandemic is also observed across indicators and countries.

WP-19 investigates the operational activities and regulatory approaches relating to the Islamic banking digital transformation process across IFSB member jurisdictions.

Specifically, this paper investigates the current status, technology adopted, and rationale for digitalisation among Islamic banks.

The paper also investigates the regulatory approaches, challenges, prudential risks and the financial stability implications of digitalisation of Islamic banking.

Findings reveal that most Islamic banks' digitalisation process is still in progress but have gained more traction especially since the outbreak of the COVID-19 pandemic.

Amongst many other pertinent reasons cited in the paper, strengthening competitiveness, enhancing operational efficiency, and improving customer satisfaction are the main rationale for IBs digitalisation drive.

To achieve these, mobile and digital wallet, biometric authentication, and artificial programming interface are the main technologies adopted.

Regarding the WP-18, the Secretary-General of the IFSB, Dr. Bello Lawal Danbatta stated that, "notwithstanding uncertainty in terms of its effect and duration, it is pertinent that the preliminary implication of the COVID-19 pandemic for the stability of the Islamic banking industry is assessed.

This is because while the policy response measures generally apply to both the Islamic banks and their conventional counterparts, there may be peculiar implications for the former due to among other factors the size and portfolio components of their balance sheet relative to the latter. It is from these concern that the paper is derived" he further added.

Dr. Bello stated that "the WP-19 describes the views of Islamic banks about their digital transformation processes, drivers, and challenges.

He noted further that digitalisation is indispensable for Islamic banks if they want to enhance their competitiveness by broadening outreach, exploring new horizons, identifying untapped potentials, and unlocking opportunities.

The paper also stated the implication of both the benefits and risks of digitalisation for the stability of the Islamic banking industry as well as recommendations on way forward" he further added.

WP-18 and WP-19 are available for download from the IFSB website: www.ifsb.org

Number 8

NNSA's 2020 Cities Initiative helped U.S. cities prevent radiological terrorism

NATIONAL NUCLEAR SECURITY ADMINISTRATION

Radioactive materials can be used to do a lot of good. They are used to treat cancer, sterilize blood, and build economies worldwide, including here in the United States.

However, if lost or stolen, these materials can pose a significant risk to our people and our cities.

For instance, a terrorist could use these materials to set off a radiological dispersal device (RDD), or "dirty bomb," in a major U.S. city, an act of terrorism that would have devastating economic and psychological consequences.

2020 Cities Initiative

In response to that threat, NNSA's Office of Radiological Security (ORS) enhances security by preventing high-activity radioactive materials (that could injure someone exposed to them for a short amount of time) from being used in acts of terrorism.

In 2017, ORS launched the 2020 Cities Initiative to enhance radiological security in our most heavily populated cities, such as by providing security enhancements to sites with high-activity radioactive materials. And it provided technology and training tools to law-enforcement professionals responsible for responding to a radiological theft.

Securing Our Businesses, Communities, and Country

To secure high-activity radioactive materials in U.S. cities where the consequences of radiological terrorism would be greatest, ORS worked to protect, remove, and reduce these materials.

The initiative offered federally funded security enhancements, disposal of disused sources, and financial incentives to users interested in removing and replacing their cesium irradiators with X-ray devices.

For example, through the Cesium Irradiator Replacement Project , participating businesses were able to replace cesium-137 based irradiators (which are used in medical applications) with alternative technologies, thereby achieve permanent radiological risk reduction.

For law enforcement, ORS provided centralized monitoring systems that integrated critical alarms and video from local sites into operations centers along with response training tools.

Significant Progress in Securing Our Cities

The ORS 2020 Cities Initiative was successful thanks to the support of, and collaboration with, a wide range of partners including businesses, law enforcement, city and state leaders, and federal agencies.

The initiative resulted in enhanced radiological security in our major cities and across our Nation including:

- Enhanced security of 604 buildings that use or store radioactive materials;

- Replacement of 104 radiological devices with alternative technologies, thereby eliminating the risk of radiological theft at those locations;

- Establishment of radiological security training programs for law enforcement in 17 cities resulting in more than 2,000 officers trained;

- Training of an additional 4,000 response officials through the ORS Alarm Response Training program in Oak Ridge, Tennessee; and

- Carrying out of numerous workshops in major cities bringing together radiological sites, local homeland security and regulatory officials, and law enforcement personnel. Events in Boston and San Francisco brought together partners from cities across the United States.

While the onset of the COVID-19 pandemic limited vital in-person collaboration, ORS adapted and collaborated with its partners through virtual training and assessment tools to reduce the risk of radiological terrorism.

According to Kasia Mendelsohn, NNSA's Acting Deputy Administrator for Defense Nuclear Nonproliferation, "The commitment of all of our state and local community, industry, medical, and law-enforcement partners to collaborate with ORS to take strong and sustained actions to enhance radiological security has made our cities safer."

A Model Partnership

The ORS partnership with the city of Denver is an excellent example of the impact this work has in reducing the danger of radiological terrorism in our

major cities. ORS partnered to enhance security with all Denver medical and industrial facilities using high-activity radioactive materials.

Additionally, ORS worked extensively with the Denver Police Department (DPD) to ensure appropriate law-enforcement officials are notified of any attempted radiological material theft. The program also ensured that first responders have the plans, training, and tools to contain any adversary taking the material. Actions taken included:

- Establishing remote monitoring at the Real Time Crimes Center, Special Operations Office, and 911 monitoring centers;

- Developing a training program that included a mobile trailer with educational tools and that trained over 1,000 response personnel;

- Developing a training video to be delivered to all DPD officers at roll call sessions for multi-year sustainability training on radiological response; and

- Issuing policies promote a coordinated response to radiological theft events.

"Our partnership with ORS has strengthened the Denver Police Department's ability to prevent and prepare for potential terrorism events, while enhancing relationships with our local hospitals and blood clinics that use radioactive material for lifesaving purposes," said Cmdr. Patrick Phelan, Special Operations Division, Denver Police.

"The Denver Police are proud to be recognized as a leader in Radiological Security and are committed to assisting other law enforcement agencies in the prevention of terrorism events."

"The Denver 911 Communications Center is committed to its long-term partnership with the Office of Radiological Security and is proud to host new innovative notification and response tools to prevent a terrorism event in our community," added Andrew Dameron, Director of Denver 911 Communications Center.

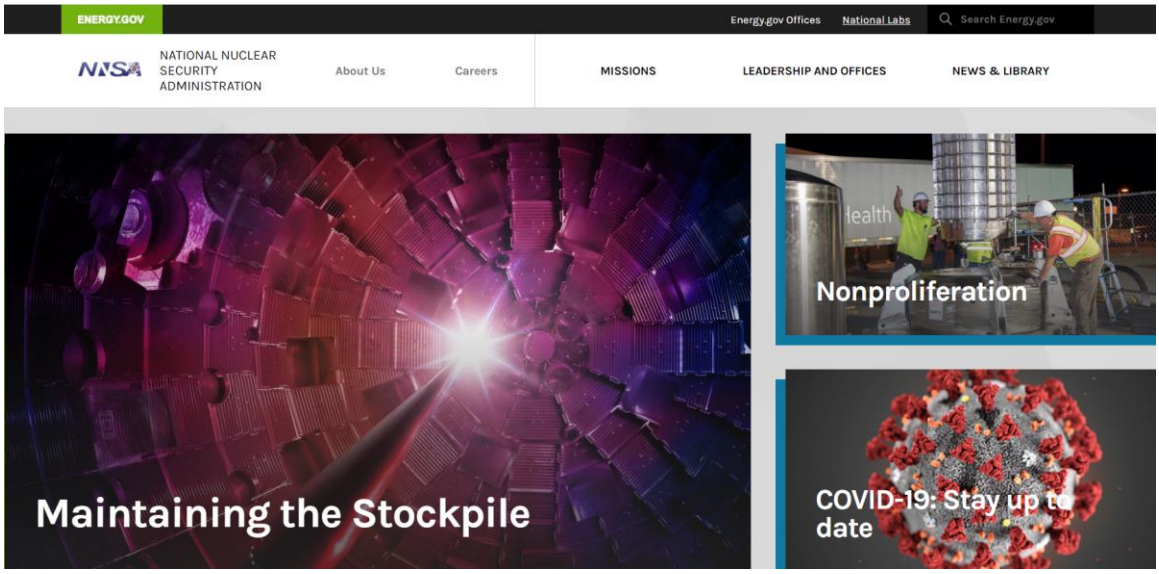
Building on Success

While the 2020 Cities Initiative resulted in tremendous progress, threats continue to evolve and more work remains to be done across the country to keep the public safe.

ORS will build on this successful initiative by expanding its collaboration and partnerships into the many mid-size and small cities across the country.

To read more:
https://www.energy.gov/nnsa/articles/nnsa-s-2020-cities-initiative-helped-us-cities-prevent-radiological-terrorism

https://www.energy.gov/nnsa/national-nuclear-security-administration



Number 9

FinCEN Informs Financial Institutions of Efforts Related to Trade in Antiquities and Art

The Financial Crimes Enforcement Network (FinCEN) is issuing this Notice to inform financial institutions about:

(1) the Anti-Money Laundering Act of 2020 (the AML Act) efforts related to trade in antiquities and art,

(2) select sources of information about existing illicit activity related to antiquities and art, and

(3) provide specific instructions for filing Suspicious Activity Reports (SARs) related to trade in antiquities and art.

FinCEN encourages financial institutions to continue filing SARs regarding these topics.

New AML Act Measures

- *Antiquities Regulations:* Section 6110(a) of the AML Act amends the definition of "financial institution" under the Bank Secrecy Act (BSA) to include persons "engaged in the trade of antiquities" and directs FinCEN to promulgate implementing regulations.

  The BSA obligations imposed by Section 6110(a) will take effect on the effective date of those final regulations.

- *Art Study:* Section 6110(c) of the AML Act requires the Secretary of the Treasury, in coordination with the Director of the Federal Bureau of Investigation, the Attorney General, and the Secretary of Homeland Security, to perform a study of the facilitation of money laundering and the financing of terrorism through the trade in works of art.

  The study will include an analysis of, among other things, which markets should be subject to regulations and the degree to which the regulations, if any, should focus on high-value trade in works of art, and on the need to identify the actual purchasers of such works, in addition to other persons engaged in the art trade.

Illicit Activity Associated with Trade in Antiquities and Art

Financial institutions with existing BSA obligations, including the reporting of suspicious activity, should be aware that illicit activity associated with the trade in antiquities and art may involve their institutions.

Crimes relating to antiquities and art may include looting or theft, the illicit excavation of archaeological items, smuggling, and the sale of stolen or counterfeit objects.

Crimes relating to antiquities and art also may include money laundering and sanctions violations, and have been linked to transnational criminal networks, international terrorism, and the persecution of individuals or groups on cultural grounds.

SAR Filing Instructions

Financial institutions' SAR reporting, in conjunction with effec tive implementation of their other BSA compliance requirements, is crucial to identifying and stopping money laundering and other crimes related to trade in antiquities and art.

- FinCEN requests that financial institutions reference "FIN-2021- NTC2" in SAR field 2 (Filing Institution Note to FinCEN) and the narrative portion of the SAR to indicate a connection between the suspicious activity being reported and the activities highlighted in this notice.
- Financial institutions should also select SAR field 36(z) (Money Laundering - other) as the associated suspicious activity type, and note if the suspicious activity relates to "Antiquities," "Art," or both (in some instances, an object could be considered both an antiquity and a work of art.

SAR Narrative.

FinCEN also requests that filers detail the reported activity in the narrative portion of the SAR, explaining how the suspicious activity relates to "Antiquities," "Art," or both. Filers should provide any av ailable details that may assist in the identification of:

(1) the objects connected to the financial transactions,

(2) other transactions or proposed transactions that may involve antiquities or art, and

(3) any other relevant information.

Filers should provide all available details (such as names, identifiers, and contact information—including Internet Protocol (IP) and email addresses and phone numbers) regarding:

(1) the actual purchasers or sellers of the property, and their intermediaries or agents,

(2) the volume and dollar amount of the transactions involving an entity that is—or may be functioning as—a dealer in antiquities or art, and

(3) any beneficial owner(s) of entities (such as shell companies).

In the case of stolen art or antiquities, filers should provide a detailed and specific description of the stolen item(s) and indicate whether photographs of the items are available. Filers should also provide information about the place(s) where the reported individuals or entities are operating.

To read more:
https://www.fincen.gov/

Note:

FinCEN is a bureau of the U.S. Department of the Treasury. The Director of FinCEN is appointed by the Secretary of the Treasury and reports to the Treasury Under Secretary for Terrorism and Financial Intelligence.

FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

FinCEN carries out its mission by receiving and maintaining financial transactions data; analyzing and disseminating that data for law enforcement purposes; and building global cooperation with counterpart organizations in other countries and with international bodies.

FinCEN exercises regulatory functions primarily under the Currency and Financial Transactions Reporting Act of 1970, as amended by Title III of the USA PATRIOT Act of 2001 and other legislation, which legislative framework is commonly referred to as the "Bank Secrecy Act" (BSA).

The BSA is the nation's first and most comprehensive Federal anti-money laundering and counter-terrorism financing (AML/CFT) statute.

In brief, the BSA authorizes the Secretary of the Treasury to issue regulations requiring banks and other financial institutions to take a number of precautions against financial crime, including the establishment of AML programs and the filing of reports that have been determined to have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings, and certain intelligence and counter-terrorism matters.

The Secretary of the Treasury has delegated to the Director of FinCEN the authority to implement, administer, and enforce compliance with the BSA and associated regulations.

Number 10

The issues – cultural property

There is a lucrative black market in cultural property with strong links to organized crime

Cultural property in conflict zones

During the last decade, our world has witnessed a considerable increase in the destruction of cultural heritage due to armed conflict.

This has been accompanied by the organized looting, illicit trafficking and sale of cultural objects that were an integral part of a country's heritage, history and identity.

Crimes against cultural heritage do not just strike at objects. The destruction of heritage is linked to persecution of individuals and communities on cultural grounds. This can also represent a security and stability issue, and a war crime.

Cultural heritage is also underwater

Underwater cultural heritage includes monuments, shipwrecks and artefacts, which have been under water for at least 100 years.

These sites are exposed daily to a range of critical challenges, notably plunder, trade, fishing and the extraction of natural resources. In addition, underwater archaeological sites are regulated by extremely different national legislations worldwide.

Which objects are most frequently stolen?

The majority of art thefts are carried out from private homes but museums and places of worship are also common targets.

The type of objects stolen varies from country to country but generally speaking, paintings, sculptures, statues and religious items are very sought after by thieves.

However, no category is spared, including such antique items as artifacts, books, furniture, coins, weapons and gold and silverware.

Illicit excavation of items

Another phenomenon is the illicit excavation of archaeological and paleontological items. This is especially disturbing since it can damage historical sites and reduce the opportunity to know more about them – when an item is removed from its site, its scientific value is lost and it holds only economic value.

Fake art and artifacts on the market

Fake works of art pollute the legitimate market. The problem of the enormous amount of forgeries flooding into the market is an extremely complex phenomenon, and disrupting networks involved in it requires a high level of expertise.

To read more:
https://www.interpol.int/Crimes/Cultural-heritage-crime/The-issues-cultural-property

Disclaimer

The Association tries to enhance public access to information about risk and compliance management.

Our goal is to keep this information timely and accurate. If errors are brought to our attention, we will try to correct them.

This information:

- is of a general nature only and is not intended to address the specific circumstances of any individual or entity;

- should not be relied on in the context of enforcement or similar regulatory action;

- is not necessarily comprehensive, complete, or up to date;

- is sometimes linked to external sites over which the Association has no control and for which the Association assumes no responsibility;

- is not professional or legal advice (if you need specific advice, you should always consult a suitably qualified professional);

- is in no way constitutive of an interpretative document;

- does not prejudge the position that the relevant authorities might decide to take on the same matters if developments, including Court rulings, were to lead it to revise some of the views expressed here;

- does not prejudge the interpretation that the Courts might place on the matters at issue.

Please note that it cannot be guaranteed that these information and documents exactly reproduce officially adopted texts.

It is our goal to minimize disruption caused by technical errors.

However, some data or information may have been created or structured in files or formats that are not error-free and we cannot guarantee that our service will not be interrupted or otherwise affected by such problems.

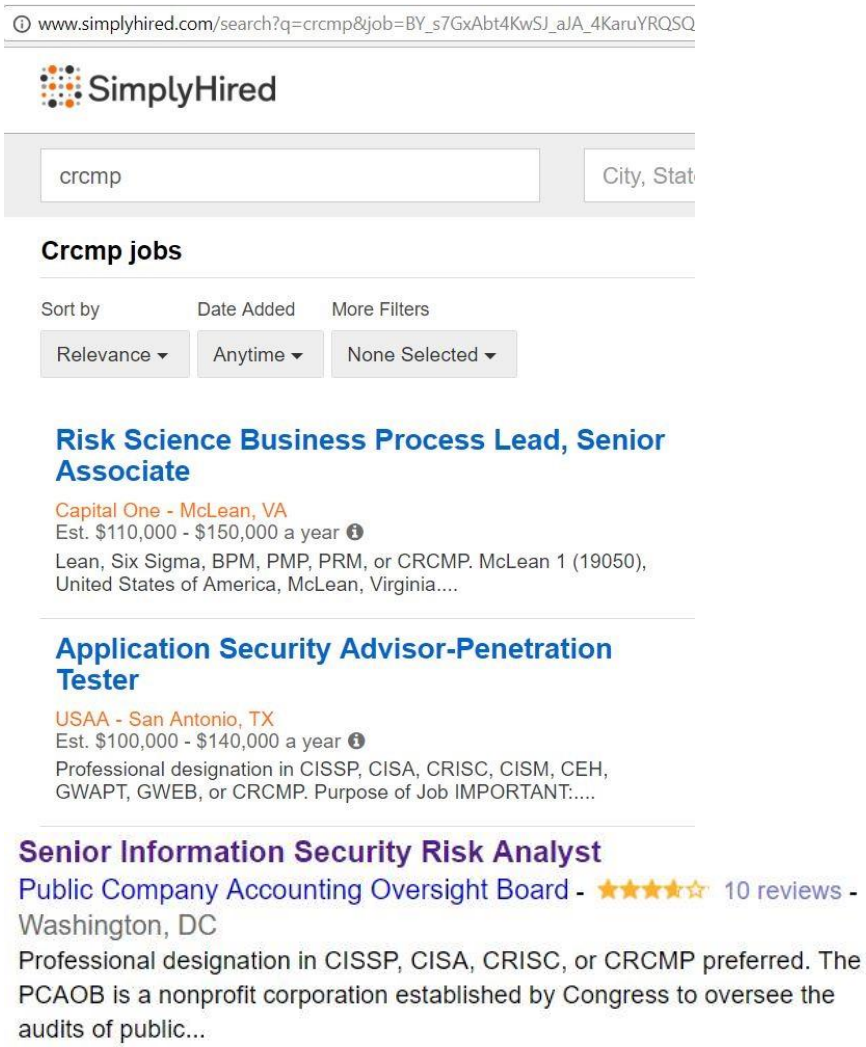
The Association accepts no responsibility regarding such problems incurred because of using this site or any linked external sites.

You can explore what we offer to our members:

1. *Membership* – Become a standard, premium or lifetime member.
You may visit:
https://www.risk-compliance-association.com/How_to_become_member.htm

2. *Weekly Updates* - Visit the *Reading Room* of the association at:
https://www.risk-compliance-association.com/Reading_Room.htm

3. *Training and Certification* – Become a Certified Risk and Compliance Management Professional (CRCMP), a Certified Information Systems Risk and Compliance Professional (CISRCP), a Certified Cyber (Governance Risk and Compliance) Professional - CC(GRC)P, and / or a Certified Risk and Compliance Management Professional in Insurance and Reinsurance - CRCMP(Re)I.



Senior Manager Vendor Risk Management

Johnson & Johnson Family of Companies ★★★★☆ 3,153 reviews - New Brunswick, NJ

Apply On Company Site

- Stay abreast of regulatory environment regarding VRM.

Qualifications

- A minimum of a Bachelor's degree or equivalent is required.
- Compliance Certification (CRCMP) designation is preferred.
- A minimum of 6 years experience in IT compliance, finance compliance and/or payroll compliance is required.
- Experience leading & executing SOX 404 compliance programs is required.
- Prior experience with vendor risk management preferred.
- Experience working with 3rd party vendors is preferred.

Companies and organizations around the world consider the Certified Risk and Compliance Management Professional (CRCMP) program a preferred certificate. There are CRCMPs in 32 countries. You can find more about the demand for CRCMPs at:
https://www.risk-compliance-association.com/CRCMP_Jobs_Careers.pdf

For the Certified Risk and Compliance Management Professional (CRCMP) distance learning and online certification program, you may visit:
https://www.risk-compliance-association.com/Distance_Learning_and_Certification.htm

For the Certified Information Systems Risk and Compliance Professional (CISRCP) distance learning and online certification program, you may visit:
https://www.risk-compliance-association.com/CISRCP_Distance_Learning_and_Certification.htm

For the Certified Cyber (Governance Risk and Compliance) Professional - CC(GRC)P distance learning and online certification program, you may visit:
https://www.risk-compliance-association.com/CC_GRC_P_Distance_Learning_and_Certification.htm

For the Certified Risk and Compliance Management Professional in Insurance and Reinsurance - CRCMP(Re)I distance learning and online certification program, you may visit:
https://www.risk-compliance-association.com/CRCMP_Re_I.htm

For *instructor-led* training, you may contact us. We can tailor all programs to meet specific requirements.