

Cognitive GRC Services



**COGNITIVE
GRC**

About Cognitive GRC

We are a Hong Kong provider of Governance, Risk and Compliance advisory services

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Partner to our clients working together to mitigate the regulatory, operational, and reputational risks associated with their regulatory activities.

We work with Hong Kong, Chinese, US and European firms on local, inbound and outbound regulatory matters.

Our team has been successfully advising internationally regulated firms since 2005.

- At the forefront of regulatory change in three major jurisdictions and experience with multiple regulators.
- 20 years of consulting experience baked into our robust working documents, standards of care and service (FCA, SEC, CFTC, NFA, SFC plus).
- Continual consistent improvement in technical support and servicing based on delivering to hundreds of firms with similar needs.

Independently owned institutional style consulting firm matched to boutique partner led businesses. This means:

- Unlike large corporate service providers, we have a team dedicated to offering the solutions that address your specific needs. We are independently owned; investing back in the company and people to provide consistent service. We are dedicated to service standard over growth objectives.
- We combine the agility and personalised attention of a boutique firm with the experience, resources and reach of an institutionally experienced firm.
- We provide real solutions that allow you to get on with your core competence and avoid the administrative pitfalls that beset most firms.

We have a holistic approach to delivering solutions to our clients' challenges, and don't just report back on them. Our every process is designed to reduce your burden. We keep you ahead of the stress to ensure you stand above the market in operational resilience and get noticed for the right reasons. We have access to a wide range of additional experienced independent external resources who can help with addressing both short-term and longer-term solutions and an enviable international network. We can adapt to your resource constraints, fill the gaps where needed, based on our vast and long-standing experience in helping firms of all sizes to address both micro and macro compliance requirements over many market cycles.

Partnering with us means you get the best of both worlds: tailored services backed by an institutionally experienced support system.



Cognitive GRC Ongoing Services

Cognitive GRC provides integrated governance, risk and compliance solutions to a range of financial services firms that are tailored to meet SFC regulations and international obligations. We have traditionally focused on buy side liquid and private equity asset managers where we provide co-sourced solutions. We have experience in supporting sell side institutions on markets compliance and can deliver assistance to retail focused compliance teams on a project basis.

GOVERNANCE RISK & COMPLIANCE

Collectively, with limited resources, Risk and Compliance need to deliver assurance to the Governance team that Firms are robustly braced against the unforeseen.



The Risk function is to help identify the key areas and how frequently they need to be looked at. We perform risk assessments with the comprehensive participation of senior management to provide guidance on the appropriate use of limited resources.

Governance is the oversight that our clients bring to bear. We help you to look in the right direction through using appropriate risk and compliance tools.

Compliance looks at both changes to rules that are coming up and how the internal controls are working to help the firm comply with those rules. We help to manage compliance obligations and bring assurance that adequate and effective arrangements are in place.

01

Governance

- Review and update of your governance and regulatory frameworks
- Quarterly/semi-annual/annual governance, risk and compliance assurance reviews
- Unlimited telephone and e-mail consulting
- Marketing and advertising reviews

02

Risk

- Regulatory risk management
- Risk policy review
- Risk disclosure review
- Risk governance review
- Operational Resilience

03

Compliance

- Compliance documentation maintenance
- Compliance education and training
- Periodic compliance alerts
- Regulatory inspection support and off-site assistance
- SFC application and submission support
- SEC/CFTC support

<https://www.cognitivegrc.com/sfc-ongoing-services>



Cognitive GRC Application Services

If you are looking to conduct SFC regulated activities in Hong Kong, Cognitive GRC can help you with planning, preparing, applying and obtaining a license. With a deep understanding of the intricacies of regulatory frameworks and a commitment to staying ahead of the curve, we offer guidance and support throughout the entire application process to provide a one stop shop from start to post launch. From initial consultation to final submission, our team of experts will work tirelessly to ensure your application is successful.

Trust us to be your partner. We can help with regulatory licenses, addition of regulated activities, substantial shareholder changes and uplifting license conditions. Our work includes:

01 Application

- Collating all requisite information and documentation
- Drafting and handling form filing
- Completing questionnaire 1 and 2 in way that is consistent with you future activities
- Supporting liquid capital requirements calculations
- Providing draft compliance manual, compliance monitoring programme and business continuity plan
- Providing pre-submission liaison with regulators for more complex applications
- Identifying ongoing and overseas registration requirements
- Identifying and introducing additional service partners where necessary

02 Post-Application

- Filing the applications and liaising with the relevant regulator during the review and vetting process
- Drafting responses to all enquiries
- Providing ad-hoc advice and guidance relating to the application process as required
- Guiding you through to your license approval and ensuring that your ongoing infrastructure is prepared for your business launch

Our broad global ongoing experience and knowledge gives us the ability to pre-empt potential issues from the start so that you are free to operate from day one.

Our broad investment strategy experience lets us ensure that your governance arrangements are fit for purposes and allows you to focus on your business from day 1.

Cognitive GRC Project Services

To deliver our project services, Cognitive GRC works with an auxiliary team of experienced independent experts with whom we have cultivated relationships over the years. Our expert collaborators include individuals:

- with whom we have worked with before
- who have been clients
- who have worked with service partners
- who have been service providers to our clients

Our experts tend to be in flexible working arrangements that allow them to participate in different projects. They are not normally attached to any firm or service structure. As our experts maintain their knowledge and expertise, we keep them close and where opportunities arise to utilise their experience, we can call on them to resource projects either on a stand-alone basis to address a resource need or as part of a combined project that is managed by a specially tailored team to address those challenges.



What type of work

Fixed Project
Placement
Professional Services
Consultancy

How we do it

Project & Resources Management
Direct Project Delivery
Project Administration
Resource Sourcing

"If you don't know,
work with those who
really do."



Cognitive GRC Project Services

01 Governance, Risk & Compliance

To deliver our larger projects, we collaborate with a team of seasoned professionals with over 30 years of experience in governance, risk, compliance, treasury, audit, operations and administration within the financial services industry. Cognitive GRC can assist with:

- SFC Mock/Compliance/Operational Audits
- Operational Due Diligence
- Infrastructure Setup
- Service Provider Due Diligence
- Market Misconduct Review
- Valuation Review
- Exit Planning
- Expert Network
- Email Monitoring

03 Digital Assets

With our collaborative consultants, we offer unique qualified expertise and experience in assisting digital asset brokers in navigating through the ever-changing regulatory environment. We can assist with:

- Obtaining a license
- Developing and implementing governance, risk and compliance infrastructure
- Conducting reviews

02 Environmental, Social & Governance

ESG can be considered an extension of good GRC. Because ESG and climate issues are vast and complex areas that have become a focus of both regulators and investors, Cognitive GRC has partnered with firms that have a depth of expertise and experience on the subject matter. Cognitive can help with integration and assist with:

- Developing and implementing ESG programmes
- Reviewing and advising on ESG investment practices
- Developing and implementing ESG policies and procedures
- Analysing climate-related risk
- Providing bespoke CPT training

04 Operational Resilience

We collaborate with seasoned professionals with over 20 years of experience in the operational resilience space. We are not security or technology experts but where you need independent review, we can source the technical experts. We can assist with:

- Reviewing operational resilience framework
- Developing and implementing institutional business continuity programmes
- Providing cybersecurity and technology risk solutions
- Conducting risk assessment
- Complying with data privacy requirements



Cognitive GRC Monitoring Services

Ensuring Compliance and Trust

Given the regulator's focus on market manipulation, managing the risk of sharing material non-public information (MNPI) is crucial to ensure compliance with regulatory standards and to avoid legal consequences and reputational damage. Effective MNPI management involves establishing stringent compliance protocols, processes and controls and is important to safeguard firms from potential compliance issues.

At Cognitive GRC, we can tailor to your specific needs. Our monitoring services include Expert Network Chaperoning and Electronic Communication Review to ensure that potential MNPI and conflicts matters are identified and reviewed.

01 Expert Network Chaperoning

Expert network call chaperoning is critical for firms engaging with expert networks. They ensure that the exchange of information during consultations does not breach any regulatory requirements, particularly concerning MNPI, safeguarding both you and the experts.

We offer comprehensive expert network monitoring solutions including silent or announced chaperoning, risk and conflicts of interest review, and regular reporting aligning with industry best practices and internal policies.

Expertise: Our dedicated and highly trained team ensures that expert networks call remain within legal boundaries.

Risk Mitigation: We actively identify potential risk, manage conflicts of interest, and monitor for MNPI.

While we cannot eliminate the risk, our experience will help you mitigate it effectively.

02 Electronic Communication

Monitoring electronic communication is essential for firms to mitigate risks associated with non-compliance.

With increasing volume of electronic communication, a function independent from business operations dedicated to review and escalation can significantly enhance the effectiveness of monitoring programs. Consistent and continuous monitoring can provide management with the ability to focus on real risk sooner.

We can conduct reviews of your internal communications and identify potential MNPI and other breaches. We can help implement an email monitoring process that flag potential MNPI-related content and regular review the flagged emails for compliance.

We can provide risk-based support or volume-based review services based on your current technology and resources.



Cognitive GRC Training Services

Cognitive GRC's compliance training programs have been designed to deliver more than just the required minimum compliance training requirements for persons working at SFC licensed corporations. They can be provided as part of a firm's overall compliance and knowledge and assurance program.

Cognitive GRC's content delivers e-learning in various formats with an objective of using training to reduce the administrative operational drag of situations where box tick training is not working (i.e. in most cases).

We provide e-learning programs that can be adjusted to our client's needs (Time, Content, Format) and compliance knowledge memory refreshers that can be combined with declarations of understanding to result in real solution to mitigate risk.

Compliance Knowledge Memory Refreshers

Our compliance memory knowledge refresher is designed to provide staff members with an overview about important topics in relation to their respective responsibilities and roles as an employee of an SFC licensed corporation.

The content can be provided at appropriate levels in a frequency that is tailored to an individual's training needs.

The refreshers are short reads and includes quizzes to test the individual's knowledge.

Conflicts of Interest
Personal Account Dealing
Record Keeping
Data Privacy
Cybersecurity
SFC Reporting
Client Categorisation
Complaints
AML Suspicious/MLRO
License Requirements / Employee Responsibilities
Market Misconduct

Compliance Training

01 SFC Refresher

This training is designed to remind persons who have joined a SFC licensed firm of their obligations with respect to remaining compliant with the requirements that apply to them.

02 AML

This AML course is designed to give a broad range of staff an understanding of their obligations with respect to these core anti-money laundering and counter terrorist matters.

03 Market Misconduct

This Market Misconduct Insider Trading module is designed for managers to understand the risks relating to trading while in possession of non-public price sensitive information.



Cognitive GRC Templates Services

Policies and procedures are an essential part of a firm, reflecting values and providing guidance in daily operations. They ensure compliance with laws and regulations and streamline internal processes.

The key to having appropriate procedures is to understand that the nuance skill is to provide sufficient level of controls to mitigate or address the risk without overburdening the resources to being able to comply with them. By having well tested policies and procedures that have been continuously improved over time against risk factors, and not just the expectations of one regulator, we believe our core products deliver the goldilocks formula of satisfying the fit for purpose criteria. In some respect, they challenge the regulatory expectations but in other they may go beyond to address what we see as either investor or operational enhancements that ultimately reduce overall energy expended.

- Compliance Manual
- Policies and Procedures Manual
- Forms Manual

General	Licensing / Notifications / Complaints / Outsourcing / Personnel
Conflicts	Management / Gifts and Entertainment / PA Dealing / Side Letters / Outside Activities
Marketing	AML / Client Take On / Marketing Funds / Investor Categorisation
Accounting	Annual Reporting / FRR Reporting / Financial Resources
Investment	Best Execution and Broker Review / Churning / Record Keeping / Aggregation and Allocation / Dealing Commissions / Trade and Transaction Monitoring / HK Long and Short Selling Disclosures / Research Services / Investment Risk / Investment Process / Market Misconduct / ESG/ Climate / Artificial Intelligence / Machine Learning
Operations	Valuation / Custody / Client Disclosure / Data (Location) / Counterparty Risk / Errors / Breaches / Electronic Data and Record Keeping / Service Provider Management / Operational Resilience
Internal Control	Apportionment and Segregation / Data Security / Business Risk Management / Business Continuity / Compliance Arrangements / Cybersecurity / Fraud Prevention / Operational Resilience / Management and Internal Control / Exit Plan



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