

Creating an Effective ICARA

A Practical Guide for Investment Firms

5 & 6 July 2022, 9:30am to 12:45pm. Remote delivery
Course fees: £695 + VAT per person. *Savings are available for multiple bookings*
CPD: 6 hours

Outline & Objectives

The Investment Firms Prudential Review will replace the ICAAP with the ICARA (Internal Capital and Risk Assessment) under which all investment firms will need to change the way they calculate their regulatory capital. The ICARA will also apply to firms not previously within the scope of ICAAP.

With the power to make capital guidance legally binding, and the impact of the new provisions on group structures affecting where capital is held within a group, the ICARA is an essential document to get right and so demonstrate the quality of your firm's risk management process and capital allocation decisions.

This practical workshop will equip delegates with an understanding of the relevant rules, practical requirements, and transition considerations. It will help you understand the core requirements and how to pull them together to create an effective ICARA that is not just a "box-ticking" exercise but a useful tool for senior management and supports the firm's approach to capital provisioning and risk management. It will also help delegates understand what to expect from an FCA SREP and how to manage the process effectively.

Attending will help you:

- Understand the **role of the ICAAP/ICARA in the Board's strategic thinking and risk management activity**
- Understand the **impact of the IFPR and FG 20/01**
- **Review the regulatory requirements** applicable
- Examine the practical **problems in creating an ICAAP/ICARA and how to overcome them**
- Develop **strategies for risk assessment**
- **Pillar 2R and 2G**
- Appreciate the **role of stress testing**
- **Construct an appropriate winding-up plan** and guidance
- **Prepare for a SREP**

Who will benefit

This programme is specifically designed for **Compliance, Operational Risk** and **Internal Audit** professionals in FCA regulated investment firms subject to the demands of the production, maintenance and review of an ICARA document under the new MIFIDPRU requirements. It will be essential for **anyone involved in the transition from the ICAAP to the ICARA**.

It will also be of value to senior **Finance** and **Chief Operating Officers** who are involved in the production of the ICARA and need to understand its place in the control and governance framework.

Training Approach

This course will be delivered via a real time slide-sharing and live audio-visual platform, accessible by desktop computer or laptop. Delegate numbers will be limited to ensure a high quality learning experience.

"The ICARA should be the centrepiece of a firm's risk management framework"

FCA

Course Tutor

Gary Pitts has over 25 years of compliance experience in the UK and overseas, including spells with the Personal Investment Authority, Henderson Global Investors, Brevan Howard Asset Management, Religare Capital Markets and as a Managing Partner of a boutique financial services firm. He has run his own regulatory and governance consultancy, Tetractys Partners LLP since September 2013. He has extensive asset management, hedge fund and investment banking experience in addition to a broad and deep understanding of corporate governance. Gary is a regular conference speaker and author of technical articles on compliance-related topics. He sits on the regulatory advisory group of the Journal of Securities Operations and Custody. Gary holds Masters degrees from Oxford and London Universities and an MBA from the Open University Business School, is a former director of Cayman and Luxembourg domiciled hedge funds, as well as regulated companies in the UK and South Africa. Gary has been an FSA/FCA registered person in Controlled Functions 10 and/or 11 since 2001. He brings a combination of compliance and commercial experience, in terms of both practical implementation and Board level oversight, to the training he delivers.

Course Programme

Session	Content
Central place of the ICAAP/ICARA	<ul style="list-style-type: none"> • Appreciating the full scope of the requirements • What this means for firms • Why firms get it wrong
Regulatory requirements	<ul style="list-style-type: none"> • Examining the regulatory requirements • What firms often miss • Where ICARAs are likely to fall short
Overcoming practical problems	<ul style="list-style-type: none"> • Real-life examples and how problems were overcome
Strategies for risk assessment	<ul style="list-style-type: none"> • The role of Compliance, Operational Risk and Internal Audit • Linking risk scoring to fundamental financials • Moving from “best guess” to empirical evidence
The role of stress testing	<ul style="list-style-type: none"> • The purpose of stress testing • What might constitute meaningful stress tests? • The role of mitigation plans • The link to the winding-up plan
The winding-up plan and guidance	<ul style="list-style-type: none"> • What is the purpose of the WDPG? • Key requirements and applying these in practice • Constructing a credible winding-up plan
Preparing for the SREP	<ul style="list-style-type: none"> • The purpose of the SREP • What form does the review take? • Timescales and records • What is the FCA looking to find?

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