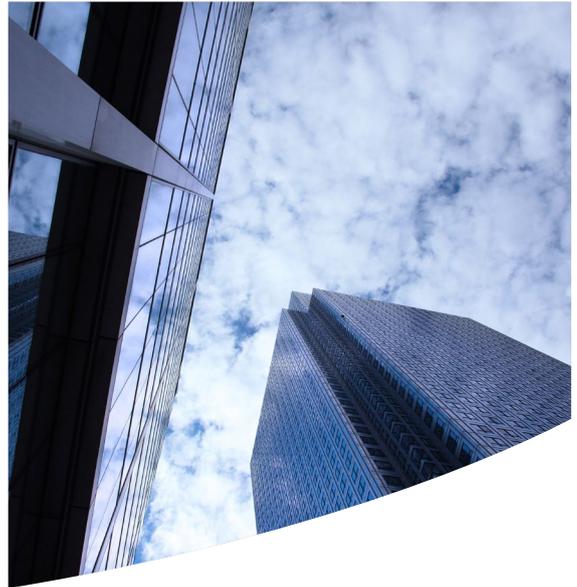


# SUCCESS STORY

## FINANCIAL CONDUCT AUTHORITY

Delivering a regulatory  
solution for the AIFMD



Sopra Steria delivers a solution for the Alternative Investment Fund Managers Directive (AIFMD) in response to new UK legislation: automating crucial processes for authorisation and supervision of firms.

### Challenge summary

AIFMD is a complex legislative requirement affecting 1,600 financial services firms. The deadlines to enact the regulations were extremely challenging and the Financial Conduct Authority (FCA) had to design and build an operable solution within a short, fixed timeframe under the scrutiny of both Government and Industry.

### Key points

- Enhancing existing solutions to enable the FCA to authorise and supervise firms
- Truly collaborative approach to a complex and critical requirement
- Early joint engagement to help shape solution development
- Flexible approach to challenging and changing solution requirements.

### The challenge

The Financial Conduct Authority is the UK's largest financial regulator. European Union legislation drives many new policies including the Alternative Investment Fund Managers Directive (AIFMD), which aims to harmonise the regulation of alternative investment funds and of their fund managers, throughout the EU.

AIFMD is a complex legislative requirement and the deadlines to enact the regulations, determined by legislation in Europe and UK were extremely challenging. The FCA had to design and deliver an operable regulatory regime within a short, fixed timeframe, under scrutiny from Parliament and the financial services industry.

This complex requirement also changed as time went on and it became clear that adaptability would be an essential ingredient for success, both within the FCA business and Sopra Steria.

Sopra Steria recognised from the outset that a collaborative, pragmatic and flexible approach was needed to ensure delivery of the right solution for both the FCA and industry stakeholders.

### Our solution

**Sopra Steria's primary role was to provide application development services for key FCA regulatory systems.**

Working in partnership with the FCA, Sopra Steria helped to translate the regulatory regime into solution requirements. It quickly determined that a portfolio of projects needed to be scoped and managed carefully, to succeed in the time and budget available. Consequently a 'what-if analysis' of business and technology solutions was undertaken, with Sopra Steria consultants being instrumental in a series of planning workshops to determine the solution options. They developed an estimating tool to scope various scenarios, quickly providing the FCA with the information needed to select a practical solution.

Throughout the FCA change programme, Sopra Steria's flexible engagement and commercial model supported the FCA's delivery goals. This model allowed the Sopra

Steria team to progress a dynamic list of deliverables and functionality that was being developed by the FCA in real time. This enabled: the FCA to retain control and avoid delays; Sopra Steria to remain responsive to changes and redirection; and for risks to both parties to be kept to acceptable levels. The project was an exemplary and successful collaboration, founded on trust and a strong team working approach.

**Interpreting complex new legislation and establishing a brand new regulatory regime to a predetermined timetable is a defining challenge for regulators. Sopra Steria was key to supporting the FCA meet the corresponding IT challenges.**

Sopra Steria not only delivered the solution on time and to budget; but also provided a partnership experience that delighted the customer.

## How we work together

Reliably delivering change and maintaining the delivery capacity **to support multiple 'change programmes' is key to how we work at the FCA.** As a long-standing partner, Sopra Steria endeavours to provide consultants with in-depth experience and understanding of the respective systems.

Sopra Steria's commitment to collaborative working with the FCA, places the people responsible for project management, design and management of testing on-site at the FCA, in the UK. This provides them with intimate knowledge of the application change requirements necessary, to meet regulatory needs. It also enables close collaboration with FCA technical and business staff to maximise achievement against the tight schedules. This model is also underpinned by support from developers and testers located offshore in India: ensuring both responsive and cost effective services.

## Results and benefits

The solution helps the FCA to fully operate in line with the AIFMD requirements whilst focusing on the core purpose of regulating the financial services industry. It can record all of the regulatory decisions made, schedule submissions from 1,600 alternative investment firms and receive the reports required from them whilst charging them appropriate fees.



Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges.

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