ASK AN EXPERT

Compliance

1. How can companies reduce compliance risks when expanding across multiple jurisdictions?

Companies can reduce compliance risks when expanding across multiple jurisdictions by taking a strategic, proactive approach which intergrates governance,

legal and operational oversight. Key considerations include:

a) Assessment of jurisdiction-specific legal and regulatory requirements;

b) Development of the governance and oversight framework;

c) Engagement of local experts; and

d) Localization of group-wide policies and procedures, with the understanding that local laws may supersede the group-wide policies.

2. How can internal controls be designed to encourage a culture of proactive compliance from a Company Secretarial perspective?

Internal controls should surpass checklist compliance and be designed to embed accountability, transparency and early action across the organisation. On this, practical ways to achieve a culture of proactive compliance include:

a) Embedding compliance into governance structures by clearly mapping out statutory and regulatory responsibilities of the Board, Committees, Directors, and Management in charters and terms of reference, inclusion of compliance matters as standing agenda items at Board and Committee meetings, and formal Board or Committee approvals for high-risk governance actions.

b) Clarification of the delegation of authority matrices;

c) Introduction of compliance aspects in Board inductions;

d) Embedding a practice of frequent director declarations for aspects such as conflict of interest at Board meetings;

e) Intermittent review of Board effectiveness, committee performance, compliance registers, filings and governance practices.

f) Standardization of policies and procedures and overseeing compliance to established frameworks.

3. In what ways is AI changing the role of compliance in Company Secretarial teams today?

AI is reshaping the Company Secretarial function by shifting compliance from a reactive, document-driven role to a forward-looking, advisory and risk-centric role.

Key transitions include:

a) Enhanced monitoring of statutory deadlines, regulatory updates and filing requirements across jurisdictions;

b) Bolstered readiness for compliance audits in terms of the availability of comprehensive action logs and improved transparency; and

c) Improved decision making by summarizing readily available information, for ease of use.

4. What practical steps can Boards take to keep governance relevant instead of treating it as a formality?

a) Anchoring governance processes and decision making to strategy, risk appetite and long-term sustainability;

b) Focusing agendas items to decision making;

c) Pressing management for detailed papers prior to Board meetings, to enable informed discussions;

d) Availing themselves for Board trainings, to enable continuous learning of emerging trends; and

e) Measuring governance by tracking indicators such as quality and timeliness of decisions, frequency of risk incidents and near-misses, trade-offs and regulatory feedback.