

TECH, COMPLIANCE, THE LAW AND THE FUTURE



“Between the two of us, there is a definite crossover what we are doing and what Ash St. is doing, and how we can work together to offer a broader range of services in legal, compliance, technology and innovation.”

In October, GRC Solutions and Ash St. announced a new strategic partnership.

Most would already be familiar with GRC Solutions, one of the companies leading the fintech vanguard and member of the RegTech Association, which has worked closely with domestic regulators. GRC Solutions have been very much a part of the conversation about how RegTech solutions will assist organisations to meet their compliance obligations by leveraging data using underlying automated systems.

ASH ST. HAS BEEN DESCRIBED AS AN innovative legal advisory. The partnership between these two companies promises the creation of an integrated legal and compliance framework that will be aimed at the financial services.

Some would say that this, along with other tech solutions, have come not a moment too soon, especially in light of the new regulatory requirements appearing on the horizon.

GRC Professional took the opportunity to catch up with Julian Fenwick, Managing Director of GRC Solutions.

“Ash St. is a new type of law firm. Not strictly just *law*, but they do other advisory work as well and they work with a lot of start-ups,” Fenwick said.

He added that Ash St. does a fair amount of work in Merger and Acquisitions, and Banking and Finance.

Ash St.’s focus is on changing the model of law—thus, it is not your traditional practice that’s all about billable hours and partnership hierarchies.

“I’ve known Peter Shaw for a number of years and he has advised a number of my colleagues on

their businesses. So when we were looking for opportunities to grow out the business and to take on some investment and get the technology moving, → I spoke to Peter about what we should be doing and that sort of piqued his interest,” Fenwick said.

While much has been said in the media about the disruption of the financial services, it seems the legal sector has seen a fair amount of its own disruption.

Members might remember the *Conference Edition of GRC Professional*, where John Vorhralik, mediator and member of the NSW Law Society, addressed the potential disruption of online mediation and asked the question of whether it was there to stay.

There has also been significant media space given to the question of smart contracts.

Similarly, the rise of RegTech—or perhaps rather the refocus on tech-based solutions, since companies have always used technology to keep up with their regulatory obligations—has posed challenges to traditional institutions, as well as to the somewhat analogue way that GRC is being conducted in some organisations. →

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Fenwick said it was that discussion that led to the question of where the overlaps are in what they do.

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COBA

The Ash St. collaboration is not the only new strategic partnership for GRC Solutions. The company has also acquired the compliance division of the Customer Owned Banking Association (COBA).

“Having the team from Ash St., we could work very closely together on that acquisition,” said Fenwick, and added the COBA → acquisition was a really natural fit for his company.

“We have been working in the financial services space increasingly over the last few years, including our expansion into Singapore and New York.”

The acquisition of COBA fits with GRC Solutions’ strategic focus in the financial services and compliance space, and had the added bonus of coming with a highly-experienced team of banking & finance compliance lawyers, as well as a client base that was really looking for better technology.

“The COBA Compliance team are a highly-respected group of individuals, producing very high quality products, but the sector doesn’t have the budget of the big banks. They need to come together as an industry to really leverage what is happening with the new regulatory technologies.”

“It’s really a great bunch of clients because they don’t see themselves as competing against each other. They are part of the same industry association. They are all trying to pull together to get better outcome for their members. It’s a true industry body, I guess, where they are looking to pull together and be part of a community and pass that on to their members.”

Smaller organisations are becoming bigger

This change in the industry body is significant since the customer-owned bank industry →



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itself is changing to meet both the new regulatory environment and the marketplace.

There have been a lot of mergers in the customer-owned banking sector, and Fenwick suggested much of this has to do with the cost of compliance

“It’s about broadening their opportunities as well,” he explained. “So you see people like Qantas Credit Union becoming Qudos Bank, and a lot of that rebranding was intended to attract clients outside of Qantas staff, their traditional member base.”

Change is being pushed by regulators as well, such as the phased banking licence that is part of lowering the entry requirements for new players to the market.

According to Fenwick, this plays into the area GRC Solutions and Ash St. hope to cover together, recently publishing a paper entitled *Conversation to a Bank in Australia*.

Change

At the 21st Annual GRC Conference, Naomi Burley asked attendees to consider all the changes taking

place currently as no more than typical business disruption.

And, since no industry, business, bank or law firm is immune, the onus lies instead on businesses, and on compliance and risk professionals to be ready to meet these new changes head-on if they want to remain relevant.

Partnerships such as that which has been formed between GRC Solutions and Ash St. are part of the inevitable change that can have a major impact on the future of the technology, law and compliance. •••