

Q1 2023

DANOS CONSULTING

UK MARKET OVERVIEW

COMPLIANCE | FINANCIAL CRIME | LEGAL | RISK | CYBER | ESG

OVERVIEW OF THE LAST 12-MONTHS

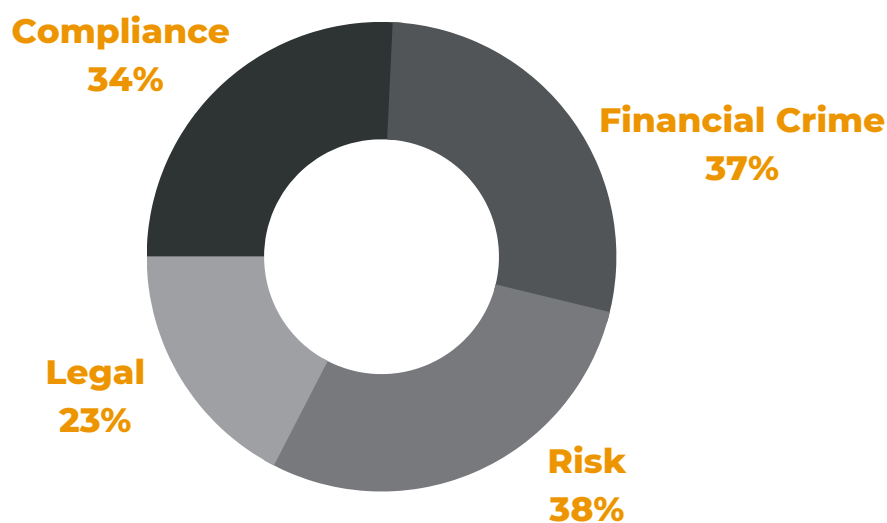
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Danos Consulting saw 33% growth from December 2021 to December 2022.

Clients have continued to need flexible remote support for their businesses both in the UK and across Europe, although often adopting a hybrid approach to working. We also launched our ESG practice to complement our Legal, Compliance, Financial Crime, and Risk divisions.

There was further work resulting from embedding in good practices around the Senior Managers & Certification Regime (SMCR), Consumer Duty and the Fifth Money Laundering Directive (5MLD), plus LIBOR reopening, and Brexit planning still kept the legal sector busy.

Breaking down our areas of expertise in more detail by sector, Compliance saw 34% growth, Financial Crime 37%, Risk 38% and Legal 23% - 2022 was a busy year!



"CONTRACTORS HAVE EXPERIENCE OF ADAPTING TO NEW ENVIRONMENTS QUICKLY AND WERE A GREAT SOLUTION TO HELP GROWING WORKLOAD AND REGULATORY CHANGES"

Financial Services hubs continue to grow in Europe, with an increase in interim hiring in Amsterdam, across the Nordics, Luxembourg, France, Spain, Poland, and Germany in particular.

UK talent is also being used for projects across the Channel Islands with significant growth in Jersey especially.

The FinTech sector continues to see many firms applying for authorisation in the UK.

The volume of Financial Conduct Authority (FCA) applications is proving the UK is still a premier Financial Services hub.

In particular there are a high volume of Payments, FinTech applications waiting for approval; the backlog remains, but is getting lighter we understand with most processes taking around 6-months or longer.

Due to the abundance of roles in the market, the strongest candidates tend to have on average three to five interviews with different financial institutions simultaneously. Companies are implementing aggressive talent retention measures, such as early promotions, counteroffers, and increased notice periods for existing employees.

We have seen that Investment Banks are now willing to offer significantly higher salaries to gain a competitive edge over their market rivals, with candidates able to command a much higher increase over their current salaries.

"LARGELY FOR 2022, CANDIDATES IN THE MARKET WERE IN SHORT SUPPLY, BUT THIS STARTED TO SWING THE OTHER WAY TOWARDS THE LATTER END OF THE YEAR"



GETTING BACK TO THE OFFICE

As we continue to recover from the covid-19 fully working from home model, it has become clear that 5-days working in the office is no longer the norm. Most businesses have adapted to the new and most often used, 3-days in the office and 2-days from home model.

Some firms will still have a preference for 4-days in, which tends to be more on the buy-side with larger Private Equity and Hedge Fund clients opting to have their staff in a little more.

Contractors have always been very good at being amenable to a client's needs and the flexible working suits a contractor's preference too. We do still get asked if roles can be fully remote, but this is highly unlikely now as the world has adapted to hybrid working.



IR35

We continue to see mainly inside IR35 (PAYE) opportunities being available and a lot of fixed-term contracts, but as the reform is now well and truly setting in – even with the near scrapping last year – we are seeing more firms open to reviewing requirements to sit outside IR35.

We saw an increase in hiring for outside IR35 roles (via Limited Companies) this year with a more tailored and thought out approach with our clients. The buy-side and smaller institutions tend to be more open to this rather than the bigger banking groups, but it is good to see institutions can be swayed to review the requirements further as a lot of roles can be project based, with clear deliverables.







FINANCIAL CRIME & COMPLIANCE

Financial Crime professionals have still been the most in demand by the market in 2022 with this year seeing large growth across the need to hire in sanctions following the Ukraine crisis. The implementation of the first wave of Cryptocurrency regulations will be huge for hiring in 2023 if the adopting the regulation on markets in crypto assets (MiCA) comes into action, which firms are already preparing for. Contractors will still be required to get firms to adhere to the Fifth Money Laundering Directive (5MLD) and the Payment Services Directive (PSD2) too.

In 2022, the busiest areas of hiring in Compliance and where there has been a lot of competition for the banks is within Monitoring and Testing, with most of the larger banks needing support in this space. We also saw a lot of Financial Promotions specialists needed for buy-side firms with regulations within this space changing, with Core Compliance Generalists in demand as ever too.

We predict with the regulations coming in to play as mentioned along with the Consumer Duty FCA changes that firms are having to change and implement; these will be key hot areas of hiring in 2023.





RISK

As the market recovers from the effects of the pandemic, there has been a colossal boost in the trading of financial investment products such as stocks, options, bonds, and derivatives, all of which carry Counterparty Risk. Hence, Banks have been very active in their hiring across the Counterparty Credit Risk (CCR) space.

Quantitative Analysts with experience in Counterparty Credit Risk, Pricing Models, and X-Value Adjustment (XVA) Modelling have been in huge demand due to the significant shortage of such candidates in the market, coupled with the competition between Banks and Consulting organisations for talent in this space.

The Fundamental Review of the Trading Book (FRTB) regulation that standardise the treatment of Market Risk across the market has been pushed back from January 2022 to 2023, so we foresee some further support needed in this area.

There are still shortages in Credit Risk, especially candidates with strong knowledge of Basel III and IFRS9 but mainly from a Quantitative perspective, a demand for candidates with experience with the Advanced/Internal Ratings-Based Approach (AIRB/IRB).

The Cyber Security Risk space is a busy sector, as demands have continued in this area with ever changing technological advances. This has largely been one of the busier areas of Risk in the last 24-months.



LEGAL

The Legal interim market continues to be busy. After a steady level of temporary hiring in 2022, in 2023 hiring continues to allow teams to cover business-critical needs, parental/sabbatical covers. Further to this, some clients are preferring to limit their risk and expense by taking on contract support for initial periods of 6 to 12 months, with a view to potentially move to permanent roles. We are placing Lawyers in a range of PAYE and Fixed-Term Contract (FTC) roles as compared to via limited contract roles due to the changes in the IR35 regulation

The main legal expertise we have seen in demand have been across funds, corporate and commercial, prime brokerage, derivatives documentation (ISDA), and asset management. We have also successfully placed multiple general Banking and Finance Lawyers, a skillset that has been less in demand over the last few years.

SALARY GUIDE

(2023)

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INTERIM ROLES

Head of Compliance / Risk / Legal
Head of Financial Crime

**Rate
Per Day (£)**
£1,000 – £2,000
£700 – £1,200

**Fixed-Term Contract
Annual Rates (£)**
£120,000 – £200,000
£100,000 – £150,000

COMPLIANCE & FINANCIAL CRIME

Senior AML / Compliance Manager
AML / Compliance Manager - VP
AML / Compliance Manager - AVP
Compliance Associate
Financial Crime / KYC Analyst

£650 – £1,200
£500 – £900
£450 – £650
£300 – £500
£200 – £500

£85,000 – £120,000
£70,000 – £110,000
£60,000 – £85,000
£50,000 – £75,000
£45,000 – £75,000

RISK

Senior Risk Manager
Risk Manager
Risk Analyst
Quant Risk Consultant

£500 – £800
£400 – £700
£300 – £600
£700 – £1,500+

£80,000 – £120,000
£75,000 – £110,000
£70,000 – £100,000
£100,000 – £150,000+

LEGAL

Head of Legal
In-House Lawyer
Senior Legal
Paralegal

£800 – £2,000
£500 – £1,000
£400 – £550
£200 – £400

£120,000 – £200,000
£100,000 – £120,000
£80,000 – £110,000
£45,000 – £80,000



OUR CONSULTANCY AND INTERIM TEAM

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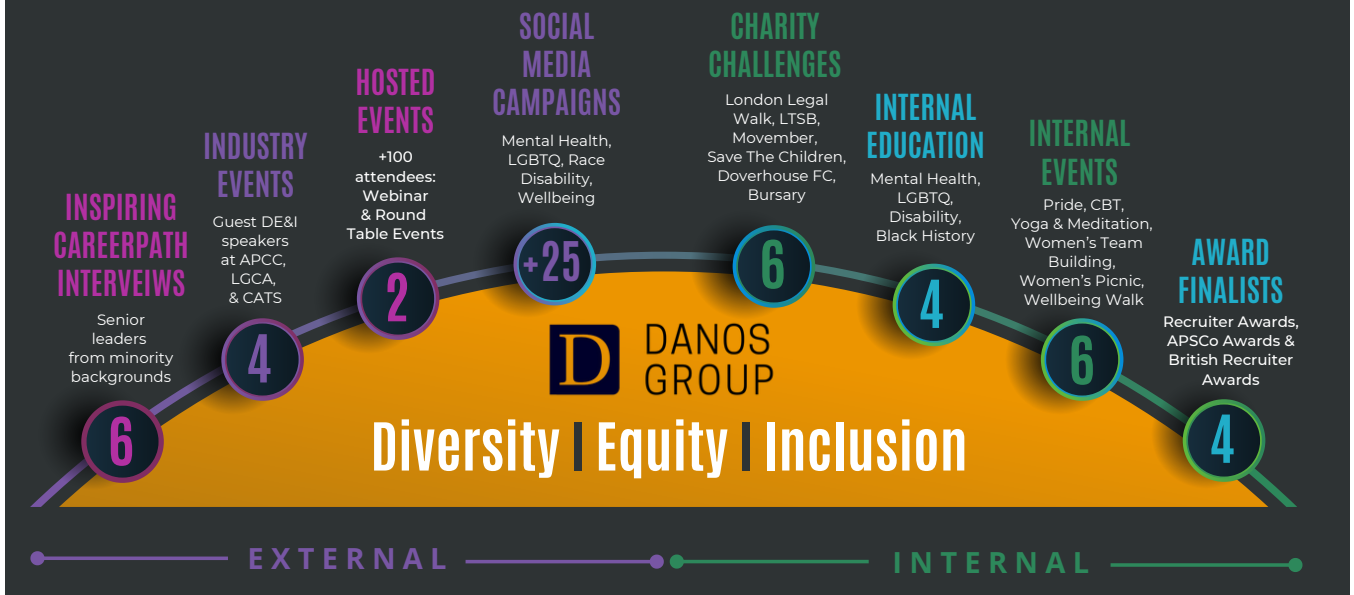
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Our Impact On DE&I In 2022



Danos Consulting is a specialist consultancy firm across Financial Services, Commerce & Industry, Professional Services, and the Public Sector. With an unparalleled talent network, we provide experienced, first class practitioners at affordable costs on an international scale.

Our team of specialists match our consultants talent not just to the requirements of the role, but also to the style of the organisation.

Danos Consulting was established in 2013 and has an excellent track record in delivering consultancy support across Compliance, Financial Crime, Legal, Risk, Cyber, and ESG sectors.



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