

DANOS CONSULTING UK MARKET REPORT

COMPLIANCE | FINANCIAL CRIME | RISK | LEGAL



MARKET UPDATE 01 H2 2024

As we reach the halfway mark of 2024, the Interim and Consulting market in the UK has been significantly influenced by regulatory developments, technology advancements. and evolving standards. **After** a much tighter recruitment market in 2023, Financial Services institutions have started to open permanent hiring requirements again, but many companies are increasingly turning to Interim professionals to meet short-term needs or to provide specialist expertise for specific projects. This flexibility has allowed businesses to scale their teams up or down as needed without long-term commitments.

The larger Investment Banks were most affected by the 2023 economic challenges, but the Sell Side institutions are facing key initiatives in the regulatory landscape. Challenges with sustainability and ESG continue to grow, with UK Banks having to adapt to new regulations such as CSRD (Corporate Sustainability Reporting Directive) and the CSDDD (Corporate Sustainability Due Diligence Directive).

The FCA has continued its push on Consumer Duty principles, with firms having to demonstrate adherence to improving consumer protection through transparent, customer-centric practices. This shift demands investments in data analytics and legacy system upgrades to meet compliance requirements.

Increasing cyber threats and data privacy laws are becoming more stringent and generative AI is becoming a double-edged sword in Financial Crime as the demand for strong technical professionals is required. While it aids in detecting fraud, it also empowers criminals to create convincing fake identities and execute complex fraud schemes. We continue to see financial institutions heavily investing in Al and automation to streamline compliance processes. These systems are predominantly applied Customer Onboarding, Transaction Monitoring, and Sanctions

Screening departments which has decreased the needs for junior Interim resource but increased the demand for more experienced Interim professionals to deal with more complex tasks that require expert judgement.

While there has been a strong emphasis on upskilling existing employees and investing in new training programs, the need for specialist skills to handle complex scenarios has never been greater. With the expansion of Open Banking in the UK, Technological Innovations, Regulatory Change, and the focus on Continuous Monitoring, 2024 is shaping up to be a year of significant change in the UK. 2023 was the lowest year for regulatory fines and many people are predicting that it is only a matter of time before global regulators start to focus their attention back on financial institutions.

From a Buy Side standpoint we have seen the demand this year in two key areas across a number of Investment Management and Private Equity firms. The first being within Marketing Compliance / Distributions, which requires specialists in this more niche market. In October 2023 proposing stricter rules for promotions of high-risk investments (FCA High Risk Investment Promotions). These proposed changes are currently under consultation, so the final rules and implementation timeline have not been set yet, but firms seem to be requiring specialist support to help with this.

"THE NEED FOR SPECIALIST SKILLS TO HANDLE COMPLEX SCENARIOS HAS NEVER BEEN GREATER."

The second in demand area is finding Financial Crime specialists to support Buy Side firms at the senior end to help review the practices in play from a framework and policies and procedures standpoint and begin to help change and enhance processes. As this skillset from a Buy Side perspective is more specialised and slightly trickier to find, we have seen Sell Side specialists being considered and providing the support needed for firms.

"UK HAS BEEN SIGNIFICANTLY
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GLOBAL STANDARDS."

Regulatory bodies are paying closer attention to Investment Management firms due to the rising value of global assets under management. This means compliance checks and a greater emphasis on Anti-Financial Crime Controls. We might see stricter regulations coming into play. The FCA's proposed changes for High-Risk Investment Promotions are an example of this trend.

"THE DOUBLE-EDGED SWORD OF GENERATIVE AI IN FINANCIAL CRIME ARE DRIVING DEMAND FOR STRONG TECHNICAL PROFESSIONALS."

The FinTech sector will continue to see many firms applying for authorisation in the UK. There have been fluctuations within the Digital Assets market in the last 12-months, and there will be further regulatory changes from the FCA and MiCA (Markets in Crypto-Assets Regulation) across Europe being implemented. The recent SEC (U. S. Securities and Exchange Commission) announcement regarding Bitcoins and ETFs (Exchange-Traded Funds) could further drive demand within this asset class, which means that Banks, Asset Managers, and Exchanges will need to invest in the infrastructure, operational, Financial support. regulatory Promotions within the FinTech space will continue to be an area to watch.



INTRODUCTION OF NEW CHANGE MANAGEMENT PRACTICE TO DANOS CONSULTING

Danos Consulting are known as industry leaders in the Compliance and Risk space. We're building on this platform by launching a **Change & Transformation** practice to support your Regulatory, Risk and Resilience activities. Supporting a range of clients from SME / boutiques to large, multinational conglomerates across the Financial Services and FinTech sectors.

The team will work closely with our clients and supply contract, permanent and consultancy resources across regulatory, business and technology transformation, change management, LEAN / process improvement. We recruit across the whole project lifecycle including Heads of Change and Transformation Directors, Project and Programme Delivery Managers, Business Analysts and Architects, Change Managers, Programme Support, all the way through to Testing.

Our team has developed a deep network of Regulatory Consultants by supporting clients over the last twenty years and has supported them to respond to and comply with a variety of UK, European and US regulations including, but not limited to:

- FATCA / CRS
- AIFMD
- Dodd Frank
- UCITS IV & V
- Structural reform of MMFs
- EMIR

- MiFID II
- LIBOR
- CCAR
- Basel II / III
- FRTB
- ESG

Please reach out to Daniel Jordan to find out more, djordan@danosconsulting.com



UPCOMING REGULATORY CHANGES AND AREAS TO CONSIDER FOR 2024

U AML Package (Europe):

The European Union is expected to finalise a new AML package in 2024. This package includes the establishment of an AML Authority (AMLA), a revised 6th Anti-Money Laundering Directive (AMLD), and clearer regulations for crypto-asset transfers. These changes will likely affect European financial institutions significantly.

Consumer Duty Expansion (UK):

The UK's Financial Conduct Authority (FCA) will be expanding the scope of its Consumer Duty starting July 31st, 2024. This means the duty will apply to closed-end investment products and services, requiring asset managers to demonstrate they've considered price and value for consumers.

Focus on Outcomes-Based Compliance:

Regulatory bodies may shift their focus from simply checking compliance boxes to evaluating the actual outcomes of compliance programs. This means a greater emphasis on demonstrating how compliance efforts are effectively preventing financial crime.

ESG Integration:

Regulators are increasingly incorporating Environmental, Social, and Governance (ESG) factors into their frameworks. This could lead to new compliance requirements around how financial institutions manage ESG risks and prevent "greenwashing" (misrepresenting ESG credentials).

SALARY GUIDE (2024)

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INTERIM ROLES

COMPLIANCE & FINANCIAL CRIME

SMF 16 and/or SMF 17
Head of Compliance
Head of Financial Crime
Compliance Project Manager
Senior AML / Compliance Manager
AML / Compliance Manager - VP
Compliance Associate
Financial Crime / KYC Analyst

RISK

Head of Risk
Senior Risk Manager
Quant Risk Consultant
Risk Project Manager
Risk Manager
Risk Analyst

LEGAL

General Counsel Head of Legal Senior Legal Counsel Legal Counsel Paralegal

Fixed-Term Contract Annual Rates (£)

£150,000 - £250,000 £120,000 - £200,000 £100,000 - £180,000 £85,000 - £120,000 £85,000 - £120,000 £70,000 - £110,000 £60,000 - £75,000 £50,000 - £75,000

£120,000 - £200,000 £80,000 - £120,000 £100,000 - £150,000+ £85,000 - £120,000 £75,000 - £110,000

£200,000 + £150,000 - £220,000 £120,000 - £180,000 £100,000 - £140,000 £45,000 - £80,000



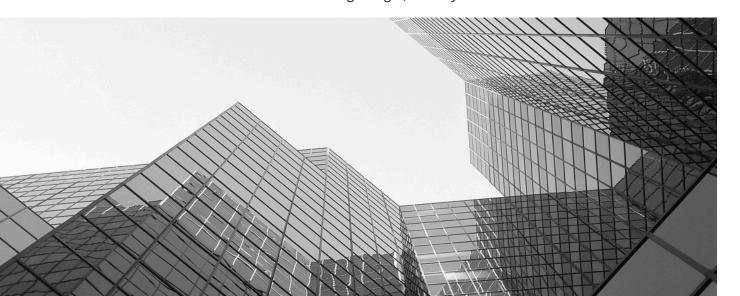
DAY RATE* GUIDE

(2024)



ROLE (EXPERIENCE)	0 - 2 Years	2 - 4 Years	4 - 6 Years	6 + Years
Head of Compliance / Financial Crime	-	-	-	£1,100 +
ABC Policy / Advisory	-	£479 - £616	£616 - £821	£821 +
Sanctions Policy / Advisory	-	£479 - £616	£616 - £752	£752 +
AML Policy / Advisory	£342 - £547	£410 - £547	£547 - £684	£684 +
Transaction Monitoring	£274 - £342	£342 - £479	£479 - £684	£684 +
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Project Manager	-	£821 - £1,026	£1,026 - £1,368	£1,368 +
Head of Risk	-	-	-	£1,100 +
Risk Manager / Senior Manager	-	£547 - £752	£752 - £1,026	£1,026 +
Risk Analyst	£479 - £547	£547 - £684	£684 - £821	£821 +
Head of Legal / General Counsel	-	-	-	£1,642 +
Senior Legal Counsel	-	£821 - £1,026	£1,026 - £1,642	£1,642 +
Legal Counsel	£547 - £684	£684 - £889	£889 - £1,094	£1,094 +
Paralegal	£342 - £410	£410 - £479	£479 - £547	£547 +

^{*}These rates are variable total charges that would be calculated for each role based on the day rate, Danos Consulting charges, and any PAYE oncosts.



OUR CONSULTANCY AND INTERIM TEAM



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Danos Consulting is a specialist consultancy firm across Financial Services, Commerce & Industry, Professional Services, and Regulators. 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, Risk, and Legal sectors.

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