

# Case Study: Leveraging CM Plus for Regulatory Compliance under the IFPR Regime



This case study highlights the potential of technology-driven solutions like CM Plus to help regulated firms navigate complex compliance landscapes while focusing on their core business objectives.



# Background

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ABC Investment Management, a boutique investment firm based in London, operates under the Financial Conduct Authority's (FCA) regulatory oversight. As a firm subject to the Investment Firms Prudential Regime (IFPR), ABC faces stringent regulatory requirements to ensure its financial stability and prudent risk management. The IFPR mandates that regulated firms:

- Continuously monitor their risk profile and update their Internal Capital and Risk Assessment (ICARA) document.

- Submit regulatory returns to the FCA, detailing their capital adequacy and financial health.
- Maintain sufficient funds and calculate capital requirements based on the nature and scope of their activities.

While these requirements enhance the resilience of investment firms, they impose significant administrative and compliance burdens, especially for smaller firms with limited resources.



# Challenges



ABC Investments struggled with the following issues:

**Manual Risk Monitoring:** Keeping the ICARA document current required extensive manual data gathering and analysis, diverting resources from core investment activities.

**Complex Calculations for Capital Requirements:** Determining and recalibrating capital requirements in line with business activities was both time-consuming and error-prone.

**Regulatory Reporting:** Preparing and submitting accurate FCA returns was resource-intensive, requiring the firm to reconcile multiple data sources and ensure compliance with evolving regulations.

The firm recognized the need for a solution to streamline its compliance processes, reduce the administrative burden, and ensure ongoing regulatory adherence.

# Solution: CM Plus

To address these challenges, ABC Investments adopted CMPlus, an advanced compliance management platform specifically designed for firms under the IFPR regime.

## Automated Risk

01

### Monitoring and ICARA Updates:

CM Plus integrates with ABC Investments' operational systems to automatically track changes in risk exposures. It continuously updates the ICARA document, ensuring it reflects the firm's current risk profile.

## Capital

02

### Requirement Calculations:

The platform performs real-time calculations of minimum capital and liquidity requirements, factoring in the firm's business model, trading activities, and risk-weighted exposures.

## Regulatory

03

### Reporting:

CMPlus automates the generation and submission of FCA regulatory returns, eliminating manual errors and reducing the time required for reporting.

## Dashboard

04

### Alerts:

A user-friendly dashboard provides ABC Investments with an overview of its compliance status, upcoming reporting deadlines, and potential areas of concern, enabling proactive management of regulatory obligations.

# Results

By leveraging CMPlus, ABC Investments achieved the following outcomes:



## Increased Efficiency:

Time spent on ICARA updates decreased by **70%**. FCA regulatory returns were generated and submitted in **60%** less time compared to manual methods.

## Enhanced Accuracy:

Automation reduced the likelihood of errors in capital requirement calculations and regulatory submissions.

## Better Risk Management:

Real-time monitoring allowed the firm to identify and mitigate emerging risks promptly.

## Cost Savings:

The firm reallocated staff from administrative tasks to higher-value activities, such as client relationship management and strategic planning.

# Conclusion



ABC Investments' adoption of CM Plus transformed its approach to regulatory compliance under the IFPR regime. By automating critical processes, the firm not only met FCA requirements with greater ease but also enhanced its operational efficiency and risk management capabilities.

70%

Percentate of decrease in time spent on ICARA updates.

60%

less time compared to manual methods for FCA returns and submissions.

20%

Increase in team productivity

# About Us

CM+ (Capital Management Plus) is a comprehensive, specialized software platform designed to help financial institutions efficiently manage, monitor, and report their capital and liquidity positions in compliance with regulatory requirements, such as those set by the UK Financial Conduct Authority (FCA) or similar regulatory bodies worldwide.



01

## Story

The platform is a synergy of the founders' respective experiences and passion for regulatory capital and modelling in banking and finance.

02

## Vision

Transform capital and liquidity management to added-value activity. Increase return on capital through better analysis of risk and allocation of resources.

03

## Technology

Real-time analysis of financial adequacy: calculation, reporting and monitoring of your key metrics and regulatory requirements.

# CM Plus



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