Francine Schlingmann on ‘the myriad of rules engulfing financial institutions’

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Francine Schlingmann, lawyer, scrolls down an endless list of regulations on her computer screen. She shows us the web tool that De Brauw Blackstone Westbroek – the law firm where she is partner – has developed to provide banks, insurers, pension funds and investment managers with an overview of the overload of regulations that has engulfed them in the last few years.

The tool, which goes by the name of Fenrir (after a mythological creature which can transform from an innocent animal into an enormous untameable wolf in the blink of an eye), should also aid in clarifying what a financial institution is actually supposed to do with those regulations, and what the connection between all those regulations is.

Schlingmann is still scrolling down on the list. Page after page passes showing nothing but regulations. European and national regulations. Regulations for banks and investment funds. Regulations on capital buffers and how to deal with interest benchmarks. Behind each act numerous documents lurk, explaining in full detail exactly what is expected of the institutions. Together, those documents contain terabytes of data. If all these pages were printed and lined up, it would stretch for ten miles.

Since the credit crunch hit six years ago, national and supranational authorities have detailed and introduced one package of regulations after another at record speed, or adjusted existing legislation, to further regulate and stabilise the financial sector. This usually concerns huge packages with exotic names such as EMIR (derivatives trading) and MiFID (market and investment service provision), or CRD IV/CRR (capital requirements for banks). The goal: to prevent a repetition of the crisis of 2008.

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