



## Strengthening Product Governance:

Key Insights from PIMFA and Ruleguard's Podcast Discussion



FCA's Stance on **Product Governance** 



The FCA has become more proactive in penalising firms that fail to demonstrate how their products meet regulatory standards under MiFID II and Consumer Duty, particularly when they don't adequately address customer needs or prevent potential harm.

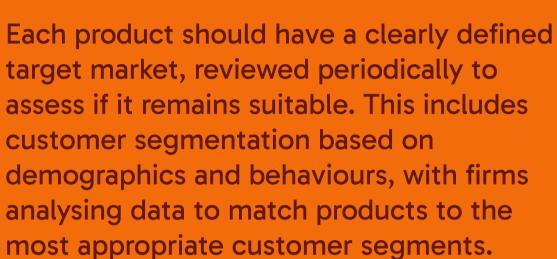


**Critical Aspects of Product Governance Frameworks** 

Firms should have a structured product governance framework covering the full lifecycle of product development, launch, and review.

This includes eight essential steps: product approval, target market identification, product testing, distribution strategy, distributor oversight, ongoing monitoring, client communication, and a feedback loop for continuous improvement.

**Target Market Definition and** Segmentation





The Role of Governance **Forums** Governance forums serve as

key decision-making bodies, particularly when assessing the risks associated with a product.

These forums must have access to relevant, concise management information (MI) to make informed decisions without being overwhelmed.



**Cross-Departmental Involvement in Governance** 

Product governance is not solely a compliance responsibility. Effective governance requires collaboration across departments, including sales, marketing, and distribution, each playing a role in aligning products with regulatory standards and business objectives.



**Data-Driven Board Involvement** Boards need actionable data and clear

MI to identify trends, take timely action, and address issues promptly. Failures to respond to identified weaknesses have led to fines, highlighting the importance of responsiveness to risk indicators.

**Complaint Handling and Root Cause Analysis** Firms should perform thorough root cause analysis for





**Technology** in Compliance Technology and RegTech

The Role of

solutions can automate many compliance tasks, such as tracking product governance activities and ensuring documentation is centrally accessible and up-to-date. Technology also enhances

audit trails and enables real-time reporting, providing compliance teams with insights on delays, resource gaps, and areas requiring attention.

RegTech Solutions RegTech solutions allow compliance teams to monitor processes in real time, seeing exactly



where a task might be delayed or completed. This visibility promotes proactive management, reduces reliance on manual tasks, and aids in

maintaining compliance standards efficiently.



about the FCA's increasing expectations for firms to meet stringent product governance standards. Effective product governance is vital for regulatory

compliance and optimal customer experience, requiring robust frameworks, comprehensive data analysis, and collaboration across departments. Technology solutions play a key role in enabling real-time

oversight and compliance, allowing firms to efficiently navigate their obligations and adapt as needed.

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