




Risks and uncertainties continued

Risk	Likelihood/impact and change from prior year	Mitigation	Category
Market exposure			
<p>The fair value of financial assets and financial liabilities could adversely fluctuate due to movements in market prices of foreign exchange rates, commodity prices, equity and index prices.</p> 	<p>Likelihood: Medium</p> <p>Impact: Medium</p> <p>→</p>	<p>Market exposure is monitored 24 hours a day on a real-time basis, using our proprietary automated reporting systems to measure client exposure on all open positions. Where exposure levels and client behaviour reaches certain levels, whether in total or on specific instruments, our risk management policy requires that mitigating actions, such as reducing exposure through hedging or liquidity arrangements, are considered.</p>	Economic environment
Regulatory – capital adequacy			
<p>The requirement to maintain adequate regulatory capital may affect the Group's ability to conduct its business and may reduce profitability.</p> 	<p>Likelihood: Low</p> <p>Impact: Medium</p> <p>→</p>	<p>Our proprietary automated reporting system is used to monitor capital adequacy 24 hours a day on a real-time basis. This is considered within pre-determined limits, set by the risk management committee, which include an approved level of 'buffer' to ensure that levels determined by our regulators are not breached. Where the capital adequacy levels approach the pre-determined limits, necessary steps are taken to ensure that exposures are managed so as to not fall foul of regulatory requirements.</p>	Regulatory
Trading volume			
<p>Low volatility within foreign exchange rates, commodity prices, equity and index prices may reduce profitability.</p> 	<p>Likelihood: Low</p> <p>Impact: Medium</p> <p>↓</p>	<p>Trading volumes are monitored in real-time and the number of instruments available for clients to trade continues to increase in order to ensure that potential for market volatility is captured within our offering. Where markets become volatile within specific instruments, our technology allows for specific and tailored material to be released which highlights such instances to attract trading volume.</p>	Economic environment
Regulatory – data protection			
<p>The requirements of the new EU General Data Protection Regulations (GDPR) will come into force in May 2018. This places onerous responsibilities on data controllers and processors who have users in the EU regardless of where the data is held or processed.</p> 	<p>Likelihood: High</p> <p>Impact: Medium</p> <p>NEW</p>	<p>In 2016, the Group appointed a new Data Protection Officer (DPO) who works closely with the Chief Security Office (CSO) and Risk Committee to continuously strengthen our defences against cybercrime and comply with future regulatory changes, including the EU General Data Protection Regulation.</p> <p>We continue to invest in the security of our systems and processes to meet the needs of our business customers. A continual assessment of information security risks has resulted in the implementation of multiple layers of assurance and audit activities leading to an enhancement of our security controls and our ability to reduce the likelihood of unauthorised access and to reduce the impact of any successful attack.</p>	Regulatory