



The bank for a changing world

# Powerful waves are deeply transforming our world



New technologies
(Big Data, Al, Blockchain)



New entrants
(Fintechs, Regtechs...)



New customer experience expectations



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New customer experience

expectations

You can't stop the waves, but you can learn to surf!



## **EXECUTIVE SUMMARY**

- I. THE EVOLUTION OF COMPLIANCE
- II. THE TECH JOURNEY OF COMPLIANCE
- III. THE RATIONALE FOR « TOOLING »
  COMPLIANCE
- IV. TO CONCLUDE
- V. Q&A SESSION

# I. THE EVOLUTION OF COMPLIANCE



## THE EVOLUTION OF COMPLIANCE – BIGGEST ISSUES

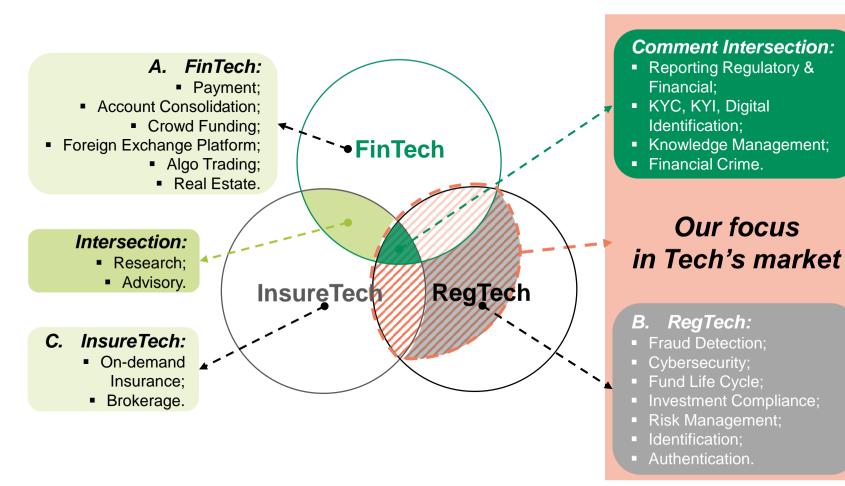
- Many kinds of regulations to address, furthermore in an international context and with extraterrritorial reach of some them,
- The increased cost of compliance AND non compliance,
- Broad scope of responsabilities,
- Obligation of means vs obligation of results,
- Compliance in an defensive approach,
- Piling up of rules overloading processes (ex: KYC),
- Overall evolution to a more open world (outsourcing and partnership),
- Difficult to recruit relevant expertises,
- Operational processes sometimes inefficient,
- Equipment in line with the available technologies at the time,
- Decision processes long and complex in matrix organisations,
- Need for auditability and control.



# II. THE TECH JOURNEY OF COMPLIANCE



## THE WORLD OF "TECHS"



Note 1. Source: Clement Ancri, Board of Governors of the Federal Reserve System. 19 October 2016, Washington D.C.

- 2. Source: Financial Conduct Authrity.
- 3. Chuen, D. L. K., & Deng, R. H. (2017). Handbook of Blockchain, Digital Finance, and Inclusion.

## **Definitions**

#### A: FinTech:

"Fintech is an industry composed of companies that use technology to make financial systems and the delivery of financial services more efficient." 1

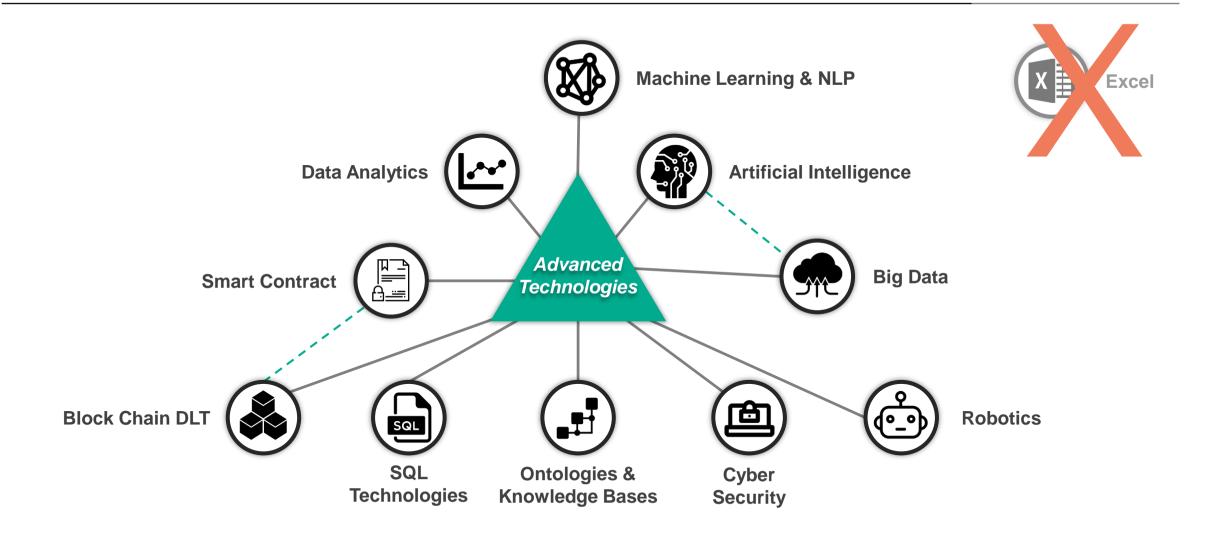
### B: RegTech:

" A sub-set of FinTech that focuses on technologies that may facilitate the delivery of regulatory requirements more efficiently and effectively than existing capabilities."

#### C: InsureTech:

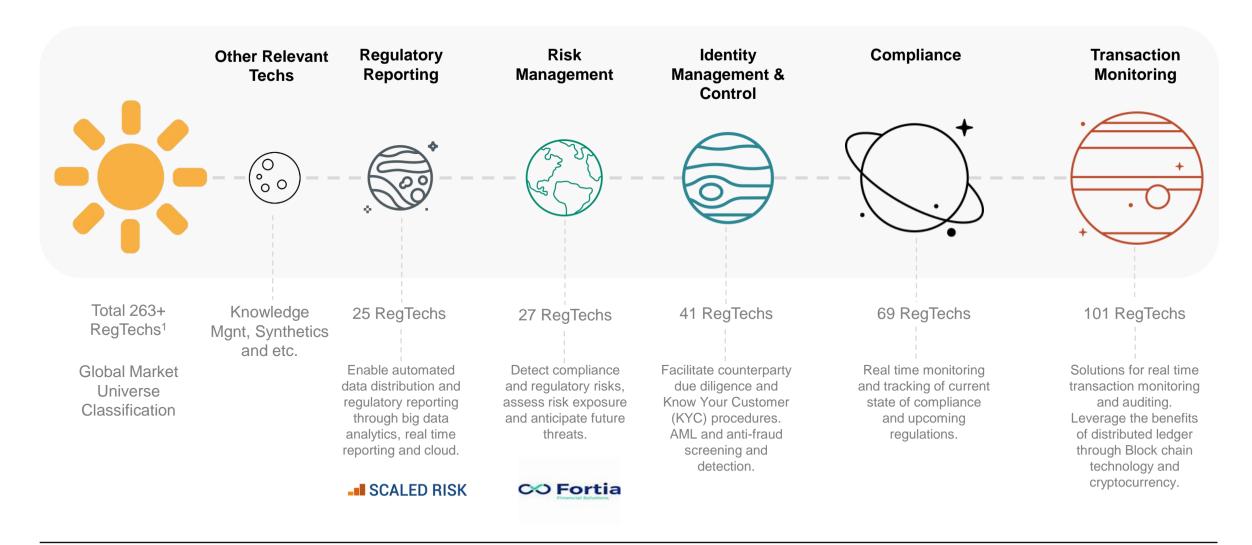
" It is the application of technology to address the long list of problems currently facing insurance industry."

## TECHNOLOGIES BEING LEVERAGED BY COMPLYTECH





## GLOBAL REGTECH/COMPLYTECH UNIVERSE



## III. THE RATIONALE FOR « TOOLING » COMPLIANCE



## **CATCHING UP TO "COMPLYTECH"**

CONTEXT

AREAS TO FOCUS

COLLABORATI



## **Challenging Regulatory Environment**

- GDPR, MiFID II, PRIIPS, EMIR, MAD/MAR, CSDR, SFTR;
- Crucial Compliance Requirements.



### **Increasing Risk in the Banking Industry**

- Likely increase in fines and penalties globally;
- Operational Risk;
- Conduct issues:
- Regulators strengthened supervision.



#### **Key Principles of ComplyTech**

- Operational efficiency;
- Better client and employee user experience;
- Open source technologies and cost reduction.



#### **Key Benefits from ComplyTech**

- To increase the effectiveness of regulatory compliance strategies;
- To reduce the burden of compliance on business operations.



# **Key Stakeholders Across ComplyTech Ecosystem**

- Regulators;
- RegTech Firms;
- Professional Services;
- Financial Institutions.



#### **Types of ComplyTech Cooperation**

- In-house Development;
- Co-operation/ Co-development;
- Outsourcing/ Purchasing.



# IV. TO CONCLUDE



# V. QUESTIONS?