

Digital Solutions to re-shape compliance

Going Digital



“I have a simple strong belief. The most meaningful way to **differentiate your company** from competition, the best way to put distance between you and the crowd, is to do an outstanding job with information. How you **gather, manage and use information** will determine whether you win or lose”

Bill Gates regarding the article of Porter and Millar from 1985

Pressure of compliance



We know what and when while important is how we should deal with:

- IFRS 9
- Re-thinking credit risk
- PSD II (III)
- MiFID II (III)
- BASEL III (Conservation Buffer) / BASEL iV

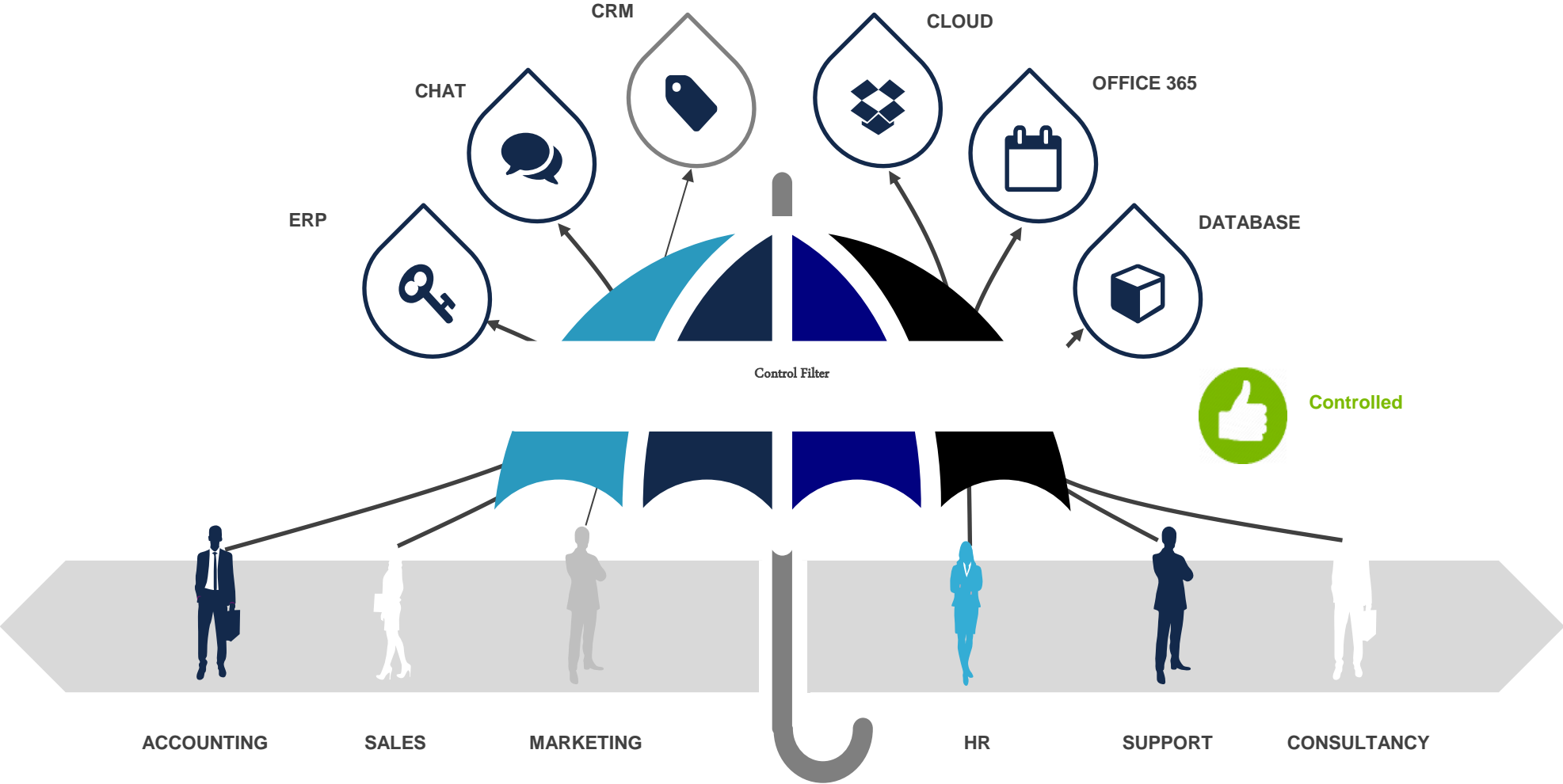
Digital Disruption in compliance



Regarding compliance work as an opportunity to evaluate new information and build up around new core competencies for the business

- Accessing and managing the right information
- Capturing the information and processing it
- Data warehousing
- New applications and score cards

GDPR Implementation to overview data



Engaging Digital Solutions in Business Strategy



**Business Strategy &
processes**

**Digital Solutions:
IS & ITC**

- Vertical integration
- Business Streams
- Value chain

Business and Digital Alignment



While there are definitions on how business to fit the IS/IT the addition is to converge infrastructure and processes to strengthen the value of resources, usually ambiguous business processes are the source of superior IT performance.

Aligning process model: explanatory, building, extending while building dynamic capabilities

Digital disruption



From marketplace to market space

Blurring of physical / digital divide

Move from push to pull economy

Development of open standards

Digital disruption of banking industry



While banks recover from economic downturn (now by compliance costs), non-banks are capturing more aggressively the banking sector value chain, such as payments:

- PayPal
- Square and Stripe
- Apple Pay
- Google Wallet

The risk is that new entrants (non-banks) create service expectation and can limit the “bank to back-office utilities while non-banks become the face of their customers financial lives” (Peppard and Ward, 2016)

RegTech concepts



Using solutions to address the compliance requirement, especially with the help of Cloud Computing (flexibility of costs, predictability, CAPEX to OPEX)

Capturing new data and building up new business opportunity (i.e. IFRS 9 scoring model allow banks to better understand the behavior of some the clients and incorporated new scenarios in their products)

Banks can re-define client experience and compete its value chain with non-banks

RegTech Solutions



- **Identity Mind Global**: Provides anti-fraud and risk management services for digital transactions by tracking payment entities
- **Trunomi**: Securely manages the consent to use customer personal data
- **Suade**: Helps banks to submit required regulatory reports without disruption to the banks' architecture
- **Silverfinch**: Connects asset managers and insurers through a fund data utility to meet Solvency II requirements
- **Passfort**: Automates the collection and storage of customer due diligence data.
- **Fund Recs**: Oversees how data is managed and processed by the fund industry

Questions or comments?

