THE CENTRE OF REGTECH EXCELLENCE

RegTech
THE REGTECH ASSOCIATION

EY
Building a better
working world

INDUSTRY
PERSPECTIVES

REPORT **2023**

CONTENTS

"The photos in this report capture moments from our global travels — spanning Sydney, London, New York, and Singapore — symbolising our global presence. The front cover features a snapshot taken during our visit to New York City, coinciding with the launch of our revamped #ACCELERATERegTech Global event's new look and feel."

Photos by Deborah Young & Nathan Walker

Layouts & design by MickCreates

ABOUT US

The RegTech Association

The RegTech Association (RTA) has a clear vision to be a global leader in building higher-performing, ethical and compliant businesses through RegTech innovation and investment. Founded in 2017 as a non-profit organisation, the RTA focuses on what is needed to support the growth of the sector, to accelerate RegTech adoption, and to create a global centre of excellence.

The Association brings together government, regulators, regulated entities, professional services, and RegTech companies worldwide to ensure collaboration between all parties. We promote the RegTech industry as widely as possible to stimulate the uptake of RegTech proofs of concepts (POCs) and deployment of RegTech solutions across the global ecosystem.

Ernst & Young LLP (EY)

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets. Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

FOREWORD

The RegTech Association (RTA)

I want to commence this foreword with a debt of gratitude to all of those who contributed via the surveys, the broader EY team in London, and our strategic affiliate partners who shared the link.

Collecting this data, and reporting on the results of progress for the RegTech/SupTech industry, provides the evidence base for the work of the RTA and helps inform the ecosystem of opportunities and challenges. This is important work.

Taking a long view, and to support our mission in accelerating the adoption of RegTech, I'd like to highlight the progression on our time to value (first conversation to full deployment between buyers and sellers). This underscores the overall maturity of the industry, improved access to solutions and integrations at a greater pace.

Time taken from first conversation to full deployment

2019	2021	2022	2023
13 Months	10 Months	9.3 Months	**8.1 Months**

Including the broader ecosystem has been particularly useful, and we have specifically targeted vendors serving regulators and central agencies as a means to identify the potential size of the vendor market and products most in demand from this segment. This data will inform a greater body of work that will be used to inform and support global SupTech initiatives.

One interesting development, is the continuing high number of responses that indicate that customer sentiment is driving RegTech adoption, as institutions seek to provide more timely, efficient and compliant products and services. The RTA have advocated for more senior C-Suite and Board engagement on RegTech and this appears to be having a positive impact.

Finally, it is worth noting that as a continuing theme since 2019, procurement remains the number one challenge to onboarding innovative new technologies. This doesn't help institutions, regulators, or RegTechs, when the cycle is slowed excessively through cumbersome, expensive and repetitive procurement programs.

In a period where the RTA has shifted its focus to a more global marketplace, with a re-brand and programs that have seen 20,000 people from 96 countries (since 2020) come and engage. We trust this report will enable greater and deeper opportunities for our members and we'd expect that this will be cited widely and used as a resource to inform the ecosystem.

Until next year, enjoy the read.

Deborah Young
CEO, The RegTech Association

FOREWORD (CONT.)

EY

RegTech has the potential to bring much greater efficiency and effectiveness to the way organisations fulfil their regulatory compliance obligations through better use of technology and data.

But we believe there's work to do to fulfil its full potential. Therefore, we are delighted to have worked with the RTA to continue supporting this survey, a key benchmark and evidence base for the global RegTech industry.

For the first time, the survey has gone out to both RTA members and non-members. This has helped widen the evidence base and engage with firms worldwide. The survey reveals many positive trends in the RegTech industry, and it is encouraging to see that RegTech industry revenues are on an upward trajectory. This is driven by increased customer interest in RegTech solutions, with 65% of RegTechs reporting increased customer demand and/or new opportunities.

This increased customer demand is particularly encouraging to see against the current more difficult macroeconomic environment and tough funding conditions. Of the respondents who are buyers of RegTech solutions, 75% expect their RegTech budget to grow over the coming year, which will help address some of the challenges from a funding perspective.

It's also positive to see how the market is maturing and buyers understand that RegTech can provide additional benefits to just increasing regulatory compliance. End-customer expectations continue to be the main reason that organisations use RegTech services, as was the case in 2022.

The opportunities and competitive threats presented by artificial intelligence (AI), especially generative AI, have created an imperative to act across all sectors of the economy. This is no different in RegTech, where many solutions involve analysing large amounts of structured and unstructured data. This year, the survey asked about the key technologies that are being used across the ecosystem. Perhaps it was unsurprising to see AI, machine learning (ML) and natural language processing (NLP) as the top technologies being used by respondents. This trend aligns with broader technology trends and is expected to continue.

We hope this report will serve as a useful resource for all interested in the RegTech industry. We would like to extend our thanks to all the survey participants for taking the time to share their valuable insights. We look forward to continuing to support the global RegTech ecosystem and the RTA in their work.

Chris Woolard
Partner, Ernst & Young LLP

Tom Bull
Partner, Ernst & Young LLP

WHAT'S NEW
ABOUT THIS RESEARCH

The survey was opened up to the wider ecosystem for the first time to broaden the data set and had a really positive response.

Sample Size

The organisations that responded represent a cross-section of sellers, advisors and buyers of RegTech solutions, as well as regulatory bodies. The survey is completed anonymously by members of the RTA and ecosystem organisations (non-members).

The study involved conducting an online survey between 9 October 2023 and 24 October 2023. The survey used a distribution list of 146 member organisations, with a response rate of 58%. There were also 82 responses from ecosystem organisations. The profile of member respondents was comparable to last year, with a greater number of larger RegTech firms participating in the 2022 survey, whilst the 2023 ecosystem responses comprised a higher proportion of smaller firms.

The groups of organisations that participated in this survey, alongside the number of responses from each group, are as follows.

Members:
- RegTech (founder-led): 27
- Regulated institutions: 2
- Corporates (advisors and consulting only): 4
- Corporate RegTechs (hybrid, consulting and RegTech solution): 9

Ecosystem:
- I'm a seller of RegTech: 40
- I'm a buyer: 9
- I'm a consultant: 23
- I'm a regulator: 10
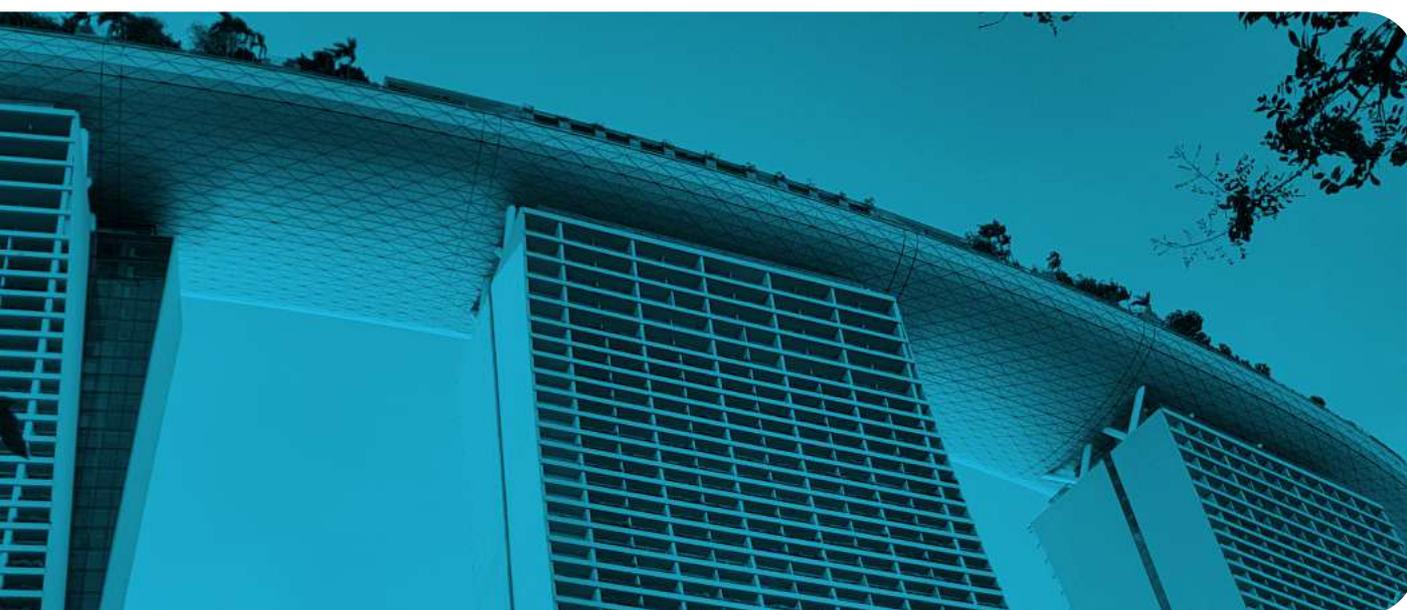
WHAT'S NEW
ABOUT THIS RESEARCH (CONT.)

By analysing the survey data, perspectives for the following categories were developed.

RTA member categories	Non-member self-categorisation
● RegTech (founder-led) ● Corporate RegTechs (hybrid consulting and RegTech solutions)	● I'm a seller of RegTech
● Regulated institutions	● I'm a buyer of RegTech
● Corporates (advisors and consulting only)	● I'm a consultant
● Regulatory body	● I'm a regulator

For categories that consisted of multiple groups, where appropriate and applicable, the data for those groups was combined during analysis to provide a holistic perspective for that category.

Some of the questions and response categories were updated between 2022 and 2023 to align the survey questions against the RTA's four strategic pillars, but with a focus on maintaining year-on-year consistency of questions where possible. For example, current levels of international investment, barriers to expansion, and what technologies are being used or have the most future potential (e.g. AI and ML). Also, the questions about the pandemic used in 2022 were removed, and we shifted focus to asking questions about the current macroeconomic environment in 2023.

The findings in this report should be treated as indicative due to the sample size. Extension of the 2023 survey to the wider ecosystem (i.e. inclusion of non-RTA members for the first time) increased the sample size and led rise to some changes of the profile of respondents, for example more international firms and some earlier stage firms. To aid year on year comparability, the focused benchmarking is performed for members only. The survey used the revised global RegTech taxonomy.

INDUSTRY CONSOLIDATED
TAKEAWAYS

Top Takeaways

REGTECH GROWTH

54% of RegTechs have seen increased demand from customers and 11% have seen new opportunities. It is positive to see the industry revenue growth over the past year despite a tough environment.

FUNDING ENVIRONMENT

20% of RegTechs stated more interest from investors, a decrease from the 39% we saw in our 2022 Industry Perspectives Report. We are seeing the current macroeconomic environment has presented challenges from a funding perspective.

BUYERS FOCUS ON REGTECH

68% of buyers' stated customer expectations as the key driver for their interest in RegTech solutions. This is followed by regulatory pressure, digitalisation and automation. Interestingly, consultants have differing views saying regulatory pressures are the motivation for clients adoption of RegTech.

BUYERS FOCUS ON REGTECH CONT.

75% of respondents expect their RegTech budget to grow over the coming year.

50% of respondents have allocated between 5%–10% of their dedicated compliance budget for investments in RegTech.

75% of respondents say their C-suite executives hold the authority to decide on purchasing RegTech solutions.

REGULATORS INTEREST IN REGTECH/SUPTECH

80% of regulators have onboarded RegTech/SupTech technologies over the past twelve months. This is a significant increase from the 33% reported in 2022.

40% of regulators stated RegTech/ SupTech is of high importance to them.

FOCUSED BENCHMARKING

When comparing the 2022 and 2023 RegTech Industry Perspectives reports, there were several changes in key statistics, reflecting a maturing industry.

Female founders

Up 9% since 2022 – 46% of RegTechs have at least one female founder in the business

Professional funding

7% increase since 2022 - 68% of RegTech founders are attracting sophisticated capital

Pace of adoption

Takes 0.4 months LESS to get to market compared to 2022 - 8.9 months is the average time from initial conversation to full production deployment

Full production deployments

8% decrease since 2022 - 32% of RegTechs have over 10 full production deployments

Size of company

14% decrease since 2022 - 63% of RegTechs have over 10 employees

[1] Note: In the interest of year-on-year comparability, the 2023 data in this focused benchmarking includes responses from RTA member firms only.

Professional capital includes angels/HNW, corporate VC, VC and private equity.

TOP TAKEAWAYS FROM
REGTECH VENDORS

36% of RegTechs experienced more than 30% growth in revenue between 2022 and 2023 and 30% experienced 10% to 30% growth.

41% of RegTechs indicated that the macroeconomic environment has either created new export opportunities or increased existing ones. However, the challenge is attracting skilled people when competing with other high growth areas of technology globally.

68% of RegTechs reported their capital came from professional investors (private equity, debt funding, international investors, corporate VC and VC). This is up from 61% last year.

20% of RegTechs are seeing more interest from investors; meanwhile, 10% see some retraction of promised capital or investment already in the pipeline.

Top risk areas that the RegTechs address:

- Compliance risk (51%)
- Regulatory compliance risk (44%)
- AML/CTF/Sanctions risk (27%)
- Data protection risk (25%)
- Conduct risk (25%)

Top functional roles that the RegTechs address:

- Data compliance management (45%)
- Reporting (45%)
- Implementation and governance (36%)

This year saw monitoring fall out of the top three functional roles (53% in 2022), with reporting taking its place for the first time.

BIGGEST CHALLENGES

Procurement, slow response times and identifying the right stakeholders within the client's organisation are the most **common challenges pre-POC/trial.**

RegTechs report client budget constraints as one of the most **common challenges post-POC/trial.** However, it is positive to see 75% of buyers expect their RegTech budget to grow over the coming year.

Scope creep, changing personnel and continuity, and technology constraints continue to be the most common challenges during full deployment production.

REGTECH VENDORS
FAST FACTS

RegTech Solutions

Under the RTA taxonomy of risk areas and functional purposes, RegTechs responded as follows.

COMPLIANCE IS THE TOP RISK THAT REGTECHS ADDRESS

Risk	%
COMPLIANCE RISK	56%
REGULATORY COMPLIANCE RISK	53%
AML/CTF/SANCTIONS RISK	31%
DATA PROTECTION RISK	29%
OPERATIONAL RISK	27%
CONDUCT RISK	18%
FRAUD RISK	18%
CREDIT RISK	18%
BUSINESS RISK	18%
SUSTAINABILITY RISK	18%
STRATEGIC RISK	13%
INFORMATION SECURITY AND CYBER RISK	13%
PROCESS RISK	11%
CULTURE AND ETHICS RISK	11%
BALANCE SHEET AND LIQUIDITY RISK	7%
EMPLOYMENT COMPLIANCE	7%
DOMAIN RISK	4%
MARKET RISK	4%

REGTECHS ADDRESS A WIDE RANGE OF FUNCTIONAL ROLES, INCLUDING COMPLIANCE, REGULATORY REPORTING AND GOVERNNACE

Functional Role	%
DATA COMPLIANCE MANAGEMENT	45%
REPORTING	45%
IMPLEMENTATION AND GOVERNANCE	36%
RISK ANALYSIS	30%
VERIFICATION	28%
REGULATORY ANALYSIS	28%
MONITORING	21%
OTHER	17%
CYBER SECURITY	15%
SUSTAINABILITY	15%
CYBER INCIDENT / RESPONSE MANAGEMENT	9%
CYBER RESILIENCE	6%
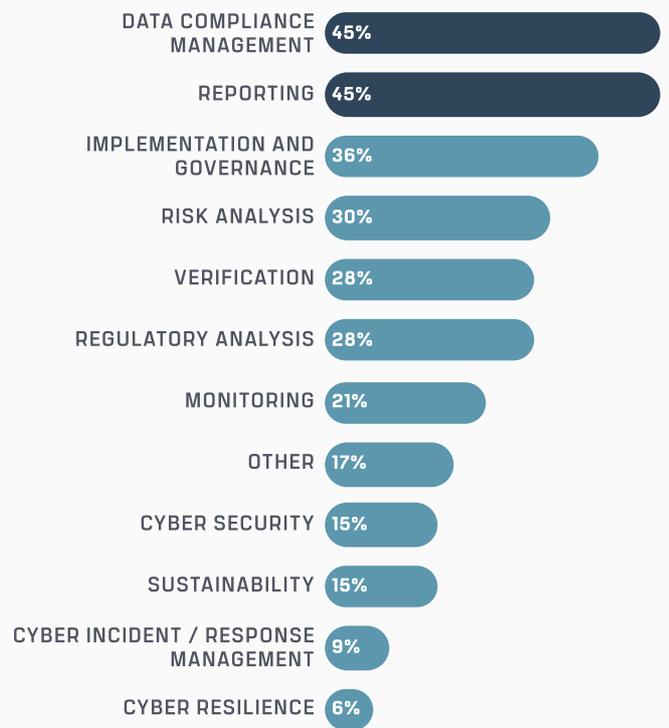
MOST REGTECHS HAVE A FOUNDER IN THE BUSINESS

8%	79%	13%

● 0   ● 1-2   ● 3-4
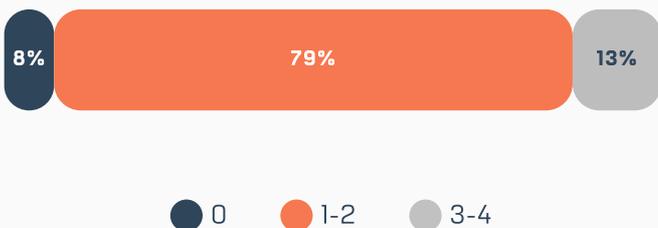
A THIRD OF REGTECHS HAVE A FEMALE FOUNDER

66% NONE   34% 1 - 2
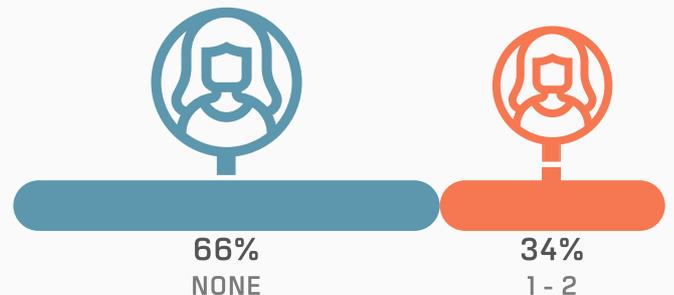
REGTECH VENDORS
FAST FACTS (CONT.)

A MAJORITY OF REGTECHS HAVE FEWER THAN 100 EMPLOYEES

Category	Percentage
< 5	15%
5-10	20%
11-20	10%
21-50	20%
51-100	20%
101-200	10%
201-500	0%
501-1000	0%
1001 AND ABOVE	3%
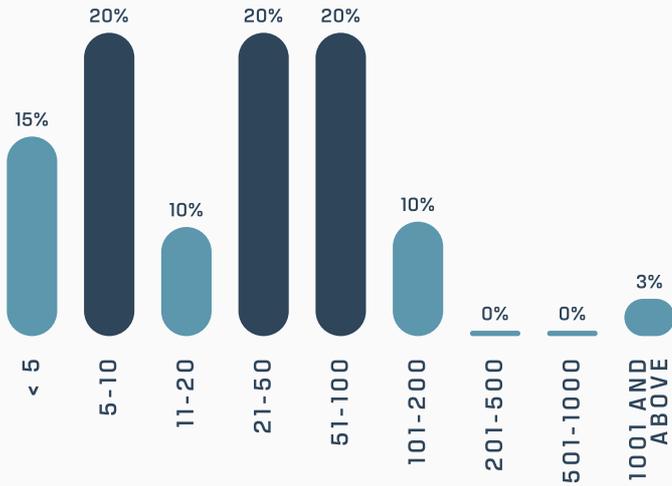
TWO THIRDS OF REGTECHS CHARGE FOR POCS OR TRIALS

- Yes: 62%
- No: 38%
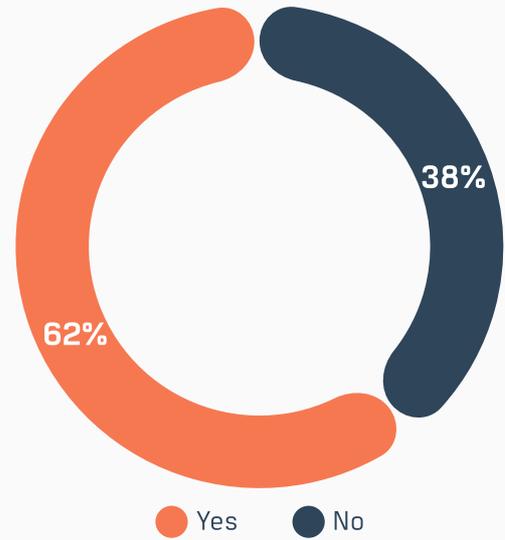
A MAJORITY OF REGTECHS WERE FOUNDED AFTER 2010

- 2000s: 10%
- 2010s: 70%
- 2020s: 20%
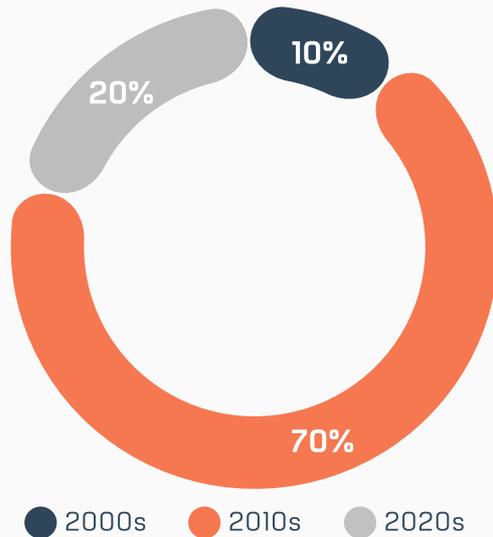
REGTECH VENDORS
CAPITAL INVESTMENT

Where's It Coming From?

This year, RegTechs have seen some increases in professional investment. However, other funding sources have reduced their investment into the ecosystem.

REGTECHS RECEIVE FUNDING FROM A WIDE RANGE OF SOURCES, WITH A SHIFT TOWARDS PROFESSIONAL FORMS OF INVESTMENT

Legend: ● 2023 ● 2022 ● 2021 ● 2019

Categories (top to bottom):
- BOOTSTRAPPED BY FOUNDERS, DIRECTORS, EMPLOYEES
- DEBT FUNDING
- FAMILY, FRIENDS, COLLEAGUES
- ANGELS, HNW OR SIMILAR
- CORPORATE VC
- INTERNATIONAL INVESTORS (OUTSIDE YOUR HOME)
- VENTURE CAPITAL
- PRIVATE EQUITY
- GRANT FUNDING
- PRIZE MONEY
- OTHER

X-axis: 0% 10% 20% 30% 40% 50% 60% 70% 80%
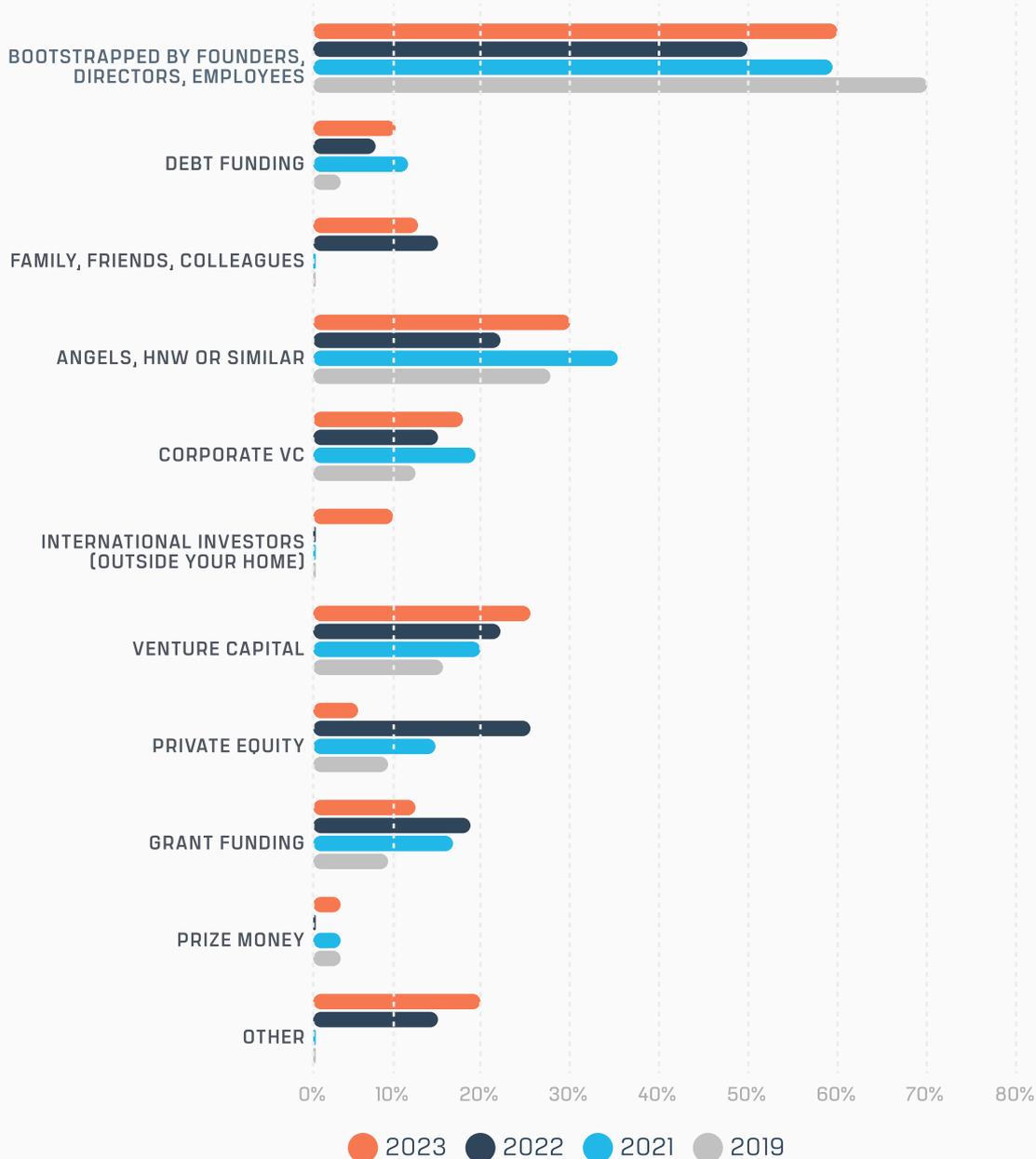
REGTECH VENDORS
TIME TO VALUE

Ease of Customer Acquisition

RegTech solutions typically take an average of 8.1 months to move from initial conversations to full production deployments across all regulated industry customers. This has decreased continually over the last few years from 9.3 months in 2022, 10 months in 2021, and 13 months in 2019.

HALF THE REGTECHS HAVE BETWEEN 1-10 PRODUCTION DEPLOYMENTS IN THE LAST 12 MONTHS

Legend: ● 2023 ● 2022 ● 2021 ● 2019
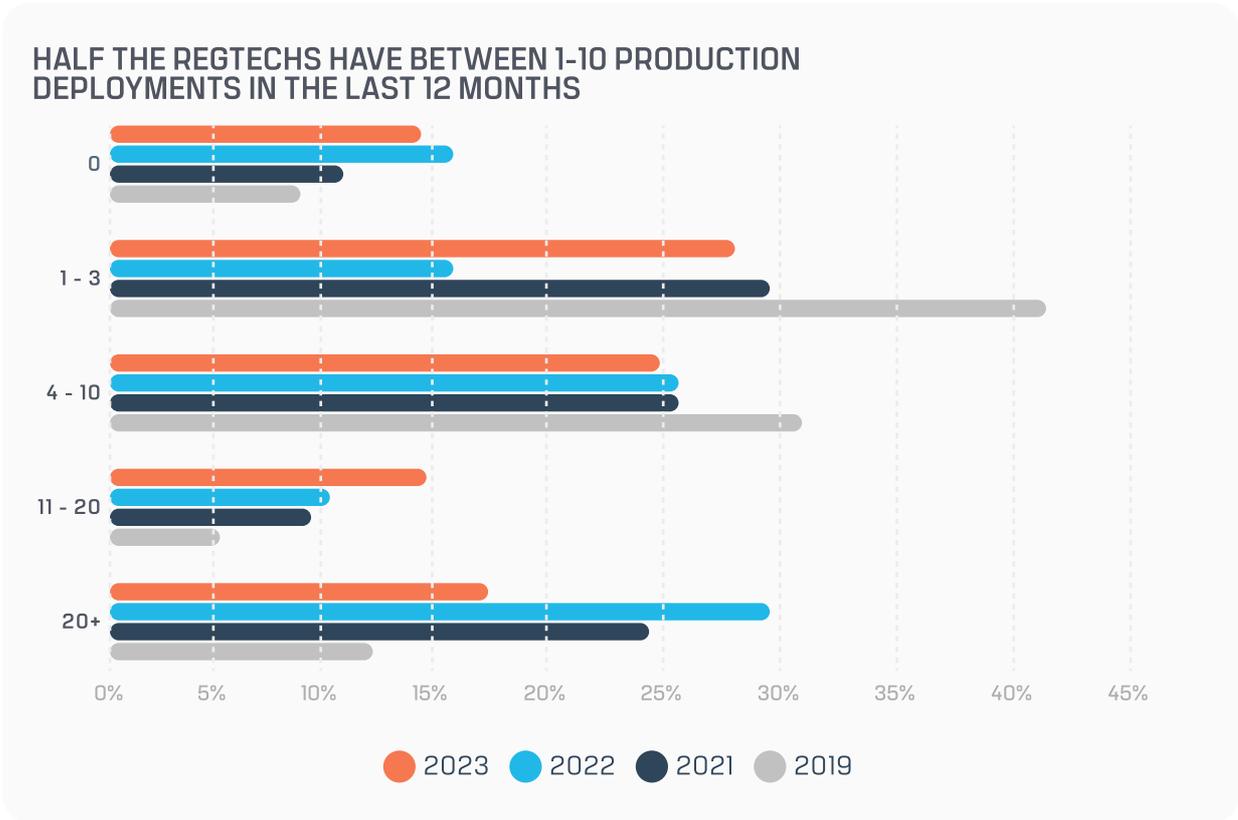
REGTECH VENDORS
TIME TO VALUE (CONT.)

ALMOST TWO-THIRD OF REGTECHS HAVE DEPLOYED MORE THAN 10 PRODUCTIONS OVERALL

Legend: ● 2023 ● 2022 ● 2021 ● 2019

Categories: 0, 1 - 2, 3 - 5, 6 - 10, 11 - 20, 21 - 30, 30+
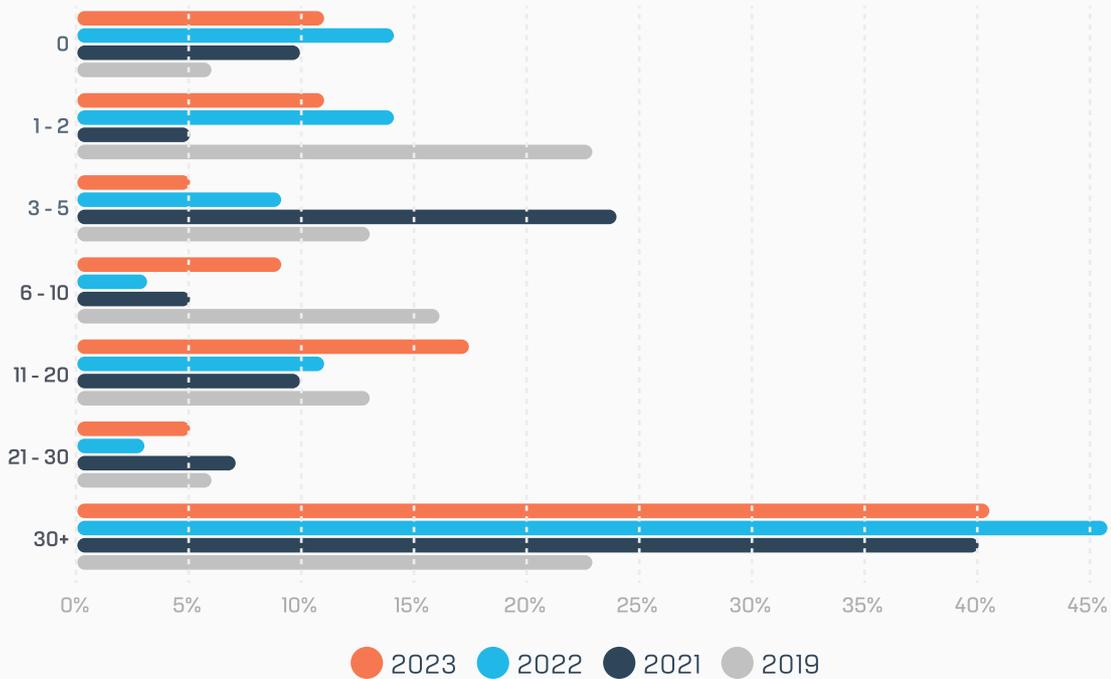
AVERAGE FROM INITIAL CONVERSATION TO SIGNED POC/TRIAL

INITIAL CONVERSATION

5.7

DURATION (MONTHS)

SIGNED POC/TRIAL

AVERAGE TIME TAKEN FROM INITIAL CONVERSATION TO FULL PRODUCTION DEPLOYMENT

INITIAL CONVERSATION

8.1

DURATION (MONTHS)

FULL PRODUCTION

CHALLENGES BETWEEN
KEY MILESTONES

From the perspectives of RegTech vendors, there is a diverse range of challenges experienced at key milestones. At each stage, the three most commonly experienced challenges are the following.

Pre-Production

- Procurement
- Slow response times
- Identifying the right stakeholders within the client's organisation

Post-POC/Trial

- Client budget constraints
- Changing business priorities
- Prioritisation of client resources

During Full Deployment Production

- Scope creep
- Changing personnel and continuity
- Technology constraints (e.g. legacy systems)

PROCUREMENT, SLOW RESPONSE TIMES AND IDENTIFYING THE RIGHT STAKEHOLDERS ARE TOP CHALLENGES PRE-PRODUCTION

Challenge	%
PROCUREMENT	50%
SLOW RESPONSE TIMES	39%
IDENTIFYING THE RIGHT STAKEHOLDERS	30%
ACHIEVING AGREED CONTRACT TERMS WTH LEGAL	27%
ALIGNMENT OF NEED VS BUDGET	23%
FINAL PRICING	23%
IT SECURITY	20%
INTERNAL CONFLICTS AND PRIORITIES	18%
OTHER	7%
CLARITY OF WHO DOES FINAL SIGN OFF	2%
CLARITY ON WHERE THE BUDGET COMES FROM	2%
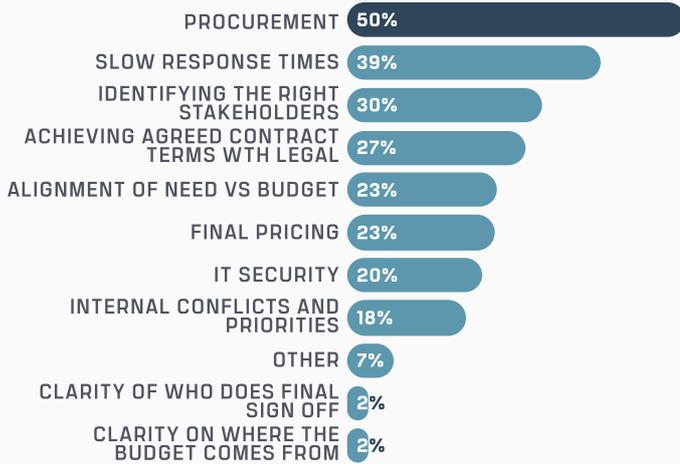
CLIENT BUDGET CONSTRAINTS, CHANGING BUSINESS PRIORITIES AND RESOURCES PRIORITISATION ARE THE GREATEST CHALLENGES POST-POC/TRIAL

Challenge	%
CLIENT BUDGET CONSTRAINTS	35%
CHANGING BUSINESS PRIORITIES	32%
PRIORITISATION OF CLIENT RESOURCES	24%
CLIENT CREATED A COMPETING SOLUTION IN-HOUSE	24%
CLIENT UNDER RESOURCED	24%
LACK OF CLIENT FEEDBACK	19%
EXPECTATIONS OF FREE SERVICES	16%
GETTING A UNITED VIEW FROM THE CLIENT	16%
INFO SECURITY DUE DILIGENCE	14%
UNDERSTANDING THE INTRICACIES OF THEIR BUSINESS	8%
OTHER	5%
CLIENT ENGAGED COMPETITOR	5%
RETAINING INTELLECTUAL PROPERTY	3%

SCOPE CREEP, CHANGING PERSONNEL AND TECHNOLOGY CONSTRAINTS ARE THE MOST SIGNIFICANT CHALLENGES WHEN A SOLUTION IS UNDERWAY

Challenge	%
SCOPE CREEP	41%
CHANGING PERSONNEL AND CONTINUITY	36%
TECHNOLOGY CONSTRAINTS (E.G. LEGACY SYSTEMS)	23%
CLIENT RESOURCING ONCE LIVE	18%
PAYMENT DELAY TO VENDOR	16%
TRAINING THE RIGHT PERSONNEL	14%
OTHER	11%
RE NEGOTIATING PRICING	7%
POST-SPONSOR SIGN OFF MALAISE	2%
CLIENT DEVELOPS COMPETITIVE SOLUTION IN HOUSE	2%
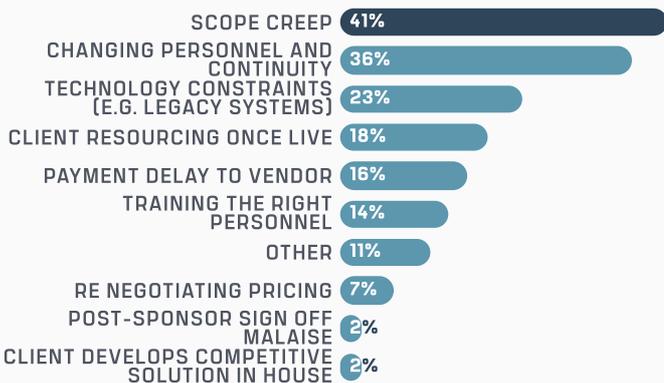
REGTECH BUYERS
TOP TAKEAWAYS FROM REGULATED ENTITIES

68% of buyers stated customer expectations as the key driver for their interest in RegTech solutions. This is followed by regulatory pressure, digitalisation and automation.

Preferred traits in RegTech vendors:

- Dedicated resources to support the POC, trial, or deployment
- Organisational readiness (e.g. cyber certification, tech risk, ISO)
- Track record.

These traits were also reported as the top preferred traits in FY2022, indicating a strong sentiment that regulated entities consistently view these traits as vital in informing their purchase.

75% of respondents expect their RegTech budget to grow over the coming year. This is positive given buyers recognise their budget constraints are the biggest challenge when running POCs and full production solutions.

50% of respondents have allocated between 5%–10% of their dedicated compliance budget for investments in RegTech, with 25% of respondents allocating between 1%–5%.

40% of regulated entities are committed to buying RegTech solutions, 40% are undecided and 20% are committed to building solutions.

RegTech seems to be moving up the agenda within regulated entities/buyers, as **75% of respondents say their C-suite executives have the authority to decide** on purchasing RegTech solutions. This may be related to the increase in budget allocation or growth.

REGTECH BUYERS
FAST FACTS

The Motivating Factors Behind Adoption and Interest in RegTech or SupTech Solutions.

From the perspective of RegTech Buyers, there are multiple motivating factors behind their, or their clients, adoption and interest in RegTech or SupTech solutions. The top motivating factors for each of the RegTech Buyers groups are below.

Regulated Entities

- Customer expectations

- Internal digitisation and automation

Regulators

- Making internal processes more efficient

- Rapid changes in the regulatory environment

Consultants

- Client regulatory pressures (fines, new legislation, etc.)

- Internal digitisation and automation
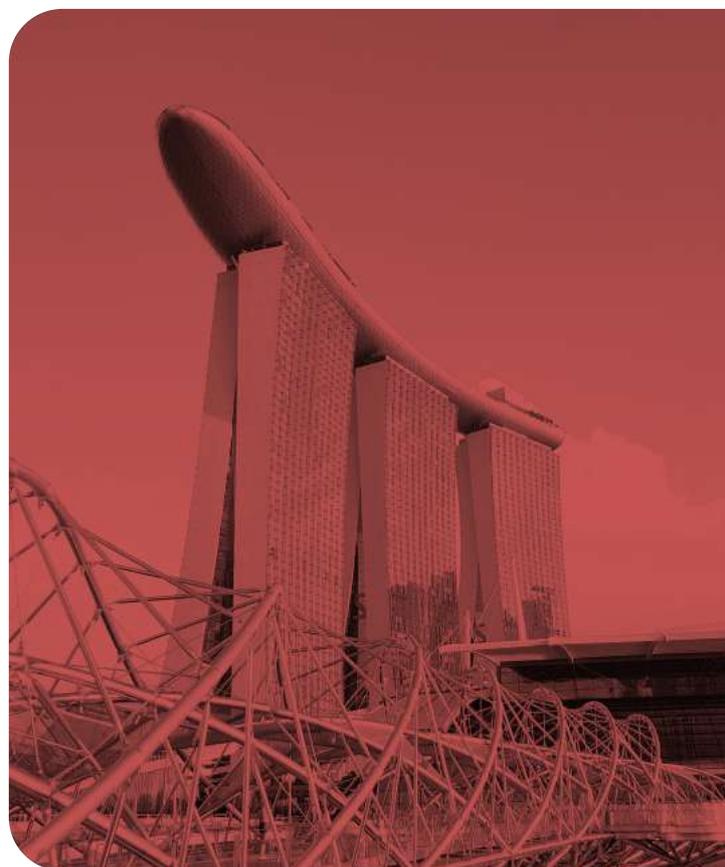
REGTECH BUYERS
FAST FACTS (CONT.)

Key Traits in RegTech or SupTech Vendors

When engaging with a RegTech or SupTech vendor, the RegTech buyers identify the following features as vital in informing their, or their client's, purchase.

DEDICATED RESOURCE TO SUPPORT POC IS VITAL FOR BUYERS ENGAGING WITH VENDORS

Trait	%
DEDICATED RESOURCE TO SUPPORT THE PROOF OF CONCEPT, TRIAL, OR DEPLOYMENT	90%
ORGANISATIONAL READINESS (E.G. CYBER CERTIFICATION, TECH RISK, ISO)	60%
TRACK RECORD	50%
FREE PROOF OF CONCEPTS AND TRIALS	40%
MEMBERSHIP OF THE REGTECH ASSOCIATION	20%
OTHER	10%
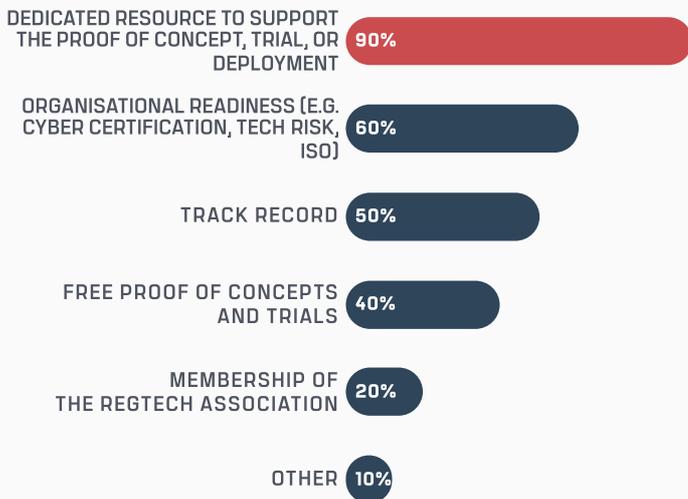
2/3 OF REGULATORS SAY REGTECH SOLUTIONS NEED TO BE DIRECTLY RELEVANT AND/OR SUITABLE FOR THEIR AGENCY TO USE IT

Trait	%
RELEVANT APPLICABILITY OF SOLUTIONS TO SPECIFIC AGENCY REGULATED SEGMENTS	67%
SUITABLE FOR AGENCY REGULATORY SUPPORT AND ADVICE	67%
EASE OF INTEGRATION / IMPLEMENTATION (BOTH TECHNOLOGY AND SKILLS)	50%
TRACK RECORD	50%
ACCESS TO FREE DEMONSTRATIONS OF CAPABILTIES	33%
OTHER	17%
MEMBERSHIP OF THE REGTECH ASSOCIATION	0%
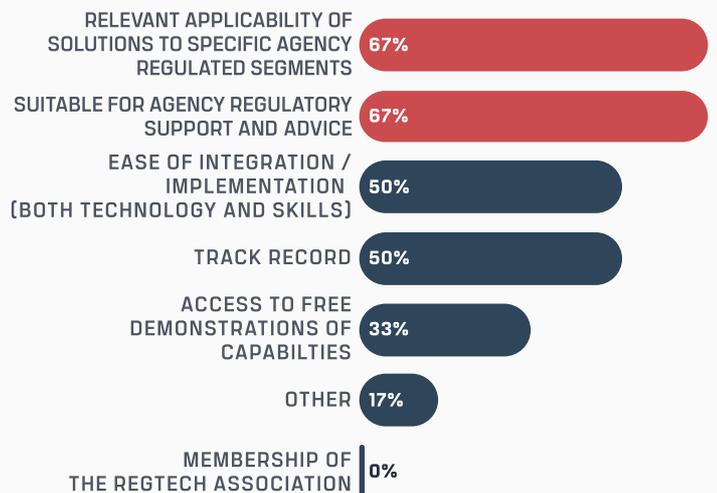
CONSULTANTS SAY TRACK RECORD IS VITAL FOR THEIR CLIENTS WHEN ENGAGING REGTECH SOLUTIONS

Trait	%
TRACK RECORD	39%
ORGANISATIONAL READINESS (E.G. CYBER CERTIFICATION, TECH RISK, ISO)	29%
FREE PROOF OF CONCEPTS AND TRIALS	11%
DEDICATED RESOURCE TO SUPPORT THE PROOF OF CONCEPT, TRIAL, OR DEPLOYMENT	7%
OTHER	7%
MEMBERSHIP OF THE REGTECH ASSOCIATION	7%
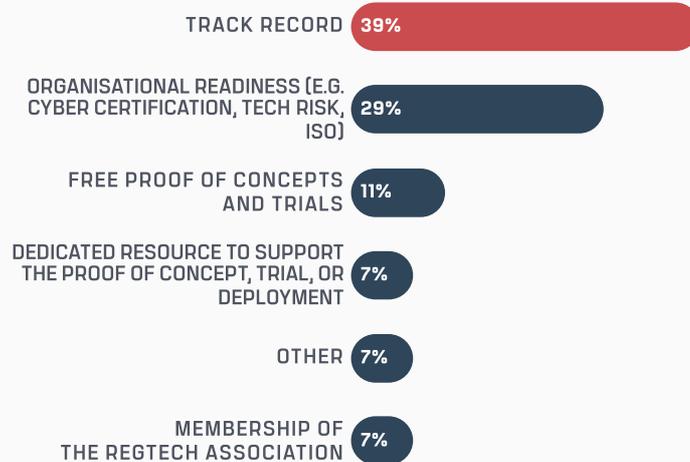
REGTECH BUYERS
FAST FACTS (CONT.)

Future Attitudes Towards Using RegTech or SupTech Solutions

The RegTech buyers reflect on their expectations for their organisation's or clients' future attitudes towards using RegTech or SupTech.

Two thirds of RegTech buyers have increased funding for solutions already deployed in the business

Increased appetite for RegTech solutions that address new risk areas

40%

Increased funding for already deployed/trialled RegTech solutions

60%

No buyers indicated a decrease in their interest level toward RegTech solutions.

TOP TAKEAWAYS FROM
REGULATORS

80% of regulators have onboarded RegTech and SupTech solutions in the past year – a significant increase from 33% stated in 2022.

40% list RegTech and SupTech as a high priority in their organisation.

Regulators who often, mostly or always engage with the industry **increased from 30% to 67% in 2023.**

Despite the challenging macroeconomic environment, **more than half of respondents expect their organisations to have an increased appetite** for RegTech solutions that address new risk areas.

60% of respondents prefer buying solutions rather than building them, a preference notably higher than that of RegTech buyers, who indicated a 40% preference for buying solutions.

Top risk area solutions sought by regulators

- Regulatory compliance risk (83%)
- Process risk (33%)
- Data protection risk (33%)

Regulatory compliance risk is the key area addressed by both regulators and RegTech buyers, while process and data protection risk remain top priorities for Regulators and AML/CTF/Sanctions and fraud risk for RegTech buyers.

The most common challenges faced in terms of fully deployed production deals

- Technology constraints, e.g. legacy systems (60%)
- Internal staff turnover (40%)
- Pricing negotiations (20%)
- Training internal personnel (20%)

REGULATORS
FAST FACTS

Regulators Have a Range of Views Regarding the Level of Funding for RegTech/SupTech Solutions

Abundantly funded
0%

Not funded
20%

Require more funding
20%

Sufficiently funded
40%

Other
20%
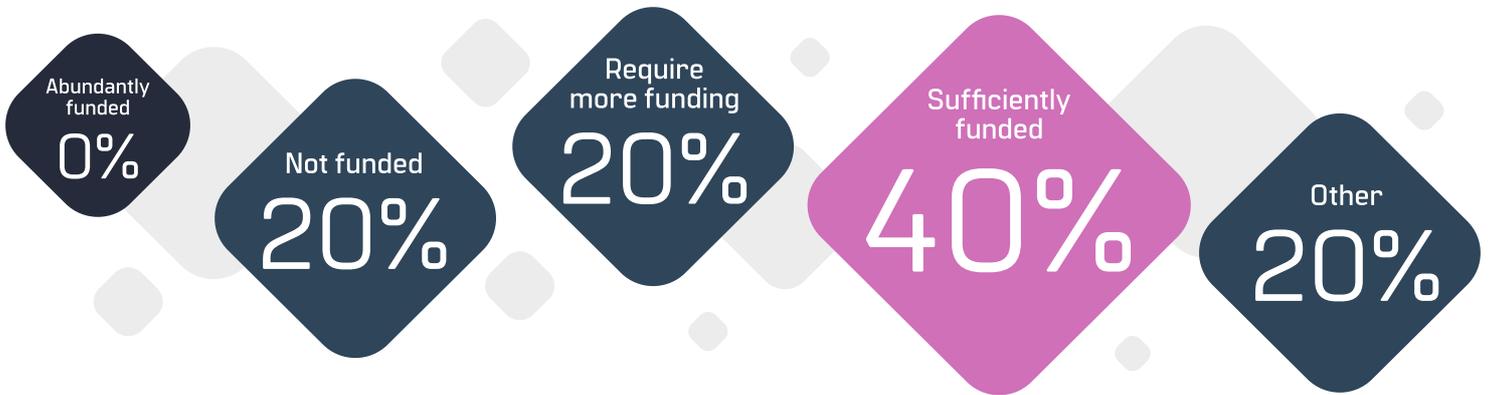
MAJORITY OF REGULATORS HAVE EITHER ONBOARDED OR ARE ONBOARDING REGTECH/SUPTECH SOLUTIONS

YES, CURRENTLY ONBOARDING	60%
NO, PLANNING TO ADOPT IN FUTURE	20%
YES	20%
NO, NOT PLANNING TO ADOPT IN FUTURE	0%
OTHER	0%
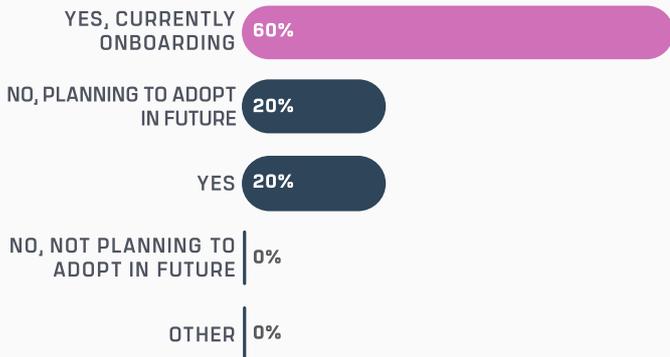
MOST REGULATORS SAY REGTECH/SUPTECH ADOPTION IS EITHER A HIGH OR MEDIUM PRIORITY FOR THEIR ORGANISATION

20%
40%
40%

● High   ● Moderate   ● Low
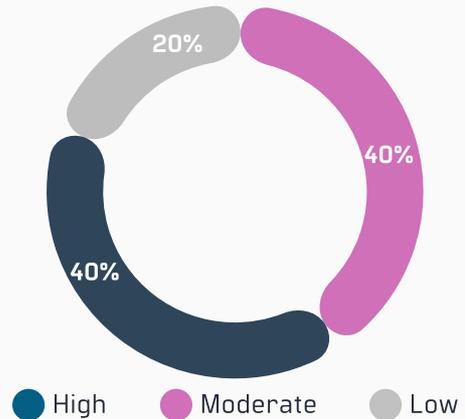
A MAJORITY OF REGULATORS SHARE REGTECH/SUPTECH KNOWLEDGE AT A GLOBAL LEVEL

ALWAYS	20%
MOSTLY	0%
OFTEN	40%
SOMETIMES	20%
RARELY	0%
NEVER	20%
OTHER	0%
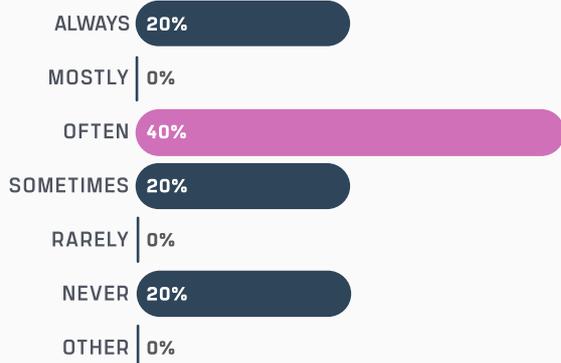
MOST REGULATORS ENGAGE WITH THE REGTECH/SUPTECH INDUSTRY

OFTEN	33%
RARELY	17%
SOMETIMES	17%
MOSTLY	17%
ALWAYS	17%
OTHER	0%
NEVER	0%
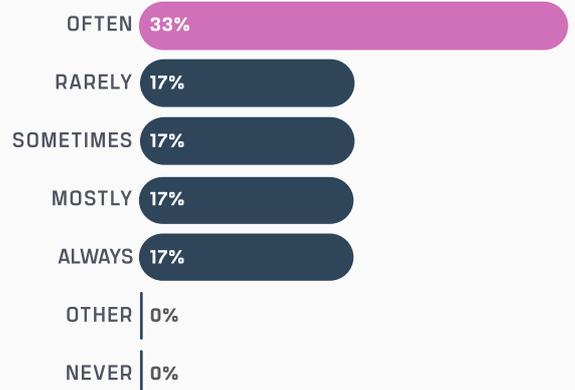
TOP TAKEAWAYS FROM
CONSULTANTS

▎**31% of the firms see an increase in appetite for RegTech solutions.** 6% see increased funding for already deployed/ trailed solutions, whilst 38% see no change and 19% reducing levels of interest.

▎**Consultants have differing views of their clients preferences than RegTech sellers and buyers.** Consultants say regulatory pressures are the key driver for clients adoption of RegTech, whereas buyers say it is customer expectations.

Most common challenges

• **Procurement and aligning needs vs budgets** are the most common challenges pre-production.

• **Under-resourced clients and lack of client feedback** are the most common challenges post-POC/trial.

• **Technology constraints and payment delays to vendors** are the most common challenges during full deployment production.

CONSULTANTS
FAST FACTS

Consultants View Regulatory Pressure as the Greatest Motivation Behind Clients Interest in RegTech.

REGULATORY PRESSURE IS THE GREATEST MOTIVATING FACTOR BEHIND CONSULTANTS CLIENTS INTEREST IN REGTECH SOLUTIONS

Factor	Percentage
REGULATORY PRESSURE (FINES, NEW LEGISLATION, ETC.)	69%
INTERNAL DIGITISATION AND AUTOMATION	25%
STRATEGIC ALIGNMENT	19%
CUSTOMER EXPECTATIONS	13%
OTHER	6%
INTERNAL COSTS	13%
MARKET FORCES AND INDUSTRY TRENDS	6%
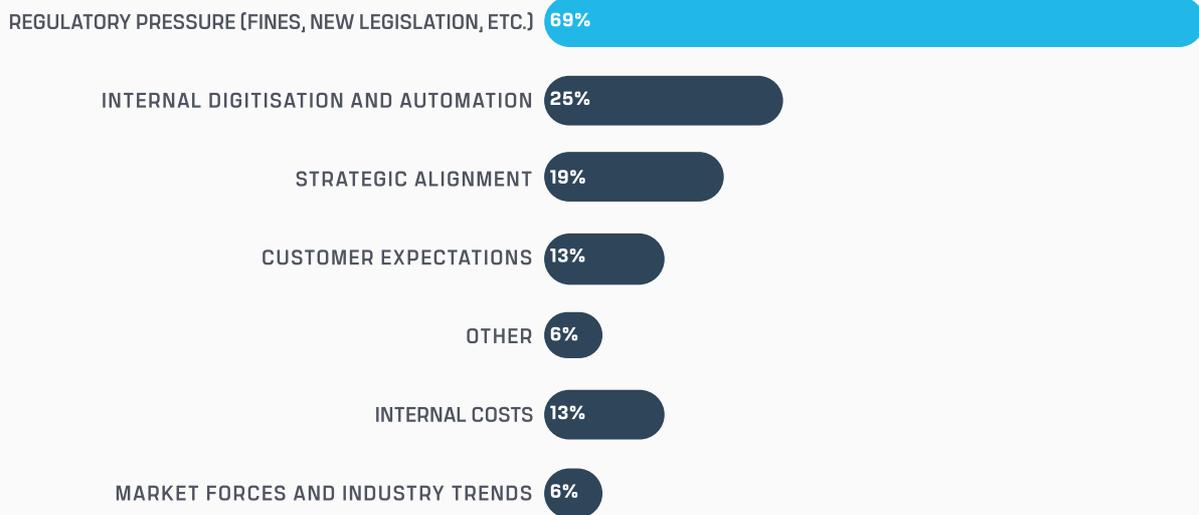
Consultants view track record, and organisational readiness, as most important when their clients engage with RegTechs.

TRACK RECORD IS THE MOST IMPORTANT FACTOR WHEN CONSULTANTS CLIENTS ENGAGE WITH REGTECHS

Factor	Percentage
TRACK RECORD	39%
ORGANISATIONAL READINESS (E.G. CYBER CERTIFICATION, TECH RISK, ISO)	29%
FREE PROOF OF CONCEPTS AND TRIALS	11%
DEDICATED RESOURCE TO SUPPORT THE PROOF OF CONCEPT, TRIAL, OR DEPLOYMENT	7%
OTHER	7%
MEMBERSHIP OF THE REGTECH ASSOCIATION	7%
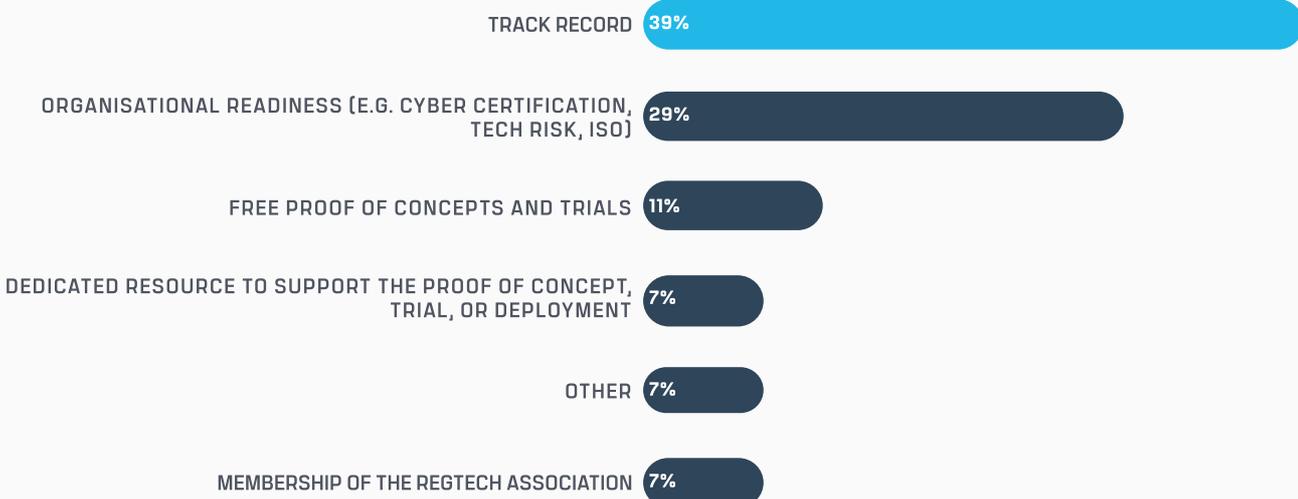
NEXT STEPS

The RegTech Association takes the evidence base from this research and feeds this into our ongoing program of work. This ensures that our future strategies and programs are founded on facts and are developed to benefit members from a real need, identified through this data.

We can see based on the data, that there's more to be done.

- Continue to focus on **addressing the procurement challenges** with all sectors of the ecosystem

- Support the emergence of **clear demand for regulatory reporting** and ESG solutions

- Leverage a **more engaged regulatory** and central banking sector

- **Elevate the message** around improved customer and ESG outcomes from RegTech deployments

- Continue to **encourage investment** into the sector

ALPHABETICAL LIST OF
MEMBERS as at 10 October 2023

Thank you to our members for their contributions.

- 1835i Group
- 6clicks
- Accurate Australia
- Advice RegTech
- Amazon Web Services
- Anson McCade
- ANZ
- APLYiD
- Arctic Intelligence
- Artius Global
- Ashurst Risk Advisory
- AssuranceLab
- Auraya Systems
- Australian Military Bank
- Automi
- BCyber
- Bluejay-ai
- Boston Consulting Group
- Canadian Imperial Bank of Commerce
- Castlepoint Systems
- Certainty Compliance
- Cognitive View
- Commonwealth Bank
- CompliSpace
- Complize
- ComplyWith NZ
- COMtrac
- ConnectID
- Cortell
- Cowell Clarke
- CreditorWatch
- CredShare
- Crown Resorts
- Cube Content Governance
- Cydarm Technologies
- Data Zoo
- DataTrue
- de.iterate
- Dedoco
- Dekko Secure
- Deloitte
- DHI-AI
- DoxAI
- Dubber
- Encompass Corporation
- Engage Hub
- equidi
- Equifax
- Exchange Analytics
- EY
- Feedzai
- Fenergo
- Fifth Logic
- Financial Education Professionals

- FNA
- foundU Holdings
- FrankieOne
- GBG
- GRC Solutions
- Green2View
- Gungho Marketing
- Holdaccess
- Humbli
- iCognition
- Identitii
- IDverse
- Imalia
- InfoSecAssure
- ING Bank Australia
- Ingenuous
- Jade ThirdEye
- Karlsgate
- Kinatico
- Know Your Distributor
- Know Your Solutions
- KordaMentha
- KPMG
- LAB Group
- Law of the Jungle
- LeapXpert
- LexisNexis
- Livesign
- Mastercard
- MyComplianceOffice
- Meeco
- MemberCheck
- Microsoft
- MonetaGo
- Money Catcha
- MOOPS Tech
- Napier Technologies
- National Australia Bank
- Neota Logic
- Newfound Global
- Newton Russell
- Notwithoutrisk Consulting
- nTrustus
- Objective
- Oho
- OneBlink
- Pointsbuild
- Police Bank
- ProductCloud
- PwC
- Quest Legal
- Realaml
- RecordPoint
- Recordsure

- Red Marker
- RegCentric
- RegGenome
- RegVisory
- Result Group of Companies
- Revealr
- Ripjar
- RSM
- Scantek Solutions
- Scintilla Solutions
- Silent Eight
- Simon-Kucher & Partners Australia
- Simple KYC
- Skyjed
- Spirit Technology Solutions
- Sven Global
- SwiftID
- TAL
- Tata Consultancy Services
- Theta Lake
- Tiimely
- Toyota Finance Australia
- Transparently.AI
- Upplft
- Veremark
- Verifi Identity Services
- Verifier
- Vermeg
- Vertex Security
- VoxSmart
- vSure
- Wagesafe
- Werkflo Software Solutions
- Westpac
- Whispli
- Yellow Canary

Affiliates

- Alliance for Innovative Regulation
- Australian Compliance Institute
- Canadian Regulatory Technology Association
- City of London
- RHT G.R.A.C.E. Institute
- FinTech Australia
- FinTech Open Source Foundation
- Hong Kong Trade Development Council
- Innovate Finance
- Insurtech Australia
- International Compliance Association
- Nordic RegTech Association
- Singapore Fintech Association
- Standards Australia
- Stone & Chalk

GLOSSARY OF
TERMS

AI	Artificial Intelligence
AML/CTF	Anti-Money-Laundering/Counter-Terrorism-Financing
ESG	Environmental Social and Governance
FI	Financial Institution
FTE	Full-Time Employees
FY	Financial Year
ML	Machine Learning
NLP	Natural Language Processing
POC	Proof of Concept
RegTech	Regulatory Technology
RTA	The RegTech Association
SupTech	Supervisory Technology
VC	Venture Capital

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