

Media Release

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## RegTech: creating a global corridor for growth

Today, the RegTech Association, the global non-profit group with 180 organisational members from 10 countries, announced the latest tranche of its industry research. The June 2021 research benchmarks their inaugural member research completed in 2019.

While the industry is still evolving, it has clear signs of a turning tide, in particular during the pandemic where attitudes are shifting within regulated Institutions (or the buyers of RegTech) from a 'build' to a 'buy' approach. This is paving the way for a new growth accelerator for this emerging global industry.

- Over two thirds of RegTech vendors experienced strong revenue growth (10%+) despite the pandemic
- More capital is flowing into the sector with 15% more RegTechs reporting investment from Angels, VCs, Corporate Venture and Private Equity
- Time taken to deploy RegTech solutions has reduced significantly, in particular in financial services to an average of 8.4 months (down from 13.7 months in 2019)
- The RegTech industry is creating jobs, with a marked positive shift in the average number of Global Full-Time Employees
- Institutions and regulated entities appear to generally prefer 'buying' RegTech solutions rather than 'building' solutions internally
- New sectors emerging as customers of RegTech include energy and telecommunications, with many more sectors approaching RegTech vendors (including government) showing the true adaptability of RegTech as a sector-neutral industry

The RegTech Association's CEO, Deborah Young said today, "When the association was established in 2017, it had a clear global mandate to accelerate the adoption of RegTech. The launch of today's research bears out that we are making progress, via a focus on ensuring collaboration across the government, buyer, seller and regulatory landscape and by leading global RegTech conversations and educating potential customers.

"Significantly the time to value has decreased, giving institutions who have deployed, quicker access to tools, efficiency and transparency that delivers superior regulatory compliance. In turn this makes the sector a much more attractive option for venture capital investment due to the overall shortening of the sales cycle.

"Over the past year we have seen a number of the big four banks in Australia support us by engaging and running programs that show the potential for RegTech not only across their own organisations but by sharing their experience with Australian and overseas' organisations and companies. We are also starting to see real traction at government level with several RegTech initiatives, by profiling



RegTech at some key trade programs. Another key priority will be to encourage government departments to become buyers of RegTech solutions.

“Armed with the strength of progress in financial services, we will continue to advocate for RegTech throughout financial services providers and beyond that by engaging sectors like energy and telco providers and look towards workforce management solutions, the latter solving regulatory/compliance challenges for employers large and small.

“There is more work to be done, including improving the time to value metric and increasing the amount of capital in-bound as well as continuing to agitate for improved procurement processes to help relieve the hurdles of having large institutional customers.”

The RegTech Association will also launch their key priority areas for the financial year at their annual members meeting, where they will outline plans to expand their footprint globally through partnerships, creation of a data hub and exploring new market segments which will bring RegTech to the full gamut of adopters among businesses of all sizes.

Download the full report: [www.regtech.org.au/resource](http://www.regtech.org.au/resource)

## About the RegTech Association:

[The RegTech Association \(RTA\)](#) was founded in 2017 as a non-profit organisation focused on supporting the growth of the RegTech sector and accelerating adoption. The RTA has a clear vision to be a global centre of excellence; by facilitating higher performing, ethical and compliant businesses through RegTech innovation and investment.

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