

# The Future of Compliance in Capital Markets

**Compli**   
FinTech Solutions Ltd

 INTEGRITY



Compliance leaders are at the centre of a transformational time in regulatory compliance and risk management.

## From cost centre to growth lever

Once thought of as a cost centre, compliance is increasingly seen as an asset that can drive business growth and streamline the client experience. Compliance is no longer just a tick-the-box exercise to satisfy the regulators—it can also win and retain business.

However, challenges remain: Many Compliance Officers struggle with how to best support their firm's growth while facing the mandate to do more with less. As companies rely more than ever on technology to conduct business, risks around insider-trading, money laundering, privacy, electronic communications and cybersecurity are increasing in volume and complexity. Compliance officers must both adjust the scope of their oversight, but also their techniques for conducting that oversight.

Compliance leaders are turning to technology for help. According to research from Thomson Reuters, 49% of survey respondents said they are considering RegTech solutions to manage compliance, which was a 34% increase since their 2021 report.

Through RegTech, Compliance officers are finding ways to track and monitor compliance activities across the firm in near real time, eliminate tedious manual tasks through automation and/or outsourcing, and feel confident that their compliance data is consistent, reliable, and secure. Through RegTech client interactions can be enhanced delivering seamless services to clients that meet regulatory requirements.

Given that the majority of compliance cost still originates from manual processing, improvements in the processing space can significantly increase efficiencies, reduce risks and reduce costs. And when RegTech is implemented thoughtfully and strategically, compliance officers and adviser can spend their time where it's truly needed, building better relationships with clients rather than administrative work.



# Technology is revolutionising compliance

For financial services firms, compliance has traditionally been a significant challenge, with complex regulations and high costs making it difficult to ensure that all requirements are met.

The role of technology in compliance is therefore becoming increasingly important as regulatory requirements become more complex and demanding. Compliance technology will continue to evolve to support the industry and we expect innovation to continue at a fast pace, facilitating automation and business efficiency.

Our point of view is that the following key technology developments will be shaping this growth and evolution:



## AI and machine learning

The analytical power to analyse massive amounts of data close to real time will significantly improve efficiency. The frenzy around LLM and GPT4 shows how quickly AI is progressing and that it is likely to strongly impact all aspects of work.



## Platform approach

Instead of working with several vendors, we'll see a move towards integrated, end-to-end platforms that can cover all compliance needs. A modular approach and a level of customisation will help support these comprehensive solutions. Indeed, increased interoperability means an integrated platform will ensure a smooth and seamless management.



## Blockchain

Blockchain can support the need for a secure and tamper-proof record of transactions. It is likely to remain a niche use case but an important one. An example is the CBDC (Central Bank Digital Currency) trialled by the RBA, which could have an impact on assets trading.



## Cloud Computing

This is not a new trend and is often complemented by edge computing. However, we expect cloud-based solutions to become ubiquitous so users can access services on-demand, reducing the need for infrastructure. This supports the move to SaaS compliance management solutions.

When combined, these technological developments will help drive a new age in RegTech overall and compliance management solutions in particular.

RegTech market  
**\$55.28 billion**  
2025

Annual Growth Rate  
**23.5%**  
2018 → 2025

The global regtech market is expected to reach \$55.28 billion by 2025, with a compound annual growth rate (CAGR) of 23.5% from 2018 to 2025, according to Allied Market Research.

# Compliance technology is changing fast: becoming smarter, leveraging data-driven automation



To support this growth, we expect Regtech solutions to become even more sophisticated and integrated with core business processes, rather than a separate function.



We also expect the skill-set to shift to analytics, as the software will deal with most of the day-to-day management, freeing users' time. This will also require a stronger emphasis on data quality and management.



Lastly, we expect the amount of regulation to continue to increase in both quantity and complexity, in turn requiring more collaboration between compliance managers and vendors to ensure that compliance management platforms stay on top and are updated seamlessly.

Regardless of the sector, effective compliance will mean **the generation of significantly more data: this data must be maintained robustly, analysed and reported appropriately and comprehensively**. This requires technology that is smart enough to address all these challenges, but simple enough to install, use and maintain.

Through data-driven automation, organisations will be able to adjust their operating models, enabling advisers to deliver improved service to significantly more clients whilst reducing the administrative burden with each advice case.

Compliance Technology will help fulfil the pursuit of a regulatory framework for the digital age, driving further clarity and efficiency into how regulation is interpreted, how compliance is managed, how risks are reduced and how reporting is and will be automated.

Technology providers like Complii are becoming the backbone of capital markets by creating modular solutions that will further digitise compliance in the financial system.

# Integrated platforms are the next step

Financial institutions don't want to work with six or seven different vendors to meet their requirements – which is often the current situation. This isn't fit for purpose as it is over-complicated to manage, and the different solutions are often not easily integrated. Financial institutions looking for future-proof solutions should be looking for a single vendor for functions which logically fit together. They need to think about compliance solutions from a platform perspective, along the whole corporate lifecycle, to be able to build-out new use cases quickly and integrate third-party sources at reduced cost.

Indeed, given tighter compliance budgets, gaining attention in 2024 will be RegTech software that looks more like platforms upon which users can customize, configure, and self-service their own unique needs. This "buy-to-build" option avoids the upfront costs of coding from scratch and avoids the costs of having to swap out inflexible vendors. Data can be reused across multiple applications without the need for costly migrations or building new API's.

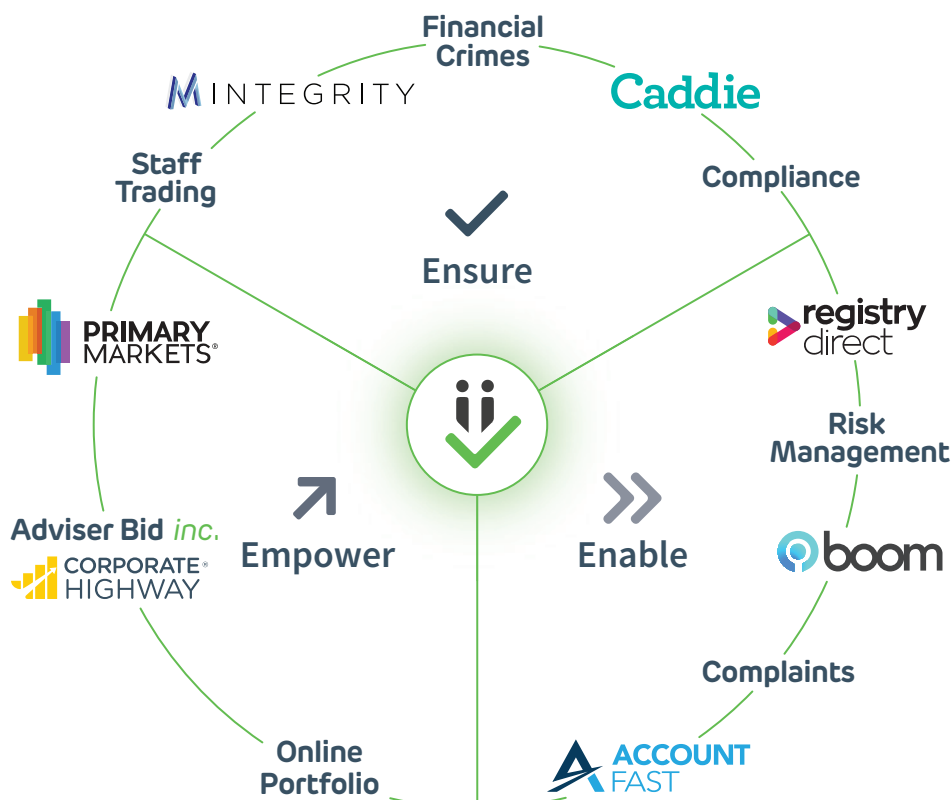
This is where Complii can help: a one-stop-shop complete compliance platform with a modular approach and enough customisation to meet each clients needs.

Our secure digital platform is based on customisable software designed to automate, record and report on an AFS Licensee's and Brokers compliance obligations.

These include registry services at inception of a corporation, unlisted trading facilities (pre-IPO), capital raising (seed round + IPO listing) administration tools and shareholder services (post listing), plus all the compliance controls required for those dealing for and in capital markets including staff trading approvals, conflicts management, incident and breach management, complaints handling and obligation controls.

Complii automates functions such as sending ROA's/SOA's emails based off client profiles, 708 8 expiry register, FOFA FDS letter auto-generation and electronic opt-in, online client profiles updates, disclosures, breach register, Chinese walls, internal compliance and much more.

Through the MIntegrity business unit, the Complii Group offers operational risk and compliance consulting for financial services firms and capital markets participants, completing the ecosystem of products and services offered.







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