

WHY AND HOW TO « TOOL » THE COMPLIANCE FUNCTION

EUROPEAN INSTITUTE FOR FINANCIAL REGULATION SEMINAR

BNP PARIBAS SECURITIES
SERVICES

JEAN-MARC GUTEAU

December 2018



BNP PARIBAS

The bank for a changing world

Powerful waves are deeply transforming our world



New technologies
(Big Data, AI, Blockchain)



New entrants
(Fintechs, Regtechs...)



New customer experience
expectations

Powerful waves are deeply transforming our world



New technologies
(Big Data, AI, Blockchain)



New entrants
(Fintechs, Regtechs...)



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

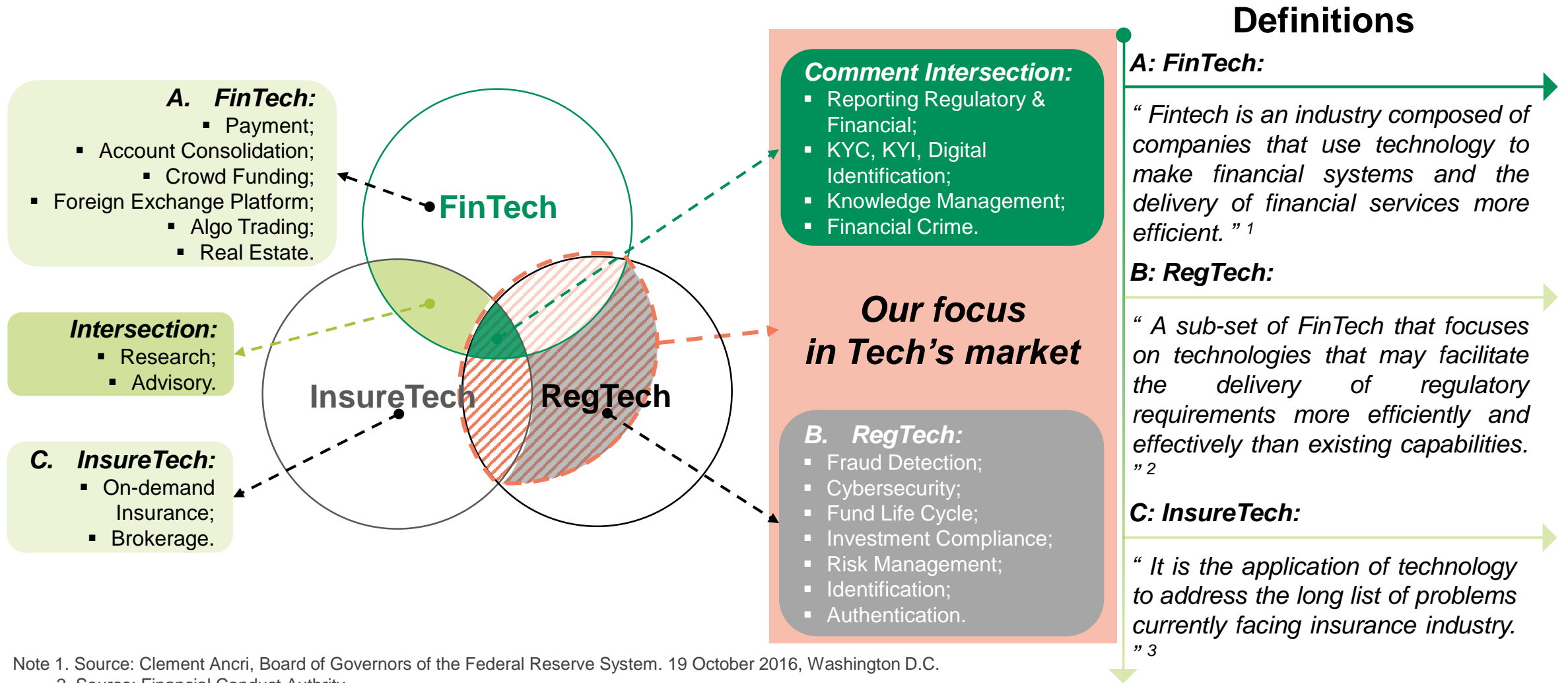
- Many kinds of regulations to address, furthermore in an international context and with extraterritorial reach of some them,
- The increased cost of compliance AND non compliance,
- Broad scope of responsibilities,
- Obligation of means vs obligation of results,
- Compliance in an defensive approach,
- 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”



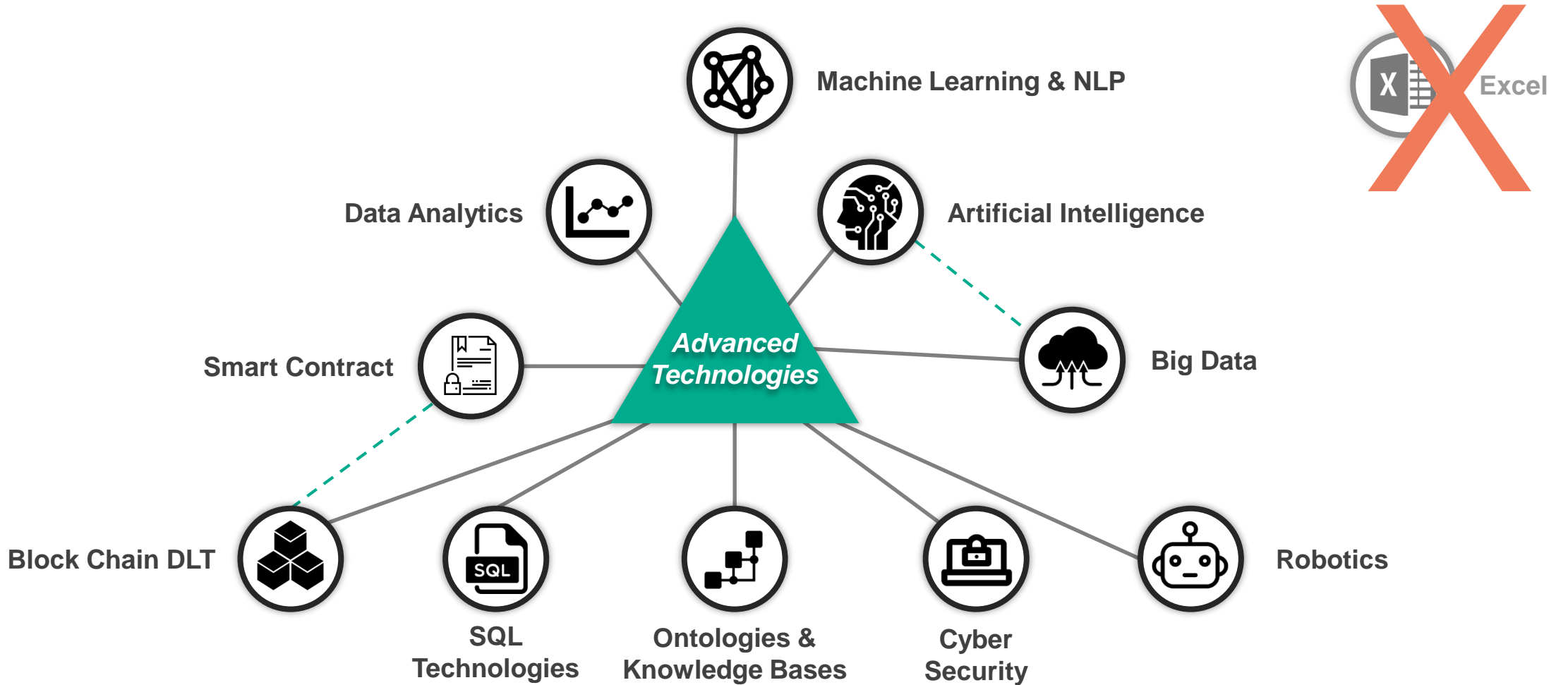
Note 1. Source: Clement Ancrì, Board of Governors of the Federal Reserve System. 19 October 2016, Washington D.C.

2. Source: Financial Conduct Authority.

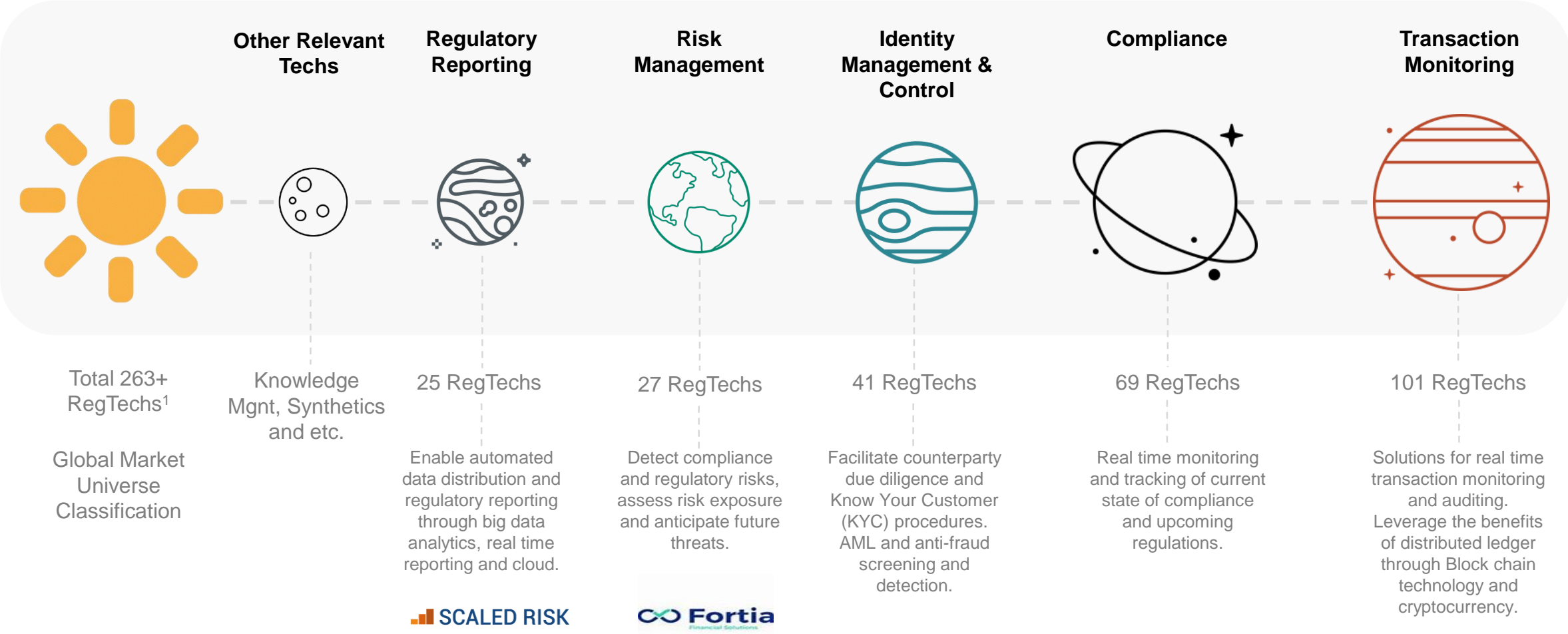
3. Chuen, D. L. K., & Deng, R. H. (2017). Handbook of Blockchain, Digital Finance, and Inclusion.



TECHNOLOGIES BEING LEVERAGED BY COMPLYTECH



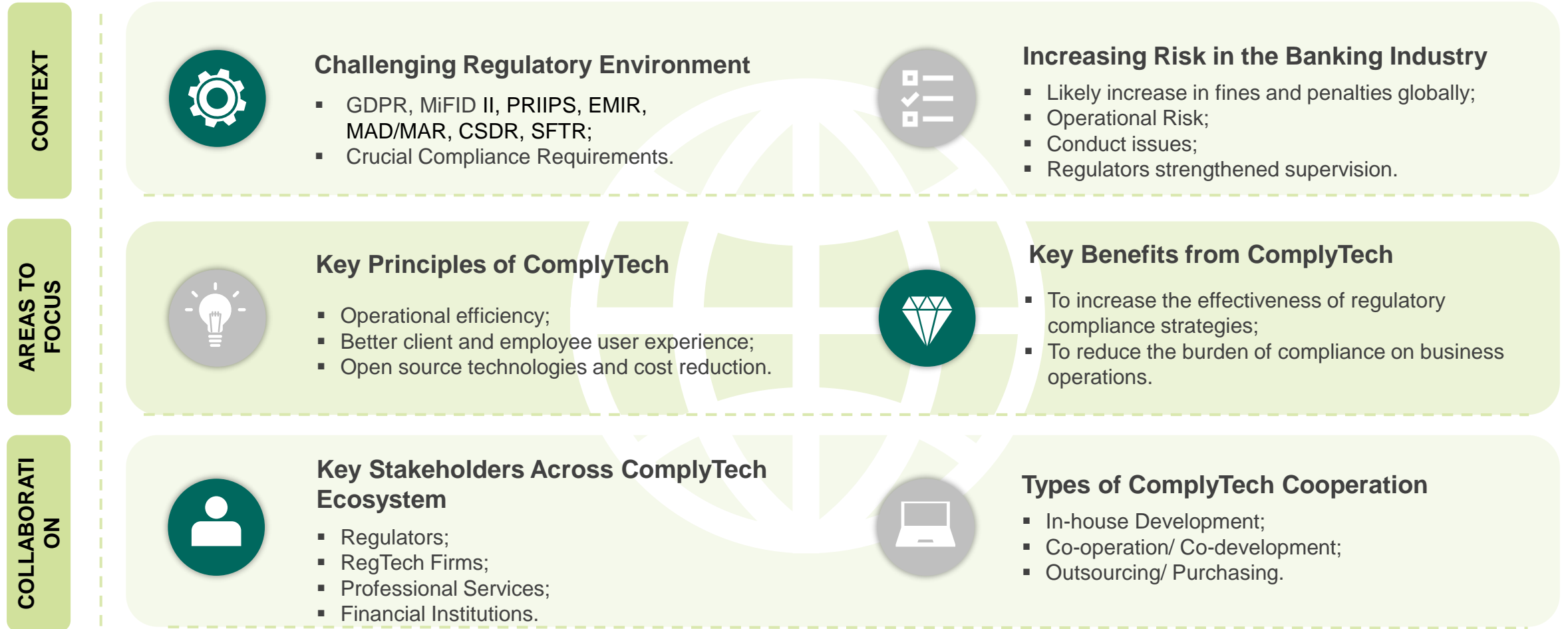
GLOBAL REGTECH/COMPLYTECH UNIVERSE



III. THE RATIONALE FOR « TOOLING » COMPLIANCE



CATCHING UP TO “COMPLYTECH”



IV. TO CONCLUDE



V. QUESTIONS ?

