THE CENTRE OF
REGTECH
EXCELLENCE

THE REGTECH ASSOCIATION

INDUSTRY
PERSPECTIVES

REPORT 2023
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 ACCELERATRegTech 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.

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.

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Member firms of the global EY organisation cannot accept responsibility for loss to any person relying on this article.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months</td>
<td>13</td>
<td>10</td>
<td>9.3</td>
<td>8.1</td>
</tr>
</tbody>
</table>

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

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.
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.
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.

<table>
<thead>
<tr>
<th>RTA member categories</th>
<th>Non-member self-categorisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>● RegTech (founder-led)</td>
<td>● I’m a seller of RegTech</td>
</tr>
<tr>
<td>● Corporate RegTechs (hybrid consulting and RegTech solutions)</td>
<td></td>
</tr>
<tr>
<td>● Regulated institutions</td>
<td>● I’m a buyer of RegTech</td>
</tr>
<tr>
<td>● Corporates (advisors and consulting only)</td>
<td>● I’m a consultant</td>
</tr>
<tr>
<td>● Regulatory body</td>
<td>● I’m a regulator</td>
</tr>
</tbody>
</table>

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.
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.
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

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Risk</td>
<td>66%</td>
</tr>
<tr>
<td>Regulatory Compliance Risk</td>
<td>63%</td>
</tr>
<tr>
<td>AML/CTF/Sanctions Risk</td>
<td>31%</td>
</tr>
<tr>
<td>Data Protection Risk</td>
<td>29%</td>
</tr>
<tr>
<td>Operational Risk</td>
<td>27%</td>
</tr>
<tr>
<td>Conduct Risk</td>
<td>18%</td>
</tr>
<tr>
<td>Fraud Risk</td>
<td>18%</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>18%</td>
</tr>
<tr>
<td>Business Risk</td>
<td>18%</td>
</tr>
<tr>
<td>Sustainability Risk</td>
<td>18%</td>
</tr>
<tr>
<td>Strategic Risk</td>
<td>13%</td>
</tr>
<tr>
<td>Information Security and Cyber Risk</td>
<td>13%</td>
</tr>
<tr>
<td>Process Risk</td>
<td>11%</td>
</tr>
<tr>
<td>Culture and Ethics Risk</td>
<td>11%</td>
</tr>
<tr>
<td>Balance Sheet and Liquidity Risk</td>
<td>7%</td>
</tr>
<tr>
<td>Employment Compliance</td>
<td>7%</td>
</tr>
<tr>
<td>Domain Risk</td>
<td>4%</td>
</tr>
<tr>
<td>Market Risk</td>
<td>4%</td>
</tr>
</tbody>
</table>

#### RegTechs Address a Wide Range of Functional Roles, Including Compliance, Regulatory Reporting and Governance

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Compliance Management</td>
<td>46%</td>
</tr>
<tr>
<td>Reporting</td>
<td>45%</td>
</tr>
<tr>
<td>Implementation and Governance</td>
<td>36%</td>
</tr>
<tr>
<td>Risk Analysis</td>
<td>30%</td>
</tr>
<tr>
<td>Verification</td>
<td>28%</td>
</tr>
<tr>
<td>Regulatory Analysis</td>
<td>28%</td>
</tr>
<tr>
<td>Monitoring</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>17%</td>
</tr>
<tr>
<td>Cyber Security</td>
<td>15%</td>
</tr>
<tr>
<td>Sustainability</td>
<td>15%</td>
</tr>
<tr>
<td>Cyber Incident / Response Management</td>
<td>5%</td>
</tr>
<tr>
<td>Cyber Resilience</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Most RegTechs Have a Founder in the Business

- 8% have 0 founders
- 79% have 1-2 founders
- 13% have 3-4 founders

### A Third of RegTechs Have a Female Founder

- 66% have none
- 34% have 1-2 female founders
REGTECH VENDORS
FAST FACTS (CONT.)

A MAJORITY OF REGTECHS HAVE FEWER THAN 100 EMPLOYEES

- 16% < 5
- 20% 5-10
- 10% 11-20
- 20% 21-50
- 20% 51-100
- 0% 101-200
- 0% 201-500
- 3% 501-1000
- 3% 1001 AND ABOVE

TWO THIRDS OF REGTECHS CHARGE FOR POCs OR TRIALS

- 38% Yes
- 62% No

A MAJORITY OF REGTECHS WERE FOUNDED AFTER 2010

- 20% 2000s
- 10% 2010s
- 70% 2020s
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.

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

- **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**

Comparative data for 2019, 2021, 2022, and 2023 is shown.
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.
REGTECH VENDORS
TIME TO VALUE (CONT.)

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

AVERAGE FROM INITIAL CONVERSATION TO SIGNED POC/TRIAL

5.7
DURATION (MONTHS)

AVERAGE TIME TAKEN FROM INITIAL CONVERSATION TO FULL PRODUCTION DEPLOYMENT

8.1
DURATION (MONTHS)
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)

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

- Procurement: 50%
- Slow response times: 39%
- Identifying the right stakeholders: 30%
- Achieving agreed contract terms with 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: 6%
- Clarity on where the budget comes from: 3%

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

- 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: 4%
- Client develops competitive solution in house: 3%

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**CLIENT BUDGET CONSTRAINTS, CHANGING BUSINESS PRIORITIES AND RESOURCES PRIORITISATION ARE THE GREATEST CHALLENGES POST-POC/TRIAL**

- Client budget constraints: 36%
- 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%
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
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**
- 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%

**CONSULTANTS SAY TRACK RECORD IS VITAL FOR THEIR CLIENTS WHEN ENGAGING REGTECH SOLUTIONS**
- 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%

**2/3 OF REGULATORS SAY REGTECH SOLUTIONS NEED TO BE DIRECTLY RELEVANT AND/OR SUITABLE FOR THEIR AGENCY TO USE IT**
- 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: 60%
- Access to Free Demonstrations of Capabilities: 33%
- Other: 17%
- Membership of the RegTech Association: 0%
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

Increased funding for already deployed/trialled RegTech solutions

40%

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

**Most Regulators Say RegTech/SupTech Adoption is Either a High or Medium Priority for Their Organisation**

**Majority of Regulators Have Either Onboarded or are Onboarding RegTech/SupTech Solutions**

**Most Regulators Engage with the RegTech/SupTech Industry**

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**Fast Facts:**

- **RegTech/SupTech funding levels:**
  - **Sufficiently funded:** 40%
  - **Require more funding:** 20%
  - **Not funded:** 20%
  - **Other:** 20%

**RegTech/SupTech knowledge at a Global Level:**

- **Always:** 20%
- **Mostly:** 0%
- **Often:** 40%
- **Sometimes:** 20%
- **Rarely:** 0%
- **Never:** 20%
- **Other:** 0%

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**RegTech/SupTech priority levels:**

- **High:** 20%
- **Moderate:** 40%
- **Low:** 40%
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

- REGULATORY PRESSURE (FINES, NEW LEGISLATION, ETC.) 89%
- INTERNAL DIGITISATION AND AUTOMATION 26%
- STRATEGIC ALIGNMENT 19%
- CUSTOMER EXPECTATIONS 13%
- OTHER 6%
- INTERNAL COSTS 6%
- MARKET FORCES AND INDUSTRY TRENDS 3%

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

- TRACK RECORD 99%
- ORGANISATIONAL READINESS (E.G. CYBER CERTIFICATION, TECH RISK, ISO) 99%
- 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%
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
- Artus Global
- Aushart Risk Advisory
- AssuranceLab
- Aura Systems
- Australian Military Bank
- Automi
- BCyber
- Bluejay-ai
- Boston Consulting Group
- Canadian Imperial Bank of Commerce
- Castlerepoint 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
- DH-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
- Humbl
- iCognition
- Identiitii
- IDverse
- Imalia
- InfoSecAssure
- ING Bank Australia
- Ingenious
- Jade ThirdEye
- Karlskoga
- 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
- Pointbuild
- Police Bank
- ProductCloud
- PwC
- Quest Legal
- Reamlmi
- RecordPoint
- Recordsure
- Red Marker
- RegCentric
- RegGenome
- RegVisory
- Result Group of Companies
- Reveal
- Ripjar
- RSM
- ScanTeck Solutions
- Scintilla Solutions
- Silent Eight
- Simon-Kucher & Partners Australia
- Simple KYC
- Skyced
- Spirit Technology Solutions
- Sven Global
- SwiftD
- TAL
- Tata Consultancy Services
- Theta Lake
- Timely
- Toyota Finance Australia
- Transparently.AI
- Uplift
- Veremark
- Verifi Identity Services
- Verifier
- Vermeg
- Vertex Security
- VoxSmart
- vSure
- Wagesafe
- Werkfl 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

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