

Solving the Compliance Equation

VERINT

Today, it's never been more critical that your compliance approach meets regulatory requirements and stands up to the closest scrutiny.



216

average daily regulatory changes that financial services firms tracked globally in 2017.

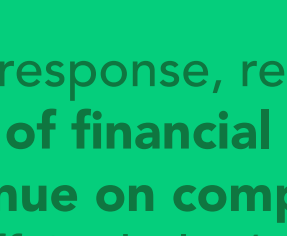
– Thomson Reuters (TRRI)¹



\$345 billion

cumulative financial penalties imposed on European and North American banks globally from the financial crisis until the end of 2017.

– Boston Consulting Group²



70%

of surveyed risk executives cite **increased regulatory expectations** as the greatest compliance challenge.

– Dow Jones & SWIFT³

As a response, regulatory compliance costs have risen dramatically. **In 2017, 11% of financial services organizations spent more than 5% of their annual revenue on compliance.** By 2023, **22%** of organizations are expected to do so.

– Duff & Phelps⁴

11%

2017

22%

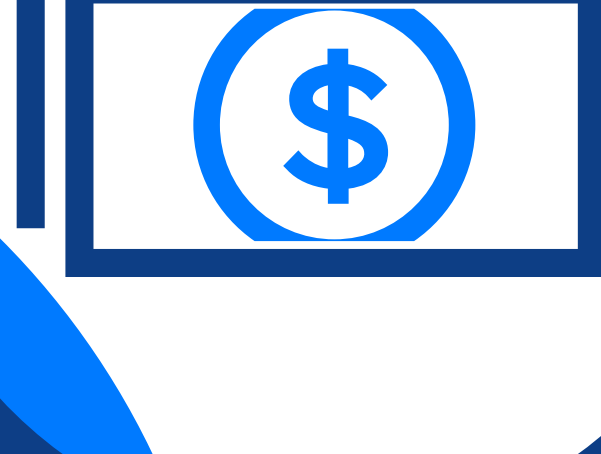
2023



89%

of survey respondents are anticipating an **increase in compliance investment** over the next two years. Most of the cost was and is driven by the addition of skilled staff dedicated to **testing, surveillance, and other oversight** responsibilities.

– Accenture Consulting⁵



“At many financial institutions, business, compliance, and risk practitioners are beginning to question the sustainability of the resource-intensive approach to managing compliance risks.”

– McKinsey & Company⁶

24%

of firms are **outsourcing all or part of their compliance function.** –

Thomson Reuters (TRRI)⁷

37%

reported it was due to **cost**



39%

reported it was **lack of in-house compliance skills**



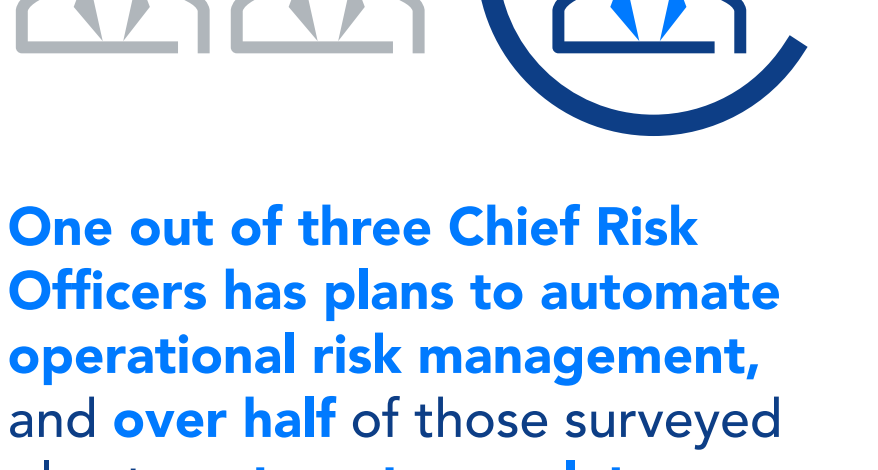
49%

reported it was the need for additional **assurance on compliance processes**



More than half of risk and compliance executives **are likely to increase regulatory technology investments** in the next 3-5 years.

– Dow Jones & SWIFT⁸



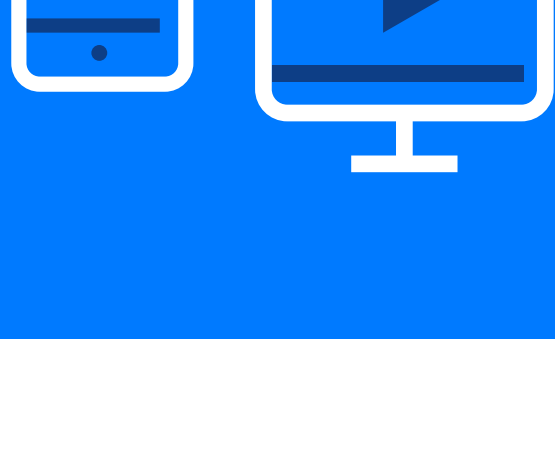
One out of three Chief Risk Officers has plans to automate operational risk management, and over half of those surveyed plan to **automate regulatory reporting** tasks within the next year.

– WBR Insights⁹

At the same time, financial services companies are investing in innovation, transformation and change—posing new compliance challenges.

In 2017, 80% of surveyed financial services organizations invested in new digital technologies and communication channels.

– Accenture¹⁰



1/3



of compliance, technology and risk professionals are looking at switching from tactical to strategic with regard to the application of compliance solutions, while nearly **60%** of respondents said consolidation, harmonization and the creation of efficiencies were their main priorities. – Moody's Analytics¹¹

31%

of compliance, technology and risk professionals in global banking rated improving data quality for risk aggregation and reporting as a top concern. – Moody's Analytics¹²



There's no putting the genie back in the bottle: the challenge of maintaining financial compliance will continue to grow. As a response, regulatory technology (RegTech) offers digital innovations:



Data capture



Regulatory reporting



Account verification



Regulatory analysis and training



Risk analysis



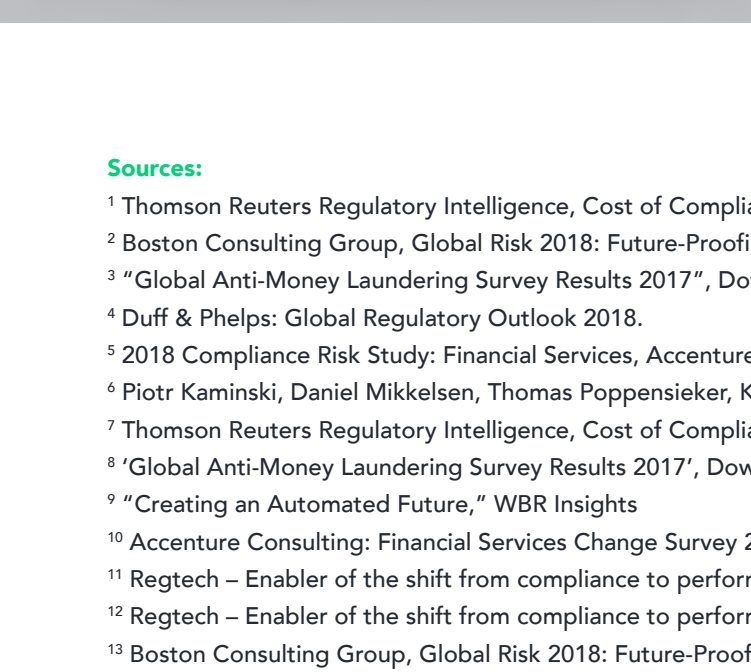
Monitoring



General compliance

(based on over 360 RegTech providers)

– Boston Consulting Group¹³



Read our exclusive eBook to learn what it takes to build a holistic and effective compliance program based on preventive controls, data capture, automation and AI-driven business intelligence.

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