

# THE RAPID RISE OF REGULATORY-COMPLIANCE ENHANCING TECH: JUDGING THE IMPACT OF NEW TECH ON COMPLIANCE

We are living in a time of unprecedented and exponentially rapid change, driven by highly sophisticated emerging technologies that are changing the face of our cities, businesses, public services, communications and more – practically every element of our digital lives is being affected. From blockchain to cloud computing, from AI to robotics, these technologies are firmly impacting on the very nature of day-to-day digital interactions, by making them cheaper, faster, more efficient, more personalised or just plain easier.

However, the arrival of new opportunities almost inevitably heralds a new set of risks, the principal concern being cybersecurity. New systems present new weaknesses for criminals to exploit as companies and their employees familiarise themselves with the new technology. Not only does this present an inherent cybersecurity risk to the implementing business or institution, it can often increase the compliance burden to the company, as it will need to understand and follow an expanding set of newly emerging regulations used to govern the use of new tech.



# HELPING, NOT HINDERING: POTENTIAL COMPLIANCE IMPACT OF EMERGING TECHNOLOGIES

Like any innovation with truly far-reaching impact, all emerging digital technologies go through a period of rather intense regulatory scrutiny as legal and government authorities try to help them fit comfortably into their intended spheres of influence. While this initial stage of regulation can often be awkward and clunky, causing lengthy deliberation and costly compliance issues for those trying to implement the technology in question, the end result is that both sides gain a better understanding of how best to employ said tech.

Fortunately, even in our fast-paced and increasingly interconnectedly complicated global economy, many of these technologies can be used as powerful tools for understanding regulations and remaining compliant with them. The following technological tools can and have been successfully utilised to make regulatory compliance a significantly easier and less costly process for companies to follow.



## BLOCKCHAIN

**Overview:** While Bitcoin and cryptocurrencies have the global financial industry primed for a total rethink of international monetary flows, blockchain – the publicly distributed ledger technology that powers such currencies – may yet prove to be an even bigger and more revolutionary innovation.

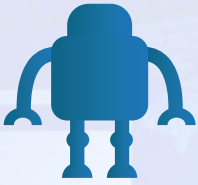
**Potential impact on compliance:** The very nature of the blockchain ledger is designed to make its solutions and resultant data unchangeable and hence immune to fraudulent activities. This means that companies using blockchain can prove beyond a doubt to regulatory authorities that they have faithfully followed the required compliance processes to the letter, providing verifiable quantifiable data. Furthermore, blockchain can help companies improve their own internal compliance programmes with an unbroken chain of reports that all relevant parties can see and nobody can tamper with.<sup>1</sup>



## BIG DATA: DATA MANAGEMENT AND ANALYTICS

**Overview:** Data is the golden key that unlocks all manner of value streams in today's digitally-underpinned world. Its value to the process of regulatory compliance is both tangible and scalable, since the more data a company can successfully collate and understand, the clearer an idea it has of its own level of compliance.

**Potential impact on compliance:** Given that many industries face a widening and increasingly complex range of domestic and international regulations, data management and analytics are an invaluable compliance asset. Particularly for companies in industries with high volumes of transactions (retail, finance, etc), big data allows for a comprehensive overview which in turn provides the opportunity to identify anomalous or even fraudulent data that points to non-compliance.



## RPA: ROBOTIC PROCESS AUTOMATION

**Overview:** RPA provides an innovative and highly effective counter to the challenge of exponentially growing masses of data, transactions and decisions that are piling up for all manner of companies in our increasing complex and interconnected global economy. The breadth of use cases for this remarkable emerging technology stems from its inherent ability to drive efficiency and accelerate corporate performance by taking all manner of functions out of the hands of fallible human agents and completing them with unmatched speed and accuracy.

**Potential impact on compliance:** For industries facing reams of regulatory rules that are constantly being updated, RPA provides invaluable assistance in tasks that require a rapid and error-free outcome. RPA is highly suitable for compliance monitoring and testing activities, as well as collating large quantities of data effectively.<sup>2</sup> By automating such high volume activities, companies can free up their human agents for more cerebral, judgement-based tasks and decisions, further improving the efficiency and sophistication of their compliance processes.

RPA's value for compliance is predicted to rise rapidly beyond the automation of simple, repeatable, rules-driven processes, reaching an enhanced function that will allow it to take on increasingly specialised compliance-based tasks. With its understanding of natural language, ability to learn new and improved processes independently, recognise patterns and leverage huge quantities of unstructured data, enhanced RPA may quickly become an indispensable compliance tool in the near future.<sup>3</sup>



## PROACTIVE CYBERSECURITY

**Overview:** As mentioned previously, the risks attached to a data-driven, interconnected global economy are intensifying and diversifying at speed, with cybercriminals making high-profile attacks on a wide range of industries and companies across the globe each year.

**Potential impact on compliance:** Unfortunately, while regulatory authorities are committed to developing frameworks that will give compliant companies the tools and processes necessary to defend against cybercrime, the speed of ICT innovation often renders such regulations obsolete very quickly, sometimes before they're even issued. Therefore, proactive companies must go beyond the minimum requirements of current and emerging regulations, building an adaptive and anticipatory cybersecurity solution to protect its assets.<sup>4</sup> A healthy, proactive approach to cybersecurity can help companies remain ahead of the compliance curve while establishing a robustly effective defence against cybercriminal efforts.

1. Resolver, The Impact of Tech on Regulatory Compliance in 2018, 18/01/2018

2. Wall Street Journal, How Robotics Can Drive Compliance Modernization in Financial Services, 02/10/2017

3. Corporate Compliance Insights, The Impact of RPA on GDPR, 09/04/2018

4. CSO Online, Taking cybersecurity beyond a compliance-first approach, 19/02/2018



## BUILDING NEXT-GENERATION COMPLIANCE PROCESSES FOR AN INCREASINGLY REGULATED WORLD

The rising tide of data is bringing unprecedented opportunity and risk in equal measure. Subsequently, governing the use of current and emerging technologies safely and effectively has become a focus area of great importance to both domestic and international authorities, many of whom are increasing the scale and speed of their issued regulations. As such, forward-thinking companies need to be anticipating how, when and where they can best leverage emerging technologies to improve their understanding of said regulations and remain compliant with them.

To find out more, the inaugural Customer Privacy and Data Protection Asia Summit taking place in Singapore on 27-28 November 2018 and will focus on how Asia's organisations – in the midst of building their modern data ecosystems – are aligning people, process and technology to future-proof against growing cyber threats and data breaches.

[www.customerprivacyasia.iqpc.sg](http://www.customerprivacyasia.iqpc.sg)

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# CUSTOMER PRIVACY & DATA PROTECTION ASIA SUMMIT 2018

**REINFORCING TRUST & ACCOUNTABILITY  
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