

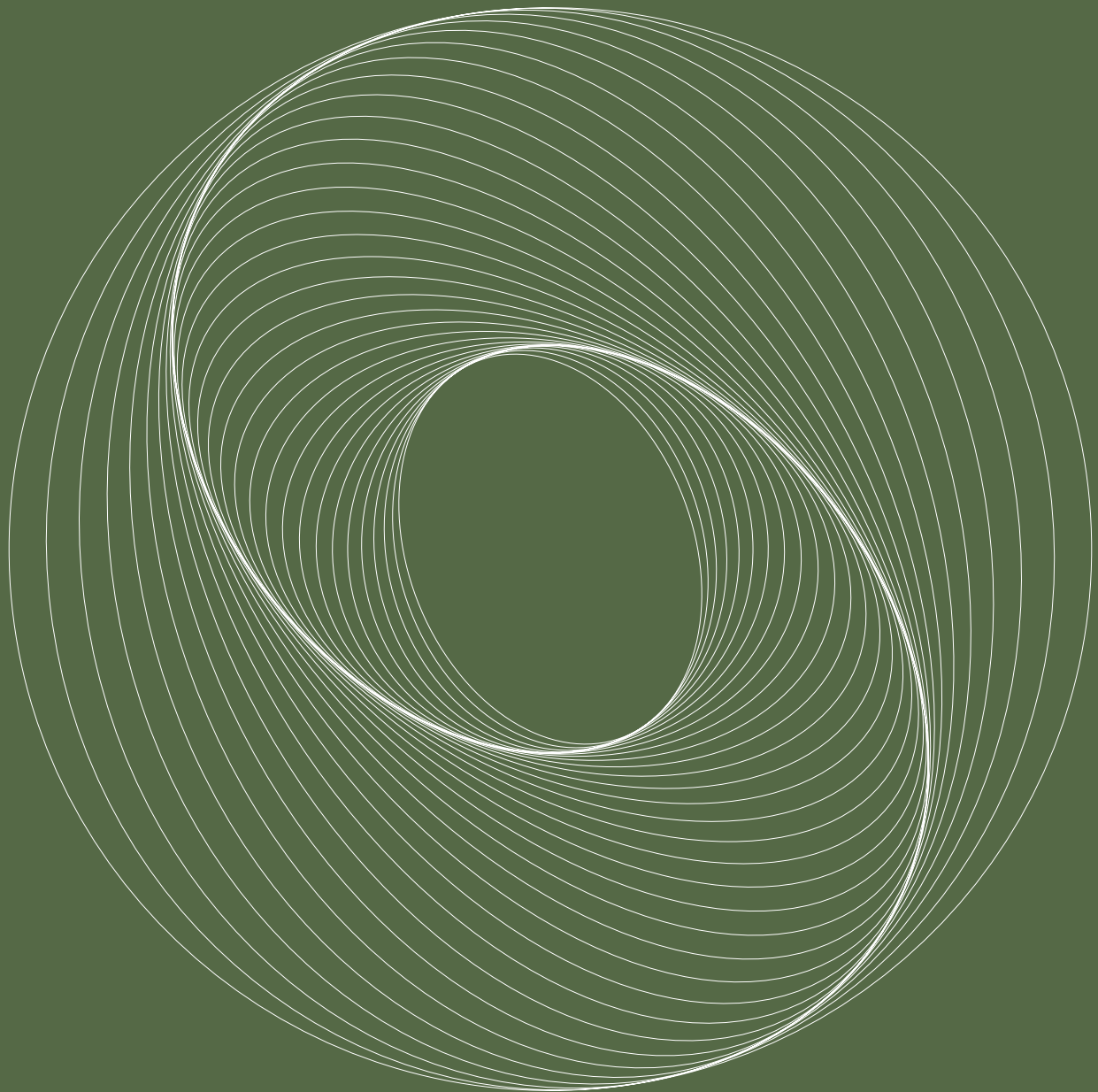


**GFiN**

GLOBAL FINANCIAL INNOVATION NETWORK

# RegTech & SupTech Workstream Update

February 2021



## Introduction

As the Covid-19 crisis has impacted the world, the importance of technology, innovation and international collaboration have come to the fore in numerous areas, from the search for a vaccine to sharing lessons aimed at containing the pandemic. Within the world of financial services, the impact of the pandemic has also been significant, with central banks and regulators acting rapidly to bring in measures to protect consumers and maintain market integrity.

## Introduction

**Financial regulators across the world have faced challenges in terms of understanding how the market is reacting to the crisis; the support required for vulnerable consumers whose livelihoods have been affected; and the effect of remote/virtual working on their ability to carry out supervisory functions.**

Digital transformation and the harnessing of nascent technologies has become an increasing priority for regulators in responding to these new challenges. SupTech solutions can and have assisted regulators in understanding markets, firms and consumers in a timely and efficient way. Such solutions will increasingly inform regulatory decision-making and response. For firms, the adoption of technology to meet new challenges has been equally important, and will become more so in the future. Factors such as an increased need for automated compliance and regulatory updates management, and remote know-your-customer (KYC) checks due to social distancing measures have created an environment in which RegTech solutions have become more relevant and valuable than ever.

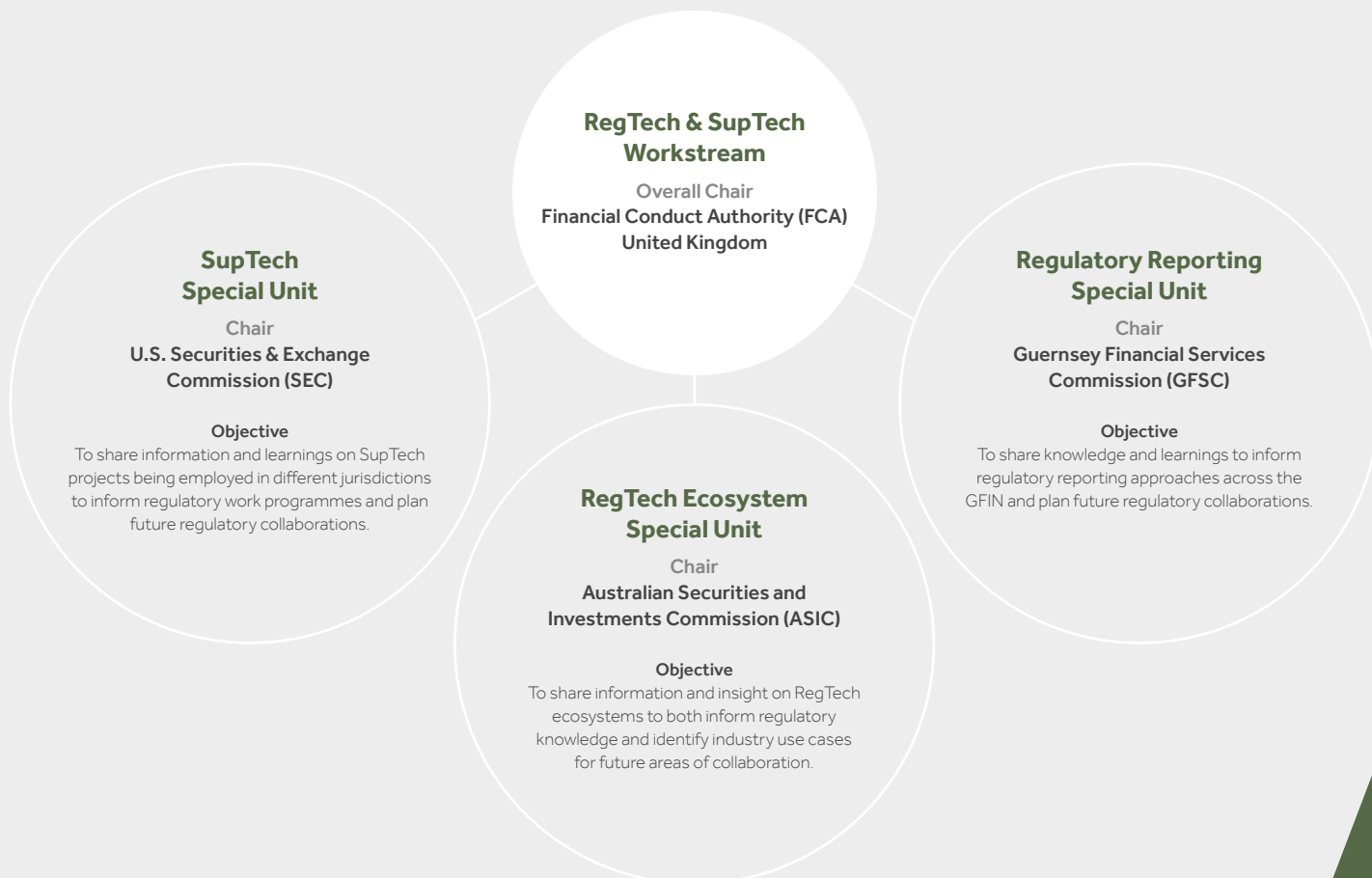
Looking at the scale of focus and activity across jurisdictions, we saw the opportunity for the Global Financial Innovation Network (GFIN) to bring regulators together to discuss how RegTech and SupTech can help the global financial services system progress.

## GFIN's RegTech & SupTech Workstream

In this report, we present key insights from the three-day GFIN symposium held in August 2020. We hope it will make a valuable contribution to regulators as they navigate current and future challenges, and will inform the future work programmes of the RegTech & SupTech workstream within GFIN.

The new workstream structure consists of 3 "Special Units", or working groups, each with its own dedicated Chair and grouping of members, working together to achieve goals and outcomes to support the specific field. The Financial Conduct Authority (FCA) remains the overall Chair of this workstream.

The Special Units are as follows:



## **GFIN's RegTech & SupTech Workstream**

A breakdown of each of the special units is provided below.

### **RegTech Ecosystem**

The RegTech Ecosystem Special Unit has the objective of sharing information and insights on RegTech ecosystems to inform regulatory knowledge and identify use cases for future areas of collaboration. The Unit will look to focus on preparing a report on RegTech ecosystems in various jurisdictions and the approach taken by agencies in engaging with RegTech. It will also consider producing practical guidance for regulators on conducting RegTech TechSprints and other forms of showcase events.

### **SupTech**

The SupTech Special Unit presents an exciting opportunity for regulators to explore together how we can better capture and understand data, and leverage this collective learning to become better, more innovative, regulators. The Unit hosted a symposium with members of academia and industry to discuss SupTech priorities, areas for innovation and the best ways to leverage resources. The Unit is also considering several other projects, including a SupTech library, the sharing of SupTech open source code amongst regulators, and guides to regulators developing in-house SupTech.

### **Regulatory Reporting**

The Regulatory Reporting Special Unit aims to advance the thinking around core data principles and leverage the learnings from information gathering during COVID-19 to inform regulatory reporting approaches across the GFIN. The Unit will explore the lessons learnt and changes made to regulatory reporting during COVID-19 and will look to bring together all the work being done by various groups on the challenges and issues of regulatory reporting with an aim towards highlighting the need for and principles of common data standards.



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# Virtual Symposium

## Virtual Symposium

**To support the launch of the new workstream, the GFIN organised a three-day GFIN Virtual Symposium event to facilitate opportunities for regulators to share insights on how the Covid-19 crisis has impacted their jurisdictions and their respective RegTech and SupTech ecosystems.**

Over the course of the event, participants discussed a variety of topics, from the acceleration of 'Covid-19-inspired digitalisation of financial services firms to the global adaptation to new ways of working. Participants also considered new technological approaches and the different opportunities and risks they may present. Members discussed current adoption trends of different technologies and also emerging technologies on the horizon that may have a growing impact on regulation, such as biometrics and new fraud identification techniques.

As much as participants discussed the 'now', opinions were exchanged on what the future holds for both RegTech and SupTech and what role regulators and the broader GFIN network should play. Overall agreement was that - as both ecosystems support compliance, regulation and protection of consumers - regulators should continue to explore how best they can support the further development and adoption of these fields.

## Next steps



The Chairs of the Special Units are in the process of further developing and refining their respective work programmes, and identifying opportunities for collaboration across the network. GFIN members and observers look forward to closely working together to ensure that technological advancements bring benefit to financial regulation. We will provide further updates when these work plans and areas of collaboration are finalised.

If you are interested in learning more about the RegTech & SupTech workstream and work programme, you can email us at [GFIN@fca.org.uk](mailto:GFIN@fca.org.uk).



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