

## Specific application of this document management platform for the UK

Right now financial regulation in the UK is in a state of uncertainty and transition. Brexit and the impending MiFID II are forcing firms to re-evaluate their approaches to compliance, reporting and critical risk. Managing the process of new contract negotiations combined with remediating and repapering hundreds of thousands of existing contracts for the changes implied by Brexit is daunting – to say the least. The costs and obvious inefficiency of manually managing a bank's compliance could be punitive. For some companies it may prove impossible. Our intuitive smart document platform is not only a tool for proving compliance, it streamlines complex workflows, saves time and resources, removes human errors, uncover hidden risks and provides better insight for senior management. It is the solution to the current exponential increases in regulation.

## The FCA and their initiatives

Regulation is evolving at breakneck speed and we have to keep pace. I believe that FCA is one of the most innovative regulators in the world. For example, last autumn (November 2016) we took part in the FCA tech sprint, a two-day hackathon to provide startups a platform to build solutions in regulatory space which would be helpful for FinTech firms, regulated firms, but also large banks. During that FCA sprint the FCA were completely collaborative. They even brought in partners, to create real solutions for the market.

At the FCA TechSprint, during a thirty six hour of intensive brainstorming battle [with JWG, the well-known regulatory think-tank], we developed a combined solution which 'unlocks' regulatory changes and helps with implementation of regulation for global firms. ClauseMatch provided our award-winning API-driven innovative content platform software as the basis for integrating the data management solution provided by JWG. In the course of just two days we successfully combined sections of the FCA Handbook directly with internal documents that deal with those sections based on regulatory taxonomy developed by JWG, to provide real-time monitoring of regulation and internal processes. The new platform solves the issues of compliance process that financial regulators and firms currently face. It makes complicated compliance process simple, flexible and efficient. The team received honourable mentions in two categories. We also managed to pioneer one of the solutions, specifically for regulated firms which should allow a better

compliance with regulation. The FCA has proven that it is interested in exploring technology solutions that can help simplify the compliance process for banks and new entrants to financial services markets. Regulators are taking innovation seriously. Banks should take it seriously, too.

## RegTech and Blockchain

It's time for RegTech, or the so-called FinTech 2.0. Regulatory technology is already helping banks in automating internal policy management, an essential first step to further automate compliance within a bank. This spring ClauseMatch announced the launch of our policy management project at Barclays, integrating the innovative document management platform with the bank's internal system. ClauseMatch works as a browser-based real-time collaborative document management platform containing in its core a detailed workflow where comments, approvals and changes are a part of a full audit trail. The platform provides total control and visibility of

content with unprecedented reporting capabilities. Hundreds of employees have successfully on-boarded the ClauseMatch platform and more join every day. By offering the connection features that allow the connection between regulatory changes and internal policies for impact assessment and risk mitigation ClauseMatch addresses regulatory challenges as well. A successful graduate of Barclays Accelerator programme back in 2014, ClauseMatch is now also actively working with the bank to apply the same solution to further streamline compliance.



**CHANGES IN REGULATIONS ARE REFLECTED IN MASSIVE CHANGES IN DOCUMENTATION. WE AT CLAUSEMATCH ARE EVEN MORE FORTUNATE TO SEE IT FROM THE INSIDE AND TAKE AN ACTIVE ROLE IN ADDRESSING THESE CHALLENGES**



## Important innovations in the financial sector banks should be aware of

Finance companies have started exploring the innovative technology of blockchain to understand if it can reduce the time required to onboard new customers by automating and sharing KYC checks on companies, retail customers, employees in a transparent and safe way. It is the most cost-effective way to remove duplication of effort that each bank goes through when onboarding the same customer for a financial product. When RegTech is combined with the blockchain it can reduce the risk of fraud and money laundering, which can cause huge losses and regulatory fines. Integration of blockchain technology into FinTech and RegTech could cut operational costs up to 30 percent, saving major financial institutions up to 8 billion a year. I believe we are at the beginning of a new era for compliance, and ClauseMatch is constantly evolving to meet these new challenges. **CA**