Regtech: Supporting Communications Compliance in Exigent Circumstances

July 16, 2020

Executive Summary:



If the financial industry still held any objections to the case for providing firmwide communications flexibility and remote working capabilities, March 2020 saw the argument's proverbial microphone drop.

In addition to the functional challenges of navigating market swings and record highs in volumes and volatility,[1] pandemic conditions compelled most global market participants to quickly transfer almost all personnel to home working environments.

While operational disruption affected nearly every institution in the financial industry, Greenwich Associates estimates that over two-thirds of firms experienced varying degrees of avoidable challenges[2] on top of the unavoidable ones.

Methodology:

In the second quarter of 2020, Greenwich Associates conducted over 30 interviews with U.S.-based representatives from banks, broker-dealers, buy-side firms, exchanges, regulators, and financial technology providers. Information gathered from these interviews, which focused on the operational and functional challenges experienced by compliance teams during the unfolding events of the COVID-19 crisis, informed the qualitative analysis expressed in this report, along with other proprietary Greenwich Associates market research. Additionally, where indicated, select data was provided by and used with the express permission of Bloomberg LP.

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