Crisil
Coalition
Greenwich

Regtech Evolution in Buy-Side Compliance

February 23, 2021

Executive Summary:



When the magnitude of global events and a sudden shift to home working environments unfolded in early 2020, financial firms found their compliance systems and practices under a spotlight. With every weakness unforgivingly exposed by the combination of remote working upheaval, record market volatility and a general atmosphere of chaos, the importance of regtech to market infrastructure became clear.

Likewise, speculation has been intense about the long-term effects of the past year's revelatory experiences. Potential changes to regulatory requirements, communications technology usage and monitoring practices, and surveillance technology adoption trends are all key discussion points in the risk and compliance world.

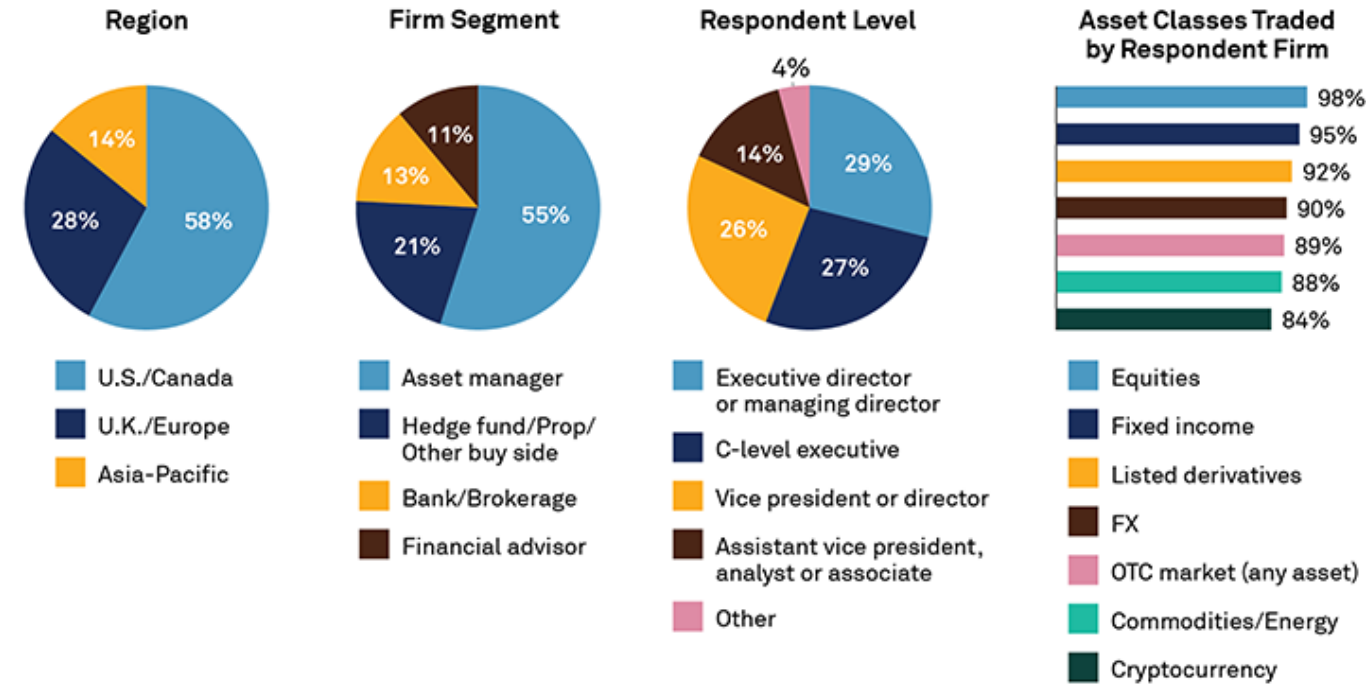
Buy-side firms tend to be proactive in promoting compliance culture and managing compliance policies, but they are more reluctant when it comes to expanding compliance budgets (in the absence of imminent regulatory drivers). Nonetheless, increases in key compliance risk factors during the work-from-home (WFH) transition made a compelling case for investment in compliance infrastructure, particularly in relation to communications monitoring and surveillance efforts.

As 2021 proceeds, market participants will make progress with regtech adoption strategies. Despite significant budget increases, compliance officers will be carefully optimizing budgets by evaluating investments in compliance technology and personnel. And fortifying weak infrastructure areas related to the highest risk factors, including those recently elevated by COVID-19 conditions, will be a key challenge for buy-side compliance officers to tackle in the coming 12 to 24 months.

Methodology:

In the fourth quarter of 2020, Greenwich Associates conducted 93 online interviews with representatives from asset managers, financial advisors, hedge funds, proprietary trading firms, private equity investment firms, and banks/broker-dealers in the United States, Europe and Asia. Information gathered from these interviews, which focused on the operational and functional challenges experienced by compliance teams before, during

and after the work-from-home transition that took place in the first quarter of 2020, informed the quantitative and qualitative analysis expressed in this report, along with other proprietary Greenwich Associates market research.



Note: Based on 93 respondents.
Source: Greenwich Associates 2020 Buy-Side Compliance Risk Study

Crisil
Coalition Greenwich

---

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED,

WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., a company of S&P Global. ©2026 Crisil Ltd. All rights reserved.

greenwich.com ContactUs@greenwich.com Ph +1203.625.5038