

S&P Global Market Intelligence Releases Annual Global Regulatory Reporting Survey Findings

Survey reveals lack of resources and poor data quality are the main regulatory reporting challenges faced by the industry

NEW YORK and LONDON and TEL AVIV, Israel, Dec. 6, 2023 /PRNewswire/ -- S&P Global Market Intelligence today released the findings of its annual Global Regulatory Reporting Survey, which revealed that resourcing and data quality management are the main barriers to effective, accurate and cost-effective transaction regulatory reporting.



Conducted by S&P Global Market Intelligence Cappitech, the survey found that fewer than half of respondents in the survey believe their firm are appropriately resourced, even when most firms have obligations in multiple jurisdictions. When it comes to data quality, just 19% believe their data quality is "very high" and more than half identify remediation of existing data as a key capability.

Struan Lloyd, Head of Cappitech at S&P Global Market Intelligence said: "Ultimately, good data drives effective regulatory reporting and firms need the right tools and resources to achieve this. In turn, this will reduce the effort and resources required to meet their regulatory reporting needs. If they can't achieve this then they face increased costs, potential fines, and a process that hinders rather than smooths their regulatory reporting."

The report also highlights a number of positives in the regulatory reporting space, including that the market participants are taking an increasingly collaborative approach to facilitate shared learnings and consistency in reporting, and a commitment to leveraging technology, including AI (Artificial Intelligence) and ML (Machine Learning). In part, this is reflected in the growing use of vendors, with 75% now using a vendor in some capacity, up from 64% in 2022.

The report also highlights that the market is more prepared for the swathe of regulatory changes coming in 2024 than for any previous regulatory reporting changes. Europe is most advanced ahead of European Market Infrastructure Regulation (EMIR), with 75% of firms prepared or on track, boding well for the April 2024 deadline, with Commodity Futures Trading Commission (CFTC) Phase 2 preparations notably improved on previous years at 60% of firms already ready or on track. Firms reported preparations for Japan Financial Services Agency (JFSA), MAS (Monetary Authority of Singapore) and ASIC (Australian Securities and Investments Commission) regulations are all progressing well, with JFSA naturally further ahead due to the earlier (April) deadline – 66% of firms with obligations are fully prepared or confident they will be.

"Notable in this report is the shift in focus from simply hoping to meet regulatory requirements and deadlines, to a more focused and strategic view that encompasses multiple jurisdictions and a bottom-up approach to identifying resourcing and data quality challenges and fixing them ahead of time," commented Lloyd. "This increased maturity within the market is very welcome and will lead to better, more effective regulatory reporting that more closely meets the regulators' monitoring and oversight needs."

The report also includes findings on a variety of factors influencing the regulatory reporting space including vendor selection, reconciliation and UTI matching and pairing challenges, and the use of automation and technology.

Conducted in summer 2023, the report is based on responses from 70 professionals across EMEA, UK, North America and APAC. Most represent banks or asset managers, with 30% working for other organization types such as brokers, corporates and proprietary traders.

Find full report here: <https://www.cappitech.com/resources/6th-annual-cappitech-global-regulatory-reporting-survey-2023/>

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