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Earlier this year, in a report, describing what the ‘RegTech’ buzz is in just one sentence, the Washington-based Institute of International Finance (IIF) said:

> Regtech is the use of new technologies to solve regulatory and compliance requirements more effectively and efficiently.

The Regulatory Compliance and Reporting Challenge

In recent years, financial institutions have been facing constant regulatory changes and updates. As a result, businesses are continuously asked to adopt newer and more complex sets of rules.

The various banking supervisory authorities in Europe alone as well as their constantly changing capital and minimal reserves requirements for banks is just one example of how many different regulations a single financial institution needs to process, adopt, comply with and report regularly to authorities.

The financial markets authorities for listed companies, the competition authorities at both national and supranational level and just about any regulator in any industry have been piling up an ever-growing list of regulatory updates for businesses to digest.

What’s more, companies need to act on these regulations within a set timeframe. They also need to ‘translate’ the new legislation into their own articles of association and the way they run their internal processes, which drives up the costs of compliance and reporting.

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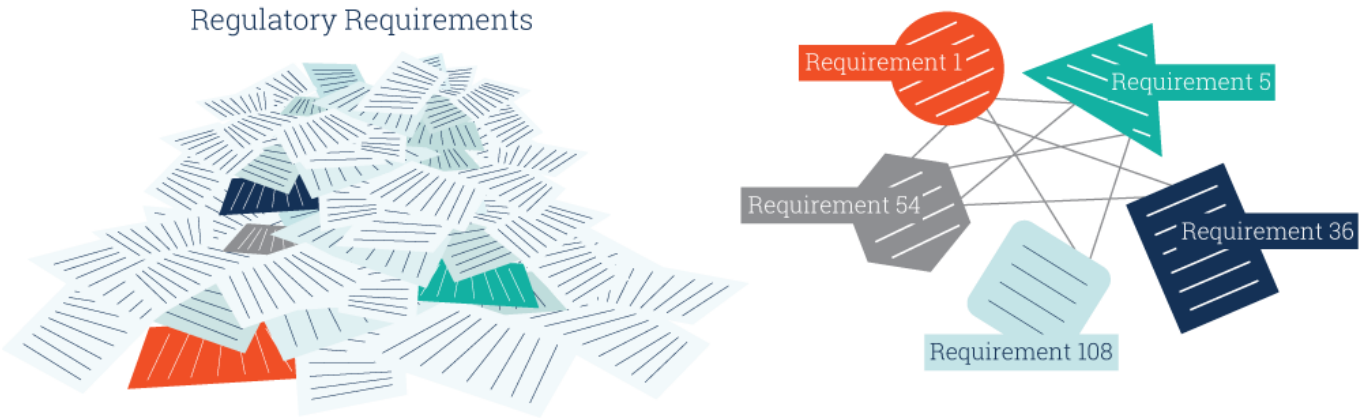

The use of Linked Data in data integration is a powerful and simple way to consolidate seemingly incoherent diverse data from disparate sources in various formats into one whole set of data.

RegTech and Linked Data Teaming up for Seamless Data Integration

To address the piling regulatory requirements, a kind of a 'spin-off' from FinTech has emerged – regulatory technology or RegTech. Its aim is to help companies deal with the heaps of data demanded by the regulators on the one hand and the huge data they need to go through to understand and implement these requirements, on the other.

RegTech, coupled with Semantic Technology, opens up opportunities for both enterprises and financial institutions to reduce exposure to risk and cut expenses for lengthy and costly compliance and reporting processes.

The use of semantic data integration is a powerful and simple way to consolidate diverse data from disparate sources in various formats. It helps reveal locked knowledge and provides valuable business insights.

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Organizations using regtech find value in the resources they save by replacing lengthy and costly regulatory processing with smooth data integration technologies revealing proprietary external data sets.

How Semantic Technology and Linked Data Make Compliance Easier

Put it simply, RegTech combines information from legislation and regulations available to the public with enterprise-specific policies and procedures. Here, the power of Linked Data to provide one-point access to all this information enables companies to see a more structured picture of regulatory concepts and identify relationships between concepts in the legislation and their internal processes and procedures.

Thus, the legislative lingo of regulatory authorities (which even humans struggle to understand) becomes machine-processable information mapping identical concepts in different sources and can be indexed for easier search and discovery. Share on X This enables businesses to adapt to the constant regulatory changes quickly and at a lower cost.

The power of Semantic Technology to make better sense out of complex regulatory data empowers businesses to gain insights from advanced data analytics and can improve every step of the regulatory compliance and reporting process.

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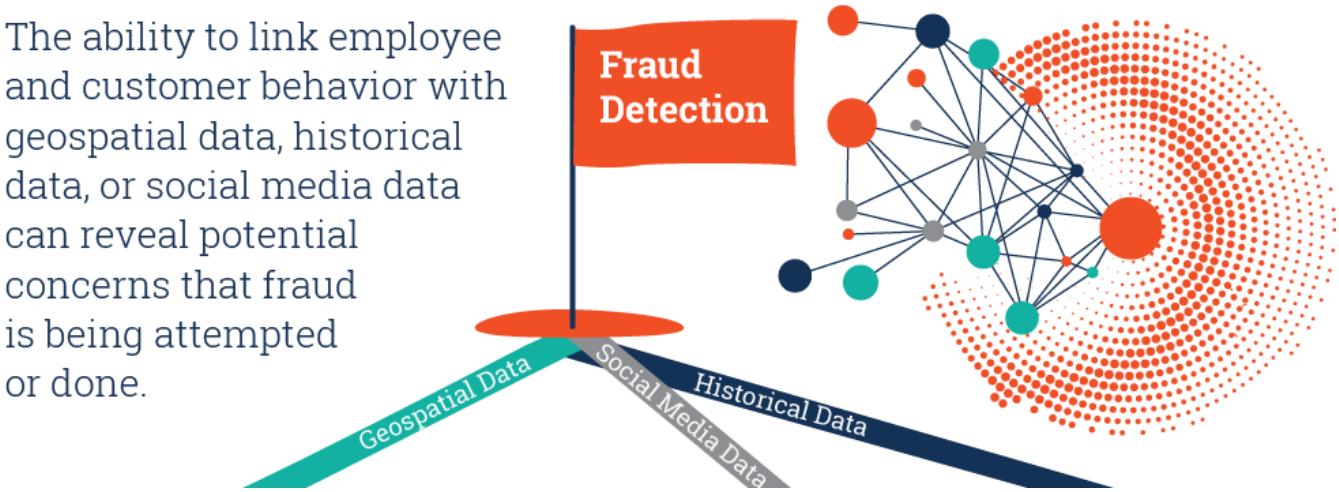

Leveling up on Compliance: Predictive Analytics for Improving Regulations

The ability to link employee and customer behavior with geospatial data, historical data or social media data can also reveal potential fraud concerns. By flagging fraud attempts, enterprises not only enhance their own compliance with the rules but also contribute to improving the regulatory framework of their industry by reporting valuable insights to authorities.

A better operating regulatory environment, coupled with Semantic Technology able to reduce compliance costs, also works toward leveling the playing field for smaller businesses when they make their way into a given industry. Increased competition leads to more choices for consumers and more satisfied customers mean more opportunities to expand markets.

According to EY's global governance, risk and compliance survey 2015, 85% of respondents surveyed said that they see an opportunity to additionally improve the linkage between risk and business performance.

> Organizations are able to clearly identify the key risks to 'own' that not only result in negative consequences but also those that generate value, enabling a direct

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linkage between risk and business performance, say EY in their survey.

RegTech Takeaways

Organizations using RegTech and SemTech find value in using smarter data to gain deeper insights. By replacing lengthy and costly regulatory processing with smoother data integration of external and proprietary sources, companies also save significant resources.

In a nutshell, semantically-enriched RegTech leads to minimizing risks and maximizing opportunities for boosting business performance and revenue.

Want to learn more about smart data integration with the help of a semantic graph database?

Learn how semantic technology can help you face regulatory challenges!

Book a Discovery Call

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