

REGTECH BUYER'S GUIDE

What to Look for When Selecting a Compliance Software Solution



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INTRODUCTION

Requirements and Capabilities to Consider When Evaluating Financial Services Compliance Technology Platforms

Purchasing and implementing regulatory technology designed specifically for financial services firms can create significant cost and process efficiencies in your organization, strengthen your compliance efforts, and lower your risk of costly – and potentially reputation-damaging – violations. However, with many technology firms touting their software as the best, evaluating your options can be a daunting task.

In this Buyer's Guide, firms will find key information and considerations designed to take some of the stress out of choosing a RegTech platform. As your firm evaluates options, don't be afraid to ask questions about systems and solutions you are considering. Expending effort up front to find the right fit can help ensure a smooth transition to a platform truly designed to meet your firm's unique needs.

At the end of this paper, there is a handy solution buyer's checklist to help you determine if a solution is right for you.

CONSIDER YOUR GOALS

This guide assumes that your firm has already made the decision to implement a technology solution. However, don't overlook the importance of quantifying your firm's needs and goals as you seek the best RegTech platform.

Which of the following potential benefits is most important to you? Ordering your "must haves" and "nice to haves" can help you align your needs with various compliance technology solutions.

- » Paperless solution
- » Automated workflows to direct tasks to approvers/reviewers
- » Customizable electronic forms, certifications, and acknowledgements
- » Automated system reminders to eliminate "stragglers"
- » Built-in audit trail
- » Scalable platform that can grow along with your firm
- » One centralized solution to replace disparate systems
- » Organize employees by department, supervisor, or other category
- » Simple and secure access provisioning
- » Mobile-first architecture
- » Flexible configurations and hosting solutions
- » Comprehensive search of potential conflicts across all firm and employee data
- » Seamless API integrations

INDUSTRY FOCUS

Beyond choosing a system that meets the above technology requirements, consider how well a provider's software meets the specific needs of firms in the financial services industry.

Many technology providers claim their platforms are tailored for broker-dealers, registered investment advisers, hedge funds, investment bankers, private equity, and other financial services firms. The truth is that not all such platforms include all of the following industry-specific modules or features:

- » Code of ethics certifications and attestations
- » Personal trading reporting, pre-clearance, and post-clearance capabilities, including direct broker feeds from hundreds of data sources
- » Political contribution verification
- » Gifts and entertainment tracking and reporting
- » Best execution module
- » Portfolio suitability solution
- » SM&CR workflow management solution
- » Issue escalation, retention, and tracking capabilities
- » Advertising and marketing material approval and tracking
- » Dynamic risk surveillance
- » Compliance oversight for IPOs and Private Placements
- » Employee and supervisor dashboards and configurable reports
- » Control Room 360-degree view

PRODUCT LAUNCH PLAN

Another important consideration is the level of service and support you can expect from your RegTech provider. Transitioning to a new platform requires a commitment on the part of your firm, but implementing a platform with the help of a skilled launch and service team can make the process significantly smoother.

Ask potential providers what type of assistance they offer during implementation and launch periods. Reputable RegTech providers

understand that your firm's success with their RegTech platforms starts with configuring the software to meet the firm's needs. Ask about realistic timelines, training and communication resources offered by the provider as you get your new compliance program off the ground.

TAILORED FOR YOUR FIRM'S EMPLOYEES

Any RegTech solution your firm ultimately chooses should also be tailored or configurable to meet the specific needs of your employee base – and the needs of your compliance team.

- » **Access capabilities:** Today's modern employee wants, and even expects, to be able to do their work from their mobile devices or tablets, rather than being tethered to a desktop or laptop computer. Look for a RegTech provider whose solution offers mobile access capabilities without sacrificing functionality or security.
- » **User-friendly:** Employees will be more likely to use any system you adopt if it is easy for them to do so. Not all RegTech platforms are equal when it comes to ease of use. Look for a solution that is intuitive and easy, one that will "talk" to other systems and make employees' jobs simpler.
- » **Customizable workflows:** When you choose a RegTech solution that puts you in control of designing your own workflows, you and your employee base won't need to adapt to a one-size-fits-all way of processing information and tasks. Look for a platform that offers customization so you can truly make it your own.

ADDITIONAL CONSIDERATIONS

As you narrow down your search, consider the following questions:

- » Has the provider worked with similarly-sized firms?
- » Has the provider worked with firms that offer similar products and services?
- » What type of ongoing communication and service can you expect from the provider?
- » Is the provider prepared to evolve as the industry evolves, offering new capabilities and redesigned features?
- » Will the provider's solution help your firm prepare more efficiently and effectively for regulatory audits?
- » Will the solution you are considering give you access to real-time analytics and business intelligence?

As you can see, there are many things to keep in mind when evaluating regulatory compliance technology platforms. If your goal is simply to move your compliance function to a paperless environment, there are many possible solutions. If, instead, your firm is committed to proactively creating and fostering a culture of compliance, you will be best-served by choosing a provider that works exclusively with financial services firms, one that has the depth and breadth of experience to truly add value to your firm's compliance function.

REGTECH SOLUTION BUYER'S CHECKLIST

Use this handy checklist for your specific needs when choosing a compliance solution.

WHAT ARE YOUR GOALS FOR USING A COMPLIANCE SOLUTION?

**MUST
HAVE**

**NICE
TO HAVE**

Paperless solution

Automated workflows to direct tasks to approvers/reviewers

Customizable electronic forms, certifications, and acknowledgements

Automated system reminders to eliminate "stragglers"

Built-in audit trail

Scalable platform that can grow along with your firm

One centralized solution to replace disparate systems

Organize employees by department, supervisor, or other category

Simple and secure access provisioning

Full mobile functionality

Flexible configurations, hosting solutions & API Integrations

DOES THE SOLUTION HAVE A FINANCIAL INDUSTRY FOCUS?

YES

NO

Code of ethics certifications and attestations

Personal trading reporting, pre-clearance, and post-clearance capabilities

Direct broker feeds

Political contribution verification

Gifts and entertainment tracking and reporting

Control Room 360-degree view

Portfolio suitability solution

Issue escalation, retention, and tracking capabilities

REGTECH SOLUTION BUYER'S CHECKLIST

DOES THE SOLUTION HAVE A FINANCIAL INDUSTRY FOCUS?

YES

NO

- Advertising and marketing material approval and tracking
- Dynamic risk surveillance
- Compliance oversight for IPOs and Private Placements
- Employee and supervisor dashboards and configurable reports

CAN THE SOLUTION BE TAILORED TO YOUR FIRM AND EMPLOYEE'S NEEDS?

YES

NO

- Access capabilities - full mobile functionality
- User-friendly - for ease of adoption
- Customizable workflows - tailored to your firm needs

PROVIDER SOLUTION EXPERIENCE

YES

NO

- Does the solution provide you support before, during and post implementation?
- Has the provider worked with similarly-sized firms?
- Has the provider worked with firms that offer similar products and services?
- Is the provider prepared to evolve as the industry evolves, offering new capabilities and redesigned features?
- Will the provider's solution help your firm prepare more efficiently and effectively for regulatory audits?
- Will the solution you are considering give you access to real-time analytics and business intelligence?
- What type of ongoing communication and service can you expect from the provider?

ComplySci's solutions cover all the above capabilities. [Schedule a demo today.](#)



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