REGTECH AT HSBC

INTRODUCTION

Regulatory technology, or Regtech, has become one of the most important technologies for organizations and financial institutions which strive to work effectively in the sphere and avoid迁The term Regtech is used to describe the regulatory technology that has become a kind of tool which is necessary for the organizations and financial institutions nowadays in order to efficiently work in the sphere and avoid penālties for the violation of the laws. The case "Regtech at HSBC" examines how a global giant manages to apply this technology for the enhancement of compliance, decrease in costs, and optimisation of operations.

BACKGROUND

HSBC the international banking company has to deal with quite complex legal requirements of countries all over the world. More often than not, traditional compliance practices are manual and this makes the processes very time consuming, and more to the point, there is tendency for some errors here and there to occur. It can therefore be said that there is a strategic direction in the bank's transition to Regtech in a bid to optimise on compliancy procedures as well as manage potential risks occasioned by violation of regulations.

CHALLENGES AND SOLUTIONS

However, as it can be seen, there are certain issues that HSBC experiences when implementing Regtech: data protection and integration difficulties because of the firm's vast legacy IT framework. In order to overcome these challenges, HSBC uses strict security measures to protect the new system and the implementation is done systematically in phases.

CONCLUSION

This paper focuses on explaining the role of application of regulatory technology in a real-world example – "Regtech at HSBC". In this case, Regtech serves the purpose of strengthening HSBC's business compliance while at the same time delivering high value and impressive cost reduction in operations. This strategic move puts HSBC in a vantage position in terms of who is at the forefront in the use of technology in the ever changing regulatory environment.

RECOMMENDATION

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