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REGTECH FOR REGULATORS
ACCELERATOR

Pioneering the next generation of tools and
techniques for market supervision and policy analysis

Simone di Castri, Director
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@ludicastri @R2Accelerator

Just as new technologies have transformed the delivery of financial services, they could be equally transformative in improving regulatory oversight and policy development.

Technology-enabled solutions can critically transform financial authorities' capability to collect, analyze and use data, in order to: 3

1. Improve market oversight
2. Develop smarter, proportional, risk-based regulation
3. Lower financial services providers' cost of compliance
4. Strengthen consumer trust and participation in the financial system

This is

“RegTech for Regulators”

R²A is an accelerator for financial authorities and innovators for the deployment of RegTech solutions, and a contributor to the creation of a global RegTech marketplace.



Expected outcomes



Financial authorities and innovators in three markets have **prototyped cutting edge technology solutions** for market oversight and policy development.



Participating **financial authorities** have familiarized with **innovative engagement processes** to attract innovators and generate new solutions for market oversight and policy development.



Innovators have familiarized with **financial authorities' work streams, pain points and requirements.**



Participating financial authorities play a leadership role in **sharing learnings and good practices** with peers.



RegTech is recognized as an important capacity-enhancing tool for financial authorities.

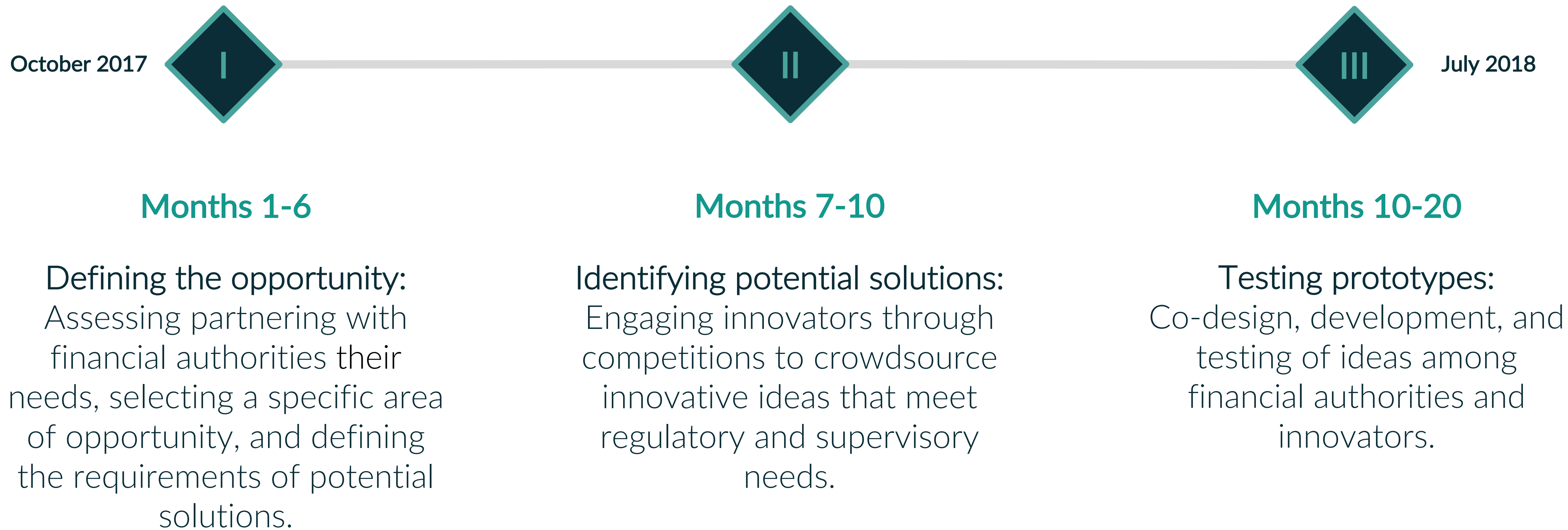


The foundations of the **RegTech for Regulators marketplace** are built.

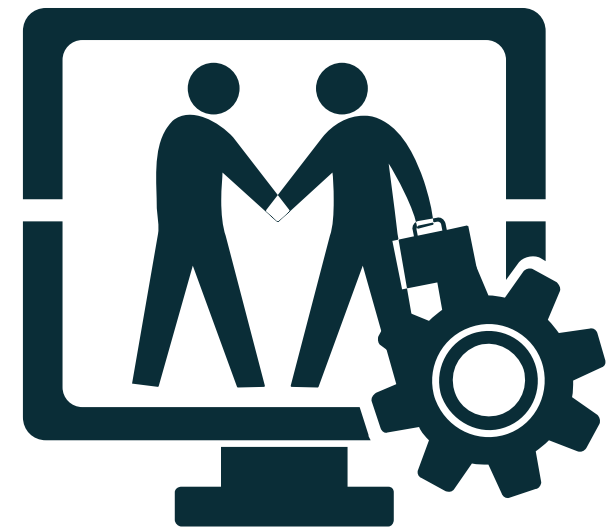
R²A partners with leading financial sector authorities and innovators to pioneer the next generation of tools and techniques for market supervision and policy analysis.



Twenty-months, three phases:



What R²A offers to its partners



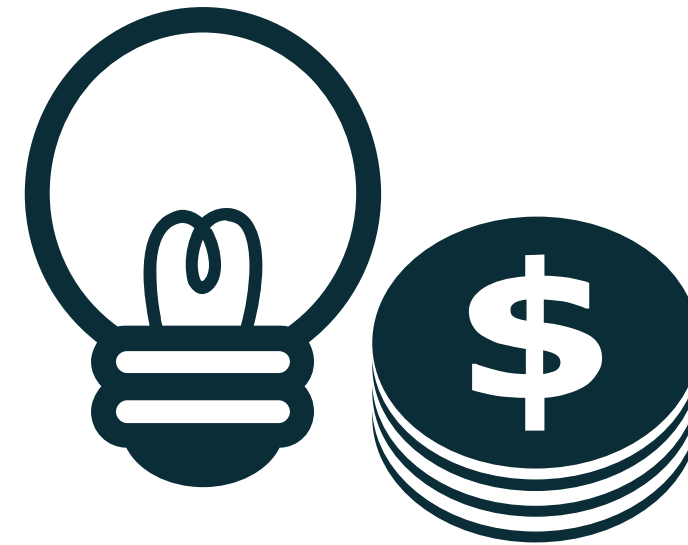
TECHNICAL ASSISTANCE

- **Experts** in regulation, supervision and the use of artificial intelligence and other technologies support partnering financial authorities and innovators.



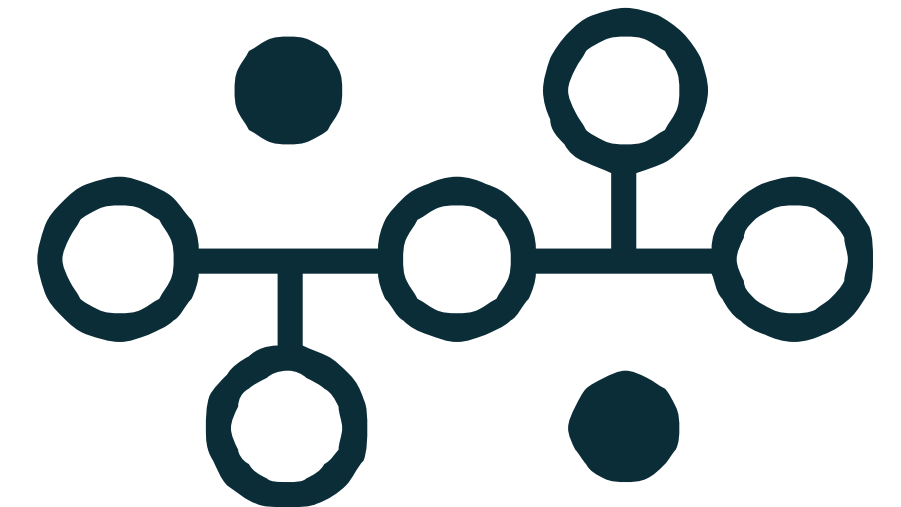
PROJECT MANAGEMENT

- **Management** of entire process from identification of use case and selection of innovators through development and testing of prototype RegTech solution.



BRIDGE WITH INNOVATORS

- **Selection** of innovators to prototype RegTech solution (through competition).
- **Funding** selected innovators.



KNOWLEDGE EXCHANGE

- **Peer learning** opportunities (both in-person and online) with cohort of financial authorities, expert FinTech advisors, and other selected stakeholders in the emerging RegTech community.



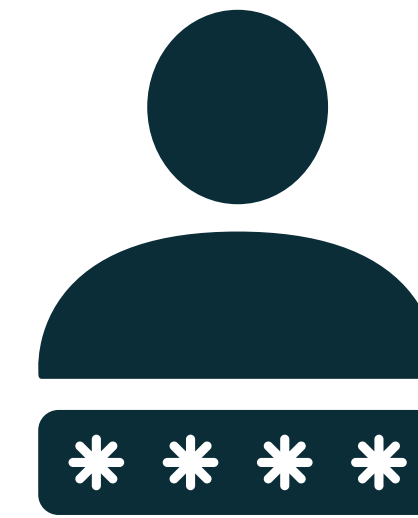
CONSUMER PROTECTION

- **Mechanisms for crowdsourcing DFS consumer experiences** from, e.g., GIS-tagged transactions/complaints overlaid on a map, to allow the regulator to understand their experience and needs.
- **Interactive technologies**, such as chat bots, to “triage” incoming communication and direct consumers to their appropriate point of contact.
- Automated analysis of information available on social media and other internet sources to proactively identify issues (e.g., natural language processing).



DATA ANALYSIS

- Tools for improving the timeliness and reliability of compliance reporting data (e.g., **APIs**), and for making them suitable for more complex analytics.
- **Dashboards and other visualizations** to allow for more up-to-date, customizable policy analysis.
- **Prescriptive analytics** to better target scarce resources for deeper review and on-site supervision.



RISK-BASED KYC/AML/CFT

- **Machine learning** to identify patterns among a wealth of data on DFS transactions across various channels.
- **Optical Character Recognition (OCR)** and **Natural language processing (NLP)** to mine information.

Possible applications



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