

# Unlocking value from RegTech in asset & wealth management

Key considerations for releasing competitive advantage from RegTech in asset & wealth management.

## Industry



Asset & wealth

## Services



Architecture



Operating model



Ensuring, and demonstrating, clear compliance with laws and regulations has always been a significant challenge for asset & wealth firms.

However, in recent years this challenge has been further compounded by the increasing complexity of regulations and the accelerating pace of technological change.

As part of this evolution, RegTech (Regulatory Technology) has emerged as a pivotal tool, supporting the transformation of compliance processes by enabling asset & wealth firms to drive efficiency and improve effectiveness while ensuring adherence to stringent laws and regulations.

For those who get it right, RegTech can be an untapped source of competitive advantage. However, with tight deadlines and the push to implement new systems quickly, CIOs and their leadership teams are often poorly positioned to help their businesses realise the long-term value of these tools.

To ensure the successful long-term implementation RegTech of solutions within asset & wealth management firms, we recommend addressing the following seven priority areas:

### 1. Business alignment

IT must collaborate closely with business compliance and risk management teams to ensure alignment with the firm's broader objectives. This includes understanding specific compliance challenges faced in particular geographies or service lines and mapping out desired outcomes. It is also essential for the business to understand that technology is a tool—an enabler of business change rather than a solution itself.

### 2. Systems integration

In our experience, asset & wealth management firms often have complex IT infrastructures, with significant technical debt coexisting alongside pockets of newer technologies. Ensuring that RegTech solutions can integrate seamlessly with these systems without disrupting business operations is crucial. Upgrading legacy systems may also need to be part of the plan.

### 3. Scalability and flexibility

Asset & wealth firms are constantly seeking to grow and respond to market changes. It is therefore imperative that RegTech solutions are designed and

implemented to adapt new regulatory requirements as they emerge. Additionally, the technology should be capable of handling increased loads as a business grows, rather than being chosen solely on its appropriateness for a pilot.

### 4. Data security and privacy

Given the sensitive nature of asset & wealth management data, RegTech implementations must incorporate robust security measures, such as data encryption and comprehensive access controls. Additionally, solutions should support compliance with data protection regulations such as GDPR.

### 5. Vendor selection and management

Finding the right vendor is a critical step in implementing RegTech solutions. Due diligence should cover the vendor's experience in asset & wealth management, technological capabilities, support services, and adhere to industry standards. As part of the process, service level agreements should be clearly agreed and defined to help manage the relationship going forward.



## 6. Training and change management

In the rush to go live with technologies, and minimise costs, it can be tempting to short cut training and change management, but the introduction of RegTech solutions will lead to significant changes in how employees work.

Implementation should be seen as part of a broader business change initiative.

## 7. Continuous monitoring & optimisation

Post-implementation, it is crucial to continuously monitor the performance of

RegTech solutions to ensure they are operating as intended and delivering their planned value, with adjustments made as needed. Since RegTech is a rapidly evolving space, staying informed of new developments should be introduced as part of a broader programme aimed at maintaining a competitive edge.

Realising the full value of RegTech in asset & wealth management is a challenging task, with important considerations that extend beyond the rapid deployment of a new technical tool. IT functions must ensure

RegTech solutions integrate well with existing systems, meet stringent security standards, all whilst aligning with long-term business and technology roadmap goals. Only through careful planning and execution can RegTech fully achieve its potential in creating competitive advantage as part of progressive, resilient wealth management practices.

If you would like to speak to Paul Atherton regarding this insight, send your enquiry to [contact@masonadvisory.com](mailto:contact@masonadvisory.com)

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### About Mason Advisory

Mason Advisory has offices in Manchester and London and employs over 100 staff, with plans to continue its expansion. We enable organisations to deliver value through digital & technology transformation, solving complex business challenges, and helping clients set strategy through the intelligent use of IT resources including architecture, cyber, data, digital, operating model and organisational design, service management, and sourcing. We operate in sectors such as financial services and insurance, legal and law, government, health and social care, emergency services, retail, FMCG, transport, and not-for-profit.

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