8

steps to choosing the best Basel RegTech for your business

Basel compliance requires several elements to achieve a seamless transition. At the heart of this is the appropriate technology solution. There are many great RegTechs out there, but choosing a RegTech or compliance software solution can be tricky. To help, we've compiled a comprehensive checklist of what to include when selecting the right tool to achieve regulatory compliance and meet your business needs.

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Get with the culture

Since implementing Basel impacts a wide range of functions, getting all your teams on board is central to successful adoption.

Expert credit and financial risk consultancy

Our expert team works together with clients to create solutions to securely position banks and financial institutions for excellence in meeting their regulatory and risk requirements.

Data driven design

Ensuring regulatory data is complete, accurate and timeous is the most vital factor in determining whether a project will meet its objectives or not. The right solution should integrate seamlessly into this variety of data sources and have the engineering ability to process millions of records within minutes, while accounting for data gaps or non-availability.

Plan ahead

Great technology solutions can provide integrated financial and risk data to manage and optimise operational and risk-adjusted-performance, ultimately focussing on sustainable profitability.

Parallel pays

An effective calculation engine will:

- Efficiently combine internal rating-based models with the standardised approaches required by the BCBS

- Calculate a combined RWA floor that mitigates the effects of operational and measurement errors while capitalising on development strategies and progressive business models

- Include calculations for all asset class RWAs

- Include a IFRS9 ECL calculator, and a credit RWA calculator that quantifies the standardised and advanced IRB RWA

Visualisation combination

With the need to produce a larger volume of reports for regulators whilst simultaneously getting meaningful insights, the solution should be able to visualise data output for faster decision-making and provide accurate and insightful reporting

Auditing accuracy

Appropriate RegTech solutions allow for accurate reporting and calculation while ensuring internal / external review and auditing. This is particularly relevant for post submission audits done by regulators, who require submissions be consistent with the original report.

Work around your environment

The most suitable selection will depend on the stability and performance your current environment, the speed at which you wish to implement the regulations, and what resources are available. This will dictate whether to modernise, build, or buy from a vendor.

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For a more in-depth look at these tricks and tips, read the full article here