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Big data analytics are re-shaping the regulatory landscape

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New research from the SWIFT Institute discusses how global financial institutions are using data analytics to better manage regulatory requirements

Brussels, 11 February 2016 – A new paper from the SWIFT Institute highlights the many uses of big data analytics by financial organizations to meet evolving regulatory and compliance requirements.

The paper, entitled [*'The Role of Big Data in Governance: a regulatory and legal perspective of analytics in global financial services'*](#), explains how financial firms are using the latest and most effective forms of analytics in the wake of increasing regulatory mandates. The paper, which was prepared by Dr. Daniel Gozman from the University of Reading, and Professor Wendy Currie and Dr Jonathan Seddon from Audencia Nantes School of Management, also cites two case studies as examples of how these analytical tools are influencing operational risk and practices within organizations across the financial services industry.

"With 2.5 quintillion bytes of data generated daily and regulators requesting more data from organizations, analytics have a big role to play", says Peter Ware, Director, SWIFT Institute. "The research dives into uncharted territory, highlighting the challenges and opportunities for financial organizations using business intelligence tools to improve operational efficiency and compliance."

Key highlights from the research include:

- Organizations that harness the power of analytics to better understand organizational operations may reap many additional benefits beyond compliance;
- Improved understanding of operational risks may also allow firms to reduce their requirements to hold higher levels of regulatory capital;
- Analytics may help organizations better understand how individuals in the firm interact with one another and thereby act to improve lines of communication;
- Analytics may also assist organizations in vital strategic decision making and related efforts to recruit and retain necessary staff; and
- Firms that embrace information governance techniques are better placed to exploit big data analytics and related future innovations.

"As the use of big data analytics within financial firms becomes further embedded and institutionalised, the ability of firms to facilitate analytics and reduce related costs and overheads through information governance will become increasingly important," explains Professor Wendy Currie, Audencia Nantes School of Management. "Firms that are able to become masters of their own data and conquer challenges related to volume, velocity, veracity and variety will be able to draw a competitive advantage through enhanced strategic decision making and increased operational efficiency."

To download a copy of the paper, visit www.swiftinstitute.org/papers

About SWIFT Institute

Launched in April 2012, the SWIFT Institute fosters independent research to extend the understanding of current practices and future needs across the financial industry. Managed by SWIFT, and working in close collaboration with academics from top international universities, the SWIFT Institute brings the financial industry

and academia together to explore ideas and share knowledge on topics of global importance. The research covers various aspects of banking, including the following areas: Payments, Clearing / Settlement, Cash Management, Trade Finance and Securities. For more information, please follow us on LinkedIn: SWIFT Institute or Twitter: @SWIFTInstitute or visit <http://www.swiftinstitute.org/>.

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,800 banking organisations, securities institutions and corporate customers in more than 200 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

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