RegTech Open Innovation Manifesto

By the Innovation & Research Advisory Council of the International RegTech Association

1. Principles - The aim of the IRTA Innovation Working Group is foremost to protect innovation and innovators. To that end and to promote good practices in RegTech we are working on a set of standards to better the financial industry as a whole. We believe in open standards that are accessible to a wide community and can be useful namely for developers to create quality RegTech and Fintech products.

Why the need for open standards?

While every financial institution is different in its own way, regulations require every financial firm to align with specific definitions requirements. As these requirements have evolved and developed over time, no comprehensive documentation exists for what granular data means, publishing standards for regulators and overall good practices for regulatory technology. So if you want to start anything new in the financial industry there is no readily accessible technical documentation to allow for efficient technology to be developed. This perpetrates legacy infrastructure and does not promote innovation or transparency.

Why now?

The financial crisis brought into focus both the global scale of the financial industry as well as the fragility of such an interconnected network without transparency. If open standards had existed in 2007, banks could have seen growing risks sooner or translated the regulatory requirements in a purely digital way. Furthermore, the crisis and regulatory weight has left the financial industry with a need to reduce cost and to leverage on technology to deal with requirements more flexibly. Standards make technology possible and are key to more innovation in financial services!

2. Initial Scope - Three core areas of focus (a) Regulatory Data Standards, (b) Publication Standards and (c) Regulatory Technology Standards.

a) Regulatory data standards define a common specification for granular data used for regulatory compliance. Regulatory data refers to the data that underlies a variety of regulatory questions and is used for policy, monitoring, reporting and supervision purposes.

b) Publication Standards

c) Regulatory Technology Standards

3. Timeline and Consultation –

E.g. weekly update on progress, quarterly target for publication, consultations with the industry, other interested parties.

4. Innovation & Research Advisory Council of IRTA

Innovation and Research Advisory Council			
Vice-Chair - Diana Paredes			
Design & Testing	Working Group Leads		
	RegTech Standards	Data Standards	Publishing Standards
	Jane Walsh	Diana Paredes	John Byrne
	Other team members in Working Streams		
	Daniel Gozman, Charles Delingpole (AML/CTF/KYC), Danielle Deibler, Alistair Milne	Ralf Huber, Douglas Arner, Danielle Deibler, John Byrne, Gino Wirthensohn	Douglas Arner, Andrew Burt, Gino Wirthensohn, Steve Bailey
Review Committee	Subas Roy, Janos Barberis, Richard Maton, Jo Ann Barefoot, Danielle Deibler, Ross Buckley		

5. How to Contribute

Standards for regulation are an ambitious task, but it is a communal problem that all global financial institutions share (at least for the regulated world). Therefore, we are looking for contributors of all types, developers, lawyers, accountants, fintech companies, consultants, regulators, traders, structurers, back office, settlement, operations, regulatory policy, finance, risk! If you want to contribute please reach out via:

GitHub, other formats TBD.