

# THE NEW REALITIES OF DATA GOVERNANCE IN A REGULATED WORLD

## How Banks Can Leverage Their Data To Comply With Complex Global Regulations

Digitizing communications governance is critical as banks adopt next-generation automation and RegTech solutions to address compliance and risk-mitigation measures. Regulations are changing risk profiles, requiring oversight of the culture of risk-taking, and preventing market abuse.

### US\$321 Billion

Banks globally have paid \$321 billion in fines since the 2007-2008 financial crisis for an abundance of regulatory failings, from money laundering to market manipulation and terrorist financing, according to data from Boston Consulting Group.<sup>1</sup>



### US\$14.4 Million

The Financial Industry Regulatory Authority (FINRA) announced that it has fined 12 firms a total of \$14.4 million for significant deficiencies relating to the preservation of broker-dealer and customer records in a format that prevents alteration.<sup>2</sup>

## Is Your Bank Falling Behind in Digitization of Communications Governance?

Multiple, sweeping regulations, from FATCA, CRS, Dodd-Frank and Basel III to EMIR, MiFID II and others, may include new requirements that could result in an array of complex new technical challenges.

**55%**

of chief information officers in the financial sector will increase their technology compliance budgets in 2017.<sup>3</sup>



**70%**

of respondents surveyed by Hitachi are not completely ready for data-driven digital strategies in data governance, security, privacy and protection.<sup>4</sup>



### POTENTIAL REGULATORY REQUIREMENT

### RESULTING TECHNICAL CHALLENGE

#### RULE VARIABILITY

Different rules, depending on geography, communication type, line of business or product specifics

#### INABILITY TO ADDRESS VARIABLE REGULATIONS

Monitoring organizations globally siloed and disjointed; lack of unified approach

#### REPORTING SCOPE AND REQUIREMENTS

Collection, search and analysis of all trade communication interactions in accordance with regulatory requirements; monitoring, archiving and analysis of telephone, email, SMS and voice recordings, including communications outside a bank's firewalls

#### LACK OF E-DISCOVERY CAPABILITIES MAKES IT DIFFICULT TO COMPLY

Multiple data sources mined separately from multiple sources in multiple countries; ineffective and inadequate data collection and analysis

#### TIMELY REPORTING

Compliance or discovery reports need to adhere to strict deadlines

#### RELIANCE ON I.T. SLOWS DOWN REPORTING

Compliance teams unable to access data on time, dependent on IT, cannot work with flexibility or collaborate easily

## Hitachi Can Help Protect Your Bank

Hitachi solutions enable you to centrally "capture, curate, consume" all regulated employee communications across the front office, middle office and back office.

### HITACHI'S E-DISCOVERY FRAMEWORK



#### Improve Visibility

Provides new levels of visibility into communications and offers detailed reporting for measuring and proving compliance



#### Rich Metadata

Tags and stores data from all relevant systems with a workflow and search process layered on



#### Streamline

Reduces the e-discovery processes from weeks to hours



#### Reduce Costs

Results in a dramatic reduction in IT resource overhead by enabling the compliance team to perform their own searches

### HITACHI CUSTOMERS BENEFIT

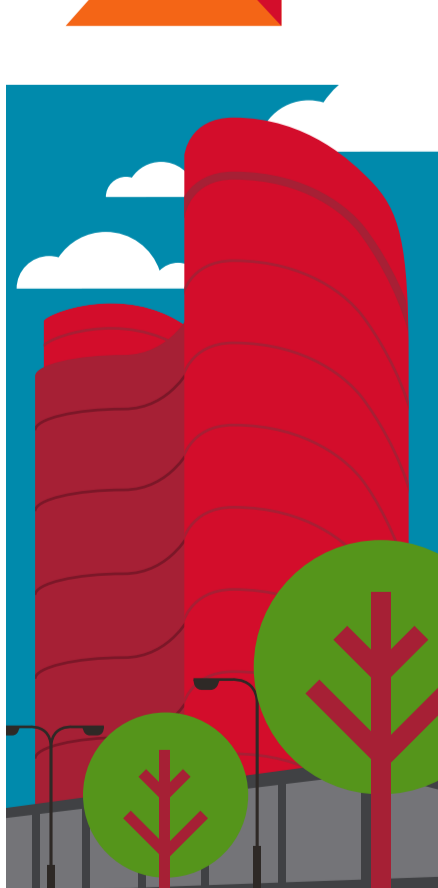
#### Rabobank Slashes Compliance Discovery Search Time

Rabobank, a Dutch bank with €674 billion in assets, wanted to be able to consistently mine multiple data sources spread across many disparate silos with no obvious way of joining one communication type to another.

Rabobank approached Hitachi to help solve the problem. Together, they created a cutting-edge ingest-and-search platform, based on Hitachi Content Platform (HCP), which automatically collates, secures and indexes both structured and unstructured data across the business.

*"The regulatory landscape is constantly shifting. The HCP solution enables compliance investigations to be completed rapidly and securely, across global business units. Most importantly, HCP gives Rabobank control of its data, with a flexible, comprehensive solution and the ability to meet future compliance needs."*

—Walter Hendriks, Change Manager for Global Compliance, Rabobank Financial Economic Crime Unit



<sup>1</sup>Global Risk 2017, Staying the Course in Banking, The Boston Consulting Group

<sup>2</sup>The Financial Industry Regulatory Authority (FINRA), news release, December 21, 2016

<sup>3</sup>SourceMedia Research, July 2016

<sup>4</sup>How to Win at Digital Transformation: Five Steps Successful Digital Transformation Leaders Are Taking, Hitachi and Forbes Insights survey of 573 C-level executives.

Learn more about data governance and regulatory compliance.

CLICK TO EXPLORE OUR WEBSITE

 Hitachi Data Systems

**HITACHI**  
Inspire the Next

www.HDS.com

© Hitachi Data Systems Corporation 2017. All rights reserved. Hitachi is a trademark or registered trademark of Hitachi, Ltd. All other trademarks, service marks and company names are properties of their respective owners.

