

Accenture Regulatory Landscape Study

Outlook for European Financial Institutions

8th edition June 2023 | Abstract

accenture

Regulatory compliance for financial institutions is still a burning platform

REGULATIONS

800+

of **regulatory changes issued** by European and Italian Authorities only in the last year⁽¹⁾

SANCTIONS

\$ 4,2 bln

of fines handed out by control Authorities **for compliance failures** in 2022⁽²⁾

HEADCOUNT

62%

of Compliance executives expect an **increase of resources to be allocated** to risk and compliance topics in the next 12 months⁽³⁾

INVESTMENTS

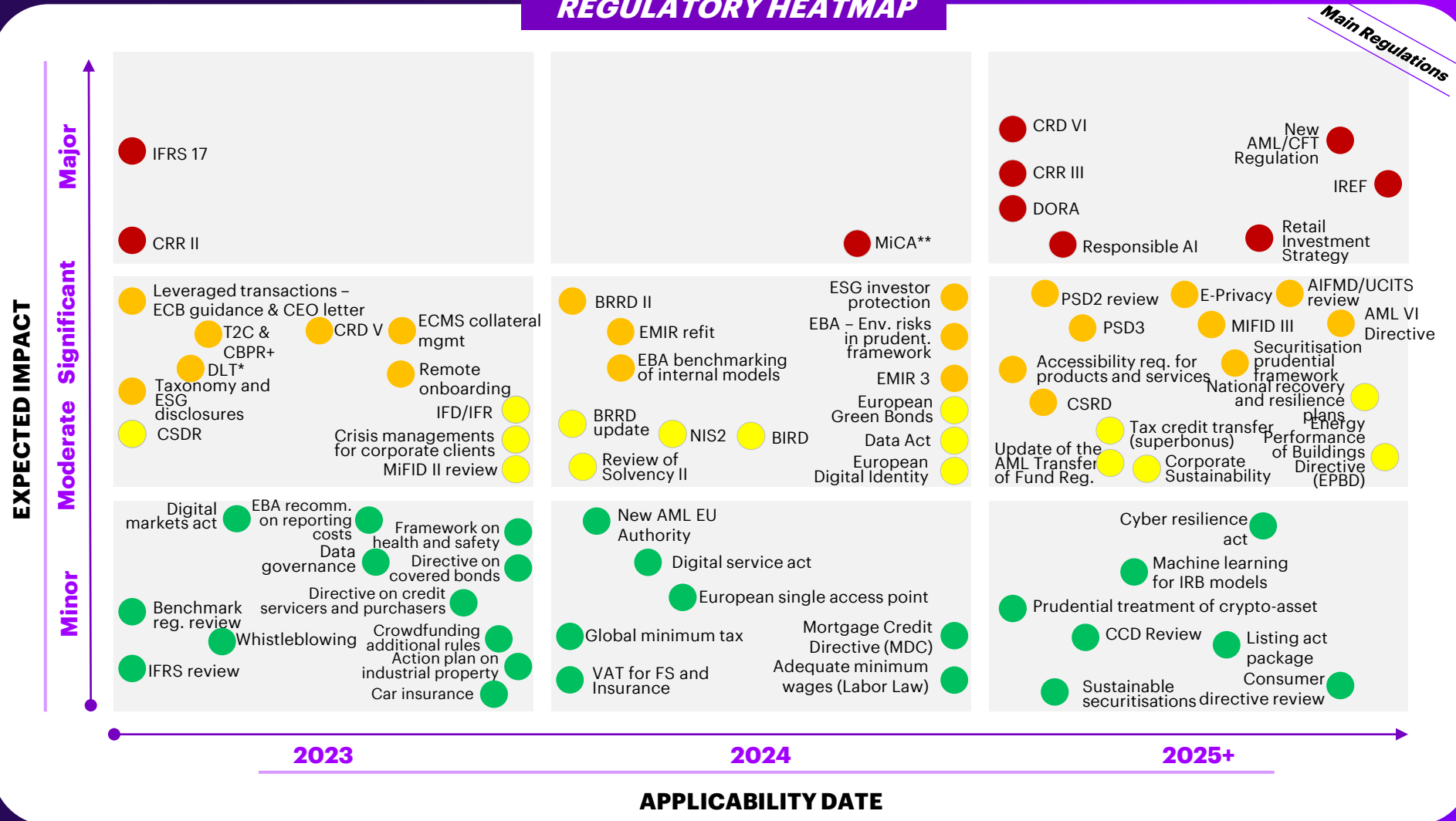
75%

of Compliance executives expect **increased investment** over the next 2 years due to regulatory alignment needs⁽³⁾

Sources: (1) Accenture Regulatory hub. Regulatory changes refer to new obligations resulting from norms, regulations, guidelines issued from European and Italian Authorities during 2022; (2) Fenergo report; (3) Thomson Reuters Report "Cost of Compliance 2022: Shaping the Future"

Regulatory agenda for the next years remains challenging

REGULATORY HEATMAP



More than **70 regulations** are in the current Regulatory horizon

More than **60% of these regulations** are connected to **Digital Finance, Data & AI, Sustainability and Crisis Management**

Impact legend

- Major
- Moderate
- Significant
- Minor

Key: (*) = DLT applies to investment firms involved in the management of distributed ledger databases for crypto-assets; the "significant" impact applies only to such firms
 (**) = MiCA applies to investment firms and credit institutions involved in the crypto-assets business; the "significant" impact applies only to such firms/institutions

Expected changes will affect all the main process with impact both in banking and insurance business

ILLUSTRATIVE

Process area	MAJOR IMPACT ONLY										SIGNIFICANT IMPACT ONLY																					
	CRR II	IFRS 17	MiCA (Markets in Crypto-assets)**	CRR III	CRD IV	DORA	Responsible AI	Retail Investment Strategy	New AML/CFT Regulation	IREF	Taxonomy and ESG disclosures	Leveraged transact. - ECB guidance & CEO letter	DLT (Distributed Ledger Technology)*	T2C & CBPR+	CRD V	ECMS - collateral mgmt	Remote onboarding	BRRD II	EMIR RFIT	EBA benchmarking of internal models	EBA - Environmental risks in prudential framework	ESG for investor protection	EMIR 3	Accessibility req. for products and services	CSRD	PSD2 review	PSD3	E-Privacy	MIFID III	Securitisation prudential framework	AIFMD/UCITS review	AML VI Directive
Sales & distribution			✓				✓	✓			✓											✓		✓				✓	✓		✓	
Credits	✓			✓	✓						✓	✓									✓									✓		
Payments									✓				✓		✓	✓									✓	✓						✓
Treasury & finance											✓		✓	✓	✓				✓													
ICT governance & security						✓	✓					✓													✓	✓	✓					
Risk management	✓	✓		✓	✓	✓					✓	✓	✓		✓				✓	✓	✓	✓								✓		
Compliance and controls	✓		✓	✓	✓	✓	✓	✓			✓	✓	✓				✓		✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓
Financial & Regulatory reporting		✓							✓	✓									✓				✓		✓							



Legend: Type of clientes to which provisions are applicable

- Banks
- Insurance
- Capital Markets
- Mainly Banks and Capital Markets
- All (Banks, Insurance and Capital Markets)

(*) = DLT applies to investment firms involved in the management of distributed ledger databases for crypto-assets; the "medium-high" impact applies only to such firms

(**) = MiCA applies to investment firms and credit institutions involved in the crypto-assets business; the "medium-high" impact applies only to such firms/

A comprehensive regulatory change management approach is suggested to succeed the new landscape

1

COMPLETE/ CONSOLIDATE CHANGES

Complete/ consolidate changes already in progress for those **regulations that just came into force** or coming in the short term (e.g. IFRS17- processes fine tuning in Finance/ Planning area)

Accelerate on new regulatory topics on which Authorities has **already provided guidelines/ preliminary expectations** (e.g. ESG topics with ECB recommendations)

Adapt risks scenario analysis to be even **more forward looking** when running projections (e.g. EBA requirements to run stress test with dynamic portfolio scenarios)

2

PREPARE FOR NEW CHANGES

Start **evaluating impacts from new Regulations** with major or significant expected impacts to seize needs for funding the change (e.g. DORA, CRR III, CRD VI)

Contribute in public consultation and industry lobbying activities on draft Regulations to mitigate impacts (e.g. Responsible AI)

Keep monitoring final version of those norms **under final approval** (e.g. AML package) **as well as RTS publication** for those norms requiring detailed technical instructions (e.g. DORA) to may work then on detailed masterplan for adoption

3

EXPLORE BUSINESS OPPORTUNITIES

Evaluate new products & services to launch in the **digital environment** (e.g. in the digital asset field after MiCA regulation providing for a more regulated environment for crypto assets)

Review commercial strategies and pricing policies to **mitigate capital impact from new Basel IV provisions on credit risk** (e.g. CRR III requirements on Loan to Value, LGD unsecured, F-IRB for 3Large Corporate)

Explore new products & services for **corporate clients** according to the **sustainability agenda** (e.g. ESG financing and leasing)



To receive the whole study you can refer to our experts



Tommaso Petrillo

Managing Director
Accenture Risk & Compliance Function Lead
Rome, Italy

✉ tommaso.petrillo@accenture.com



Nicoletta Scano

Associate Director
Accenture Regulatory Hub Lead
Milan, Italy

✉ Nicoletta.Scano@Accenture.com



Giovanni Cattorini

Senior Manager
Accenture Risk & Compliance Function
Milan, Italy

✉ giovanni.cattorini@accenture.com