Accenture Regulatory Landscape Study
Outlook for European Financial Institutions

8th edition June 2023  Abstract
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**

$4.2\text{ bln}$

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”

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Regulatory agenda for the next years remains challenging

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

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

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<tr>
<th>Process area</th>
<th>MAJOR IMPACT ONLY</th>
<th>SIGNIFICANT IMPACT ONLY</th>
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<td>Sales &amp; distribution</td>
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<tr>
<td>Credits</td>
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<td>Compliance and controls</td>
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<td>Financial &amp; Regulatory reporting</td>
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Legend: Type of clientele 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/ institutions
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...

**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

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