Obligation management
technology needs assessment

Effective obligation management is a mission-critical process, ensuring that rule identification, compliance requirements, and operationalization occur effectively and systematically

Today, compliance officers face mounting strategic challenges. Most importantly, maintaining full compliance with a growing volume of new rules and providing proactive guidance on rules that may impact core business operations. In this context, effective obligation management becomes a mission-critical process, ensuring that rule identification, compliance requirements, and operationalization occur effectively and systematically.

Many financial institutions rely on state surveys conducted by large in-house teams or third-party providers to help manage state-level compliance obligations. While these surveys are crucial to understanding and reacting to state laws, they are resource-intensive and extremely expensive, costing hundreds of thousands of dollars or even millions. Additionally, they are extraordinarily difficult to maintain and keep current.

Read the assessment below to evaluate your readiness and fit for a powerful emerging technology solution for obligation management.

Evaluation Criteria

Legend: ◔ low risk of non-compliance ◑ medium risk of non-compliance ◕ high risk of non-compliance ● highest risk of non-compliance

Are you an institution with a national footprint or on the path to expansion in the coming years?

- ◔ We operate in between one and 15 states today with no intention to expand.
- ◑ We operate in between 15 and 25 states today.
- ◕ We operate in more than 25 states today and may expand our footprint in the coming years.
- ● We are a national institution.

Banks operating in many states and national banks have the enormous, ever-present task of state-level obligation management across many jurisdictions. They are subject to thousands of state and federal regulatory obligations, which develop continuously and vary by jurisdiction. Beyond operating in compliance with state and federal requirements, financial institutions must also provide proof of compliance across the board to internal stakeholders and regulatory authorities.

Do you determine cross-jurisdictional requirements with a team of individuals or outside counsel on a continuous basis?

- ◔ We are not making cross-jurisdictional requirements today.
- ◑ We work with an external legal team to execute.
- ● We do this manually in-house.

Comparing and contrasting state requirements manually across your banking footprint is a costly and error prone process. However through use of emerging technology, the benefits of managing against cross-jurisdictional aggregated requirements can be immense.

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Do you feel your institution's technology program adequately supports the need to create and maintain state-level compliance and cross-jurisdictional regulatory requirements?

- We have a solution from a third-party provider.
- We have or intend to build an in-house solution to manage regulatory requirements.
- We handle this manually and in a static manner.

A best-in-class technology program would support a bank's need to simplify and prove compliance where state and federal regulations converge. The technology would help compliance professionals develop 'rationalized requirements' to ensure complete and efficient process implementation.

Does your institution intend to enhance your existing regulatory change management program?

- We use a highly competent technology offering and manage regulatory change effectively.
- We use a technology suite but feel it could be better optimized.
- We use some technology but have increasing needs to manage the complexity of regulatory change.
- We are a highly manual and team member-intensive operation for regulatory change.

Compliance operations anchored by ad hoc systems incur deep strategic risks. Incomplete regulatory change management processes and technologies are inherently noisy and prone to insufficient visibility and inconsistent interpretation and implementation.

Do you have specific traceability from your policies to state and federal laws that prove you are compliant?

- We are comfortable in our traceability.
- We work with an external legal team to execute.
- We do this manually in-house.
- We do not have specific traceability.

Many national institutions' traceability data comes from various sources, including 50-state surveys and analyses on various regulatory topics from external partners. Information may often be delivered and managed in a spreadsheet format and is not easily traced from the laws to the obligations, to the cross-jurisdictional obligations, and finally to the policies, risks, and controls.

Is reducing the time and money it costs to identify common state-level regulatory requirements a priority for your institution?

- Yes, we are interested in a technology solution that groups individual state requirements to enable us to create a single compliance policy requirement that covers the individual requirements of multiple states.

- No, this is not currently a priority.

It is important to many business models to save very significant costs in state surveys or in-house research and maintenance via a technology model and strategic partnership that improves compliance operations.

See how OneSumX® ProViso simplifies complex obligation management

Wolters Kluwer OneSumX® ProViso helps institutions cut through the regulatory "noise" with deep, dynamic compliance content, state-specific regulatory expertise, and emerging technology to mitigate risk cost-effectively. The power of clustering within ProViso groups like requirements, and then enables your organization to author a summary of how you will comply within that group. For example, ProViso allows you to summarize 20 separate but alike requirements into one condensed, cross-jurisdictional requirement that can be seamlessly integrated into your workflow.

Contact CPM-Sales@wolterskluwer.com or your Account representative today to schedule your demo

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