

Start-ups form regtech industry association



ANZ Wealth's head of risk says regtech systems can improve compliance. [Bloomberg](#)



by [James Eyers](#)

A new industry group to represent the emerging regulatory technology, or regtech, industry has been formed in order to encourage collaboration between start-ups and regulated companies as the rise of artificial intelligence technology points to a new age of proactive compliance monitoring.

A dozen Australian start-ups have come together to form the RegTech Association, which was launched last Thursday at an event at Allens Linklaters, a sponsor of the group, attended by more than 100 people.

The foundation members of the RegTech Association are: Red Marker, GRC Solutions, Arctic Intelligence, Verifier, Dynamic GRC, Dysrupt Labs, Meetig8, Simple KYC, Cynopsis Solutions, AML Accelerate, Complii and identitii.

Regtech provides banks with the "opportunity to revolutionise the way we do compliance and risk management", Karen Malzard, the head of risk at ANZ Wealth, told the event.

She revealed ANZ is working with Red Marker, [which was recently acquired by global professional education firm Kaplan](#), to develop new software for a proof of concept that will monitor content on the bank's websites to ensure it complies with regulations. [Westpac Banking Corp is also using Red Marker in a similar project.](#)

ANZ is encouraged that Red Marker's application Artemis is being used in other financial institutions because this increases the quality of its predictive abilities, Ms Malzard said. "It is learning from examples across the industry, not just us," she said. "If we were to develop this internally, it would only be our view of the world. In this case, we get to take a cross-section of the industry, which means it will learn quicker, and we will get better output from it and expand its uses more quickly."

ANZ like other banks found it tough to keep on top of the changing nature of superannuation regulation and that hiring more lawyers or compliance staff was not the answer, she said. "Quite frankly, we need help ... The environment is changing, and throwing more people at it is not delivering the solution that we need.

"We want to be more compliant, we want to be more efficient and offer better customer solutions, and the way we can do that is through some of the tools that the RegTech Association's [members] can provide to us, and we are really excited about using those tools to meet the goals of the [bank]."

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Matt Symons, Red Marker CEO and the founding RegTech Association director, said the emergence of regtech provides Australia with an opportunity to develop a new local industry and to export that technology. Julian Fenwick, the CEO of GRC Solutions and chair of the new association, said Australia is well respected in Asia, and local regtech players are "uniquely positioned to succeed internationally".

Lisa Schutz, the managing director of Verifier, which makes income verification software, said "there is some great talent" in Australia. "We would love it if we could stay here and export, rather than move."

Even though it was recently acquired by Kaplan, Red Marker's AI technology will continue to be developed out of Sydney. Mr Symons will appear on a panel discussing regtech at [the Australian Financial Review Banking & Wealth summit on Wednesday](#), along with Westpac Banking Corp's general counsel Rebecca Lim, ASIC commissioner Cathie Armour and Deloitte partner Kevin Nixon.

Reinventure Group co-founder Danny Gilligan, who will address another panel at the summit on the disruption of consumer banking, said banks are facing increasing liquidity and mobility of data, cheaper computer power through cloud technology, and vast improvements in the effectiveness of AI. "That combination makes the processing of information in an automated way against a set of rules easier and cheaper than it has even been before," he said.

Along with Allens, Kaplan and Pharos Financial Group are also sponsors of the RegTech Association.

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