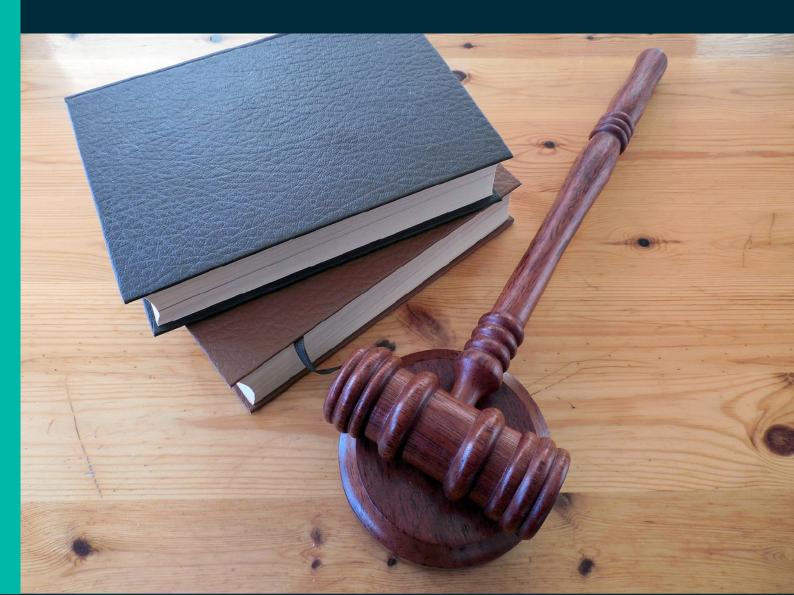# CLEANCHAIN

An ADEC Innovation

A Quick Guide
to Regtech and Regulatory Tracking

Businesses continue to be burdened by relentless and complex regulatory changes and there is no end in sight. RegTech plays an important role in helping organizations streamline their compliance process and stay ahead of the law.

Keeping abreast of new regulations and regulatory changes is becoming increasingly difficult as it eats up more time and resources for compliance and legal teams. Once you consider post-pandemic regulation, climate change and the rising interest in ESG reporting, the number of regulations, rule changes and policies for businesses to keep track of is humongous and ever-increasing. KPMG state that businesses are spending more than US$300B to deal with this problem and avoid the monetary and reputational costs of non-compliance.

This exponential increase in regulatory requirements has been one of the primary drivers of the growth in the RegTech market and the associated solutions provided as organizations seek to minimize risk. The adoption of RegTech has already started to transform the way compliance teams spend their time, with Thomson Reuters 'Cost of Compliance 2022' report finding that the percentage of compliance teams spending more than 10 hours in an average week tracking and analyzing regulatory developments has fallen significantly, from 10% in 2021 to zero in 2022. In 2022 compliance teams, on average, spent between 1 and 3 hours per week tracking and analyzing regulatory developments (42%).

What is regtech?

Regtech is the combination of regulation and technology tools designed to help organizations manage their regulatory processes and facilitate compliance efficiently. While the term and idea of regtech has taken a little longer to catch than its sister term 'legaltech', investment has ramped up and the industry has begun maturing.

The global RegTech market is expected to grow at 17.55% CAGR from 2023 to 2029 reaching more than US$28.83B billion by 2029.

The regtech landscape

The regtech market can be split into 3 categories:
The CleanChain's Compliance module in partnership with Libryo is a regtech tool designed to address all 3 of these areas, but for now, we'll focus more on the regulatory tracking aspect below:

Regulatory Tracking	Regulatory Requirements	Compliance Management
Solutions that go a step further than compiling and tracking raw legal content. These regtech tools provide the user with knowledge about the regulation of their organization, as well as the means to action it. For instance, filtering a specific section of the law, a summary of the requirement or the consequences that come with non-compliance.	Tools that monitor and update the raw legal content (the legislation, rules and regulations) published from its source, e.g., regulators or governments. These regtech solutions normally configure this data as a content library, or regulatory feed or sometimes display this information in a resource centre to make to see your regulatory requirements.	The final regtech piece to the puzzle is compliance. Technologies that incorporate workflows and compliance-related information specific to your business activities. These platforms enable users to track or assess their current compliance and manage their steps towards achieving compliance.

The power of regulatory tracking technology

The pace of regulatory change is increasing across all legal categories (Financial, employment, health & safety, environmental, data security etc.) and keeping up with these changes is time-consuming, even for legal and compliance professionals. The moment you begin to multiply this effort across different operational sites, jurisdictions and languages - it quickly becomes a mammoth task to manage and know your specific legal obligations. A report from Metric-Stream found that 19% of compliance professionals said it can take up to a year to implement regulatory changes.

How CleanChain's Compliance module regulatory tracking works

The world of law is complicated and always changing. Each part of your operations face obligations from a unique collection of regulatory texts. Which texts you require to answer the legal questions depend on several factors such as jurisdictions and operational activities.

The CleanChain's Compliance module uses unique regulatory tracking technology to capture your organization's applicable laws and track them for updates.

Step 1

Creating collections of law

Our legal experts source and create collections of laws that apply to your operations at a site-specific level. Unique regulatory tracking technology helps keep you updated whenever a law changes.

Step 2

Standardized, automated regulatory texts

The regtech platform transforms these collections of laws into a globally standardized, machine-readable format that can be automatically updated.

Step 3

Simply presented and summarized

The collections of laws are translated into multiple languages and simplified for fast and easy interpretation. This means you don't have to be a legal expert to know how to comply with the law. Legal highlights can be provided to you through the platform or a third-party application.

Step 4

Automatic legal updates and notifications

Whenever your legal requirements change, you and your team will be automatically notified of the update in the platform and via email to help keep you on the front foot, always.

Benefits of RegTech

Gain Efficiencies

Keeping up with the growth in regulation is near impossible with existing resources. Technology provides organizations with the ability to process high volumes of data, quickly and generate relevant insights to drive actions.

Improved risk management

Many RegTech tools help protect against various types of risk by monitoring the regulations that require addressing, tracking and reporting on your progress across your value chain.

Increased accuracy and understanding

The existing manual processes are plagued by human errors. Technology facilitates a streamlined compliance process.

Improved transparency

Technology provides transparency, connecting people and processes and eliminating silos.

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