

PRESS RELEASE

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Euro Banking Association explores how cryptotechnologies can help financial institutions improve regulatory compliance

- **The use of cryptotechnologies in RegTech has considerable potential to improve regulatory compliance processes**
- **Know Your Customer (KYC) and regulatory reporting are particularly attractive areas for the use of cryptotechnologies**

The use of cryptotechnologies such as distributed ledger technology (DLT) for RegTech holds considerable potential for improving regulatory compliance processes. In their latest report, presented today at the Sibos 2018 conference, the Euro Banking Association's (EBA) Cryptotechnologies Working Group explores how cryptotechnology-based RegTech solutions could be particularly attractive for KYC data management and regulatory reporting. Regulatory Technology (RegTech), a relatively recent development in the financial industry, uses new technologies to facilitate more efficient compliance processes. Improving efficiencies, RegTech solutions could lower costs and ultimately help financial institutions to stay competitive in the digital economy.

Current KYC processes are often fragmented and redundant, leaving financial institutions with higher costs and dissatisfied customers. "DLT-based data sharing within a financial institution has the potential to improve data integration and error rates. If each department has a shared, uniform view of KYC attributes, customers will no longer have to re-submit KYC documentation for each additional service. DLT-based data sharing could even be extended to include multiple financial institutions," said José Vicente, Deputy Manager in the Payments and Acquiring Division (Payments Systems and WU Unit) at Banco Comercial Português and Chair of the EBA Cryptotechnologies Working Group.

In the area of regulatory reporting, DLT-based reporting systems could be of considerable value as well. "Financial institutions are subject to multiple reporting requirements to various authorities at various frequencies. DLT-based reporting systems can be designed to be compliant with regulation from the outset and help make these reporting processes more efficient and fault-proof for the benefit of both financial institutions and regulatory authorities," Mr Vicente added.

The EBA working group concluded that cryptotechnology-based RegTech has the potential to help financial institutions set up the modern compliance processes that are needed to meet regulatory requirements without taking resources from revenue-generating activities. Collaboration between financial institutions and the dialogue with regulators will be key to enabling secure and efficient DLT-based solutions.

The working group's latest report "Cryptotechnologies: improving regulatory compliance" is now available as [e-book](#) and [pdf](#). The EBA Cryptotechnologies Working Group explores the practical implications, opportunities and challenges of cryptotechnologies in transaction banking. To learn more about the working group and read previous reports, visit our [website](#).

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About the Euro Banking Association (EBA)

The Euro Banking Association (EBA) is a practitioners' body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to understand and implement regulation and by supporting the development of market practices.

The EBA has more than 160 members from the European Union and across the world.

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