

# The New Normal

Regulatory research findings from GFT

## The New Normal?

Following the financial crisis, and the Pittsburgh G20 summit, US lawmakers led the way in terms of regulatory compliance by enacting the Dodd-Frank legislation in July 2010. In 2011 José Manuel González-Páramo of the ECB predicted an economic and financial “new normal” in the post-crisis period.

“Four years on, are we now operating in The New Normal – a constant state of regulatory change?”

“As the crisis is still unfolding, we cannot tell with certainty how our economic and financial systems will function in the future. However, we can safely predict that many of the elements of the old paradigm will no longer be valid. This will give rise to an economic and financial “new normal” in the post-crisis period.”



agree that their organisation is now operating in an environment of constant regulatory change.

agree that we have passed the tipping point in attitude and approach to regulatory change. This point was reached in January 2013.

## Do businesses utilise regulatory change for business innovation?

### Box-ticking exercise?

Rather than embracing potential for business innovation, most organisations see regulation as a ‘box-ticking exercise’ to remain compliant.

**53%**

view regulatory change as a compliance exercise only

Therefore, **58%**

agree focus is on compliance rather than business innovation

**86%**

admit that their organisations pursue tactical workarounds to meet regulatory requirements.

Only **58%**

view regulation as an opportunity to drive strategic investment and business change.



**85%**

**48%**

Our research shows that the majority (85%) of organisations measure the impact of regulatory change but only half (48%) act upon the findings.

Banks need to realise that being aware of and prepared for regulatory change is the only way to effectively manage it.

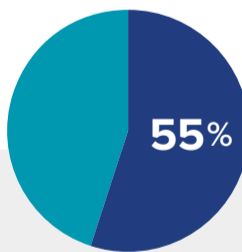
## Better business decisions?

**85%**

commented that their organisation has been able to make better business decisions since the financial crisis, based on insights of data provided as a result of regulatory changes.



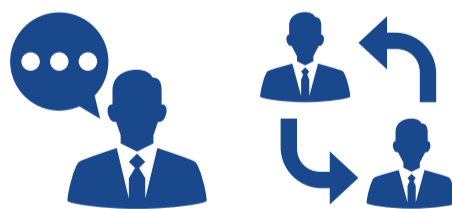
Data insights



However, of those who assess the potential business impact, only half (55%) re-assess their business with every new regulatory change.

**97%**

of respondents' organisations communicate regulatory information throughout the business ...



“We know that to gain a competitive advantage in ‘The New Normal’ environment, banks must go beyond compliance and approach regulation strategically rather than tactically. In order to succeed, banks need to fundamentally change their operating models and be flexible to the deluge of new regulatory change being imposed on them.”

## About GFT

GFT is one of the world's leading solutions providers in the finance sector offering consulting, implementation and maintenance for a broad range of IT applications. Combining technological expertise and seamless project management with a deep understanding of the financial industry, GFT is a reliable partner for well-known companies all around the globe. Headquartered in Germany, GFT has stood for technological expertise, innovative strength and outstanding quality for over 25 years.