



SQLPOWER™

A PRACTICAL GUIDE TO REACHING THE FINANCIAL REGULATORY PROMISED LAND

Learn how Financial Supervisors can eliminate the need for future software evaluations and investments; leveraging the power of innovative technology to transform and future-proof their jurisdictions for decades to come.

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TODAY'S REGULATORY LANDSCAPE

Today's financial regulators are experiencing unprecedented pressure to expand and enhance their supervisory functions, due to:

- Increased need for additional oversight functions
- Ongoing changes to policies and legislations
- Evolving global standards and IMF best practices
- Increased volumes and frequency of regulated entities submissions

Exposing the need for a more comprehensive and robust SupTech platform that can easily handle the evolving requirements and the ever-increasing volumes.



Increased Oversight Functions



Changes in Policies and Legislation



Ever-Evolving Global Standards

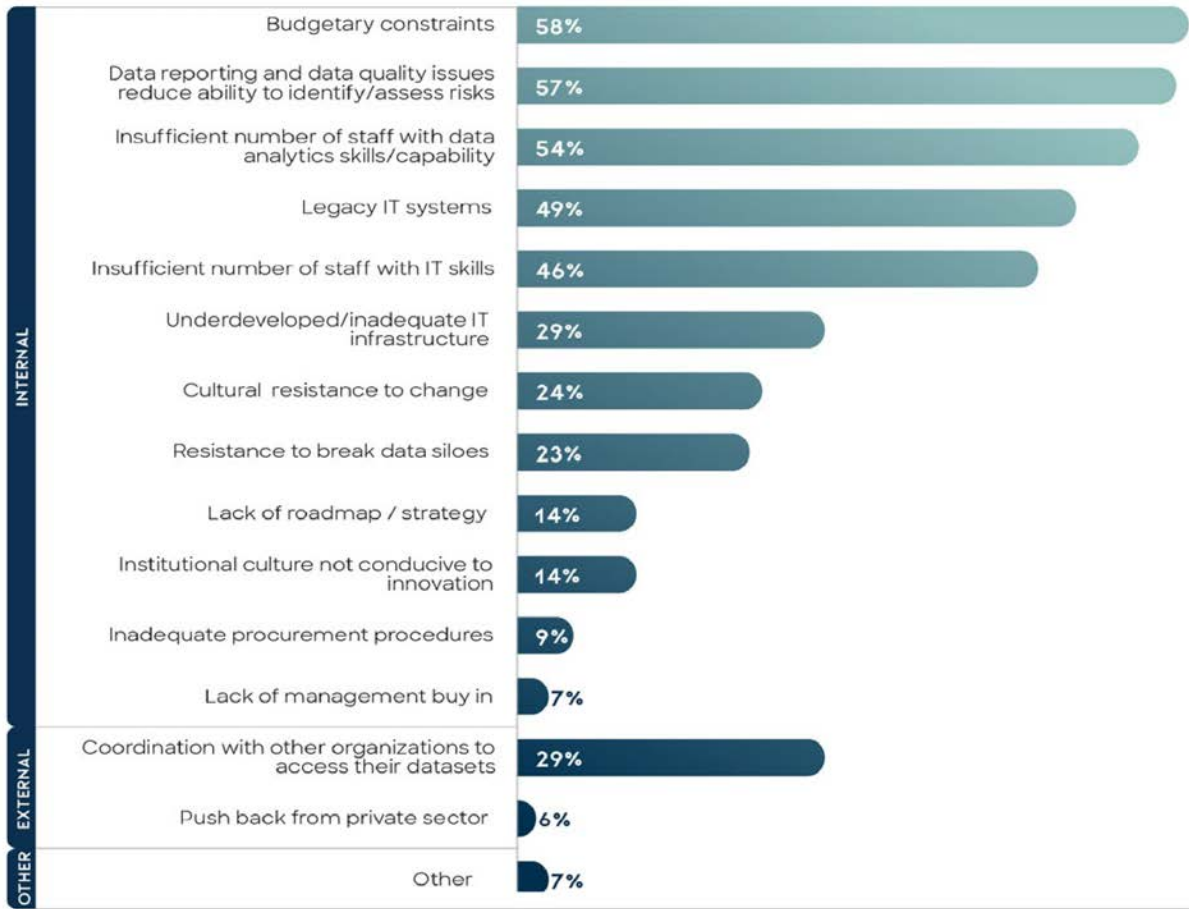


Increased Number of Regulated Entities

While the adoption of SupTech solutions has been steadily increasing over the years, nothing accelerated the need for SupTech adoption more than the Covid-19 pandemic. This necessitated the urgency for regulators to digitally transform in order to provide remote supervisory services.

However, a recent report published by the Cambridge SupTech Lab (The State of SupTech Report 2022) found the following significant challenges to SupTech adoption based on feedback from 146 financial authorities.

CHALLENGES FACED BY FINANCIAL AUTHORITIES IN DEVELOPING SUPTECH, GROUPED BY INTERNAL AND EXTERNAL FACTORS (N=95)



CAMBRIDGE SUPTECH LAB
STATE OF SUPTECH REPORT 2022

BARRIERS TO EFFECTIVE SUPERVISION

Whilst the need to digitally transform in order to effectively perform necessary supervisory functions is at the top of the list of internal challenges, regulators are still constrained year over year by

- Limited resources
- Competing priorities
- An overly complex regulatory environment, and
- Budgetary constraints.

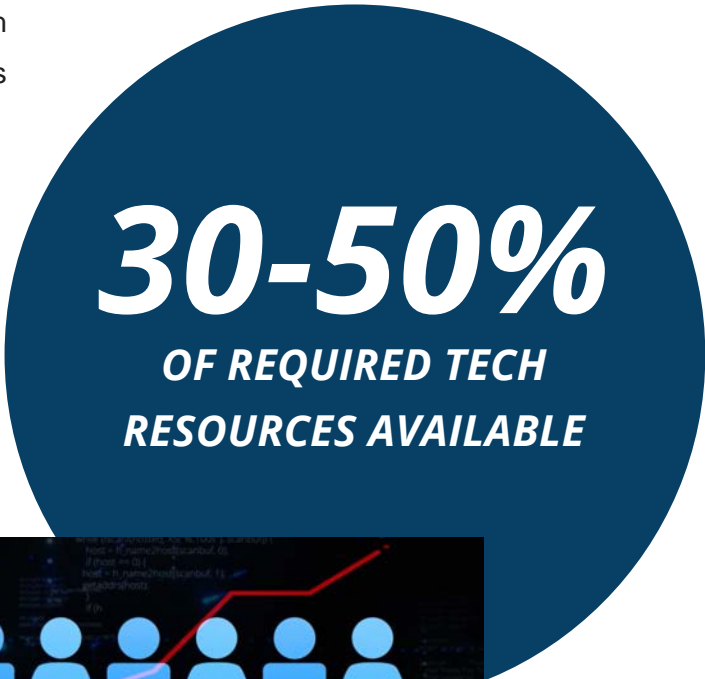
This leaves regulators with limited capacity to implement critical oversight functions or enhance their regulatory infrastructure.



BARRIERS TO EFFECTIVE SUPERVISION

Limited Resources

With the global need for tech talent growing, competition for technical resources has never been greater. As a result, regulators are compelled to manage their jurisdictions with only 30 to 50% of the necessary resources required to meet the oversight demands.



BARRIERS TO EFFECTIVE SUPERVISION

Competing Priorities

Over the past few years, regulators started the year with a significant backlog of business requirements that needed to be urgently addressed. But as you tackled these projects, you also had to navigate a pandemic, climate disasters, lower staff productivity and to complicate matters, some key resources left your organization.

So you ended the year with less productive resources and an even larger backlog of Supervisory requirements than what you started the year with!

With new leadership, come new ideas, new initiatives and more requirements - But the budget has been already set, and you still have open head counts, and by the time you hire and get the new people up to speed half the year is gone.

So you're likely to once again end the year with:

- Less trained resources to tackle the backlog
- Less time and money to evaluate/purchase new solutions
- A larger backlog of critical supervisory functions



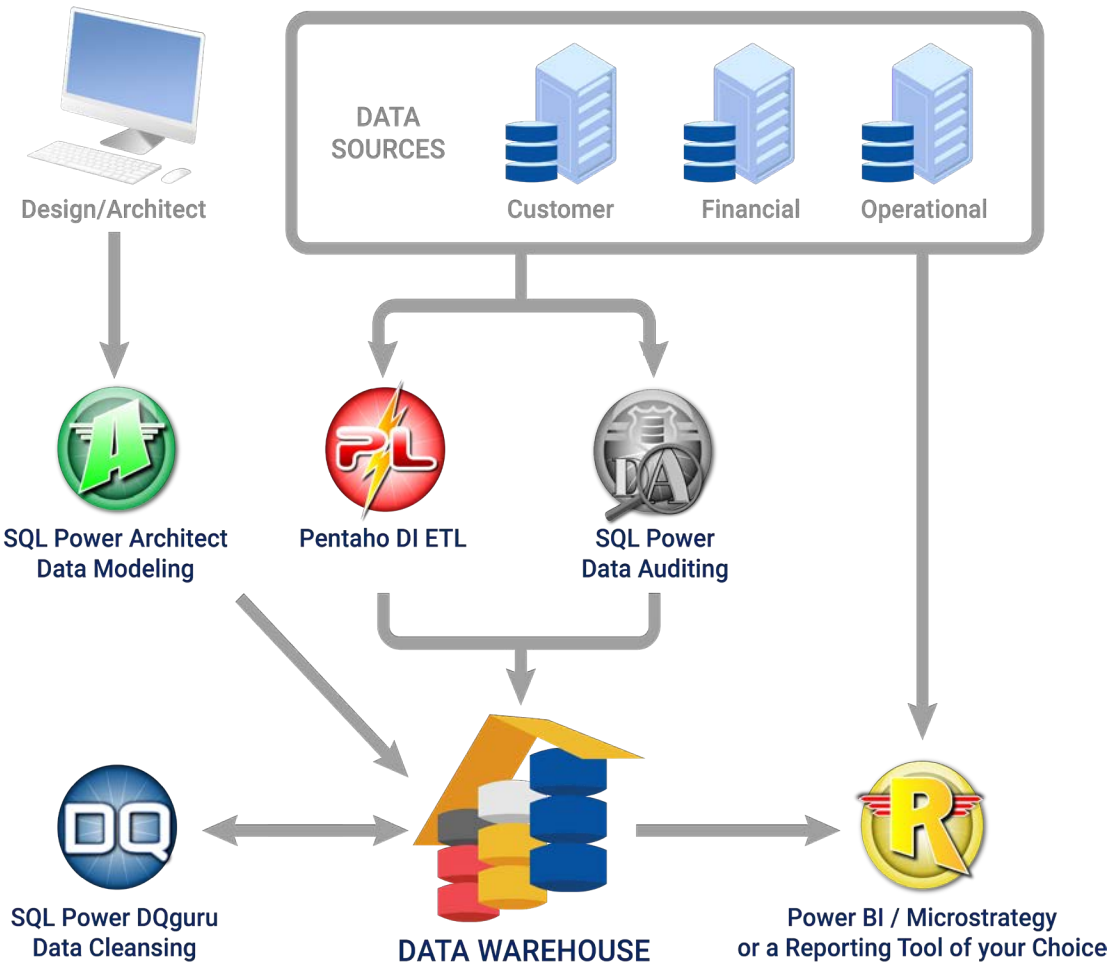
BARRIERS TO EFFECTIVE SUPERVISION

An Overly Complex Regulatory Environment

Over the past decade, and as the regulatory requirements in your jurisdiction evolved, you needed to respond by either **enhancing your existing systems or evaluating and implementing new specialized systems**. Today, you find yourself supporting multiple siloes of legacy systems that are not integrated and do not interface with each other - requiring a Data Warehouse to provide you with consolidated reports and a full view of your regulated entities' activities.

Worst of all, those systems met your requirements the day they were implemented but **now only meet 50% of your current needs**, and making changes to those stand-alone systems requires a significant effort by **scarce technical resources** or a **significant outlay of cash** for the vendors to make those changes for you.

A COMPLEX & EXPENSIVE DATA WAREHOUSE FOR CONSOLIDATED REPORTING



BARRIERS TO EFFECTIVE SUPERVISION

Budgetary Constraints

Irrespective of whether those legacy systems are home-grown or purchased, making annual changes to meet the ever-evolving regulatory requirements either requires:

- **the doubling of technical resources**
- **or doubling the annual operating budget.**

Neither of which is practical within the required timelines, so regulators end up **prioritizing the changes, and choosing the most critical** while suffering with the other broken or insufficient regulatory processes for yet another year or two - leaving that jurisdiction exposed to potential market abuse or failure by bad actors.

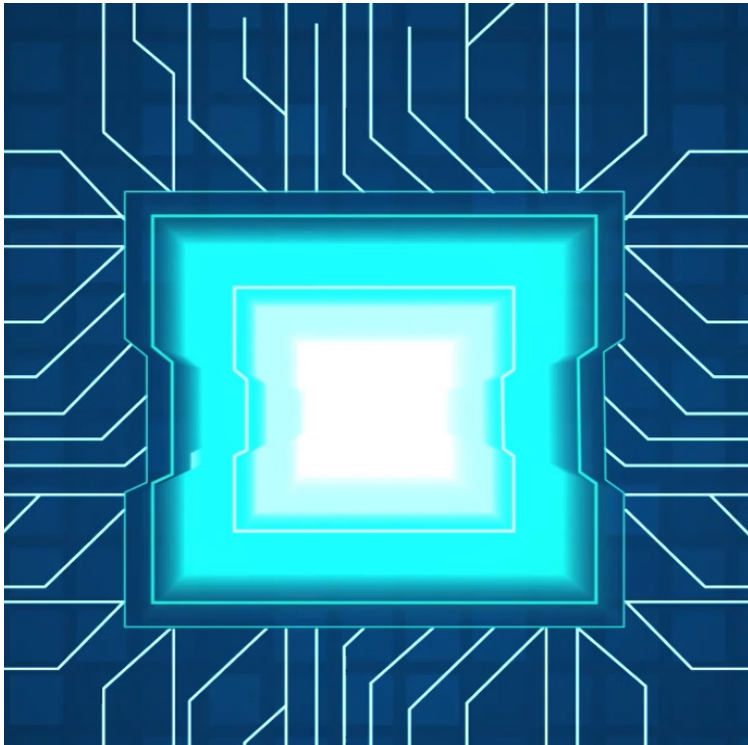
Regulators worldwide are looking for a circuit breaker!



Regulators worldwide are looking for a circuit breaker or new pathways for more efficient and effective financial regulation.

Your options are

1. Delay certain implementations (until you can find and hire specialized tech resources) - effectively delaying the achievement of specific regulatory objectives.
2. Simplify and Streamline your regulatory environments enabling your current set of technical resources to do much more each year.



SIMPLIFY & STREAMLINE

The key to overcoming these all too common industry challenges is to strategically simplify the technical environment and to reduce your dependence on scarce technical resources. Allowing business users to make simple changes to your regulatory environment without needing to convey basic requirements and evolving regulatory changes to 3rd parties.

Wouldn't it be nice if you could

- Integrate your regulatory systems
- Improve your oversight functions
- Have real-time access to critical analytics

All the while

- Lowering costs
- Lowering your dependence on scarce technical resources

WOULDN'T IT BE NICE?



If you could automate any required regulatory process within days, make changes to application and data collection forms in hours, test them and roll them out to production (in under a week) all within your business unit?



If you could quickly reflect regulatory or policy changes in days or weeks?



If you could have a consolidated view of all submissions within a single platform irrespective of their origin or source?



If you can access real-time alerts, analytics reports, and dashboards within seconds of an industry event or submission?



If you can have an instant and comprehensive view of every regulated entity?

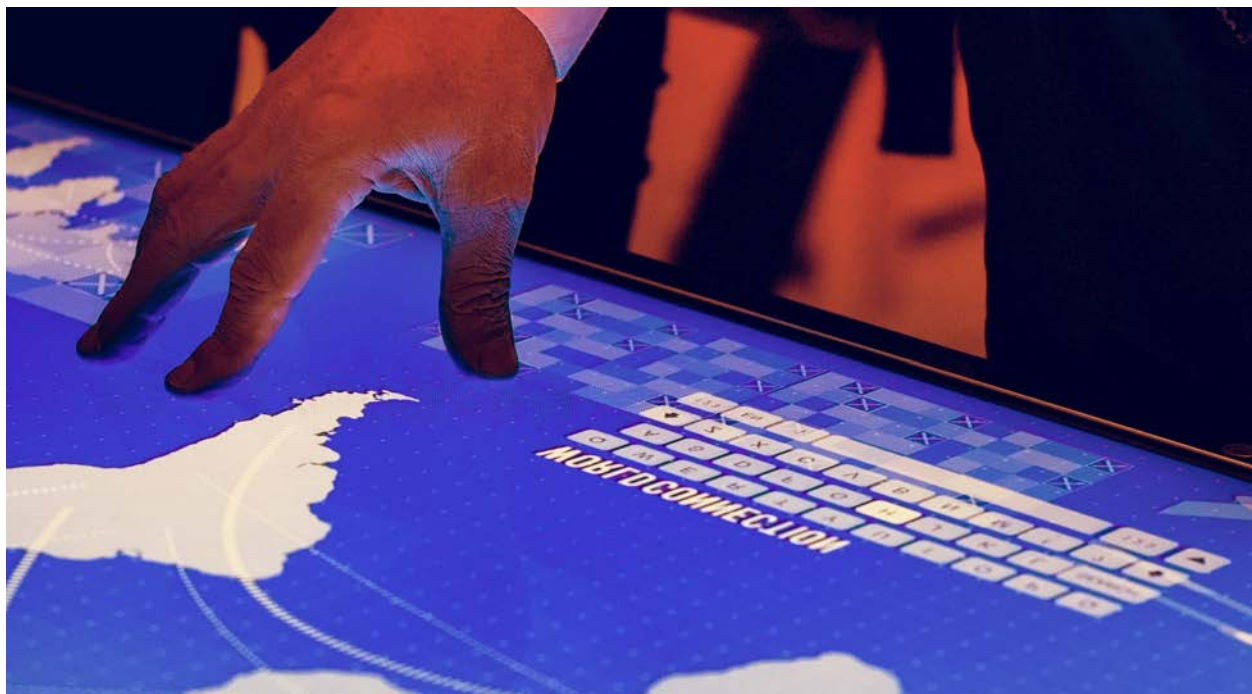
EFFECTIVE SUPERVISION

End-to-End Automation

The proliferation of fintech and new technologies are reshaping future regulatory and supervisory objectives, accelerating the need to focus heavily on the adoption of an effective oversight solution. Choosing a powerful and robust SupTech platform will give regulators the key to overcoming these challenges by arming them with advanced tools to monitor and oversee major financial regulatory objectives. Ultimately, a purpose-built supervisory solution uniquely positions regulators to achieve their objectives and reach the regulatory promised land.

Implementing a comprehensive low-code/no-code SupTech solution will:

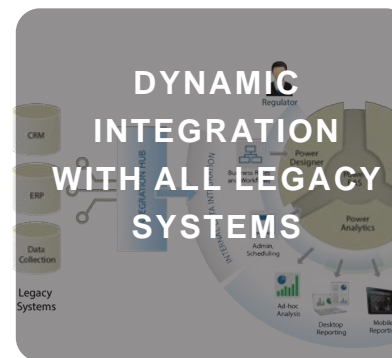
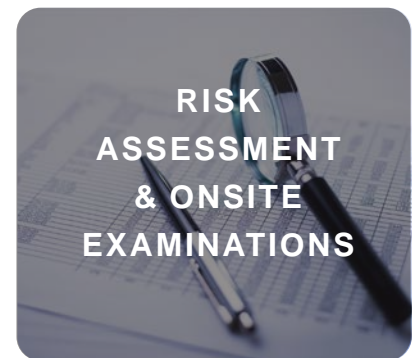
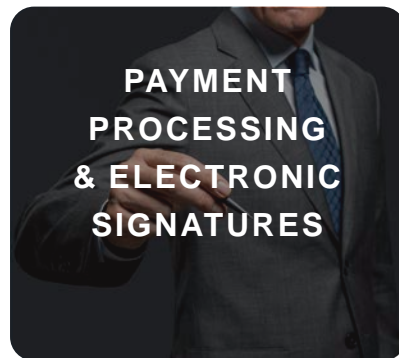
1. Strategically simplify and consolidate the technical environment
2. Allow you to easily configure and automate all required regulatory oversight functions in weeks/months
3. Put Business Users in the driver seat – Allowing them to easily evolve the regulatory solution based on the latest business requirements and needs
4. Provide regulated entities with a single interface for all interactions with their regulatory body.



Implementing an end-to-end SupTech solution, can help you

- Automate what's currently manual,
- Fix what's broken,
- While easily integrating with all your existing legacy systems that continue to work!

Providing your regulatory organization with:



EMPOWERING YOUR REGULATORY ORGANIZATION

With an easy-to-use, drag & drop SupTech facility, users with no coding experience can have the tools to quickly react to changing policies, legislation, standards, and best practices. Thus, freeing up scarce technical resources to focus on highly technical tasks.

A Low-Code/No-Code SupTech solution can be configured by business users to deliver

all the required online form changes and to automate all required business processes.

Low Risk – A highly configurable SupTech solution allows power users to make significant business process and forms changes without the risk breaking the software or shutting down the production environment.



BUSINESS USER SELF-SUFFICIENCY

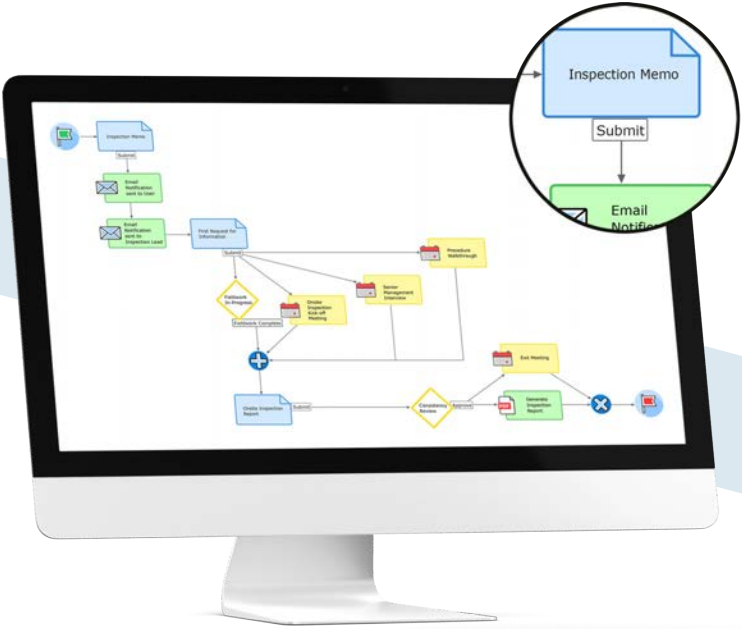
Low-Code/No-Code SupTech Facility

A **low-code/no-code drag & drop** SupTech facility – allows business users to easily configure your organization’s data collection and process workflow needs in order to reflect the most recent policy, legislative or global standards - reducing the dependency on IT and outside consultants for ongoing system changes.

This intuitive SupTech tool will help you achieve the following:

- 1. Allow business users to configure their business process needs using an easy-to-use case management tool

- 2. Allows business users to design online forms and data collection forms internally in an accelerated manner
- 3. Allow business users to easily add meeting tasks, payment tasks, electronic signatures, form letters, certificates, automated decisions, and ad-hoc tasks to any business process.
- 4. Make it possible for business users to make and test their forms and process changes internally in minutes/hours, instead of weeks/months



AUTOMATED DATA COLLECTION IS A MUST

Financial Regulation, risk mitigation and offsite monitoring rely heavily on high-quality data collection. SupTech solutions can help automate, simplify and bullet-proof every aspect of data collection.

A highly configurable SupTech solution will allow business users to configure financial returns, make all required changes to meet local and global standards.

Effectively launching a financial disclosure platform that enables real-time analysis of key performance indicators while eliminating the need for manual reviews, rejections and resubmissions.



360-DEGREE KNOW YOUR CUSTOMER PROFILE VIEW



Organization Profiles are automatically updated whenever the system receives a submission whether it is a license application/renewal, a financial submission, a change request, or an Onsite Inspection final report, providing all internal users with an instant and comprehensive view of every regulated entity and person of interest.

Thus providing an up-to-date 360-degree view and insights into every regulated entity within your jurisdiction.

SQL POWER'S INTEGRATION HUB

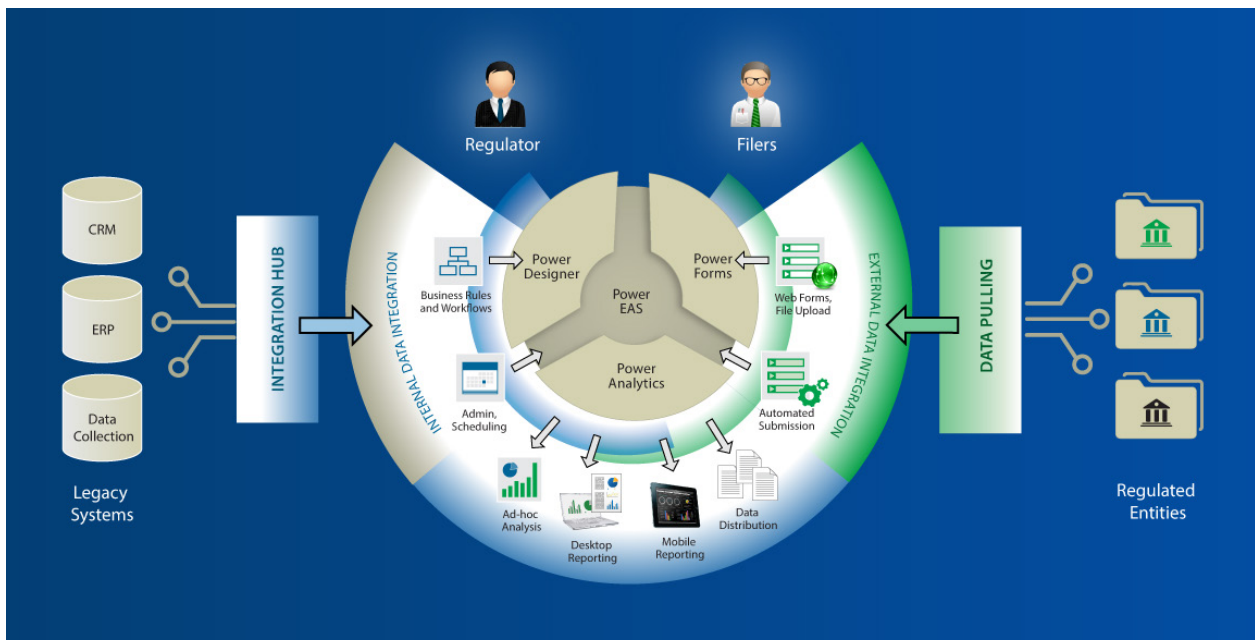
Our revolutionary Integration Hub facility raises the bar on most SupTech platforms, by providing supervisory organizations the added ability to Seamlessly Integrate with all existing legacy systems.

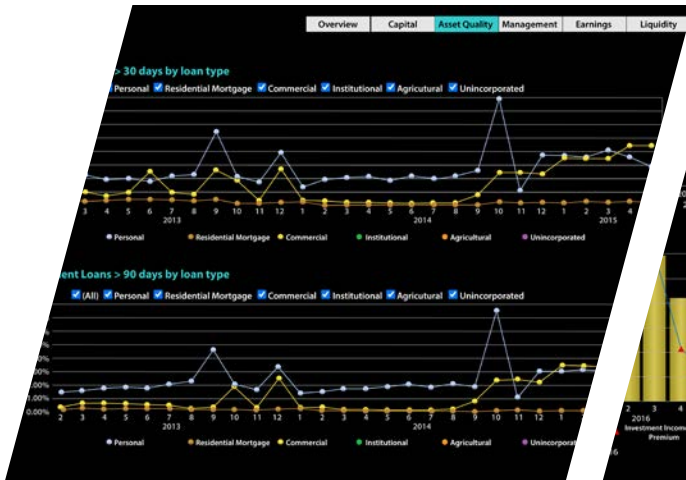
Consolidating all collected data from the various disparate sources into one centralized web portal and one centralized analytics database. Virtually eliminating the data silos that were accumulated over the years.

SQL Power's Integration Hub and Data Pulling facility allow Financial Supervisors to quickly implement a complete end-to-end SupTech solution, automating what's currently manual, and fixing what's broken, while easily integrating with all your existing legacy systems that work!

SQL Power's Integration Hub facility provides regulatory organizations with the following unprecedented benefits:

- Ability to continue operating legacy systems, while seamlessly making all their data available in a consolidated Web Portal for real-time review and analysis.
- Ability to augment the 360-Degree Organization profile view with data currently being collected in legacy systems (CRM, Registry data, legacy financial data collection systems).
- Ability to build an instant Data Warehouse that can be refreshed hourly from all legacy sources – while eliminating the need to build data migration processes.





Summerland & District Credit U. - Overview Capital Asset Quality Management Earnings LI

Summerland & District Credit Union

OVERALL SCORE: 74%
OVERALL SCORE: MODERATE RISK

	BASE	TARGET	ACTUAL	WEIGHT	PERFORMANCE
REGULATORY CAPITAL	6%	8%	5.99%	15%	0.00
RISK WEIGHTED CAPITAL	6%	8%	10.86%	15%	0.00
DELINQUENT LOANS > 30 DAYS	6%	8%	0.20%	15%	0.00
DELINQUENT LOANS > 90 DAYS	6%	8%	0.05%	15%	0.00
MANAGEMENT RATING	6%	8%	80	15%	0.00
EFFICIENCY RATIO	6%	8%	84.7%	15%	0.00
RETURN ON AVERAGE ASSETS	6%	8%	0.32%	15%	0.00
RETURN ON REGULATORY CAPITAL	6%	8%	5.36%	15%	0.00
LIQUIDITY	6%	8%	11.77%	15%	0.00
			TOTAL	100%	

REAL-TIME ANALYTICS

Bundled within the SQL Power Suite Real-time Analytics platform and giving regulators actionable insights on the data collected from supervised entities, is a full featured Business Intelligence tool - providing business users with real-time reports, alerts and Dashboards highlighting critical performance and risk based metrics within the same centralized web portal.



HOW TO REACH THE PROMISED LAND

1. Regularly promote from within (improving job satisfaction) while filling vacant junior roles with bright and ambitious new grads - shortening the hiring timeframe while lowering costs.
2. Determine which of the current legacy systems actually work and which are broken and require fixing.
3. Identify all the current processes within your organization that are currently manual and require automation.
4. Compile a comprehensive list of critical oversight function backlog.
5. Adopt a Low-Code/No-Code SupTech platform that is capable of automating ALL your Supervisory functions.
6. Start training your new hires and business users on the new SupTech platform.
7. Have Business users use the highly configurable SupTech platform to catchup on the oversight backlog.
8. Of your broken processes, estimate the effort required to fix them in place vs. replace them in the new SupTech platform.
9. Automate the currently manual processes using the newly acquired SupTech platform to achieve full digital transformation.
10. Leverage the current legacy systems that work by building bridges between them and the new SupTech solution – thus providing a consolidated view of all submissions (current & historic) from within the SupTech web portal.
11. Consolidate all your regulatory data in one Analytics platform for ongoing oversight monitoring, effective risk-based supervision and management reporting.
12. Design/Build your 360 Degree Organization Profile (Know Your Customer) view to facilitate offsite-monitoring and instant analysis of every regulated entity.
13. Once you've automated what's manual, fixed or replaced what was once broken, take another critical look at what remaining functionality still exists in the various legacy systems that “work” and determine if it still warrants all the support and maintenance costs.
14. If you have a Data Warehouse, determine the relative cost and effort in continuing to maintain the existing data warehouse vs sourcing all the regulatory and analytics reports from the now consolidated SupTech database.

FUTURE-PROOFING YOUR REGULATORY ENVIRONMENT

SQL Power's SupTech platform will not only fully empower your business users, eliminate your IT resource constraints, address your current regulatory needs, and integrate easily with your existing systems, but it will also evolve easily with future regulatory requirements, thus future-proofing your organization for decades to come.

So, whether you are a Central Bank, a Financial Services Commission, an Energy Regulator or a Securities Exchange Commission - the SQL Power platform is the game-changer that you've been longing for - It will help you catch-up on your oversight functions backlog, it will easily evolve with your changing jurisdictional needs, all the while providing the ultimate confidence in the regulated market.

Start spreading the news...
You've reached the Promised Land!



ABOUT THE AUTHOR



Sam Selim is SQL Power's President, Founder, and Chief Innovation officer.

With over 30 years of experience architecting, innovating, and developing Data Collection, Data Migration, Data Warehousing and Digital Transformation solutions.

Over the past 14 years, Sam has been spearheading SQL Power's Financial Regulatory practice playing a hands-on Engagement Management role on many of SQL Power's Financial Regulatory Digital Transformation projects, leading regulators Worldwide away from paper-based and in-person interactions to a fully automated and digitized platform that automates and integrates every aspect of Financial Supervision!

REFERENCES

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Founded in 1989, and headquartered in Toronto, Ontario, Canada, SQL Power Group Inc. is a global application software firm specializing in data collection, data integration, business intelligence, and regulatory implementations.

Since implementing the first supervisory solution in Canada in 2009, SQL Power has been at the forefront of financial regulatory software innovation - rolling out the world's first fully-integrated XBRL-based data collection, risk management, case management, and advanced analytics solution that evolves seamlessly with evolving Global Financial Standards.

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