Half of Financial Institutions Identify Regulatory Compliance as a Serious Roadblock for Digital Transformation, OneSpan Research Reveals

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OneSpan's second annual Global Financial Regulations Report reveals coming regulations aimed at digital currencies and securing digital economies

CHICAGO--(BUSINESS WIRE)-- OneSpan™ (NASDAQ: OSPN), the global leader in digital banking security and e-signatures, today released its second annual Global Financial Regulations Report. In conjunction with comprehensive research into how the changing regulatory landscape is impacting the banking community, this year's report also reveals how financial institutions are responding to new challenges presented by increasingly innovative hacking attacks, protecting sensitive data and evermore stringent regulations. 48% of financial institutions report that regulatory compliance has slowed digital transformation.

The research, conducted in partnership with business information firm Arizent, surveyed more than 150 senior banking leaders representing global financial institutions with assets as high as $100 billion. Despite the major security and regulatory challenges institutions were faced with in 2021, 84% of banking leaders are taking steps to prepare for cutting-edge initiatives like Central Bank Digital Currency (CBDC) over the coming year. In addition, half of banks are planning to implement mobile app shielding technologies to secure mobile apps in anticipation of upcoming CBDC initiatives.

The full results of the research are outlined in OneSpan's second annual Global Financial Regulations Report, which provides guidance on the unique regulatory requirements impacting financial institutions globally along with key points for industry leaders as they navigate the evolving digital economy.

Additional findings within the report:

- Top compliance challenges for banks include: reducing or preventing cyber-attacks (53%); safeguarding sensitive data (47%), keeping pace with changes in consumer privacy laws and industry regulations (41%);
- Almost half of banks are putting digital remote identity verification and biometrics in place to comply with industry regulations. A further 41% are prioritizing emerging technologies like remote online notarization (RON).
- Bank leaders are generally optimistic about crypto regulations. 67% of financial services leaders agree that crypto regulations make banks' participation in the market more attractive.

"Catalyzed by the pandemic, the new digital banking age has left regulators with a nearly impossible task: to create an extensive and safe regulatory framework without stifling innovation," said OneSpan Interim President & CEO, Steven Worth. "However, our research found that half of global senior banking leaders have hit hurdles because of regulatory compliance. OneSpan's Global Financial Regulations Report will arm banks and financial institutions with information they need to both be compliant and sustain their competitive position."

In addition to the research, the second annual Global Financial Regulation Report outlines major developments in the regulatory landscape in 54 jurisdictions worldwide, delving into country-by-country analysis of CBDCs, open banking, artificial intelligence, digital identity frameworks, e-signatures and remote online notarization, and data privacy. The full report can be accessed here.

Join OneSpan and experts from the Digital Identity and Authentication Council of Canada (DIACC) and the Better Identity Coalition to learn more about the policies and regulations pertaining to protecting digital identities in Canada and the U.S., register here.

About OneSpan

OneSpan helps protect the world from digital fraud by establishing trust in people's identities, the devices they use and the transactions they execute. OneSpan's security solutions significantly reduce digital transaction fraud and enable regulatory compliance for more than half of the top 100 global banks and thousands of financial institutions around the world. Whether automating agreements with identity verification and e-signatures, reducing fraud using advanced analytics, or transparently securing financial transactions, OneSpan helps lower costs and accelerate customer acquisition while improving the user experience. Learn more at onespan.com.

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