



The connected compliance model

How to unify workflow, governance and reporting across the compliance lifecycle





Content



The future compliance operating model

While firms are becoming more confident in their governance frameworks, many still struggle with fragmented workflows, limited visibility and manual operational processes. Those are among the new findings from FIS® in the *2026 Global State of Capital Markets Compliance Survey*, conducted by TechStudio™, an Energize Marketing® company.

Capital markets firms must manage vast and disparate sets of data, documents and processes to comply with regulations. That challenge is multiplied if they operate across numerous jurisdictions.

The impact on internal operations is massive. Compliance officers are spending more and more time interpreting and educating themselves about the evolving proposals and rules, sifting through reports and dashboards to understand exposure, mapping requirements to the business practices of the firm and updating their risk-based compliance frameworks, often against very tight deadlines.

With regulators' priorities constantly evolving and supervisory expectations shifting through new guidance, interpretation and enforcement focus, the challenge of keeping the operating model and staff up-to-date is significant in its own right. Compound this with fragmented technology infrastructures, manual processes, a lack of real-time visibility across operations, alongside a pronounced philosophical shift toward outcomes-based compliance and firms increasingly risk breaches or missing enforcement deadlines.

Today, the future of compliance requires a connected environment linking workflow, policy, governance and oversight, and reporting across the full compliance lifecycle. This not only positions firms to meet their compliance requirements with greater confidence; it also delivers the transparency, efficiency and consistency they need to satisfy regulators in the future.

Compliance maturity is no longer defined by isolated controls or point solutions.

*All data is based on the 2026 *Global State of Capital Markets Compliance Survey*, conducted by TechStudio™, an Energize Marketing® company, on behalf of FIS, among 300 C-suite and operational leaders at buy-side and sell-side firms across North America, Europe and Asia-Pacific.

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When workflows are disconnected, it becomes more difficult to monitor compliance.”

Chief Risk Officer, United Kingdom

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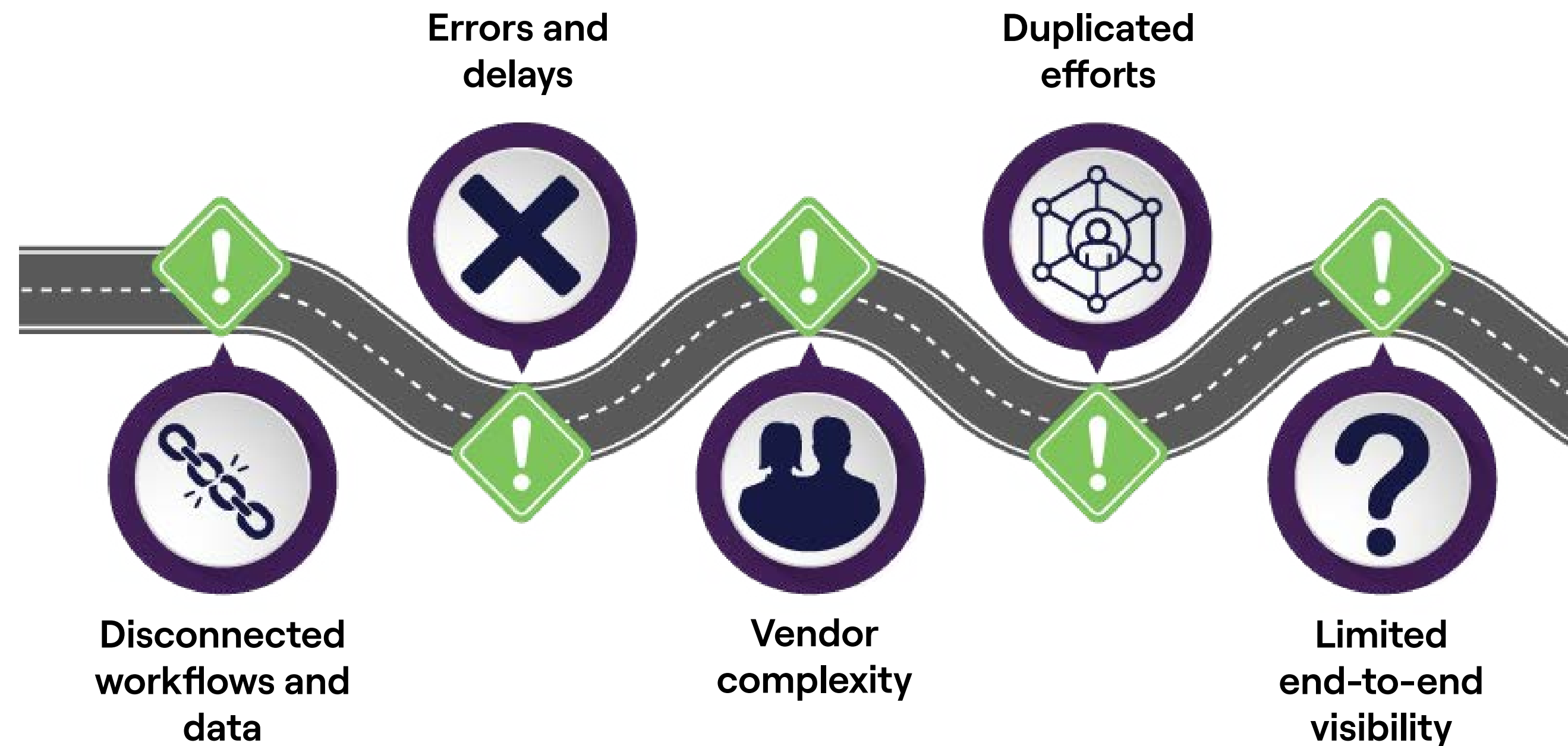
Preparing effectively for audits becomes challenging due to process limitations.”

Director of Operations, United States

Why manual = risk

Manual workflows are a familiar challenge. Whether they're a result of mergers or incremental internal projects, firms may automate upstream data capture or downstream reporting yet retain manual steps in the middle. This creates significant operational risk, as well as slowing down audits, weakening controls and creating inconsistent outcomes.

Critical operational weaknesses





These weaknesses make complicated infrastructures even more complex, and trust and accuracy can quickly degrade following upgrades or when new tools are deployed. It's almost impossible to create a clear, accurate and up-to-date enterprise-wide view – limiting visibility, oversight and responsiveness. And it's more difficult to capitalize on the benefits of technologies like AI – when systems aren't modern or fully integrated.

Yet many firms retain pockets of manual processes and fragmentation, even as they can clearly see the problems they create.



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Staying compliant becomes harder as internal systems fail to keep pace with regulatory expectations.”

Head of Product & Valuation Control,
United Kingdom

The business case from Europe

Connecting workflow, governance and reporting aligns with the direction of EU regulation, where initiatives such as the Digital Operational Resilience Act (DORA) and the broader digital finance agenda emphasize the need for robust, interconnected technology environments, enhanced data quality and real-time oversight of operational risk.

As EU reforms, including the new AML package, drive harmonization and require greater integration with centralized data sources and supervisory frameworks, firms that invest in cohesive technology foundations will be better positioned to reduce compliance risk, enhance efficiency and deliver demonstrable control effectiveness at scale.


Connecting workflow, governance and reporting

The first step is addressing gaps in integration and automation. Institutions may do this incrementally, but the objective must be to establish a joined-up, aggregated view across the organization.

The optimal strategy incorporates unified platforms and harmonized data architectures. These can reduce control risk at source, enabling

scalable automation and creating a more reliable foundation for advanced analytics and AI-driven decision-making.

In practice, this means shifting from disconnected workflows and inconsistent data toward an integrated, end-to-end control framework – one that improves the accuracy of reporting, reduces manual intervention and enables firms to detect and respond to risks earlier in the lifecycle.



Approach the challenge not as isolated problems but as a priority that spans teams and jurisdictions.

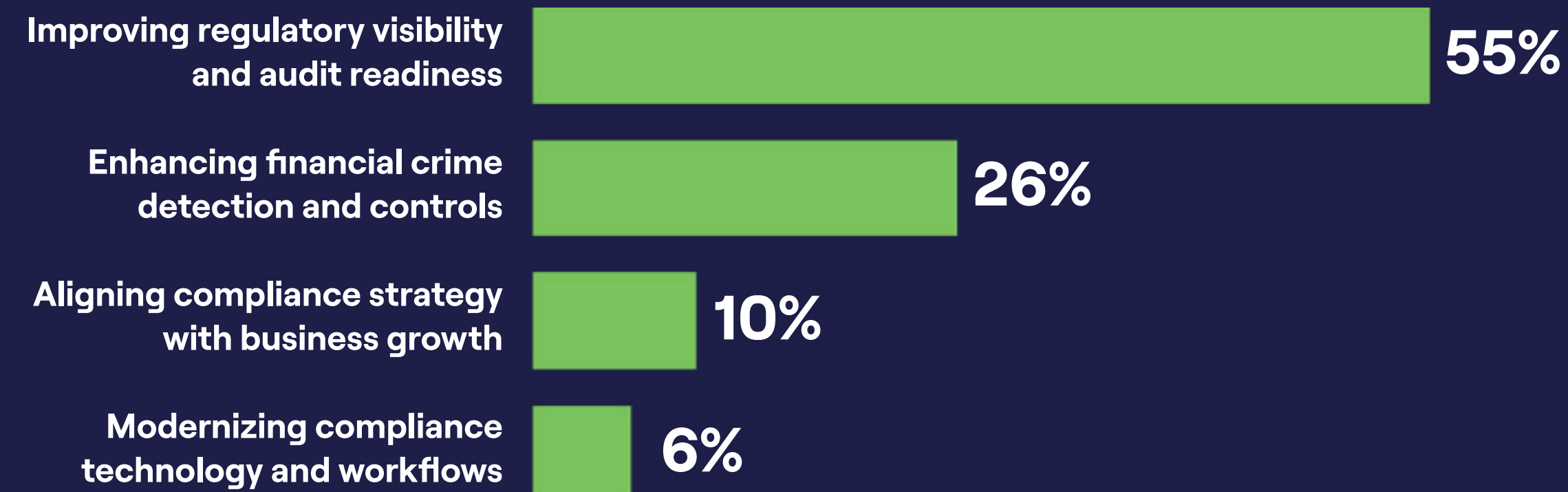
Building visibility across the compliance lifecycle

With automation and integration in place across the compliance organization, it's much easier to build a comprehensive picture of risk, exposure and compliance. However, firms must also confront an uncomfortable truth: they need to invest in the underlying technology.

Many executives acknowledge that their current technology is adding to the problem.

Taking an incremental approach

Most firms are avoiding the traditional “big bang” approach of replacing systems wholesale. Instead, they are enhancing specific capabilities – such as surveillance, risk visibility and financial crime controls – incrementally. Their top priorities?



This mirrors the direction regulators are taking towards demonstrable effectiveness and consistent evidence – both of which require visibility and workflow discipline.

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Automation potential is restricted when system capabilities are low.”

Audit Director, United States

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Interactive features are missing from compliance dashboards.”

Chief Compliance Officer and General Counsel, Singapore

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Compliance maturity has been redefined around three principles: defensible evidence, demonstrable effectiveness and prioritized resourcing.”



Kyle Gardner, SVP
Trading and Compliance, FIS

What's on the horizon

Prescriptive, rules-driven controls remain foundational to many firms' compliance frameworks. However, regulators are increasingly emphasizing two new concepts: demonstrable outcomes and “shift-left” compliance.

Under this combined approach, the focus changes from building rule-based frameworks to ensuring those frameworks operate effectively in practice and deliver measurable outcomes.

As a result, firms must move beyond isolated controls to understanding the broader interdependencies across systems, workflows and data and demonstrating that

these operate cohesively to meet regulatory expectations. That includes assessing how changes in one area impact control outcomes elsewhere, as well as determining whether underlying technology and data architectures are introducing risk through errors, delays or fragmentation – or enabling the visibility, accuracy and insight that are now required for effective oversight and assurance.

With firms needing to embed controls earlier in the transaction lifecycle, it's urgent that they automate any remaining manual processes and tightly integrate controls across pre- and post-trade activities. That's a critical step towards rule adherence and outcome effectiveness, delivered in real-time across the transaction lifecycle.

Demonstrable outcomes

Show the effectiveness of controls

Evidence risk mitigation in practice

Shift-left compliance

Move towards preventative, real-time controls

Avoid relying on post-event remediation



Creating a connected control environment

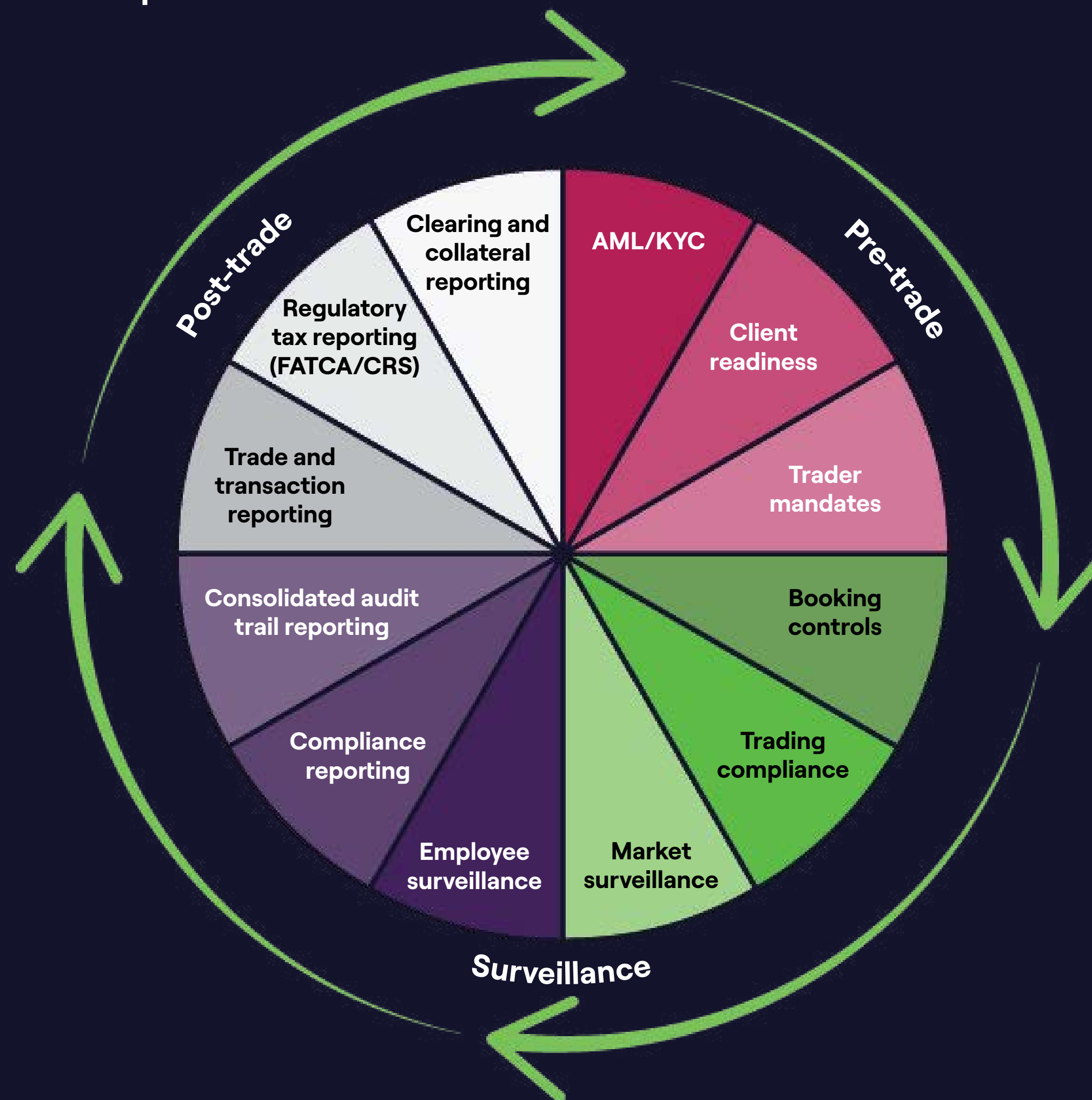
How can institutions prepare for what's coming? It all comes down to technology. A rip-and-replace scenario isn't appealing. It's not necessary either.

Modular platforms make it easy to incrementally adopt modern and scalable tools that close the integration gaps and automate workflows. Firms can determine when and where to start, and where they want to go next, based on their unique needs and priorities.

Working with a trusted technology partner can bring additional value by:

- Understanding and prioritizing compliance requirements across multiple areas – for example trading compliance, pre-trade and post-trade risk, market abuse, anti-fraud controls and employee surveillance
- Maximizing firms' ROI in the technology
- Taking on non-value-added tasks, freeing up internal staff to focus on core activities

A complete trade lifecycle compliance ecosystem for capital markets



Unified, consistent compliance without compromise

Connected ecosystem: data, workflow, governance and assurance operate as a single centralized point of control applying consistent rules, regulations and policies

Evidence-native: where evidence is generated automatically as workflows execute

Explainable: with a clear audit trail of decisions, data and action

Easy integration: front-, middle- and back-office platforms

Comprehensive data integration: trading systems and markets

Flexible: modular and available in the cloud

Generative AI: leveraged to enhance the detection and identification of risk, provide additional insights and assist with issue resolution

Real-time dashboards: with an intuitive user interface

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Firms that embrace workflow orchestration will be better positioned to reduce compliance risk, enhance efficiency and deliver demonstrable control effectiveness at scale.”



Kyle Gardner, SVP
Trading and Compliance, FIS

Connecting workflows across the compliance lifecycle

Initiatives such as the Digital Operational Resilience Act (DORA) and the broader digital finance agenda place a clear emphasis on robust ICT risk management frameworks, continuous monitoring, incident reporting and strengthened oversight of third-party providers, ensuring firms can withstand, respond to and recover from operational disruption.

In parallel, EU reforms, including the new AML package, are driving greater harmonization through a single rulebook and the establishment of a central supervisory authority (AMLA) that is reinforcing expectations around data quality, cross-border coordination and consistent application of AML/CFT controls.

As a result, the objective is no longer limited to automation but connective workflows end-to-end to support effective supervision and control execution. With the right controls, reporting

logic and supervisory workflows, firms can create an integrated, cross-team framework that supports auditability, traceability and coordinated decision-making across the compliance lifecycle. This can:

- Enhance visibility, traceability and auditability across both pre- and post-trade activities
- Improve the accuracy of reporting, reduce manual intervention
- Enable firms to detect and respond to risks earlier in the lifecycle
- Keep firms aligned to both their internal risk priorities and broader market expectations, even as these continue to evolve





How AI can support compliance operations

AI offers an opportunity to create more value from compliance operations.

For example, rules-based compliance focuses on capturing what people can anticipate in advance. When certain conditions are met, the system flags an event.

Traditionally, rules-based compliance focuses on capturing known risks, defining scenarios

in advance and triggering alerts when pre-defined conditions are met. AI extends that model. Rather than relying on pre-defined logic, it can ingest and analyze significantly larger and more complex datasets, evaluating transactions at scale, assigning risk scores and surfacing the most relevant signals – generating more actionable insights.

And while AI carries risks such as model error, bias and hallucinations, those risks can be mitigated where AI is applied within clearly defined use cases, supported by strong governance,

validation and ongoing oversight, resulting in more reliable outputs and more consistent oversight.

Compliance is cautious by nature. Firms rarely want to be first movers and tend to adopt as a pack. However, once critical mass is reached, AI-enabled compliance processes could rapidly become the new industry standard. Those that begin laying the groundwork today will be well positioned – not just to be part of the crowd but by adopting the tools that will help them support the shift to demonstrable outcomes and “shift-left” compliance.



Two ways AI can add real value

Smarter resource utilization

AI can reduce false positives (another relic of rules-based modeling); no more frustrated employees chasing harmless alerts.

AI can also crosscheck news events, market data or transaction patterns for you – almost instantaneously. It also surfaces correlations and presents the most relevant insights. So, instead of manually digging through mountains of data, compliance teams can focus on interpreting findings and exercising judgment.

- ✓ Fewer false positives and wasted effort
- ✓ Faster investigations and resolution
- ✓ Better productivity

Simplified vendor and contract management

An inventory of sub-providers (and sub-providers of sub-providers) in the delivery chain is mandatory. Generative AI can read all the contracts and identify all vendors, add them to the inventory list and show dependencies in the delivery chain.

- ✓ Automatically read and analyze contracts
- ✓ Identify all vendors and dependencies
- ✓ Improve visibility and reduce compliance burden



How much simpler would that make managing vendors and contracts? Imagine trying to create that using existing systems.

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The next stage of compliance maturity will deliver the transparency and operational strength capital markets firms will need to ensure not just compliance but robust defenses against new threats and continuous improvement as the landscape changes.”



Kyle Gardner, SVP
Trading and Compliance, FIS

What a strong, modern compliance operating model looks like

With both the regulatory landscape and firms' own priorities continuously changing, achieving consistent, enterprise-wide visibility and execution is an ongoing challenge.

However, the shift toward demonstrable outcomes and “shift-left” compliance presents a critical opportunity to redesign the compliance operating model.

What should they prioritize?

- ✓ Standardization, interoperability and scalability across the control framework
- ✓ Controls that are seamlessly integrated across pre- and post-trade activities
- ✓ End-to-end alignment of data, workflows and control execution
- ✓ Auditability, traceability and supervisory visibility embedded directly into workflows

Firms can address the current weaknesses while positioning themselves for sustained, future-ready compliance.

With this approach, firms not only get the comprehensive visibility, agility and control they need; they can quickly adapt to regulatory change without introducing further fragmentation.

The end result should be a connected capital markets compliance ecosystem where data, workflow, governance and assurance operate as a single centralized system of control, applying one consistent rules framework. Evidence should be generated automatically as workflows execute, and it should all be explainable with a clear audit trail of decisions, data and actions.

UNLOCK MORE

Money at rest. Money in motion. Money at work.™

FIS unifies trading compliance with modular, scalable solutions – delivering end-to-end oversight, transparency and regulatory confidence across jurisdictions, from pre-trade to post-trade, reporting and surveillance.

Our **technology** powers the global economy across the money lifecycle.



Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.



Unlock liquidity and flow of funds by synchronizing transactions, payment systems and financial networks without compromising speed or security.



Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

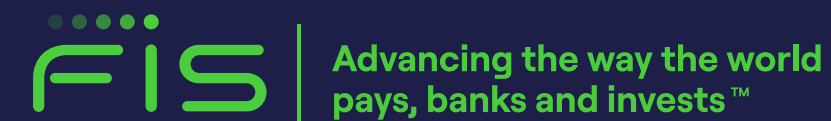
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