



# 2026 Global State of Capital Markets Compliance

## From Confidence to Consistency

Prepare for the future of compliance with greater visibility and control



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# Confidence is high, but execution remains uneven

New research from FIS® reveals how capital markets firms are balancing growing confidence in compliance maturity with persistent operational complexity. Today, organizations are working to strengthen visibility, modernize workflows, and respond to evolving regulatory requirements, including those relating to financial crime risks.

Compliance is notoriously complicated, especially in the capital markets. However, executives are confident in their compliance capabilities. According to our survey of 300 buy- and sell-side executives, they believe they have visibility across trading activity, financial crime controls and operational processes. Risk appetite is embedded in day-to-day decision-making, and they have strong controls that are in line with their peers and market best practice.

But look deeper and it's clear that this confidence is built on fragile foundations. Many firms still rely on manual processes and fragmented systems, and respondents say they lack the visibility they need to fully understand their risk, especially as compliance shifts towards an outcomes-based approach. Moreover, fragmentation across systems, jurisdictions and asset classes is a significant hindrance to effective control execution and reporting accuracy.

So, the market has reached an inflection point: firms have invested heavily in compliance governance and tooling and therefore report high confidence; yet day-to-day operational execution remains constrained by fragmentation, uneven workflow automation, and persistent manual work.

## Compliance is an ongoing challenge

This gap reflects the structural reality of compliance operating models, which have evolved over time across products, jurisdictions, regulatory regimes, and underlying technology and data architectures. With both the regulatory landscape and firms' own priorities continuously changing, achieving consistent, enterprise-wide visibility and execution remains an ongoing challenge rather than a fixed end state.

In response, firms are incrementally modernizing both controls and reporting workflows. Leading organizations are increasingly moving towards operating models that prioritize standardization, interoperability and scalability across the control framework – reflecting the industry-wide shift towards continuous, outcomes-based compliance.

This transformation requires a flexible and modular strategy, one that enables firms to integrate controls seamlessly across pre- and post-trade activities, align data and workflows end-to-end, and adapt quickly to regulatory change without introducing further fragmentation. A consolidated, enterprise-wide controls framework can enhance visibility, traceability and auditability across both pre- and post-trade activities. This approach ensures firms remain aligned to both their internal risk priorities and broader market expectations, even as these continue to evolve.

\*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.



“Compliance is not a fixed state – it’s a constantly evolving progression. Therefore, compliance transformation is an incremental process.”

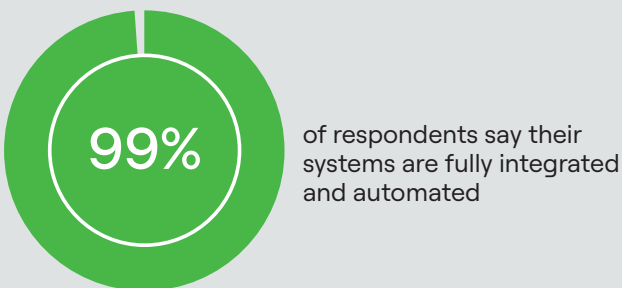
Kyle Gardner, SVP Trading and Compliance, FIS

# Perception vs. Reality

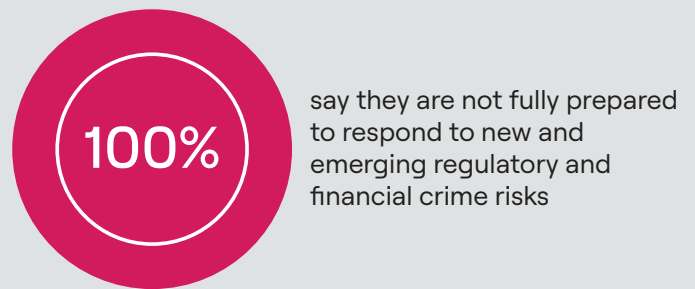
## Confidence is universal ...



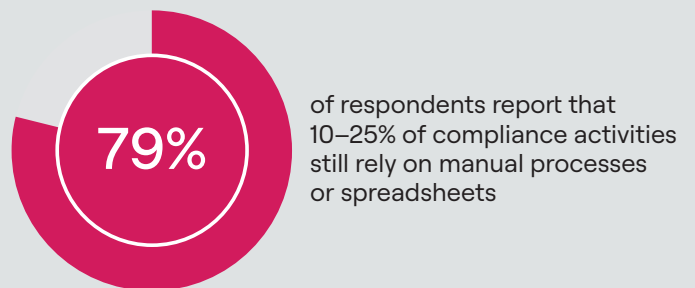
## Compliance operations are automated...



## But preparedness remains incomplete



## Yet manual processes persist



Aligning compliance requirements with day-to-day operations remains difficult.

Chief Compliance Officer and General Counsel, Singapore

Communication breakdowns often result in gaps within compliance processes.

Chief Operating Officer, United Kingdom

It feels like there are always more rules and regulations coming out all the time.

Director, RCCI and Head of Internal Control, France

Without a unified dashboard, maintaining clear oversight over compliance becomes challenging.

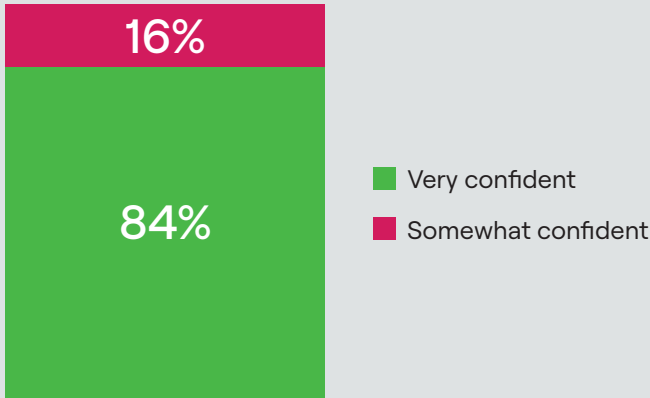
Chief Risk Officer, United Kingdom

# Confidence is the new baseline

Capital markets executives are overwhelmingly confident in their compliance across functions and teams.

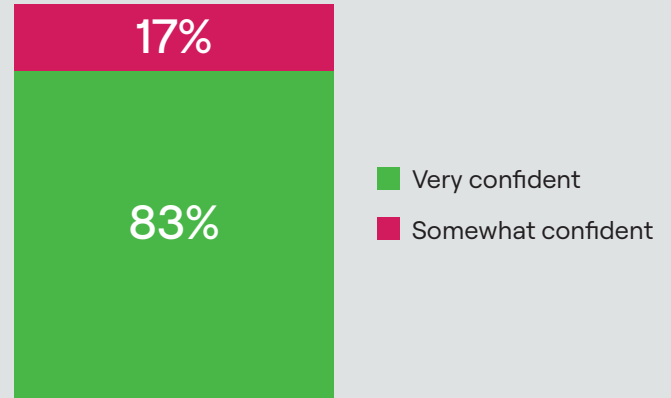
This confidence may stem from the belief that their organization's regulatory and compliance risk appetite is embedded in day-to-day decision-making.

## An integrated view



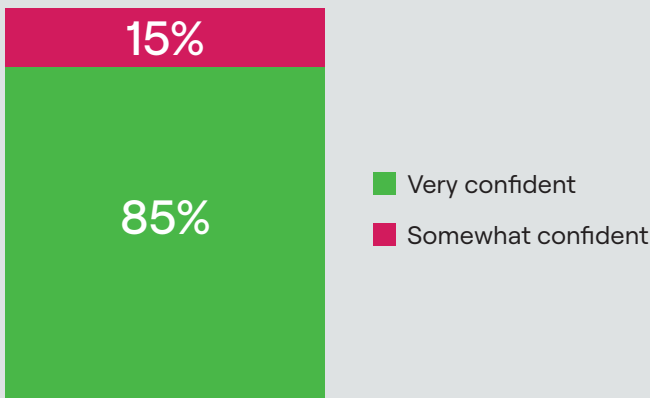
How confident are you that your organization has a single, integrated view of regulatory and compliance obligations and risks across trading activity, financial crime controls, and operational compliance processes?

## Breach detection and response



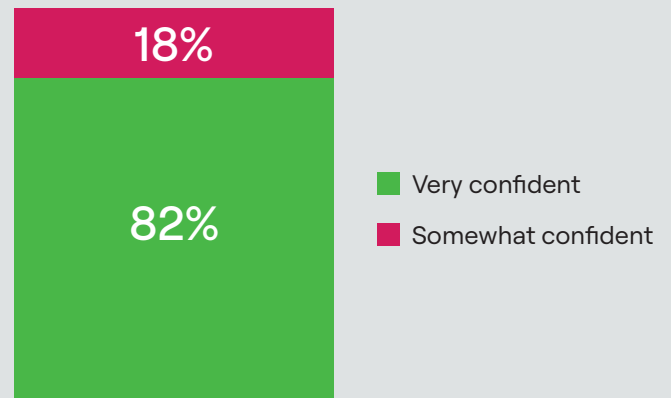
How confident are you that your organization could quickly detect and respond to a regulatory breach, market abuse event, or compliance failure across trading operations?

## Explainability and audit lifecycle



How confident are you in your organization's ability to demonstrate compliance model explainability, governance, and the full regulatory audit lifecycle to regulators?

## Peer alignment



How confident are you that your organization's regulatory interpretations are in line with your industry peers and market best practice?

## Risk appetite and decision-making



How well is your organization's regulatory and compliance risk appetite embedded in day-to-day decision-making?

However, this confidence doesn't necessarily reflect what is actually happening within firms' operations. As we'll see, there are clear gaps between executives' confidence and

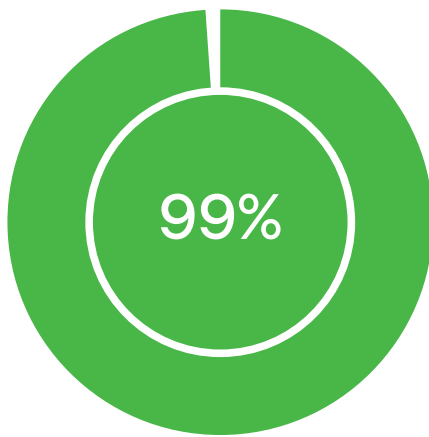
the operational reality, suggesting that firms may have technology weaknesses that should be addressed before they can achieve compliance consistency.

# The automation illusion

Respondents don't just claim confidence in their compliance; many describe high levels of automation and low reliance on manual processes – implying automation maturity across the organization.

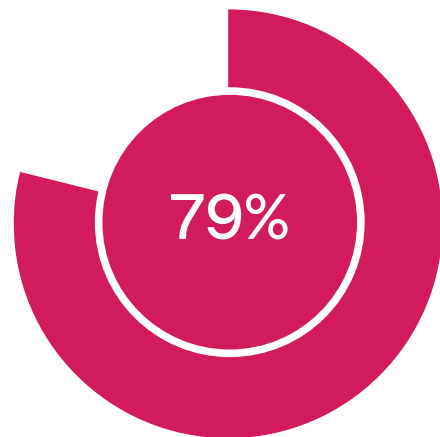
However, 79% admit that 10–25% of regulatory compliance and monitoring activity relies on manual processes or spreadsheets. So, while many institutions have automated components of compliance, they have not addressed end-to-end workflows.

Why not? Firms often automate upstream data capture or downstream reporting yet retain manual steps in the middle such as exception reviews, evidence capture, approvals and reconciliations. These manual points create audit friction, control failures and inconsistent outcomes. They also degrade firms' ability to create a clear, enterprise-wide view – limiting visibility, oversight and responsiveness.



say they have fully integrated and automated systems

Yet



say 10-25% of activities are still manual

To what extent do your compliance teams rely on manual processes or disconnected systems to meet regulatory obligations? Approximately what percentage of your organization's regulatory compliance and monitoring activities still rely on manual processes or spreadsheets?

Missing automation creates inefficiencies in workflows.

Head of Compliance, Australia

Oversight becomes limited when visibility into processes is weak.

Chief Compliance Officer, United States

Manual control checks are error prone.

Chief Compliance Officer & Chief Operating Officer, United States

Offline record-keeping slows audit preparation.

Chief Information Security Officer, United Kingdom

# The incomplete integration

The second finding that challenges the perception of compliance maturity is integration. Many firms continue to operate with fragmented systems. This creates:

- 
**Siloed compliance ecosystems**

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- 
**Disconnected workflows and data**

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- 
**Vendor complexity**

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- 
**Duplicated effort**

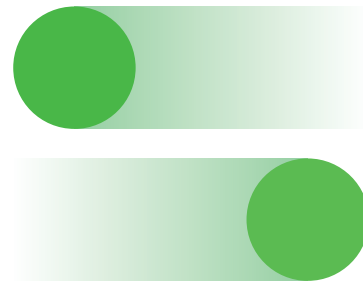
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- 
**Limited end-to-end visibility**

Those gaps are all opportunities for errors, delays and inefficient resourcing to creep into compliance operations. Worse, complexity can quickly spiral whenever a change or upgrade is required. These are critical operational weaknesses that don't just create headaches around managing an ever-more complicated infrastructure; it's also all too easy for trust and accuracy to degrade when new tools are added to an already shaky foundation.

For globally distributed firms, fragmented oversight across jurisdictions can further complicate consistency, reporting and risk ownership.

Moreover, the shift towards outcomes-based compliance is changing the goalposts. Compliance maturity is no longer defined solely by policies and governance; it's determined by whether firms can execute consistently, at scale – and evidence effectiveness across jurisdictions and products. That's only possible with fully integrated systems and workflows.



Weak system integration reduces workflow efficiency.

Finance Control Director, United Kingdom

Unconnected systems create noticeable operational gaps.

Vice President of Risk Management, Hong Kong

Siloed information across systems weakens our compliance visibility.

Director of Compliance, United States

Greater risk exposure emerges when systems are not integrated.

Senior Vice President, Credit Risk Management, United States

# The future of compliance

Historically, compliance could be boiled down to: are you meeting requirements or not? It was a check the box exercise, with more advanced firms mainly aiming to extract deeper insights from the data being gathered and analyzed for reporting.

Now we are entering the next phase of compliance, one that explicitly combines rule-based execution with outcomes-focused supervisory expectations. While prescriptive, rules-driven controls remain foundational to compliance frameworks, regulators have increasingly emphasized demonstrable outcomes, including the effectiveness of controls and the ability to evidence risk mitigation in practice.

At the same time, there is a growing regulatory emphasis on a “shift-left” of controls architecture, which requires firms to achieve accuracy and completeness at the point of execution, rather than relying on post-event remediation. This is driving demand for tighter integration of controls across pre- and post-trade activities, ensuring that both rule adherence and outcome effectiveness are delivered in real-time across the transaction lifecycle.

## Achieving a broader understanding

Under this combined approach, defensible evidence, demonstrable effectiveness and prioritized resourcing are the cornerstones of compliance maturity. Firms must move beyond isolated control execution to understand the broader interdependencies across systems, workflows and data – assessing how changes in one area impact control outcomes elsewhere, and whether underlying technology and data architectures are introducing risk through errors, delays or fragmentation – or enabling the visibility, accuracy and insight required.

This shifts the focus from simply building rule-based frameworks to ensuring those frameworks operate effectively in practice and deliver measurable outcomes. At the same time, the need to embed controls earlier in the transaction lifecycle is driving the need to automate residual manual processes and integrate fragmented systems into a more cohesive, end-to-end control environment.

The Wolfsberg Group, an association of 12 member banks, suggests that financial institutions evolve their AML/CTF programs to focus on five outcomes:

1.  **Assess risk in defined priority areas**
2.  **Implement/enhance controls**
3.  **Prioritize resources**
4.  **Engage with law enforcement**
5.  **Demonstrate AML/CTF program effectiveness**

According to their analysis, most financial institutions focus their AML/CTF risk assessments on technical compliance rather than the effectiveness of their efforts to prevent and detect financial crime. The group recommends that institutions should instead focus on threats that are related to specifically defined national or supra-national priorities, supported by an agile approach to enterprise-wide risk assessment.

**“In order to demonstrate effective controls, FIs should be prepared to explain to their supervisors how their controls actually mitigate risk and/or provide highly useful information to government authorities.”**

[Demonstrating Effectiveness](#), The Wolfsberg Group

With the group regularly publishing guidance and commentary on proposed regulations, they are prominent in the shift towards the outcomes-based approach.

# Visibility comes first

These two issues – automation and integration – are stopping firms from getting the visibility they need. That is a big problem, because without visibility, they can't understand where risk sits, trace decisions, or trust what's being reported.

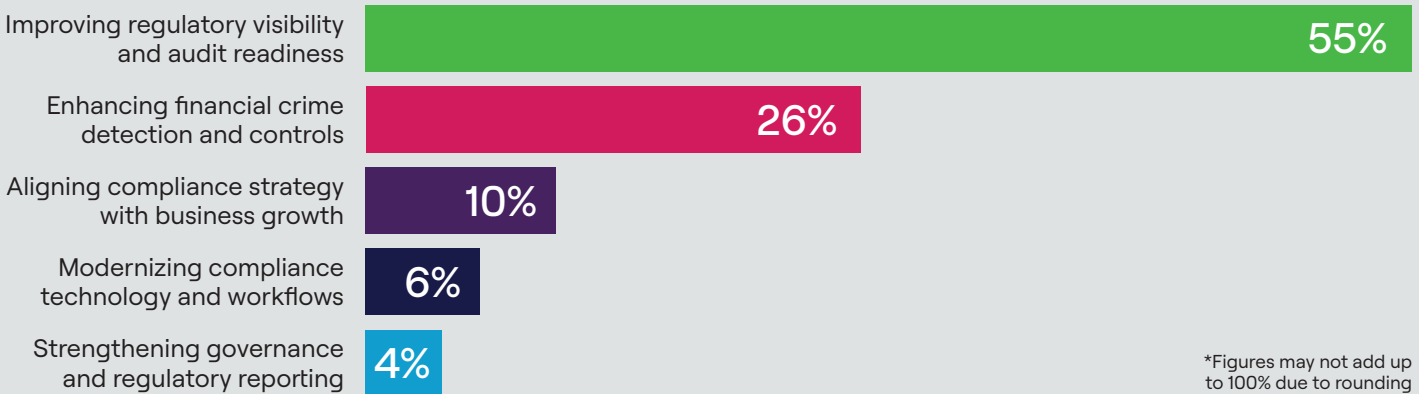
This lack of clarity already has an impact, with respondents worried about outdated frameworks, slow processes, weak monitoring and incomplete documentation. These issues flow through the organization, leaving staff unsure about their responsibilities, the organization's compliance

guidelines, the latest regulatory changes or even evidence of best practice. Meanwhile, leaders can't see the full picture, identify emerging risks or make informed decisions promptly.

If left unaddressed, confidence and control can quickly be undermined – and leave firms unable to prepare for outcome-oriented supervision.

Executives recognize this; their top priority for the next 12-18 months is to improve visibility and audit readiness.

## Top short-term priorities



Over the next 12-18 months, what is your top priority for strengthening regulatory and compliance capabilities?

“There’s a shift from a tick-the-box, rules-based approach toward an outcomes-based approach consisting of risk-driven judgement and effectiveness oversight. Automation and integration are key to providing the visibility and risk-based analysis that firms will need.”

Kyle Gardner, SVP Trading and Compliance, FIS

By strengthening visibility through modern, integrated technology, capital markets firms can close the gap between perceived confidence and true operational readiness.

Moving away from fragmented point solutions towards unified platforms and harmonized data architectures can reduce control risk at source, enabling scalable automation and providing a more reliable foundation for advanced analytics and AI-driven decision-making.

This is increasingly aligned 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.

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.

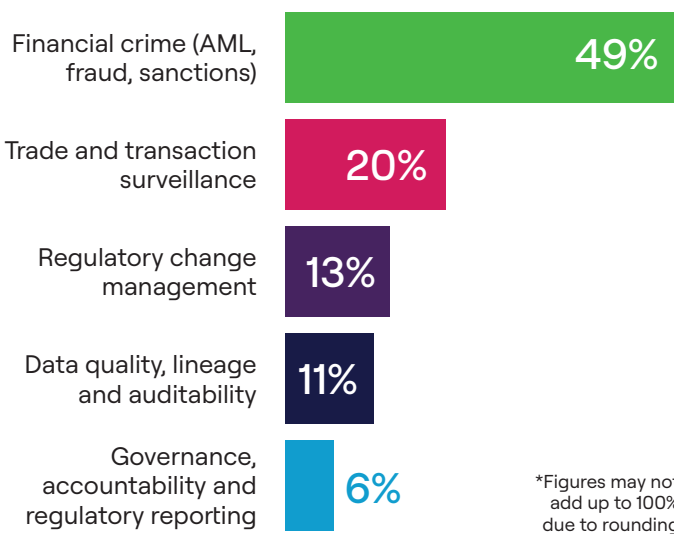
As EU reforms, including the new AML package, drive harmonization and require greater integration with centralized data sources and supervisory frameworks, firms that invest in cohesive technology foundations will be better positioned to reduce compliance risk, enhance efficiency and deliver demonstrable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

# Financial crime is driving urgency

The findings reveal another concern, meanwhile: financial crime. Whether it's anti-money laundering, fraud or sanctions, financial crime is the biggest concern for nearly half of respondents – more than twice as many as the next category.

Executives repeatedly cite the need for more advanced detection capability, improved data integration and better visibility across workflows.

## Greatest challenge in managing enterprise risk



Which area currently presents the greatest challenge in managing enterprise risk?

## Top priorities for strengthening regulatory and compliance capabilities



Over the next 24 months, what is your top priority for strengthening regulatory and compliance capabilities?

Financial crime is also a long-term priority. As discussed, 26% say enhancing financial crime detection and controls is their top concern over the next 12-18 months – second only to the broad strategic need to improve visibility and audit readiness.

Look further out and financial crime rises to the top spot on the priority list – even above aligning compliance strategy to business growth.

There are two main reasons why financial crime is so prominent. First, it spans many processes, including onboarding, ongoing due diligence, transaction monitoring, sanctions screening, investigations, regulatory reporting and law-enforcement engagement.

Second, financial crime controls are among the most evidence-intensive and scrutiny-prone areas of compliance. As a result, any fragmentation in data, workflow and governance is amplified in financial crime programs, directly impacting the firm's ability to form a consolidated risk view.

This fragmentation also limits the ability to establish a consistent, enterprise-wide "single customer view," where risk signals, behaviors and obligations can be understood holistically across the customer lifecycle and across business lines.

Financial crime detection requires more advanced capabilities.

Chief Compliance Officer and General Counsel, Singapore

Real-time visibility into compliance activities is missing.

Compliance Director, United Kingdom

Reduced visibility makes transaction monitoring difficult.

Head of Asia Pacific Operations, Singapore

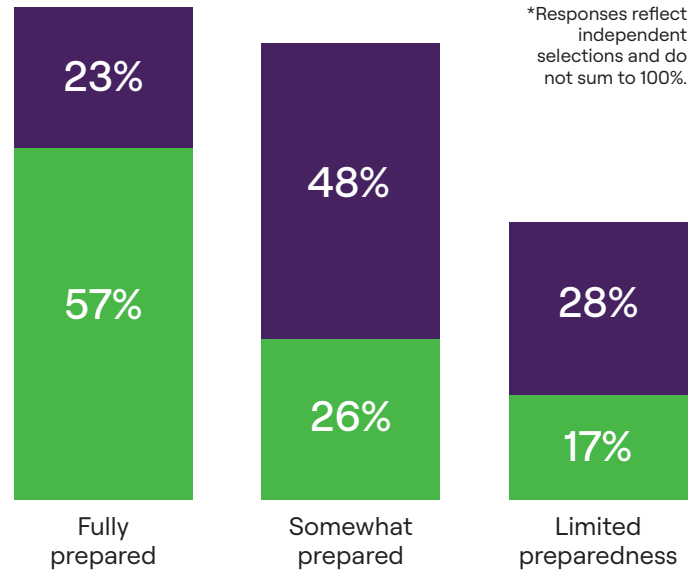
# Preparedness is improving but still uneven

Most firms believe they are equipped for near-term change, with 57% of respondents feeling fully prepared to respond to emerging regulatory and financial crime risks over the next 12-18 months. However, that leaves a significant proportion feeling only somewhat or limited preparedness. This reflects capability gaps even among firms that report high confidence generally.

Moreover, confidence declines significantly over a longer horizon. Just 23% expect to feel fully prepared over the next 24 months, while most shift into “somewhat prepared” or “limited preparedness.”

So, while firms anticipate progress, they don’t expect to eliminate risk or readiness gaps. They understand that maintaining readiness becomes more difficult as regulatory expectations evolve, financial crime grows more sophisticated, and operational complexity increases – especially if they are working to close operational gaps at the same time.

Preparedness, therefore, is not a fixed state. Firms may strengthen capabilities today, but sustaining that readiness requires continuous adaptation. As compliance obligations, typologies and technologies evolve, organizations must continually reassess how effectively their controls, workflows and governance models operate in practice.



\*Responses reflect independent selections and do not sum to 100%.

■ 12-18 Months (Current/Near-Term Preparedness)  
 ■ 24 Months (Expected Preparedness)

How prepared is your organization to respond to new and emerging regulatory and financial crime risks (e.g., regulatory change, market abuse, evolving AML expectations) over the next 12-18 months? And looking ahead to the next 24 months?

“Regulatory requirements continually evolve – as do threats. Compliance is never static, and neither is preparedness.”

Kyle Gardner, SVP Trading and Compliance, FIS



## A gradual transformation

Firms are not trying to transform all compliance capabilities at once. Instead, they are prioritizing specific capabilities over time.

First, they are establishing control and transparency across fragmented systems – what obligations exist, where controls sit and what evidence is produced – before they can modernize effectively.

Compliance priorities evolve over time, with firms able to expand their capabilities as they build on what they have put in place.

Second, they are shifting their focus towards modernizing compliance technology and workflows, enhancing financial crime detection and controls, strengthening governance

and regulatory reporting, and aligning compliance strategy with business growth. This sequencing mirrors the direction regulators are taking towards demonstrable effectiveness and consistent evidence – both of which require visibility and workflow discipline.

Similarly, rather than replacing systems outright, organizations are enhancing specific capabilities – such as surveillance, risk visibility and financial crime controls – incrementally.

However, firms must hold true to the principle of a holistic, integrated and enterprise-wide approach. The best choices are technology platforms and tools that enable a consistent and unified view of the customer and risk. Real-time visibility and full coverage across pre- and post-trade operations allow institutions to demonstrate effective compliance with regulations and drive more informed decision-making.

### The Three Stages of Compliance Transformation

#### Stage 1 (Now):

-  Visibility
-  Audit readiness
-  Control across fragmented systems

#### Stage 2 (Next):

-  Technology modernization
-  Financial crime sophistication
-  Governance scaling

#### Stage 3 (Ongoing):

-  Continuous improvement in preparedness
-  Investment to close gaps as they appear

“Tightening regulatory rules across the U.S., Europe and Asia-Pacific, combined with manual processes and fragmented reporting, strain operational efficiency and risk management. Real-time, integrated pre-trade and post-trade controls are essential for capital markets firms to relieve this pressure. In addition, without efficient, automated frameworks, operational risks rise and costly fines become more likely.”

Kyle Gardner, SVP Trading and Compliance, FIS

## From confidence to effectiveness

Firms have made meaningful progress in compliance, but achieving consistent and effective enterprise-wide visibility and execution remains a work in progress. Fragmentation and manual processes continue to block many firms from being truly prepared for new threats, upcoming regulatory requirements and the shift to outcomes-based compliance.


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. That requires automating manual processes and connecting workflows end-to-end.

Financial crime capability is the primary pressure point and the fastest route to demonstrate effective improvements. But outcomes-focused supervision is

becoming common globally, making evidence quality, prioritization and effectiveness demonstrability central to future readiness – whatever the regulation or threat.

Technology is the key to meeting all of these goals. Rather than wholesale replacement, institutions need to invest in modular, evolution-friendly compliance platforms and operating models that connect and orchestrate.

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.



“This holistic strategy gives capital markets firms the foundation to embrace AI with confidence that it will increase their effectiveness, not undermine trust. At the same time, it provides the agility to easily adapt as the regulatory environment and compliance requirements change. With these principles, institutions can transform compliance from a burden into a strategic advantage that delivers new levels of intelligence as well as effective compliance across asset classes and jurisdictions.”

Kyle Gardner, SVP Trading and Compliance, FIS

# Survey methodology

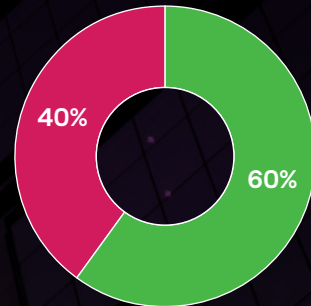
The **2026 Global State of Capital Markets Compliance Survey** was conducted by TechStudio™, an Energize Marketing® company, on behalf of FIS. The study gathered insights from 300 qualified leaders across buy-side and sell-side firms globally, representing a broad cross-section of capital markets organizations.

Respondents included C-suite executives, operational leaders and senior decision-makers responsible for compliance, risk, governance, surveillance, audit, operations and transformation initiatives. Titles included Chief Risk Officers, Chief Compliance Officers, Chief Operating Officers, Heads of Compliance, Heads of Risk, Directors of Operations, and senior leaders overseeing regulatory, financial crime, and control functions. The survey reflects perspectives from firms navigating increasing regulatory complexity, evolving financial crime threats and the growing demand for integrated compliance oversight across trading, operational and governance functions.

The survey carries a margin of error of ±5.7% at a 95% confidence level.

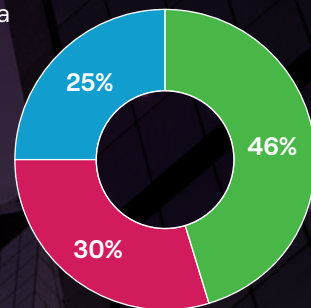
## Firm type representation

- Sell-side
- Buy-side

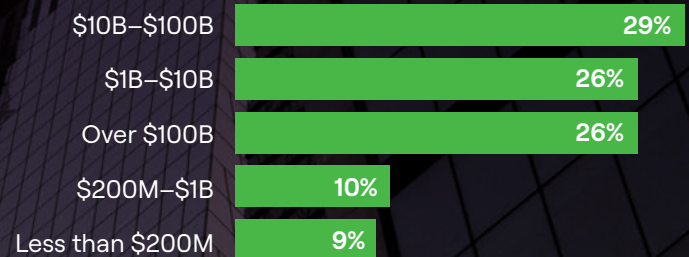


## Regional distribution

- North America
- Europe
- Asia-Pacific

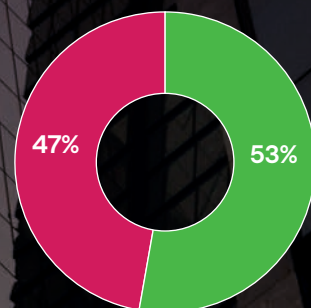


## Assets under management (AUM)



## Leadership representation

- C-Level / Executive leadership
- VP / Director / Senior leadership



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.

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

### Money at rest

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

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### Money in motion

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

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### Money at work

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

## About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit FISglobal.com. Follow FIS on LinkedIn, Facebook and X (@FISglobal).

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