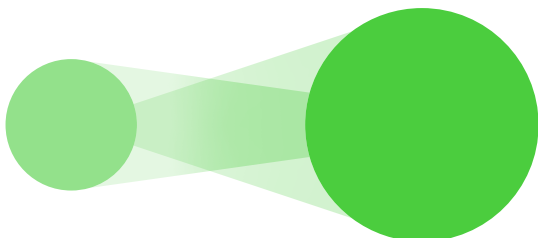


Capital markets compliance trends: A front-to-back model for control without compromise

Unlock global oversight for improved decisioning across the enterprise

Capital markets firms operate amid intense regulatory scrutiny, accelerating market complexity and rising expectations for transparency across the compliance lifecycle. As regulatory regimes expand and market structures evolve, traditional, fragmented approaches to compliance are falling short.

Leading firms are adopting a comprehensive front-to-back compliance model, embedding controls seamlessly from customer onboarding and pre-trade decisioning through execution, post-trade monitoring and regulatory reporting. This shift reflects a broader market trend: compliance is now a real-time, strategic capability supporting operational resilience and competitive advantage.



From retrospective oversight to proactive supervision

Global regulators are fundamentally changing how they supervise capital markets. Oversight is shifting from retrospective reviews to proactive, preventative supervision, requiring firms to show that controls are established before risk materializes.

Mandates such as T+1 settlement, MiFID II and expanded transaction reporting regimes demand precise, timely and defensible compliance decisions across jurisdictions. For firms operating across the U.S., EU, U.K. and APAC, this introduces a complex web of overlapping and sometimes conflicting regulatory expectations.

Market leaders are centralizing regulatory intelligence and embedding compliance logic directly into trading workflows. With a single, authoritative source of regulatory truth, firms can apply consistent controls at the point of decision, reducing interpretation risk while improving transparency across the enterprise.

Front-office controls: Pre-trade compliance as a risk gate

The front office is increasingly the first line of compliance defense. Pre-trade controls now play a critical role in preventing breaches before execution, rather than flagging issues after the fact.

Modern pre-trade compliance frameworks integrate regulatory rules, customer restrictions and market constraints into order validation and trade approval processes. This aligns trading activity with regulatory obligations in real time, even as rules evolve.

By shifting compliance “left” into the front office, firms reduce downstream remediation costs, avoid failed trades and strengthen governance without slowing execution speed – an essential balance in today’s volatile markets.



Governed AI across the compliance lifecycle

Artificial intelligence is redefining end-to-end compliance, but its adoption also requires governance, explainability and human oversight. Frameworks such as the EU AI Act require AI to operate as a controlled asset, particularly within AML, KYC and surveillance environments.

When embedded responsibly, governed AI enhances both front- and back-office compliance. AI-driven surveillance can help reduce false positives, accelerate investigations and improve the quality of Suspicious Activity Reports. Continuous KYC monitoring identifies complex risk patterns earlier and maintains auditable decision trails.

Critically, firms are embedding human-in-the-loop controls and structured review protocols to ensure every automated decision remains transparent, defensible and regulator-ready across the full compliance lifecycle.

Pre- and post-trade surveillance and audit-ready transparency

Post-trade monitoring remains central to compliance, but regulators now require firms to demonstrate why decisions were made.

Advanced compliance models merge post-trade surveillance with pre-trade controls and regulatory logic for consistency across the trade lifecycle. Each compliance decision is traceable back to its regulatory source, supported by documented logic trees and unique identifiers for rapid audit response.

This transparency strengthens regulatory confidence and gives compliance teams full visibility into global trading activity, regardless of asset class or jurisdiction.

Supporting growth in alternative assets and investor services

The growth of alternative assets adds complexity across onboarding, compliance and investor services. Differing fund structures, jurisdictional requirements and investor profiles increase operational burden and risk when managed manually.

A front-to-back approach integrates automated onboarding, credit checks and regulatory screening with ongoing monitoring, reducing friction for investors while maintaining rigorous controls. Automation can lower operational costs and allows compliance teams to focus on higher value oversight as alternative markets expand.

Integrated decisioning as the new compliance standard

Across capital markets, firms are moving from siloed compliance tools to integrated compliance decisioning. Unified platforms bring together surveillance, pre-trade controls, post-trade monitoring and regulatory reporting within a single decision framework.

This convergence delivers consistent outcomes, complete traceability and real-time responsiveness. Firms that adopt this model are better positioned to adapt to regulatory change, reduce operational risk and scale confidently in complex global markets

Conclusion: Compliance as a competitive advantage

Proactive supervision, governed AI, alternative asset growth and integrated decisioning are reshaping compliance. A comprehensive front-to-back approach helps firms meet rising regulatory expectations while improving efficiency, transparency and control.

As compliance becomes increasingly real-time and embedded, institutions that invest in end-to-end, automated compliance frameworks are better-positioned to move beyond risk mitigation – unlocking compliance as a durable source of trust, resilience and competitive advantage.

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