

Scale at Speed™



Whitepaper

Scaling Compliance in a Digital and Sustainable World with RegTech

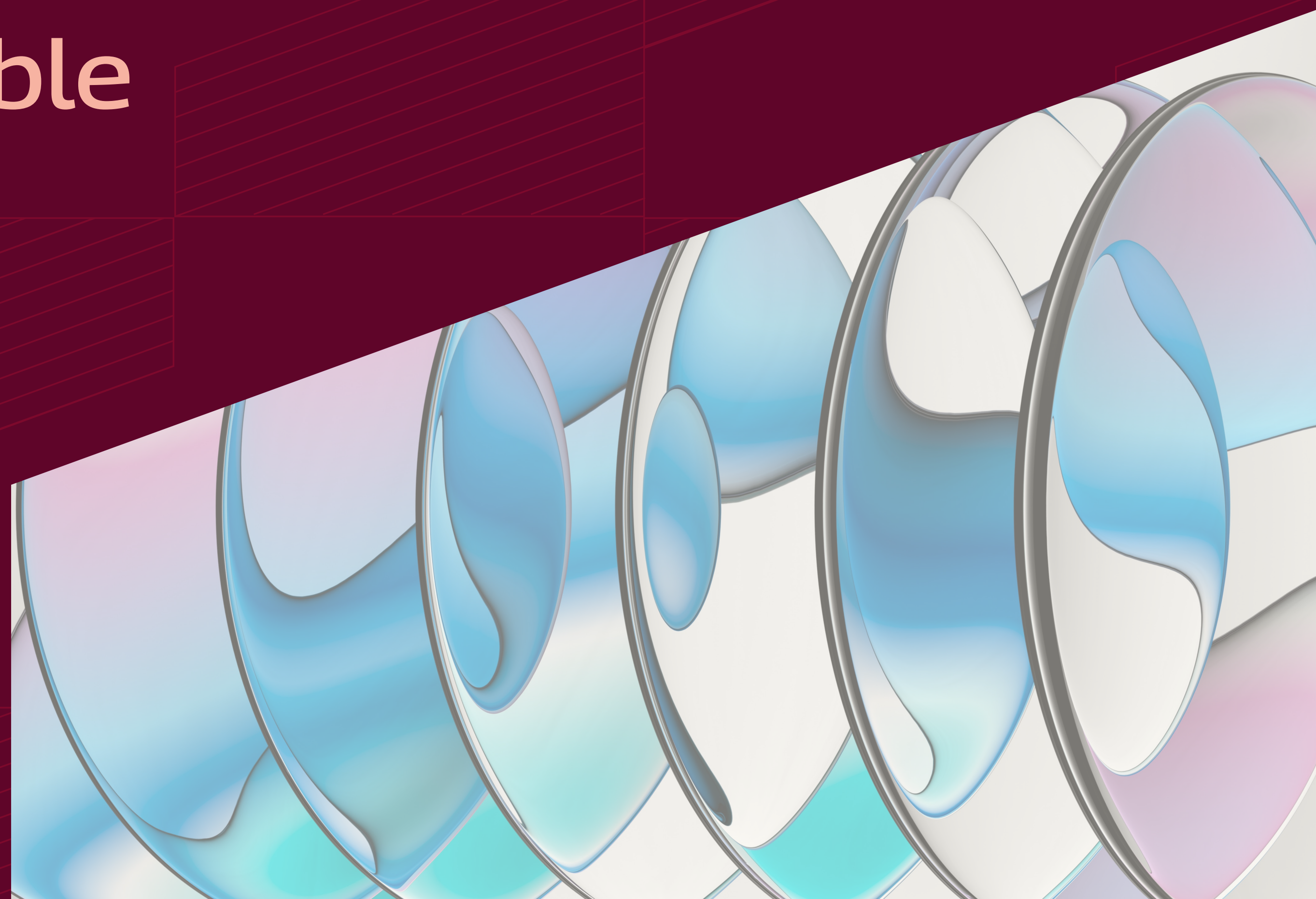
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Executive Summary

As businesses scale and regulations multiply, compliance is no longer about ticking boxes, it is about building trust. Organizations now face urgent demands for sustainability, data privacy, and adherence to complex global standards. To keep pace, they need smarter, more agile solutions.

Regulatory technology (RegTech) offers a modern approach. By leveraging advanced tools such as automation, data analytics, and standardized workflows, RegTech helps shift compliance from reactive reporting to proactive, continuous oversight.

Across industries, RegTech enables companies to automate compliance processes, track regulatory changes in real time, and align with evolving environmental, social, and governance (ESG) and data governance standards.

This whitepaper explores the strategic relevance of RegTech, its market outlook, enabling technologies, industry-specific use cases, and adoption challenges. This paper concludes with Tech Mahindra's vision for building a RegTech ecosystem that is scalable, sustainable, and intelligent.





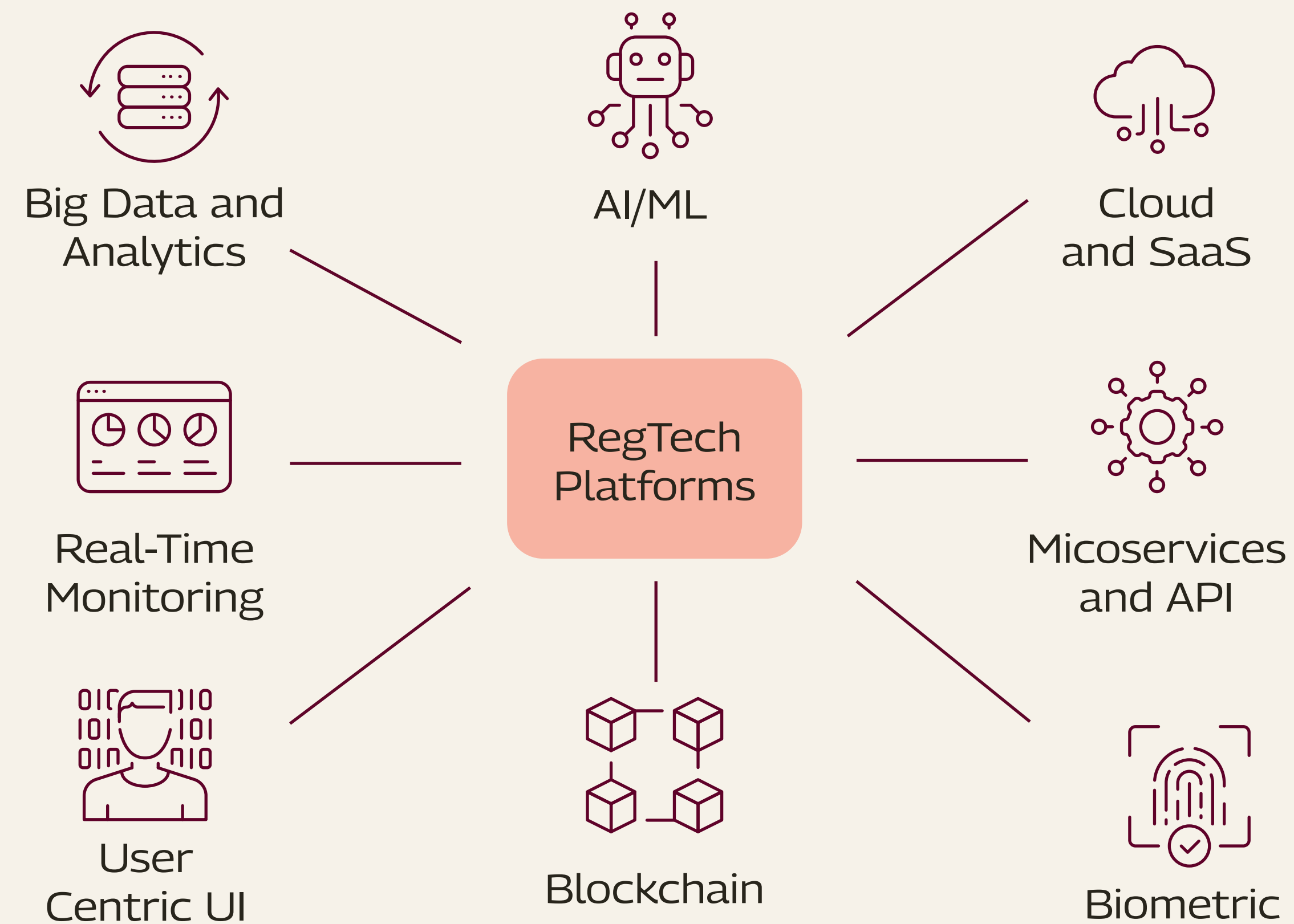
Key Takeaways

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| Introduction to RegTech | RegTech as a Strategic Enabler | Exploring RegTech Growth, Adoption, and Stakeholder Value | Architecting the Future of Compliance |
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Introduction to RegTech

RegTech harnesses modern technologies—from AI and big data to IoT and blockchain—to fundamentally change how we manage compliance, risk, and governance. As regulations become increasingly complex, these platforms enable businesses to manage risk with greater efficiency and accuracy.

Figure 1: Technology Enablers of RegTech Platform



Modern RegTech platforms are powered by a set of foundational technologies that make compliance smarter, faster, and more reliable (see Table 1).

Table 1: Foundational technologies powering Regtech

| Foundational Technologies | Contribution to RegTech | Use Cases |
|---------------------------|--|---|
| AI and Machine Learning | Enables intelligent automation, predictive compliance, and anomaly detection. | Transaction monitoring, risk scoring, and AI governance. |
| Big Data and Analytics | Processes large volumes of regulatory data to generate insights and produce reports. | ESG disclosures, fraud detection, and compliance analytics. |
| Cloud and SaaS | Provides scalable, secure infrastructure for hosting RegTech platforms. | SaaS-based compliance tools and real-time data access. |
| APIs and Microservices | Facilitates modular integration with legacy systems and external databases. | Interoperability, consent management, and ecosystem collaboration. |
| Blockchain and Encryption | Ensures data integrity and secure transactions through immutable records. | Audit trails, product traceability, and secure reporting. |
| Biometrics and Identity | Strengthens identity verification and access control mechanisms. | KYC, fraud prevention, and secure onboarding. |
| IoT and Sensors | Enables real-time data collection from devices for compliance monitoring. | Emissions tracking, energy usage reporting, and supply chain compliance.monetization. |
| Monitoring and UI | Supports continuous surveillance and user-friendly compliance workflows. | Operational risk management, dashboarding, and audit documentation.monetization. |



A mix of global trends, new technologies, and systemic changes shapes the growth of RegTech

Post-2008 financial crisis reforms:

The 2008 global financial crisis exposed significant gaps in corporate governance, risk management, and regulatory oversight of financial institutions. In response, stricter regulations were introduced, such as Basel III (now Basel IV), MiFID II, and Dodd-Frank. This led to the development of RegTech, offering innovative, technology-driven tools that make compliance more efficient and effective.

Sustainability and ESG mandates:

Businesses are increasingly focusing on ESG factors, driven by the UN Sustainable Development Goals (SDGs) and the World Economic Forum. Organizations now report on sustainability metrics and climate-related risks, often evaluated by external agencies. RegTech platforms support this shift by automating ESG data collection, reporting, and assurance aligned with TCFD, GRI, and SASB frameworks.



Rapid technological advancements:

The use of emerging technologies, such as AI, machine learning, cloud computing, and blockchain, is transforming compliance. These technologies enable continuous real-time monitoring, predictive analytics, and smart decision-making.

The cost and complexity of traditional compliance:


Automating routine compliance processes reduces human error and enables continuous monitoring, thereby decreasing both costs and complexity.

Post-pandemic acceleration:

The COVID-19 pandemic highlighted the need for digital compliance and remote regulatory processes. With remote work and cloud adoption, businesses could maintain continuity while integrating data and automating regulatory processes. This has further changed the expectations around agility, transparency, and resilience in how organizations manage compliance.



RegTech as a Strategic Enabler



Compliance is a boardroom priority today, impacting brand value, revenue, and customer trust. Boards expect visibility into risks and controls, regulators expect faster and more transparent reporting, and customers expect their data to be handled responsibly.


This is where agile governance and digital trust become critical for any future-ready enterprise. RegTech represents the next step in digital transformation for compliance, delivering operational efficiency, stakeholder confidence, and regulatory agility.

RegTech enables organizations to meet these expectations without overburdening their teams. By monitoring activities in real-time, it can spot early warning signs and trigger timely actions, reducing the likelihood of incidents and penalties. It also builds trust across stakeholders; leadership gains a quick and clear view of the compliance status, auditors can easily follow a transparent trail of evidence, and operational teams can focus on resolving exceptions rather than gathering evidence.

Far from being a cost center, compliance becomes a source of resilience, enabling faster, more confident, and lower-risk progress.



Exploring RegTech Growth, Adoption, and Stakeholder Value



RegTech is shifting from basic automation to promoting conscious, responsible governance practices. Its integration with ESG, climate risk, geopolitical changes, and ethical AI is shaping its development. Enterprises must invest in scalable, secure, and intelligent platforms to meet evolving regulatory demands and stakeholder expectations.

The global RegTech market is expected to grow from about USD **18-20 billion in 2025 to over USD 85 billion by 2032, with a 20-25% CAGR** (Schizas et al., 2020; GMI, 2024; Insights, 2025; Intelligence, 2025).

This growth is driven by:

- Increasing regulatory complexity and enforcement.
- Concerns over AI, cybersecurity, and data privacy.
- Growing demand for ESG and sustainability mandates and reporting.
- The swift adoption of digital technologies in financial services, healthcare, telecom, and energy.
- Integration of AI, blockchain, and real-time analytics into compliance processes.

RegTech adoption varies significantly among stakeholder groups based on their roles, responsibilities, and regulatory exposure. Table 2 identifies the main drivers, emerging trends, and benefits that influence adoption across various stakeholders, including industry, regulators, governments, consumers, and RegTech vendors.

Beyond meeting compliance requirements, RegTech offers tangible benefits by reducing costs, improving operational efficiency, and increasing transparency and trust.

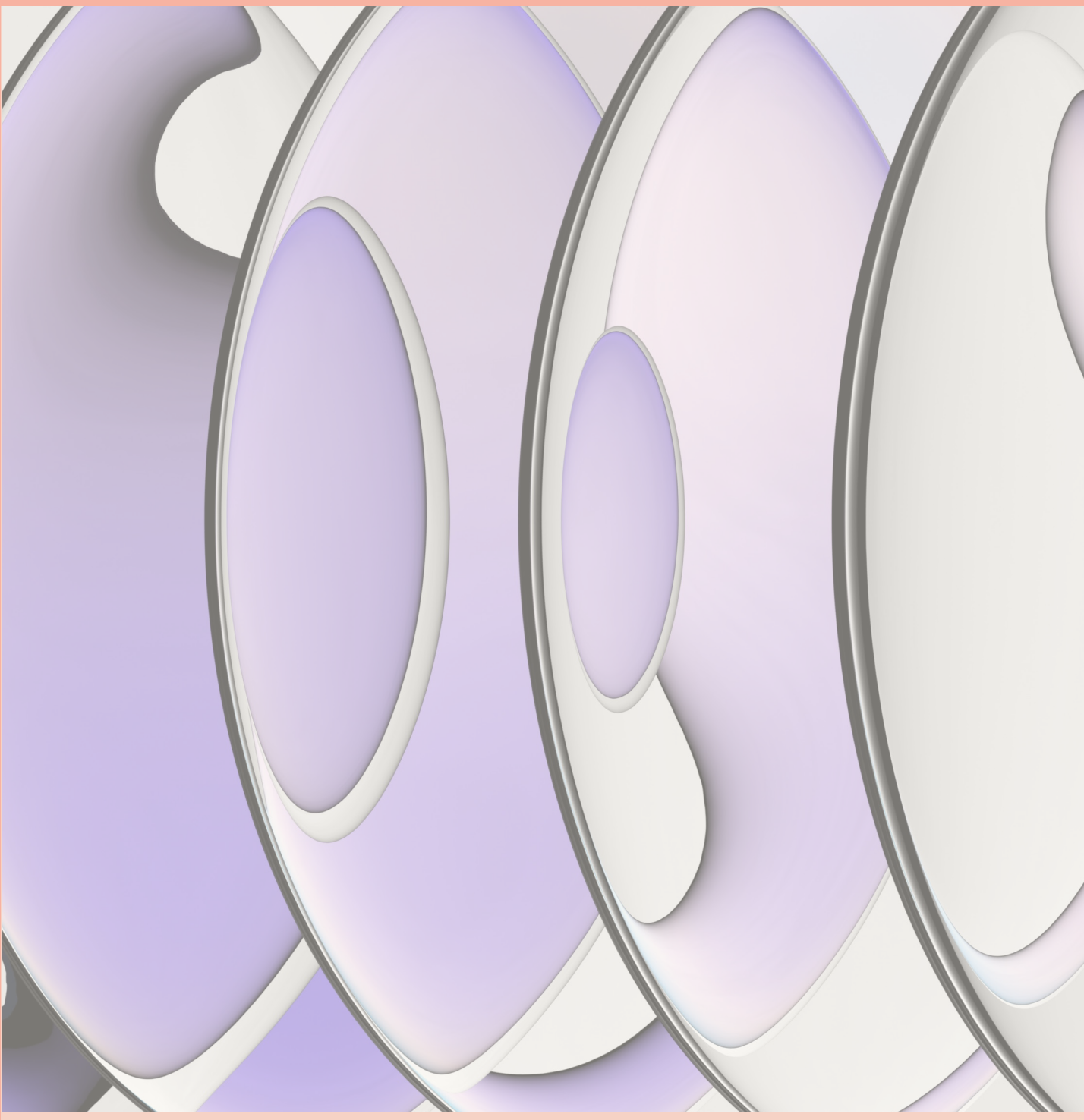


Table 2: Factors influencing Regtech adoption

| Stakeholder | Adoption Drivers | Emerging Trends | Benefits |
|-----------------|--|---|--|
| Industry | Cost reduction, risk mitigation, real-time compliance, and ESG mandates. | AI-driven compliance, integrated ESG platforms, RegTech-as-a-Service. | Reduced compliance costs, faster time-to-market, improved audit readiness. |
| Regulators | Need for real-time supervision, data transparency, and cross-border harmonization. | Regulatory sandboxes, machine-readable regulations, and Supervisory Tech (SupTech). | Enhanced oversight, proactive risk detection, streamlined reporting. |
| Governments | National data protection laws, digital economy and AI policies, and public trust. | Digital compliance frameworks, public-private RegTech partnerships. | Policy enforcement at scale, improved regulatory agility, and national digital trust frameworks. |
| Consumers | Data privacy, ethical AI, and transparency in digital services. | Consent management, privacy dashboards, algorithmic accountability. | Greater transparency, control over personal data, and improved digital trust. |
| RegTech Vendors | Demand for scalable, interoperable, and sector-specific solutions. | API-first platforms, modular compliance engines, and AI explainability. | Market expansion, faster adoption cycles, and deeper integration into enterprise ecosystems. |

Architecting the Future of Compliance

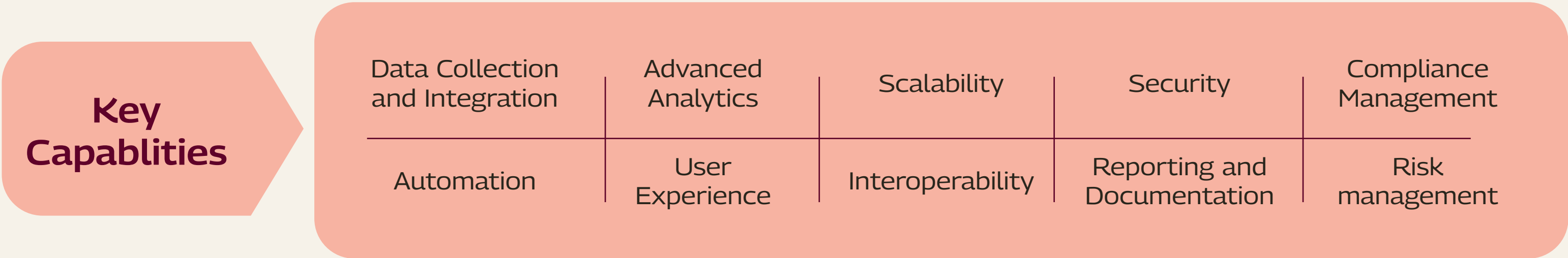
As regulations evolve and digital ecosystems grow, modern RegTech platforms must be designed to support compliance, resilience, agility, and trust. These platforms are no longer standalone tools; they are integrated into businesses' daily operations, helping teams stay continuously compliant, identify risks in real-time, and interact smoothly with regulators.

Modern RegTech platforms must be built on the following key principles:

- Interoperability across legacy and cloud systems
- Scalability for global operations
- Security and privacy by design
- AI and analytics for predictive compliance
- User-centric interfaces for various stakeholders
- Auditability and transparency for regulators

These principles are reflected in the WEF’s Global Regulatory Innovation Platform (GRIP) initiative, which promotes agile, user-centric regulations for the digital age. Using these principles, RegTech platforms are expected to have the following capabilities.

Figure 2: RegTech capabilities



Industry-Specific Use Cases

RegTech applications vary widely across industries and are shaped by each sector's distinct regulatory environments, operational risks, and data governance needs. Organizations face different compliance requirements across different industry verticals and therefore require tailored technological solutions.

Table 3 details key industry sectors, their regulatory and compliance areas, and the related RegTech use cases and technology alignments.

Table 3: RegTech applications and technology mapping

| Industry | Regulatory and compliance areas | RegTech applications/use cases | Technology mapping |
|---------------------------|--|---|--|
| Financial services | AML, KYC, Basel III, MiFID II, GDPR, ESG | Transaction monitoring, risk scoring, regulatory reporting, ESG disclosures | AI and machine learning, big data, APIs, cloud, real-time monitoring, blockchain |
| Retail and consumer goods | CCPA, GDPR, ESG, PCI DSS | Fraud detection, privacy management, product traceability, and sustainability reporting | AI, blockchain, cloud, data analytics, IoT |
| Healthcare | HIPAA, HITECH, GDPR, FDA 21 CFR Part 11 | Patient data privacy, consent management, audit trails, interoperability compliance | Data encryption, APIs, cloud, biometrics, and audit trail systems |
| Manufacturing | ITAR, EAR, ESG, ISO 9001 | Supply chain compliance, export control, and circular economy compliance | Blockchain, IoT, cloud, APIs, data analytics |
| Energy and utilities | NERC, FERC, ESG, ISO 14001 | Environmental reporting, emissions monitoring, risk analytics | IoT sensors, big data, cloud, AI, ESG platforms |

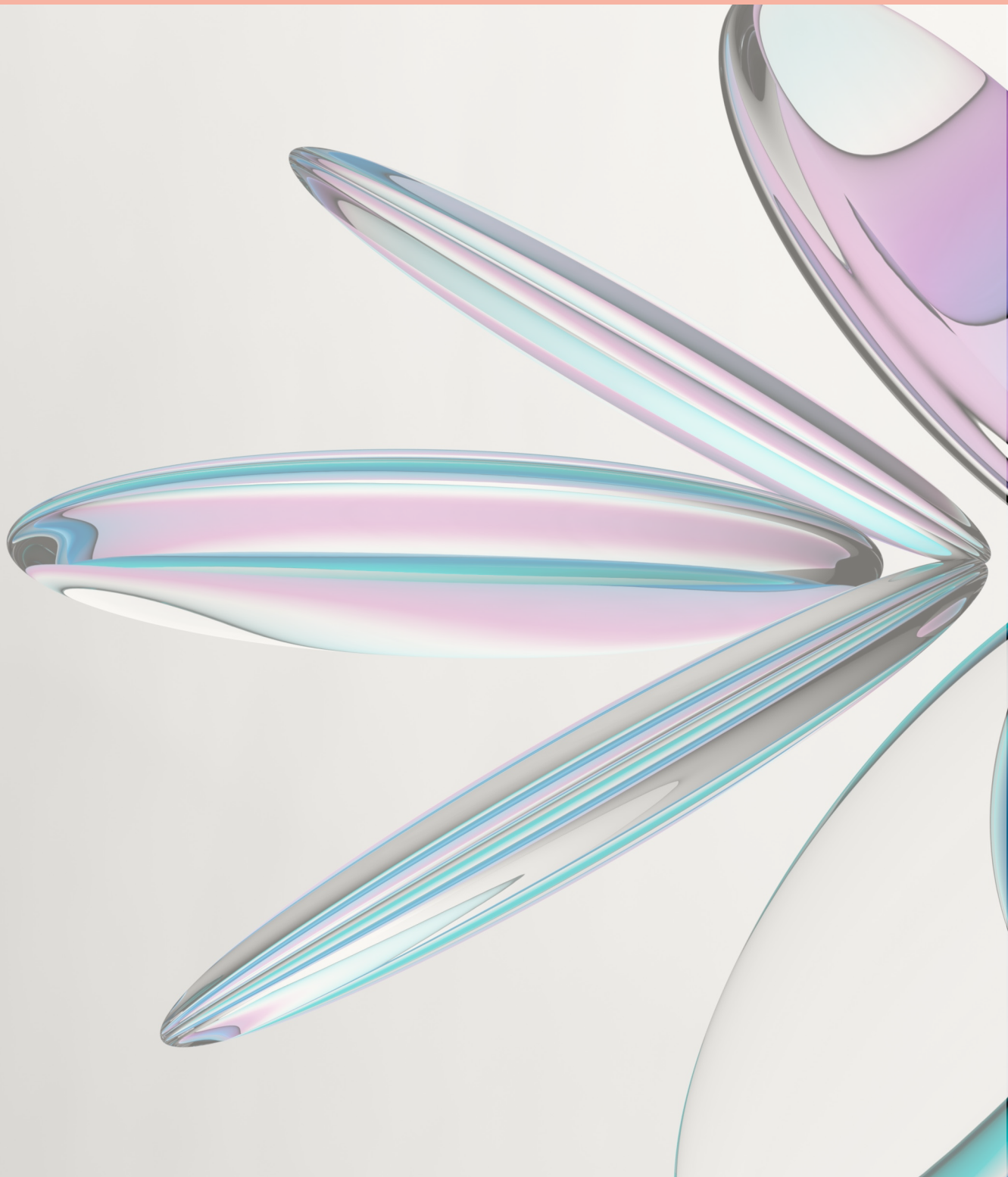
Industry-Specific Use Cases

| Industry | Regulatory and compliance areas | RegTech applications/ use cases | Technology mapping |
|--------------------------|---------------------------------|---|---|
| Telecommunications | GDPR, FCC, Ofcom, CCPA | Data sovereignty, customer switching compliance, and cybersecurity governance | APIs, cloud, real-time monitoring, encryption, AI |
| Technology and platforms | SOX, GDPR, CCPA, ESG | AI governance, privacy management, risk analytics, ESG reporting | AI, cloud, APIs, data lakes, real-time dashboards |

Systemic Challenges and Barriers to Adoption

Adoption and scaling of RegTech depend on a complex mix of stakeholder interests, capabilities, and limitations. Whether it is industry players, regulators, governments, consumers, or RegTech vendors, each group faces unique systemic challenges that impact their ability to adopt RegTech effectively. To build compliance systems that are genuinely inclusive, scalable, and sustainable, it is essential to understand these diverse perspectives and design solutions that work for everyone involved.

Systemic Challenges and Barriers to Adoption



Industry

- Legacy systems and fragmented tools make RegTech integration cumbersome.
- ROI is hard to measure, making long-term compliance automation a tough sell.
- Internal teams lack expertise in AI, blockchain, and data analytics.
- Compliance and legal teams resist changing from accustomed manual processes.
- Data formats vary across departments and regions, limiting standardization



Regulators

- Regulations often trail tech innovation, leading to uncertainty.
- Limited capacity to assess and certify RegTech tools for compliance.
- Regulatory interpretations vary across jurisdictions.
- Monitoring RegTech vendors and ensuring data integrity is challenging.
- Secure, interoperable platforms are needed for industry collaboration.



Government

- Bureaucratic delays and slow evolution delay support for digital compliance.
- RegTech innovation lacks funding and incentives.
- No unified standards for digital compliance across regions.
- Data sovereignty and cross-border sharing raise concerns.
- Public-private partnerships are key to building trust and driving innovation.



Consumers

- Users lack awareness of how RegTech protects their data and rights.
- Privacy, surveillance, and misuse of personal data raise concerns.
- Trust in AI-driven compliance and automated decisions is limited.
- Organizations lack transparency in RegTech tools usage.
- Compliance disclosures are hard to access or understand.



RegTech Vendors

- Long sales cycles and complex procurement slow adoption in regulated sectors.
- Hard to align product features with varied regulatory needs.
- Platforms must constantly adapt to changing laws and standards.
- Building trust with regulators and enterprise clients is challenging.
- Limited access to quality compliance data hampers AI training.

Figure 3: Systemic Challenges faced by each Group

Tech Mahindra's Vision for RegTech

Our vision for RegTech goes beyond simple compliance. We see it as the engine for building digital trust, advancing sustainability, and championing ethical governance. We are helping enterprises, regulators, and governments make the critical shift from reactive reporting to proactive, intelligent governance.

Convergence with ESG and Sustainability:

Tech Mahindra anticipates RegTech serving as the digital backbone for ESG compliance through platforms like iSustain and i.RiskMan helps clients comply with global frameworks, including the TCFD, TNFD, and SASB. Our goal is to incorporate ESG intelligence into every compliance process, making sustainability measurable, reportable, and auditable in real-time.

Global Harmonization and Interoperability:

We anticipate a future in which RegTech frameworks are interoperable, enabling smoother, more efficient cross-border compliance. We invest in open API architectures, data standardization, and regulatory sandboxes to support this global alignment. Our solutions are designed to adjust to various regional jurisdictions with agility and precision.

AI Governance and Explainability:

AI plays a crucial role in compliance automation. Therefore, Tech Mahindra prioritizes building reasonable, ethical AI within RegTech platforms. Our solutions support transparency in algorithms, detect biases, and comply with regulatory requirements, making AI-driven decisions auditable and accountable.

Compliance-as-a-Utility:

By 2030, compliance will be seamlessly embedded into our digital infrastructure. We have pioneered the delivery of **RegTech-as-a-Service**, empowering clients to integrate compliance capabilities directly into their core business platforms on demand.

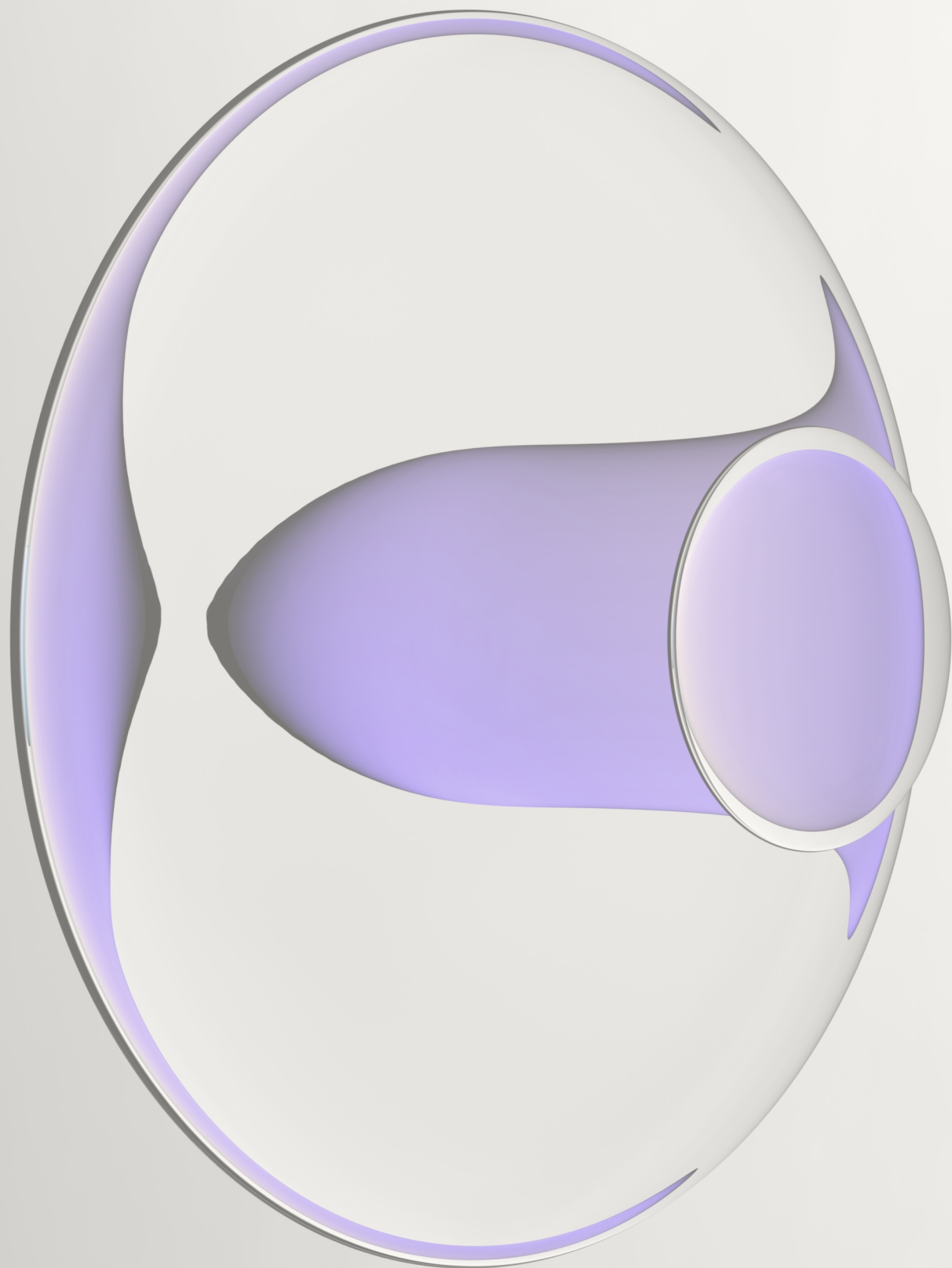
Trust, Transparency, and Digital Ethics:

Tech Mahindra aims to build trust worldwide through greater digital scrutiny. We will incorporate privacy-by-design, consent management, and real-time monitoring into our solutions to ensure transparency and ethical governance throughout the value chain into their core business platforms on demand.

Table 4 outlines various RegTech applications and our corresponding solutions across major industry sectors:

| Industry Sector | Compliance Areas | RegTech Applications | Tech Mahindra Solutions |
|---------------------------|---|--|---|
| Financial Services | AML, KYC, GDPR, ESG, PCI DSS | Transaction Monitoring, Risk Management, ESG Reporting | GRC Suite - Compliance Manager - Orchestrator |
| Healthcare | HIPAA, HITECH, GDPR, CMS-9115-F, CMS-0057-F | Data Privacy, Consent Management, Interoperability | - CMS Interoperability Compliance Suite - IRM and TPRM |
| Retail and Consumer Goods | CCPA, GDPR, ESG, Circular Economy | Product Traceability, Fraud Detection, Sustainability | - Digital Product Passport (DPP) - iSustain and iSustain.Nxt |
| Manufacturing | ITAR, EAR, ESG | Supply Chain Compliance, Circular Economy | - DPP - iSustain and iSustain.Nxt |
| Energy and Utilities | NERC, FERC, ESG | Environmental Reporting, Risk Analytics | - i.RiskMan - iSustain and iSustain.Nxt |
| Telecommunications | GDPR, FCC, Ofcom (UK) | Data Sovereignty, Switching Compliance | - One Touch Switch (OTS) - Compliance Manager - Orchestrator |
| Technology and Platforms | GDPR, CCPA, SOX, ESG | AI Governance, Privacy Management, Risk Analytics | - IRM and TPRM - Compliance Manager - Orchestrator |

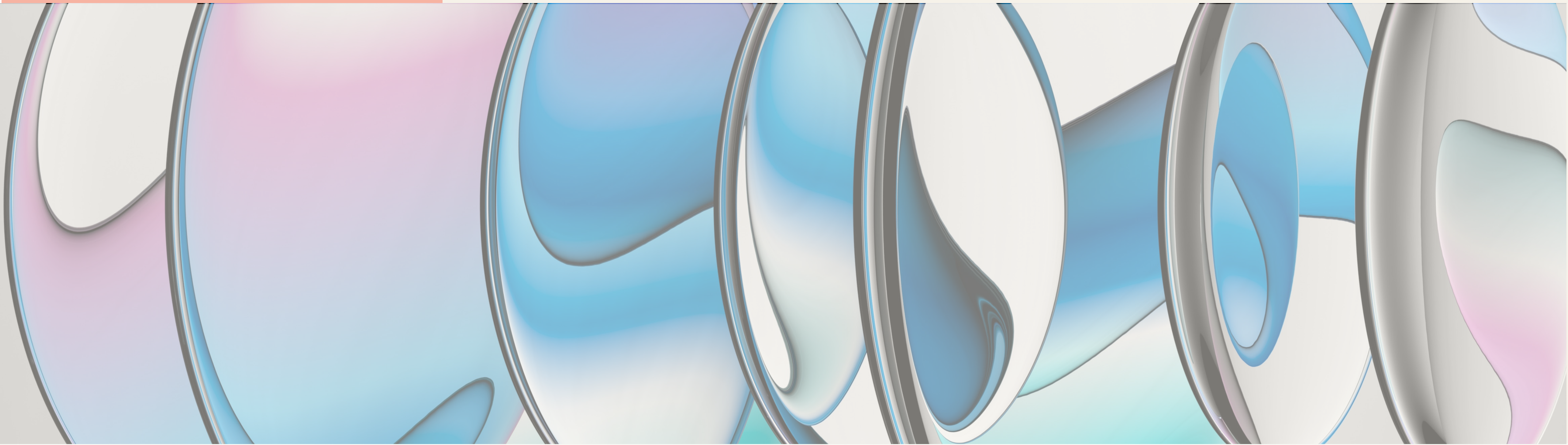
RegTech use cases and TechM solutions



| Solution | Brief Description |
|---------------------------------------|--|
| GRC Suite | Enables governance, risk, and compliance management through integrated analytics and controls. |
| Compliance Manager - Orchestrator | Automates cybersecurity and privacy compliance across global standards like GDPR, CCPA, and NIST. |
| CMS Interoperability Compliance Suite | Ensure compliance with CMS mandates for healthcare data exchange, including 9115-F and 0057-F. |
| IRM and TPRM | Manages enterprise-wide risk and third-party compliance with real-time monitoring and assessments. |
| Digital Product Passport (DPP) | Facilitates circular-economy compliance by tracking the product lifecycle and sustainability attributes. |
| iSustain | Supports ESG reporting aligned with global standards like GRI, SASB, and CDP. |
| iSustain.Nxt | Advanced ESG platform providing analytics, carbon accounting, and integration with the circular economy. |
| i.RiskMan | Provides climate and nature-related financial risk analytics aligned with TCFD and TNFD. |
| One Touch Switch (OTS) | Enables seamless broadband and landline switching in compliance with Telecom regulations. |

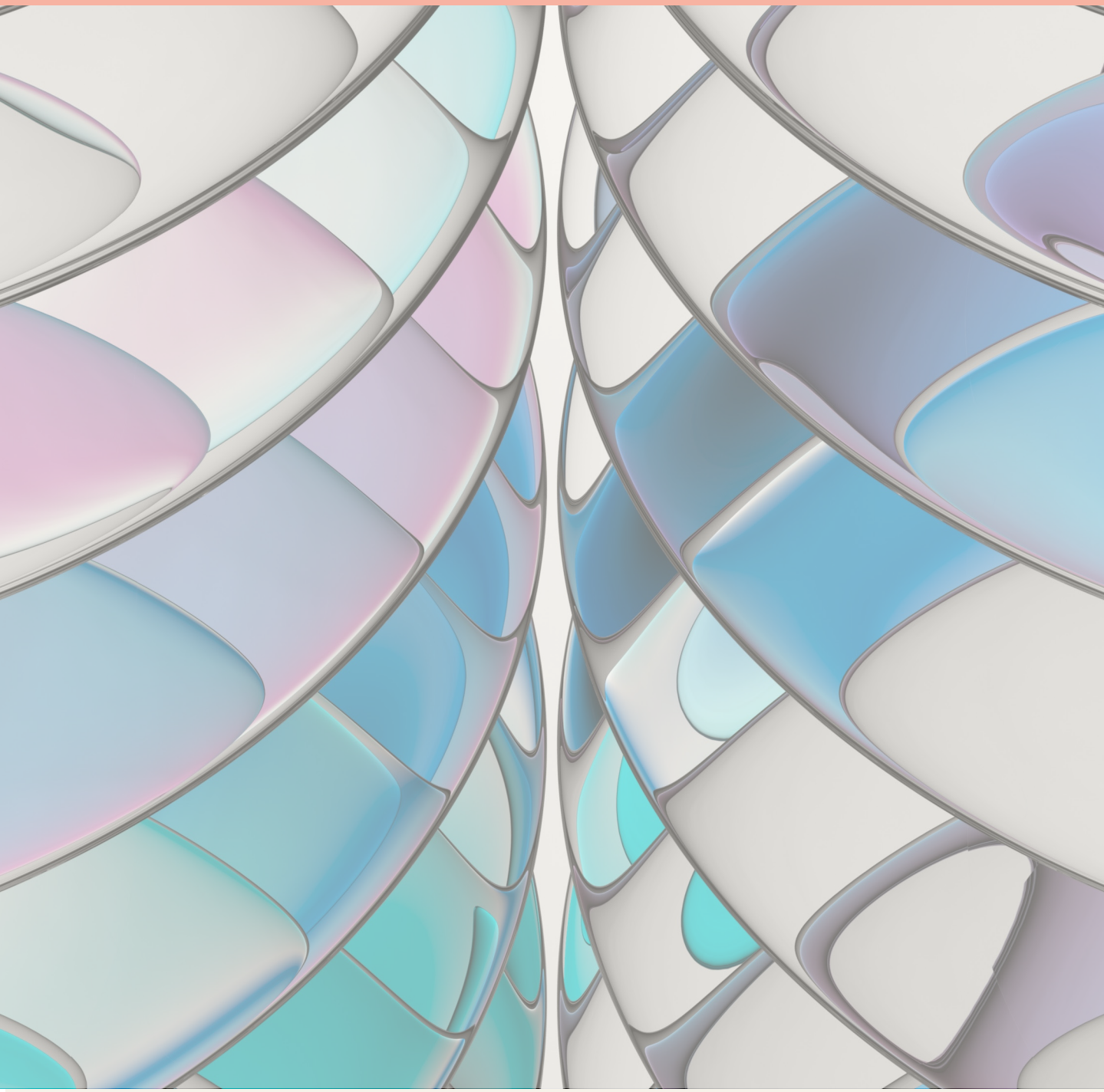
What Lies Ahead

RegTech is more than technology; it is a strategic shift toward more efficient, transparent, and intelligent governance. By adopting RegTech, organizations move beyond a defensive compliance posture to proactively build a more sustainable and trustworthy future. Tech Mahindra is at the forefront of this transformation, partnering with enterprises to help them navigate regulatory complexity, earn stakeholder trust, and lead with confidence.



Abbreviation

The following table presents an alphabetically arranged list of regulatory and compliance abbreviations referenced in this document.

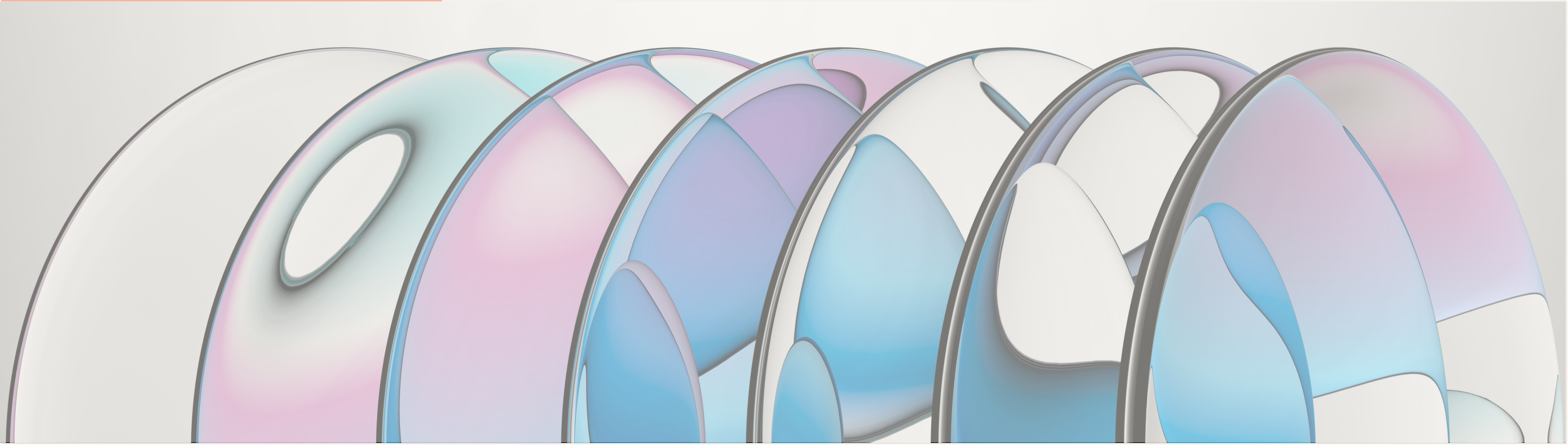


| Abbreviation | Full Form |
|--------------------|---|
| AML | Anti-Money Laundering |
| Basel III | Basel III Accord (International Regulatory Framework for Banks) |
| CCPA | California Consumer Privacy Act |
| EAR | Export Administration Regulations |
| ESG | Environmental, Social, and Governance |
| FCC | Federal Communications Commission |
| FDA 21 CFR Part 11 | Food and Drug Administration Title 21 Code of Federal Regulations Part 11 |
| FERC | Federal Energy Regulatory Commission |
| GDPR | General Data Protection Regulation |
| GRI | Global Reporting Initiative |
| HIPAA | Health Insurance Portability and Accountability Act |
| HITECH | Health Information Technology for Economic and Clinical Health Act |
| ISO 14001 | International Organization for Standardization - Environmental Management Systems |
| ISO 9001 | International Organization for Standardization - Quality Management Systems |
| ITAR | International Traffic in Arms Regulations |
| KYC | Know Your Customer |
| MiFID II | Markets in Financial Instruments Directive II |
| NERC | North American Electric Reliability Corporation |
| Ofcom | Office of Communications (UK) |
| PCI DSS | Payment Card Industry Data Security Standard |

Abbreviation

The following table presents an alphabetically arranged list of regulatory and compliance abbreviations referenced in this document.

| Abbreviation | Full Form |
|--------------|--|
| SASB | Sustainability Accounting Standards Board |
| SOX | Sarbanes-Oxley Act |
| TCFD | Task Force on Climate-related Financial Disclosures. |



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