



## Nasdaq's Annual Global Compliance Survey 2020: Accelerating Surveillance Technology Demand From Financial Firms During COVID-19

December 16, 2020

- *Investments in data quality and monitoring to take priority in 2021 after core infrastructure focus in 2020*

NEW YORK, Dec. 16, 2020 (GLOBE NEWSWIRE) -- Today [Nasdaq](#) (Nasdaq: NDAQ) launched its 6<sup>th</sup> annual [Global Compliance Survey](#) produced in collaboration with [Greenwich Associates](#). The survey gathers qualitative and quantitative feedback from more than 200 compliance professionals and executives in the financial industry worldwide, representing sell- and buy-side firms and market infrastructure organizations. Unique to the latest edition of the Global Compliance Survey, respondents cite external global factors as the primary driver of compliance process changes, surpassing regulatory scrutiny as the top driver of compliance process changes, a shift believed to be prompted by the current COVID-19-pandemic.

"Year on year, the findings of the annual Global Compliance Survey typically show regulatory hurdles being the major factor in compliance planning and practices – but this year is different," said Valerie Bannert-Thurner, Senior Vice President and Head of Buy-Side and Sell-Side Solutions, Market Technology at Nasdaq. "In our latest report, there is a notable increase in unplanned trade surveillance technology spending, as firms continue to adjust their processes and priorities to remain resilient, and to uphold the integrity of the financial markets during the global pandemic. The growing importance of compliance combined with the accelerating demand in surveillance technology signals that compliance will play a more pivotal role than ever in 2021."

"In late Q1 2020, volatile market conditions, combined with rapid process transformation during the shift to remote work, created the perfect storm of compliance challenges," said Danielle Tierney, Senior Advisor, Greenwich Associates. "We saw how infrastructure and technology weaknesses became exposed, leading to ad-hoc investments in surveillance coverage for many firms during 2020. While core infrastructure investments were in focus this year, many firms are looking to prioritize investments in data quality in the year ahead."

### Top four key takeaways for 2020:

- **The pandemic heightened challenges and shifted focus areas for compliance personnel**  
Financial firms had to adjust monitoring and alert coverage to adapt to the remote work transition during extreme market volatility. Market manipulation and alert management were cited as the two most important trade surveillance requirements for 63% and 54% of the respondents respectively.
- **Budget allocations shifted to core functionality**  
Approximately 30% of respondents reported budget increases in 2020 and expect this trend to continue in 2021. While vendor platform investments remained prioritized, budgets were re-directed to core technology functionality, and planned investments in innovation were put on hold. Meanwhile firms are shoring up internal expertise, with compliance personnel hiring expected to increase in 2021, with a focus on analyst-level professionals.
- **Reputation management continues to be a driver of regtech investment decisions**  
68% of respondents confirmed that reputation management is the most important mandate of compliance departments, while 67% of respondents have dedicated resources specifically to manage reputational risk. Understanding the impacts of regulations continue to be a key concern for 48% of respondents, a number that has remained effectively unchanged since the survey's inception.
- **The importance of compliance to firm operations continues to grow**  
74% of respondents in 2020 compared with 57% of the respondents in 2016 reported that their organization considers compliance standards highly important. Meanwhile 59% of respondents in 2020 compared with 40% of the respondents in 2016 report that compliance has a *seat at the table* in executive conversations about the firm's strategic direction, a number that has grown year over year.

To read the full report, click [here](#).

### About Nasdaq

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