

Regulatory Technology - A Legal Perspective

Paper available from

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3210962

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The Legal Perspective

- FCA and BoE are 'technology neutral'
- But keen to engage with market participant over technology
- Project Innovate and Fintech Hub

Regulatory Technology

DLT-inspired sharing of information

Smart contracts harvesting data

Transforming natural language into machine readable language into computer code

Machine learning for identifying risk

Regulatory Technology

- Digital Regulatory Reporting
- Machine Learning as a Risk Management Tool

Regtech as a 'game changer'

- Making compliance easy
- Making regulation nimble
- Making regulation more precise
- Personalising regulation
- More accurate and real time information
- Data-based analysis
- Standardisation and systemic risk
- Technological risk
- Role of technology providers

Quality Criteria

- Democratic legitimacy and regulatory accountability
- Fair, accessible and open procedures
- Expertise
- Efficiency
- Precision v Flexibility

Regulatory Perspectives

- Command regulation
- Self-regulatory models
- Meta-regulation
- Activity-based account of regulation

Conclusions

Operational challenges

Locating policy decisions

Limitations in data

Due process

Regulatory capture

Unintended consequences

Lessons for regulatory strategies

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