



## **RegTech Rising: Smarter Tools for a Complex Environment**

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### **Discussion Summary**

The rapid evolution of compliance technology was discussed, and the space has matured in recent years into an investable asset class that is attracting private equity funding and increased M&A activity. This marks a significant shift from a decade ago, when most compliance tools were regarded as ineffective and lacked meaningful adoption. The group examined how artificial intelligence is reshaping expectations of what constitutes a “smart” solution, emphasizing that modern tools must not only automate discrete tasks but also adapt to ongoing technological cycles, anticipate regulatory trends, and provide insight into emerging legal requirements across states in the absence of national standards.

Participants highlighted the growing importance of assessing the motivations behind proposed legislation before investing in new technologies, particularly in light of rapidly expanding state-level AI regulation, politically driven policy shifts, and uncertainty surrounding national consensus. They also raised questions about fiduciary responsibility, liability when automated tools make significant errors, and the challenge of promoting AI adoption when public and regulatory views remain fragmented. The discussion concluded with recognition that greater standardization, clearer interpretive alignment, and more proactive regulatory guidance would materially improve the development and governance of smart compliance technologies.

### **Key Takeaways**

- Compliance technology has rapidly matured into a meaningful investment category, driven by advances in artificial intelligence and increased expectations that tools provide adaptive, anticipatory, and analytically sophisticated support.
- The absence of national regulatory standards and the proliferation of divergent state-level approaches create substantial uncertainty for compliance teams, which underscores the need to understand legislative intent and regulatory motivation before deploying new technologies.
- Broader standardization, clearer regulatory interpretation, and more proactive policy frameworks would enhance the effectiveness, reliability, and responsible growth of smart compliance solutions.