

Regulatory reporting technology and architecture – consolidated financial and regulatory data approach



The better the question. The better the answer. The better the world works.



Shape the future
with confidence

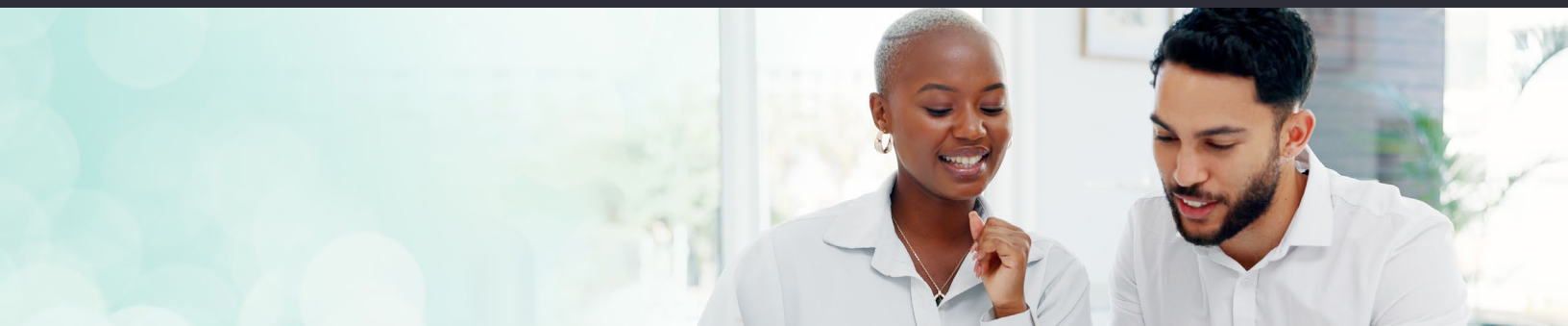
Executive summary

In recent years, financial organizations have been focused on enhancing their financial data and technology infrastructures with particular emphasis on optimizing finance data sourcing, data enrichment and regulatory reporting processes.

By streamlining finance data collection, validation and reporting workflows, banks aim not only to comply with regulatory demands but also to gain strategic insights from their data. These technological advancements have the added benefit of freeing up valuable resources, allowing financial institutions to allocate more effort toward innovation and customer-centric initiatives.

In addition, the trend toward better regulatory reporting data governance and quality is expected to continue as banks strive to meet the evolving demands of regulators and to maintain their competitive edge in a dynamic financial landscape.

This brief provides a view on an approach observed in the industry to integrate and standardize regulatory reporting data. This approach of consolidating financial and regulatory data is supporting organizations in addressing challenges related to regulatory reporting processes.



What are the key challenges faced by financial institutions while managing evolving data needs for regulatory reporting?

Historically, financial organizations have shown reliance on multiple data sources that lack in quality and completeness to provide detailed reports to regulators. This dependence poses challenges in data accuracy, efficiency and maintaining compliance with ever-evolving regulations.

Other challenges include managing time constraints (which often results in the introduction of manual processes) and establishing efficient governance to confirm accountability and transparency throughout end-to-end regulatory data processing.

Based on our 2023 Regulatory Reporting Target Operating Model Survey¹

51%

of firms indicated that they are planning for technology enhancements related to data.

63%

of firms indicated that they do not have a governance and controls framework around report accuracy and completeness.

- The results of the survey also indicated that more time is spent on **data lineage and quality** activities to comply with regulatory expectations.
- Although firms reported highly automated or partially automated reporting processes, time spent on performing **manual adjustments and relying on manual processes** is significantly high.

Given the prevailing market challenges, some organizations are adopting a common approach, the **consolidated financial and regulatory data approach**, that has the potential to support enhanced regulatory technology and data objectives.

¹ EY 2023 Regulatory Reporting Survey Report | EY - US.

*The consolidated financial and regulatory data approach provides a holistic “**view of the world**” to meet the challenges posed by regulatory pressures and aims to answer the following key questions:*

1

What is the approach to consolidating financial and regulatory data?

2

What considerations should be taken into account when implementing a consolidated financial and regulatory data approach?

3

How does a consolidated financial and regulatory data approach provide tangible benefits to financial organizations?

What is the approach to consolidating financial and regulatory data?

The **consolidated financial and regulatory data approach** provides a comprehensive view of the finance and regulatory function by serving as a **single source of truth** for all finance- and regulatory-related activities. It consolidates and structures data from various disparate data sources across multiple lines of business and operations.

The data set is reconciled and enhanced through the consistent application of governance and controls for use by downstream finance and regulatory consumers.

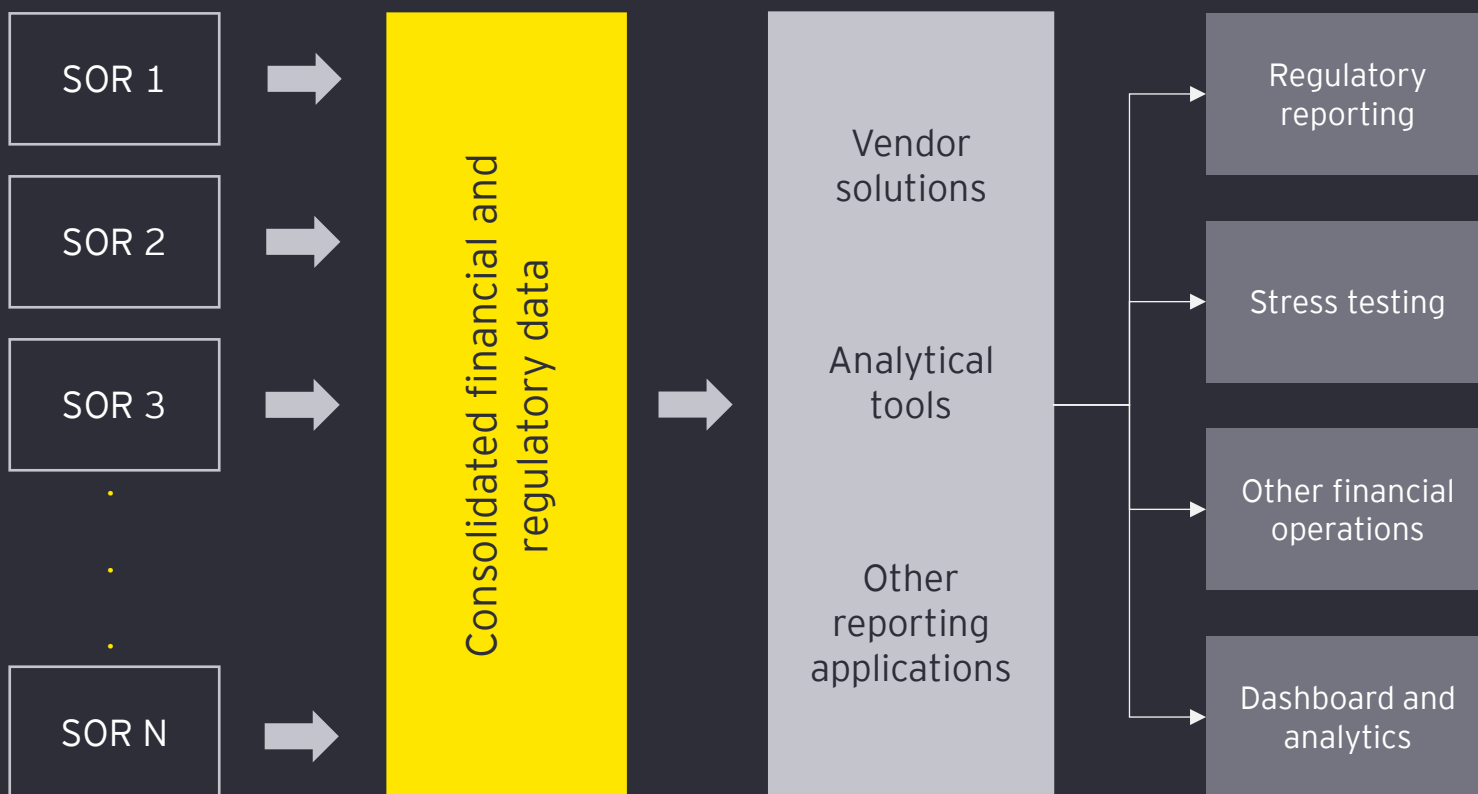
This approach facilitates seamless integration with various data sources and downstream applications required for regulatory reporting needs. It is designed to be scalable to accommodate current and future regulatory data and reporting needs.



Considerations and outcomes for implementing a consolidated financial and regulatory data approach

1. How to streamline data from disparate data sources

Considerations	<ul style="list-style-type: none">▪ Source data from all the serving data systems and enabling key data elements required for various use cases.▪ Identify source systems to facilitate multiple use cases.▪ Define the enterprise data hierarchy, look up and reference table and standardized data definitions for the key data attributes.
Outcome	A unified and single source of truth that helps solve for inconsistencies across source systems and standardizing data, delivering consistency, accuracy and accessibility across all regulatory reporting needs



Data lineage, controls and governance

Considerations and outcomes for implementing a consolidated financial and regulatory data approach

2. How to establish controls and a governance framework to gain confidence in data

Considerations	<ul style="list-style-type: none">▪ Establish centralized data policies, standards and measures and enforce accountability to the enterprise data function and operations group.▪ Implement effective data governance policies and a framework, clearly defining the roles and responsibilities for different data creation and usage types, and establish clear lines of accountability.▪ Develop leading practices for effective data management, quality and integrity, accountability and ownership of data.▪ Develop data policies outlining guidelines for data collection, standardized data formats and structures, naming conventions to promote consistency and accountability.▪ Verify that the data governance framework is embedded directly in daily data workflows so that everyone has access to accurate, relevant and high-quality data.
Outcome	A data governance framework with clarity on roles and responsibilities, data quality standards, and data maintenance and change management processes

3. How to verify that lines of business (LOBs) are confident with the data prior to attestation

Considerations	<ul style="list-style-type: none">▪ Implement data processing transparency and control reconciliation checkpoints to provide LOBs with the ability to attest as to completeness and accuracy.▪ Utilize data profiling techniques to identify any data quality issues and anomalies.▪ Monitor regulatory compliance.▪ Document the data used during the attestation process to maintain transparency and traceability throughout the data lifecycle.
Outcome	Centralized finance data with robust data governance and data quality framework, enhanced transparency and traceability leading to greater confidence in data integrity and accuracy

Considerations and outcomes for implementing a consolidated financial and regulatory data approach

4. How to maintain data integrity and transparency across all regulatory reporting data needs

Considerations	<ul style="list-style-type: none">▪ Implement data validation checks at data entry, data quality controls, error-handling mechanisms and audit trails.▪ Utilize data validation checks to verify accuracy and consistency of data and adherence to predefined rules and formats.▪ Execute data verification and reconciliation checks involving comparison of data against trusted sources to confirm data remains unchanged during storage and transmission.▪ Maintain an audit trail and logs capturing a record of data access, modifications and user activities, verifying accountability of data and implementation of error-handling mechanisms in response to data integrity issues to enable LOB stakeholders to attest to their completeness and accuracy.
Outcome	Elimination of data silos and enhanced data consistency and integrity across the organization

5. How to manage scalability and performance demands

Considerations	<ul style="list-style-type: none">▪ Consider a data architectural foundation that lays the groundwork for effectively collecting, managing, storing, organizing and leveraging enterprise data for seamless integration of data from various sources.▪ Determine if the foundation can handle the increasing volume, velocity and variety of data coming in while also verifying its quality, consistency and accessibility to support immediate operational needs and future strategic initiatives without performance being affected.▪ Ask the question: Is it flexible enough to support new schemas and structures?▪ Consider key factors, including infrastructure design, elasticity, horizontal scaling and distributed processing.
Outcome	A scalable and flexible data architecture that supports current and future needs

Considerations and outcomes for implementing a consolidated financial and regulatory data approach

6. How to connect to and access data for various organizational needs

Considerations	<ul style="list-style-type: none">Implement a design to facilitate the organizational requirement to ingest multiple data structures, supporting finance, regulatory, forecasting, stress testing and other analytical needs.
Outcome	Ease of integration to add additional data sources and downstream applications to facilitate various needs, including regulatory reporting, stress testing, dashboards and management analytics

Benefits derived from implementing a consolidated financial and regulatory data approach

A consolidated financial and regulatory data approach can help firms take a sustainable approach to address upcoming and long-term regulatory challenges.

Provides a consumption point for which various users (financial planning and analysis, regulatory, liquidity, etc.) can consume a **consistent** data set for various purposes

Scales to accommodate incremental reporting and data needs

Offers ease of integration with additional data sources and downstream applications

Provides assurance for the **completeness, accuracy, timeliness and validity** of regulatory data through elimination of data silos and centralized data controls and governance

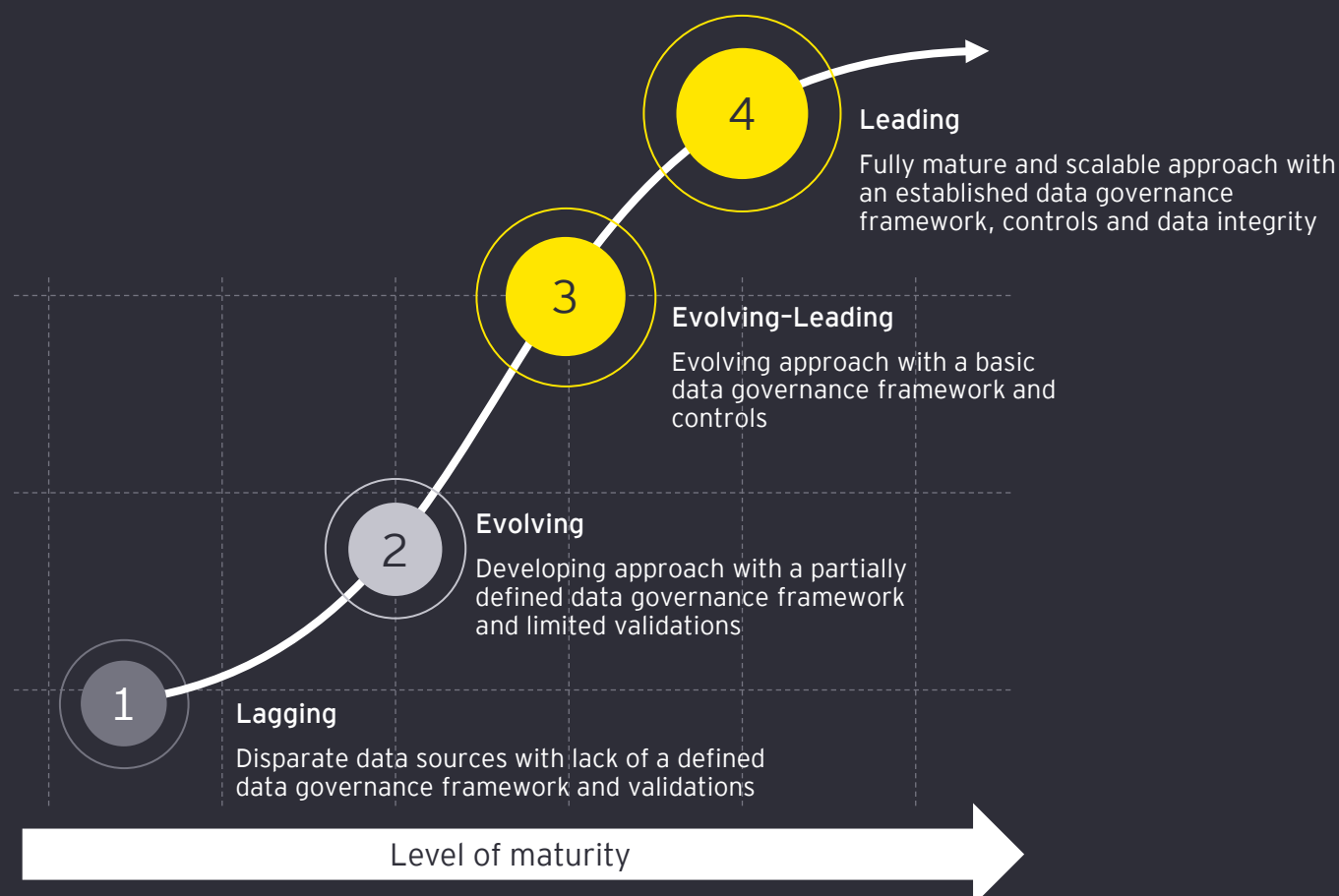
Centralizes the regulatory reporting function and operations and enables adherence to a common set of policies, standards, data sourcing and governance

Conclusion

As firms look for ways to enhance their regulatory reporting automation strategies, the ability of the consolidated financial and regulatory data approach to establish a single source of high-quality data that supports compliance with any number of regulatory requirements while also enabling better business performance can be a key driver of strategic change for financial organizations.

In recent years, financial institutions have strategically embraced centralized data repositories. This transition has been driven by specific use cases, addressing critical industry needs. Shown below are the maturity levels across firms as they adapt to this transformative trend.

Adoption of consolidated financial and regulatory data approach by financial organizations: maturity level



Key Ernst & Young LLP contacts



Alberto Rosello

Managing Director
alberto.rosello@ey.com
+1 212 773 7714



Vadim Tovshteyn

Principal
vadim.tovshteyn@ey.com
+1 212 773 3801



Matthew Sandlin

Senior Manager
matthew.sandlin@ey.com
+1 212 773 9461



Christine Burke

Partner
christine.burke@ey.com
+1 212 773 5607



Fatima Deme

Senior Manager
fatima.deme@ey.com
+1 212 773 3453

Global regulatory reporting technology contacts



Article contributors: Vandana PrasannaKumar, Ketakee Sonawane

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2025 Ernst & Young LLP.
All Rights Reserved.

US SCORE no. 26911-251US
2504-11542-CS
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com