

Regulatory Compliance Driving Data Management for Some Companies

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You would think Big Data would be important to any financial services firm, but it turns out, data integration and management are more pressing problems, particularly for buy-side companies, according to a [recent FierceFinanceIT article](#).

Buy-side companies typically sell investment services such as private life insurance, hedge funds, equity funds, pension funds and mutual funds. Sell-side companies are registered members of the stock exchange and handle direct investments, often for the buy-side companies.

The article quotes executives from [DataArt](#), which builds custom software solutions for financial services and other industries. DataArt executives say only a few buy-side companies are dabbling in Big Data as a way to learn more from social media data. Instead, the real focus for asset managers and midsize firms is preparing data for compliance reports.

Recent regulations such as Basel 3 and the U.S. Foreign Account Tax Compliance Act require that companies back up their compliance reports with “auditable data management processes,” the article notes. That’s an issue for many companies, who have traditionally gathered data manually — that’s right, *gathered* the data manually. In other words, we’re not even talking about companies that used custom integration — but instead used manual integration.

Obviously, that’s a problem when you have to perform audits, but you have to think it might not be the best way to run someone’s pension, either.

“The biggest challenge is not the reporting itself,” Oleg Komissarov, senior vice president with DataArt, told FierceFinanceIT. “The bigger challenge is the data gathering and aggregation.”

Now that’s just sad.

The good news, at least from an IT and common decency perspective, is that these [compliance measures](#) are giving some firms the push they need to build a data aggregation layer. It has also led to more [chief data officer appointments](#), with or without that particular title.