Deploying AI in regulatory licence application processing

Financial institutions and regulated businesses have been accelerating technology adoption to improve compliance outcomes, speed up processing and reduce costs. However, they're not the only ones making the big tech moves. Regulators themselves are also actively exploring innovative solutions to transform how they engage with their community. Here at Nexus, we had the privilege of co-creating one such solution with a leading global market regulator in the Middle East.

Through AI-powered automation, our client was able to streamline the processing of regulatory licence applications for a category of financial services, achieving real-time servicing and control right at the point of interaction. This demonstrated the deep potential for regulators to use emerging technologies to strengthen engagement with the global community and facilitate the quick entry of new players to support industry growth.

Current challenges

- **Manual processing**: Due to the amount of information required, it is common for submissions to have missing information, invalid inputs or areas where risk considerations may not be addressed adequately. This results in much back-and-forth between the regulator and the applicant. Once completed, the information in the application forms has to be extracted and transferred to internal workflows for further processing, such as creating an assessment report. The whole process is very manual, and can result in long turnaround times and high costs.

- **Burden on External Advisor**: Applicants typically work closely with external advisors to manage the application process and prepare the required documentation. This step is also very manual, adding to the complexity and inefficiency of the overall process.

- **Enquiry handling**: On top of this, officers also have to handle questions from the public on the licencing process. Although 80% of these general enquiries are straightforward and can be answered through simple FAQs, officers need to manually allocate tasks, read, find and extract the relevant information residing in different data repositories and reply to each question one by one via email. This results in a disproportionate amount of time and effort spent attending to these manual tasks.
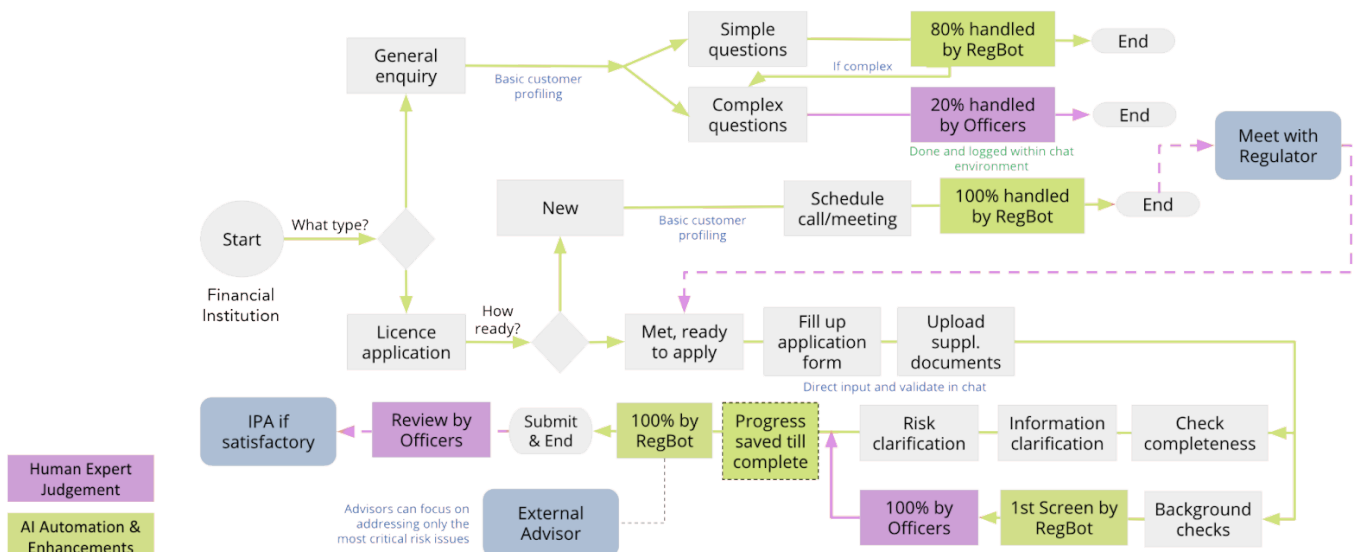
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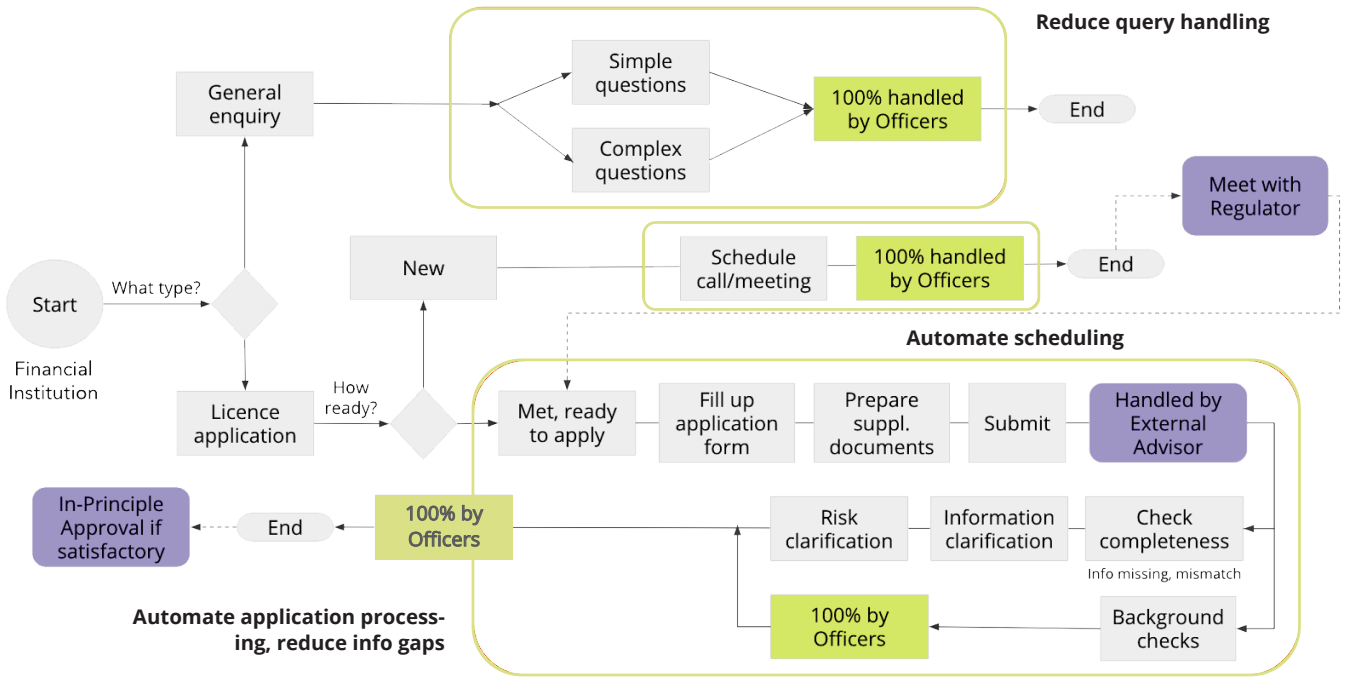
Manual scheduling: As a prerequisite, interested applicants are required to meet with the regulator to assess their eligibility before applying. This manual task again takes additional time & attention away from the officers' work.

Our solution

To-Be Process

How Nexus FrontierTech can help

> ❝ Nexus FrontierTech proposed to solve these pain points through an AI-powered Regulator Chatbot ("RegBot"). ❞

Combining the benefits of a chatbot interface enhanced with document processing capabilities, Nexus' AI RegBot assists regulators in handling public enquiries, scheduling meetings and guiding applicants on how to fill up and submit lengthy application forms. By providing real-time feedback and validation checks at the point of submission, the likelihood of information and risk gaps is reduced, in turn cutting down turnaround times and creating a smoother user experience.

Officers are notified of completed submissions and conveniently presented with the required information extracted and compiled automatically from the licence application forms and documentation, for their assessment. By automating the simple, manual tasks, officers can now spend more time where it matters: making decisions and dealing with exceptions.

Through Nexus' AI automation solutions, both regulators and financial institutions stand to benefit from a faster and more cost-efficient licence application process.