



Nomura automates and scales compliance exception management process

Nomura Americas is part of the Nomura Group, an Asian-based financial services organization with an integrated global network that spans more than 30 countries. Founded in 1925, the firm provides retail, wholesale, and asset management services to individuals, institutions, corporations, and governments. With more than 28,000 employees worldwide (2,200 in the Americas), Nomura is one of the world's premier financial institutions.

For Nomura, compliance is a top priority and lies at the core of its code of ethics. As with other financial institutions, Nomura also faces a stringent regulatory environment, making an overriding focus on compliance even more crucial.

Dramatically expanded regulatory requirements

These regulations continue to tighten. Previously, Nomura Americas only had to track major material exceptions for one of its regulators. However, due to regulatory changes, they now have to track every exception and provide evidence that they have remediated the issue. Groups responsible for tracking exceptions span across the organization—including swap trading, operations, settlements, operational control, risk management, finance, IT, business continuity, and more.

Automation increases capacity and lowers risk

To respond to these expanded regulatory requirements, Nomura Americas took a new approach. Before, they could manage major exceptions manually, but now that the scope was expanded to include all exceptions, they needed a scalable solution.

Automation was the obvious choice for Nomura Americas. Their overriding goal was to protect the company, its customers, and its shareholders from risk. By automating their compliance exception management process, they could manage the process more effectively and provide end-to-end traceability.

NOMURA

Highlights

Financial services firm Nomura its automated compliance processes, the firm is giving the business the tools to increase agility, reduce risk, and stay compliant with regulatory changes, including the NFA (National Futures Association) procedure

Headquarters

Tokyo, Japan

Geographies

Global

Business

Financial services

Initially, Nomura Americas considered building a custom compliance exception application. However, as they investigated further, they realized they could use ServiceNow, which was already their ITSM platform. Many of the requirements were the same—for example, configurable forms and workflows, approvals, reports, and dashboards.

According to Namit Saksena, Vice President and Head of IT Compliance development at Nomura Americas, “We were looking at tight timelines, so it made sense to leverage our ServiceNow investment. We could build and launch a complete app in three months instead of 12. And, we could take an iterative approach, since we were configuring the application rather than writing code. It was easy to make changes as we got feedback from end users.”

Managing the entire compliance exception lifecycle

Now, Nomura Americas captures its compliance exceptions in ServiceNow. Each exception is prioritized, tied back to the corresponding regulation, and assigned to the right owner. Owners can create complete remediation plans within the application, assigning and tracking individual actions.

Once remediation is complete, they can also create and execute a test plan if needed, confirming that remediation has been performed successfully.

Throughout the process, the application notifies key stakeholders and obtains appropriate approvals. It also maintains a complete historical record of exceptions and remediation activities, providing comprehensive reliable evidence for regulators.

Future plans

Nomura is already expanding their ServiceNow compliance solution. For example, they now create CCO Report Appendix A submissions for the Commodity Futures Trading Commission (CFTC), using the exception data already in the platform. And, they are starting to extend the solution into other regions, for instance, they are about to launch risk assessment capabilities for Europe, Middle East, and Africa (EMEA).

Helena Odendaal Uys, Vice President, Head of IT Compliance Programs at Nomura Americas, says that, “We see enormous potential for compliance process automation. By automating well-designed, repeatable compliance processes, we’re giving our business the tools it needs to enhance controls and respond more efficiently to regulatory requirements.”



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– Helena Odendaal Uys, Vice President, Head of IT Compliance Programs, Nomura

Challenges

As an Asia-headquartered global investment bank with an integrated network spanning over 30 countries, Nomura faced a dramatically expanded regulatory environment that made compliance with requirements crucial to their success.

Solutions

ServiceNow® IT Service Management

Results

- Automation of the compliance exception management process, allowing for more effective management and providing end-to-end traceability
- Ability to capture compliance exceptions and prioritized each and tie them back to the corresponding regulations, and assign to the right owners
- Creation and execution of test plans to confirm that remediation has been performed successfully
- Construction of a complete historical record of exceptions and remediation activities, providing comprehensive reliable evidence for regulators

