Survey

» Compliance & AI «

How do AI technologies influence compliance?

Introduction

Artificial intelligence technologies such as chat bots, voice assistants or online translators became an integral part of our daily lives even before the advent of ChatGPT in late 2022. And for certain, artificial intelligence will become more and more popular. Even now, it is not possible to foresee where the development of AI will go.

In the compliance area, this new technology is both a challenge and an opportunity. Nowadays there is no compliance conference that does not focus on AI and indeed, this shows how important the topic already is and will be in the near future.

Therefore, we were interested in learning whether compliance professionals are using AI-based tools and, if yes, the impact they are having on Compliance Officers' daily tasks as well as whether they are incorporating the technology into their daily workloads. Another focus of this survey was to ask about the perspective of compliance professionals on recent developments in AI, how these technologies might be helpful and where they see the dangers.

On the one hand, AI technologies help to master the growing demands of working life and save a lot of time. Drafting emails, summarising laws and supporting with training materials are some of the tasks that the surveyed compliance professionals are already allocating to these tools.

On the other hand, it brings new risks such as GDPR violations as well as the possibility of politically or racially biased decisions of AI. The main reasons why the majority of the surveyed participants do not utilise these tools for their compliance work are reservations in terms of data protection in addition to data privacy aspects.

Undoubtedly, compliance managers cannot avoid dealing with AI solutions. With the EU AI Act at the latest, this topic will become mandatory for all European companies. And what does the future hold for the profession of compliance officer when it comes to AI? Is there a real danger that AI will replace compliance officers? A 64% majority of compliance professionals state that this will not be the case...

General overview on this survey

Survey period: May – June 2023

Participants from Europe

Number of participants in total: 243

Roles: Compliance responsibles

How do AI technologies influence compliance?

67% of the surveyed compliance professionals already tried out in general (not necessarily work related) AI-based tools

67%

The most used AI-based tools so far:

Bing AI tool

Bard

DeepL translation

Huggingface   Midjourney   Chat Bots

Chatpdf

Picsart

ChatGPT

Dall-e

Translators   Mymind   Perplexity   My AI (Snapchat)

Leonardo AI   Wall-E   MS Pilot

Compliance professionals are using AI based tools already for:

Setting up policies and building recommendations to strengthen internal controls

Summaries of law texts

Research on reputational issues of global conglomerates etc.

Drafting emails, summaries, contracts and essays

E-learning

Checking latest trends

Generating training material

Queries on Compliance Checklists

Audits and drafting audit reports

Identifying differences between updated regulatory guidances

Updating newsletters

Verifying risk & control assessments

Improving text quality

New products and services opportunities based on AI technologies

55% of the surveyed compliance professionals said that the use of AI-based tools does not have an impact on their work as a Compliance Officer.
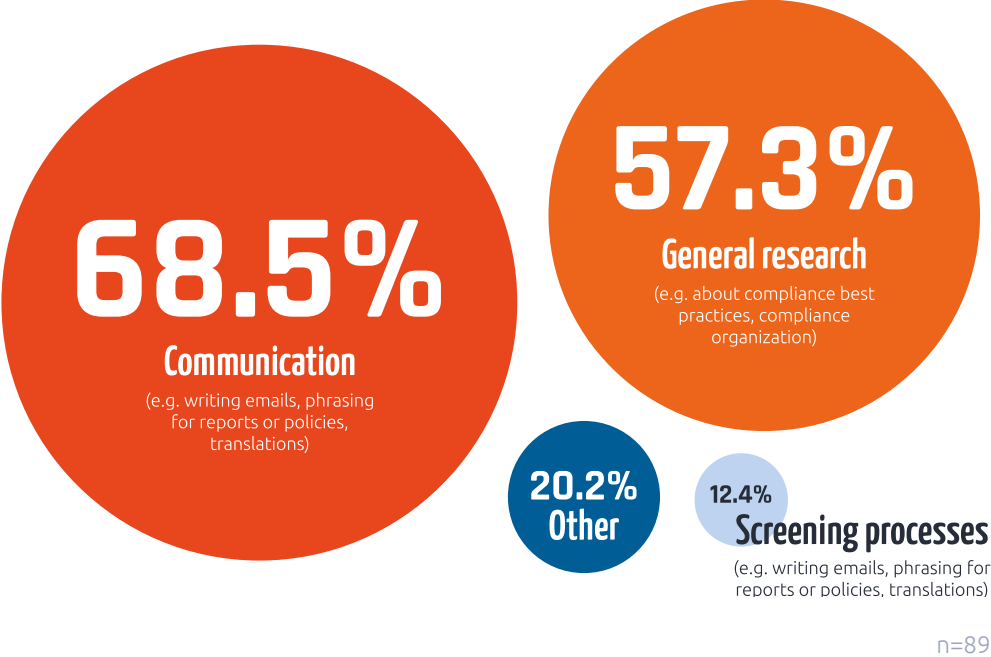
n=55

For **45%** the use of AI-based tools had the following impacts on their daily work:
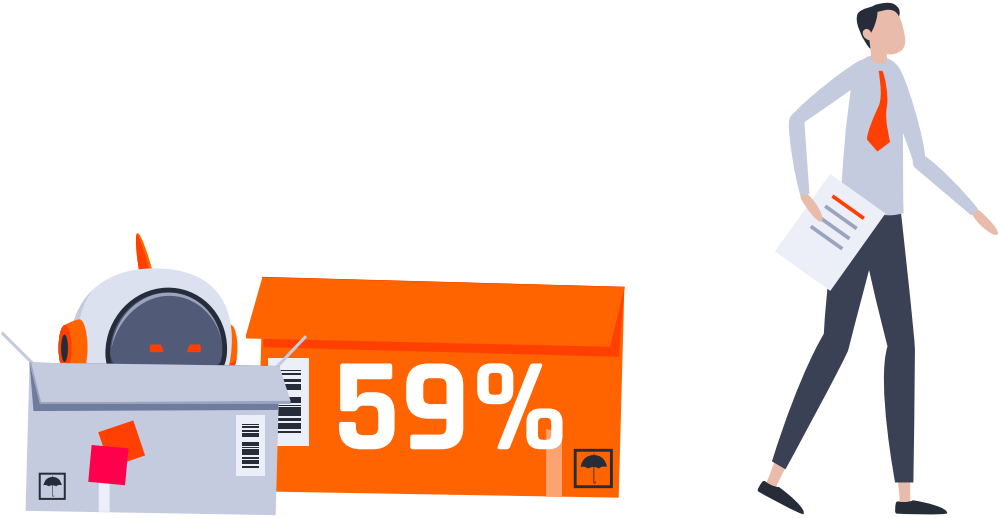
n=45

- New policies
- Faster response time
- Reducing standard workload
- Writing guidelines on how to use the tool properly
- Saving time by analysis of great amounts of due diligence data
- Analysis of the risks, issuance of recommendations and communication of it
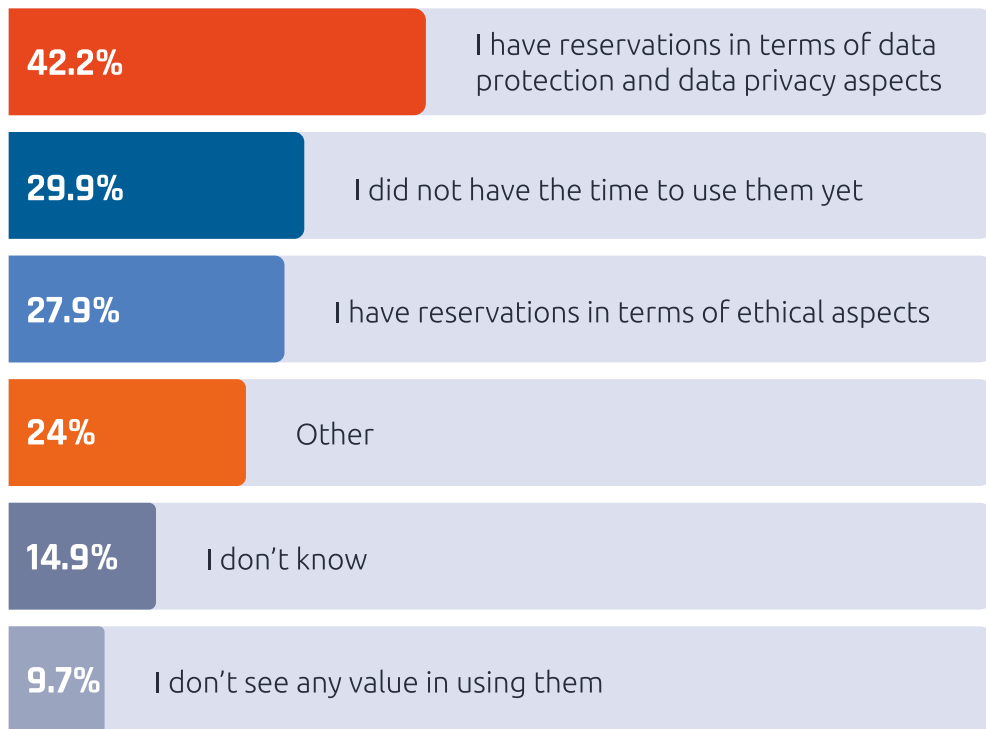- Creating awareness for compliance boundaries
- New expertise in this field

37% of the surveyed compliance professionals have already used AI-based tools in a professional context (e.g. compliance work):
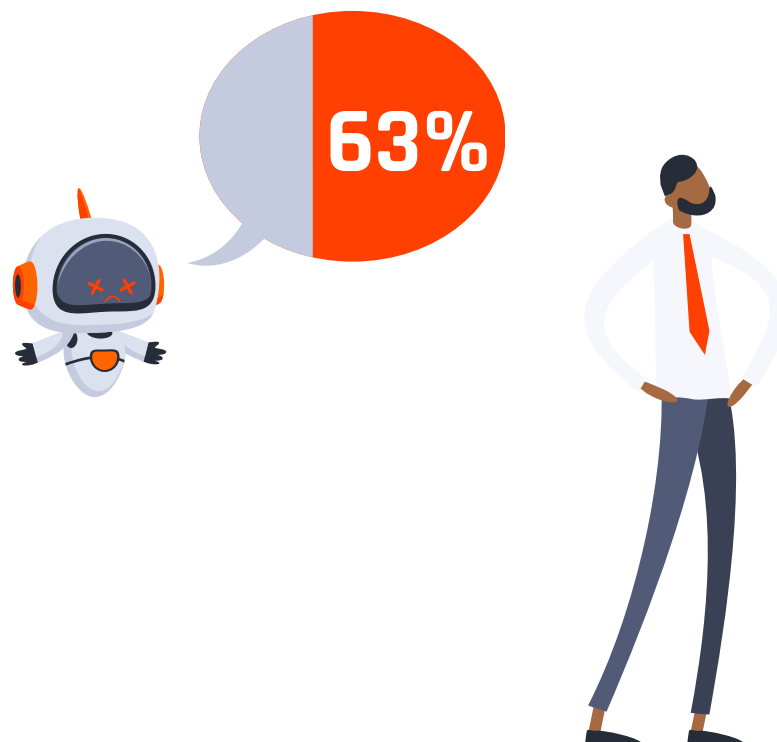
68.5%
Communication
(e.g. writing emails, phrasing for reports or policies, translations)

57.3%
General research
(e.g. about compliance best practices, compliance organization)

20.2%
Other

12.4%
Screening processes
(e.g. writing emails, phrasing for reports or policies, translations)

n=89

59% of the participants stated that their company hadn't yet tried out AI-based tools.

59%

63% of the surveyed compliance professionals haven't used AI-based tools (e.g. ChatGPT, DeepL, etc.) in a professional context already (e.g. in compliance work) for these reasons:
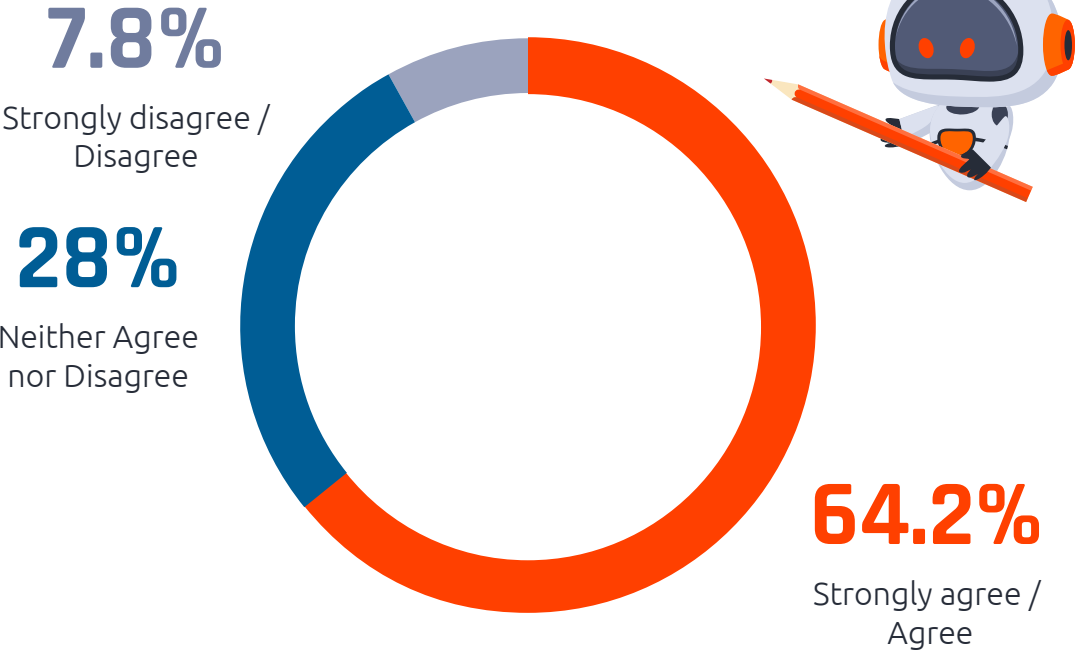
42.2%	I have reservations in terms of data protection and data privacy aspects
29.9%	I did not have the time to use them yet
27.9%	I have reservations in terms of ethical aspects
24%	Other
14.9%	I don't know
9.7%	I don't see any value in using them

n=154

63%

It will be important for compliance professionals to stay up to date about the recent AI technology and its implications.

2.4%

Strongly disagree / Disagree

6.2%

Neither Agree nor Disagree

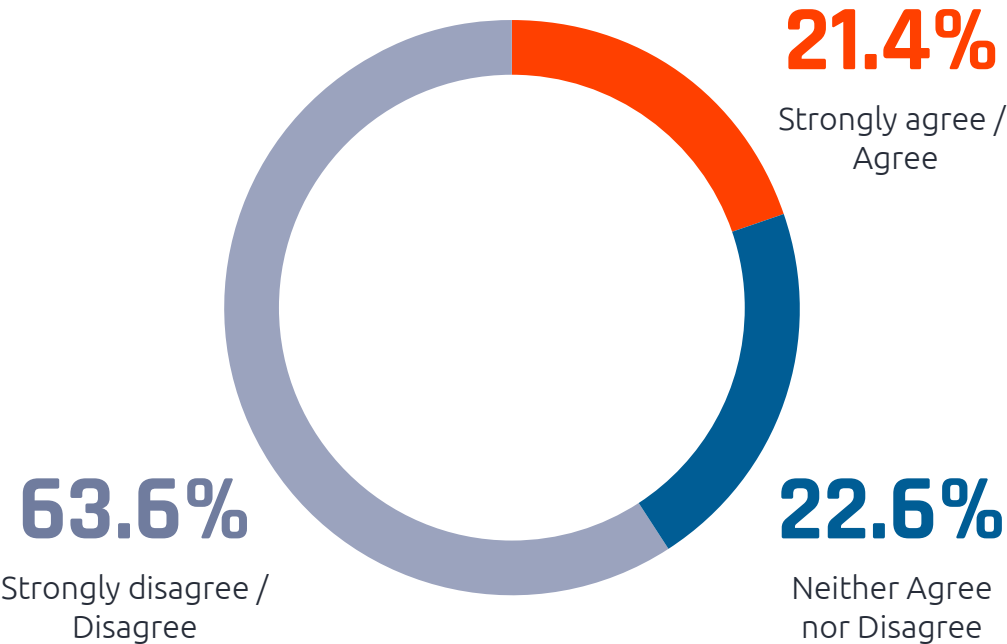**91.3%**

Strongly agree / Agree
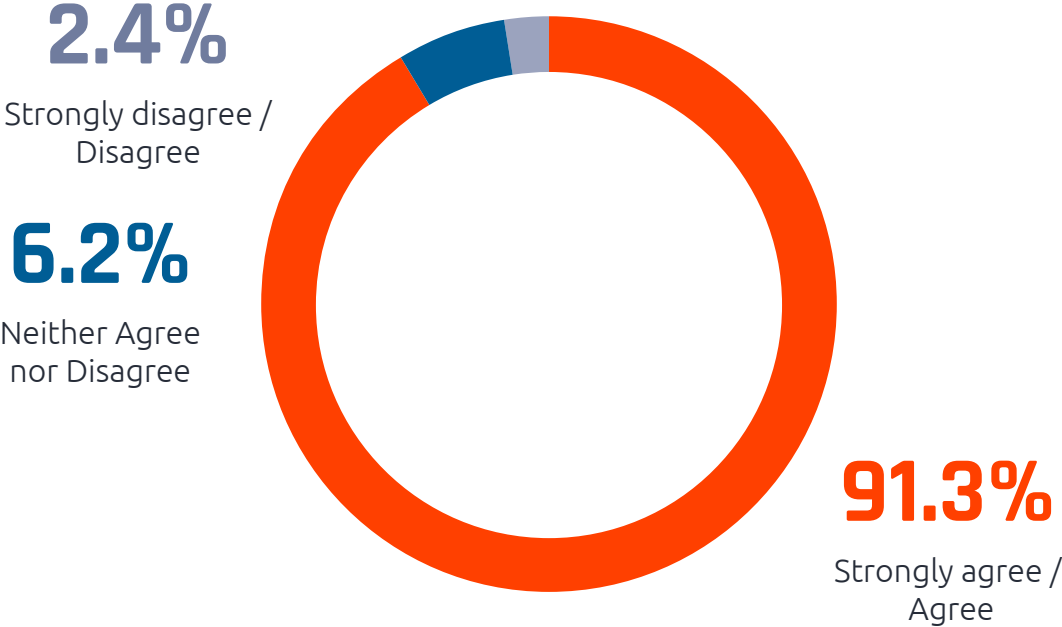
The compliance function will need to take care of establishing guidance and policies in our organization regarding the use of AI in a business context and make sure that ethical aspects are considered.

3.3%

Strongly disagree / Disagree

5.8%

Neither Agree nor Disagree

91%

Strongly agree / Agree
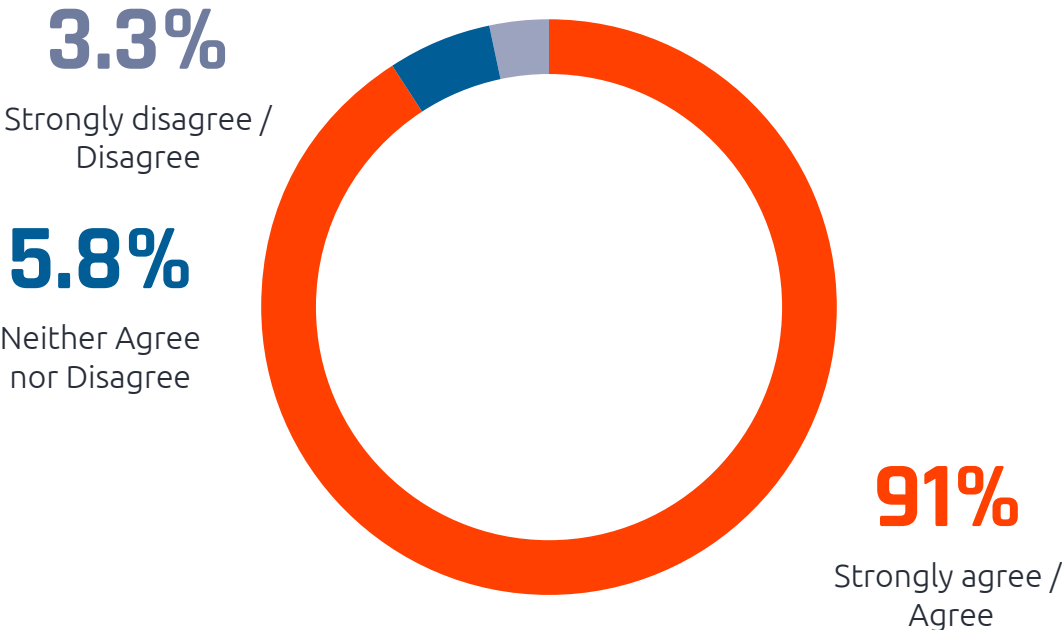
The currently evolving AI technology will significantly change the compliance professionals' daily job.

7.8%
Strongly disagree / Disagree

28%
Neither Agree nor Disagree

64.2%
Strongly agree / Agree

There is a risk of AI replacing compliance & ethics professionals in the future.

21.4%
Strongly agree / Agree

22.6%
Neither Agree nor Disagree

63.6%
Strongly disagree / Disagree

What do you expect will be the most significant changes that AI brings to the compliance & ethics function?

Efficiency & speed

Make risk assessments and evaluation faster

Quicker access to new compliance information (regulations etc.)

Support and save time

Support for whistleblower investigations

Reduced workload for compliance professionals

Less bureaucracy

Help brainstorming solutions

Drafting of policies and processes

Monitoring of trends, legislation and risks

Ethical and critical Awareness

We have to be more critical when information is given to us

Learning to be critical of what you see and hear. Fakenews/Deepfakes will only grow

Understand the ethical issues related to AI

Higher compliance awareness

Transparency & fairness

Optimization

Enhance monitoring capabilities

More effective monitoring and prevention mechanisms

Detection of violations in an automated manner

Better communication of the policies

Productivity in repetitive tasks with little added value

More automation & digitization

Prediction models

Useful tool for due diligence and to do benchmarks of policies implemented by other companies.

Rise of data quantity and quality

Data gathering

New working environment

Less qualified jobs disappear

Systemic monitoring without human intervention

Less people dependency for particular tasks

The audit works will be eliminated

Make compliance consultation easier

Onboarding process

Reduced manpower

Data security

Reducing risk of data loss by using the appropriate chances given by AI
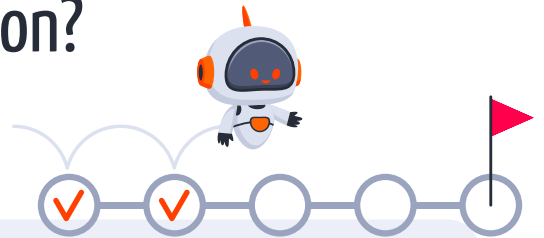
More attention to data protection

Danger

Danger of being fed misleading or misinformed information/data

Data breaches

Increased ethical risks

> We will need to be up to date on the AI evolution to be 100% sure to always understand the real implication of this technical evolution.

> I have strong reservations towards AI tools. I believe it threatens not only compliance officers but every major and their practitioner.

AI tools will create value and help ensure efficiency.

Compliance and ethics will be very important for AI technologies in terms of regulations.

Conclusion

With the topic of artificial intelligence comes another major challenge for compliance officers to keep an eye on, while also raising new questions: Which external AI models and services does your own company already use? What in-house AI models or AI-enabled products are being developed? And ahead of everything: What legal and ethical issues do these entail that compliance should address and moderate?

In order not to lag behind developments but to actively shape them, compliance officers must be open to technical progress. This does not require a degree in computer science or an evening course on neural networks. Still, compliance officers must stay up to date, exchange information with AI experts in their own companies, and not miss any significant, compliance-relevant developments.

Finally, artificial intelligence not only poses new challenges for compliance officers but also presents immense potential for the function itself: Repetitive and administrative tasks can be automated, research accelerated, and decisions prepared more efficiently. Survey participants anticipate benefits such as automation, support, time savings, transparency, fairness, reduced workflows, and new perspectives.

On the one hand, there are new challenges; on the other, new opportunities. One thing is certain: The everyday life of compliance officers will change significantly as a result of AI technology, and 64.2 percent also agree with this. However, it is also clear that as intelligent as AI systems already are today and as rapidly as development is progressing, we are still far from seeing compliance officers being replaced by technology. 21.4 percent see this danger – 63.6 percent are convinced that the „human factor" will still be needed in the future.

And where could that be truer than in Compliance & Ethics: In the end, it's all about human behavior. While AI models are getting better and better at analyzing, understanding, and replicating human behavior, they are ultimately mathematical systems built upon probability calculations. Therefore, artificial intelligence can be a powerful tool to make compliance officers more effective and efficient. It will not replace them in the foreseeable future.
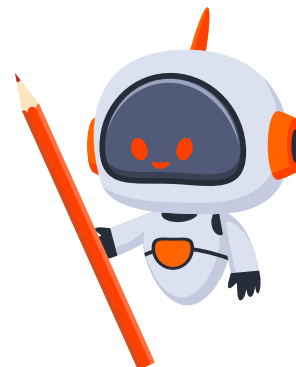
About EQS Group

Since its foundation in 2000, EQS Group has supported several thousand companies worldwide in fulfilling complex compliance requirements.

The cloud-based EQS Compliance COCKPIT bundles the most important compliance work steps in the areas of whistleblower protection and case handling, policy management, approval processes, conflicts of interest, insider list management, and reporting obligations into one platform. It equips compliance professionals with simple workflows, automated processes, advanced analytics and clear reports to facilitate their daily work. In addition to its compliance products, EQS Group also offers digital solutions for investor relations and ESG.

Today, EQS Group is represented in the world's major financial capitals with around 600 employees. Visit the website to learn more: www.eqs.com

creating trusted companies

EQS.GROUP

www.eqs.com