

From principles to practice: Agentic innovation and trusted AI in compliance transformation



How organizations are rethinking control, accountability, and scale in compliance

Introduction

The continued evolution of the regulatory environment challenges compliance functions to balance growing complexity with consistent execution and clear accountability. However, for many financial institutions, operating models spanning obligations, risk, controls, and audit remain fragmented, limiting visibility across the compliance lifecycle and making it harder to consistently scale and evidence decision-making.

The webinar *From principles to practice: Agentic innovation and trusted AI in compliance transformation* by Wolters Kluwer and Chartis Research, explored how institutions are assessing new approaches to connect regulatory obligations, risks, controls, and evidence more systematically. This revealed how agentic AI, alongside evolving governance expectations, may support more structured and traceable compliance operating models.

Regulatory drivers and compliance challenges

Across financial services organizations, compliance activity is often distributed across multiple functions and systems, creating silo-driven friction in execution and oversight.

Key drivers of pressure include:

- ✓ Fragmented ownership across compliance, risk, and audit activities
- ✓ Increasing regulatory complexity and shifting supervisory expectations
- ✓ Rising expectations for explainability in compliance decisions
- ✓ Continued reliance on manual interpretation and static regulatory mappings

These make it harder to maintain a consistent line of sight from regulatory requirements to controls and evidence. They also increase the likelihood of duplication and variation in how obligations are interpreted across teams and jurisdictions.

Key challenges in the current state

Several structural challenges continue to define today's compliance environment:



Siloed execution

Obligations, risk, control, and audit activities are managed separately, limiting end-to-end visibility.



Weak control traceability

Links between regulations, controls, and evidence remain inconsistent, reducing traceability.



Overlapping control

Divergent interpretations of requirements result in redundant or misaligned controls.



Organizational separation

Differences across functions can constrain coordination across the three lines of defense.

From principles to practice: the role of agentic AI

Organizations are increasingly evaluating different layers of AI capability in compliance environments, with a focus on agentic AI.

Agentic AI refers to systems designed to operate across workflows, maintain context, and execute multi-step processes within defined goals and constraints. Unlike automation or assistive AI, it supports end-to-end compliance activities rather than isolated tasks, reflecting a shift toward workflow-level transformation rather than point solutions.

Capability	Automation	Assistive AI	Agentic AI
Primary function	Task execution	Decision support	End-to-end workflow execution
Context handling	Limited or static	Partial and user-driven	Persistent across workflows
Compliance role	Efficiency gains	Human augmentation	Structured execution across lifecycle
Integration	Isolated tasks	Adjacent support	Embedded across processes
Typical use	Repetition reduction	Guidance and recommendations	Multi-step compliance workflows

Obligations management, governance, and accountability

Obligations management translates regulatory requirements into controls and evidence, where interpretation differences often drive inconsistency and duplication across jurisdictions and business units.

A structured obligations layer helps to:

- ✓ Normalize regulatory language across sources
- ✓ Group the requirements by shared intent
- ✓ Reduce control duplication
- ✓ Improve consistency in interpretation and application
- ✓ Strengthen traceability from regulation to evidence

Agentic AI supports this by structuring obligations and aligning interpretation to reduce fragmentation. But effective implementation requires clear governance, defined ownership, and coordinated accountability across compliance, risk, and audit.





Principles-based regulation and trusted AI

Principles-based and risk-based regulation increases reliance on interpretation, judgement, and outcome-based compliance.

Organizations must demonstrate consistent interpretation of regulatory intent and defensible decision-making, with clear accountability for outcomes.

Compliance-grade AI must be explainable, transparent, and audit-ready, with traceable reasoning, verifiable sources, persistent documentation, and embedded human oversight.

Business and compliance outcomes

When compliance operating models are strengthened through improved structure, governance, and supporting technology, several outcomes become more achievable, such as:

- ✓ More consistent interpretation of regulatory requirements
- ✓ Reduced compliance exposure
- ✓ Lower operating costs over time
- ✓ Stronger ability to evidence compliance
- ✓ Improved strategic flexibility to regulatory change

These outcomes are closely linked to the ability to maintain structured relationships across obligations, risks, controls, and evidence.

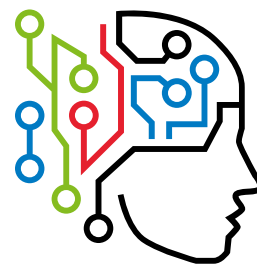
Conclusion

Compliance operating models continue to evolve under rising regulatory complexity, stronger expectations for explainability, and persistent fragmentation across functions. Addressing this requires tighter alignment across obligations, risks, controls, and evidence, supported by governance structures that reinforce consistency and accountability.

Agentic AI may help support this shift by enabling structured, multi-step execution across compliance workflows, provided it operates within clear governance, oversight, and transparency requirements.

Institutions that strengthen traceability, improve obligations management, and apply AI within governed frameworks are likely to be better positioned to scale compliance activity while maintaining regulatory confidence and operational resilience.

To discover more expert-led insights into how agentic AI is transforming compliance workflows and regulatory execution, [watch the on-demand webinar here](#).



Explore AI-powered compliance solutions built for greater regulatory certainty

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