

1. Introduction

The collapse of Wirecard, a major European fintech company, exposed significant weaknesses in the regulatory framework for fintech firms, highlighting the limitations of traditional auditing practices. Fintech companies, with their complex governance structures, pose unique challenges that even leading auditing firms struggled to address in detecting material errors. To improve auditing effectiveness, regulators have turned to regulatory technology (RegTech). RegTech platforms provide automated solutions to enhance compliance and oversight processes, particularly in financial reporting. By enabling digital assessment of reports before audits, RegTech streamlines regulatory compliance for listed companies, fintech firms, and financial institutions. However, implementing RegTech in auditing, especially in Iran, faces significant challenges. This study aims to identify and prioritize these challenges to support the development of technology-based auditing.

2. Question

What are the challenges associated with implementing RegTech solutions in auditing processes?

3. Method

This applied research adopts a mixed quantitative methodology. Data were collected through interviews and questionnaires. A literature review and expert interviews identified 18 key challenges. These challenges were screened using a fuzzy Delphi questionnaire distributed among 14 experts, selecting 11 challenges with a threshold above 0.7. Subsequently, a prioritization questionnaire was analyzed using the MABAC method to rank the screened challenges.

4. Results

The MABAC method identified the following key challenges in implementing RegTech solutions in auditing:

- Accountability issues
- Regulatory gap between digital business conditions and auditing standards
- Recruitment and retention of RegTech specialists

- Insufficient integration of modern digital technologies into accounting information systems
- Lack of trust in RegTech solutions among audit report recipients

5. Discussion and Conclusion

Identifying these challenges provides a foundation for developing technology-based auditing. By addressing issues such as accountability, regulatory gaps, and trust in RegTech solutions, stakeholders can enhance the adoption of RegTech in auditing, improving efficiency and compliance in financial oversight.

Keywords: Auditor, RegTech, Challenges, Fuzzy Delphi, MABAC