

Tim Hwang

Forecasting Political and Regulatory Risk Using Machine Learning

Law as we know it forms the basis for the rules of engagement among industries and markets. Every day, governments around the world make decisions about the future of regulated firms, business models, and product viability and in a post-financial crisis environment, regulators in every industry are becoming more complex, more active, and more intrusive in asserting the authority that they have thrust upon them by the public. The inundation of new regulations, legislation, and litigation can seem overwhelming both in the context of constant front-page news and the seemingly vast amount of information that goes uncovered by media organizations. Yet as governments expect and indeed enforce compliance of the law, how enterprises respond to this regulatory risk in the future will be a key differentiator. New techniques in machine learning and natural language processing combined with advancements in open data have made it possible for organizations to reduce this uncertainty and regulatory cost by moving from reactive compliance to proactive compliance and changing the way enterprises deal with government affairs. We hope to explore some of these new approaches to automated vertical-specific categorization of open data, leveraging clustering techniques for forecasting the outcomes of government activities, and surfacing novel data-driven insights into regulatory outcomes.