State of AI in Compliance and Operations

How Investment Management Firms Are Translating AI Adoption into Operational Impact

Executive Summary

AI adoption across investment management has accelerated rapidly, but its impact remains uneven. While a majority of firms report some level of AI usage, deployment is typically limited in scope, fragmented across functions, and not yet embedded into core workflows.

This report draws on responses from more than 200 investment management firms across asset management, private markets, wealth management, hedge funds, and broker-dealers. Rather than measuring general sentiment or intent, the *State of AI in Compliance and Operations* survey examines AI adoption at the function level across 20 compliance and operations workflows, providing a detailed view of where AI is currently in use, where it is planned, and how adoption varies across firms.

201

qualified respondents

across U.S.-based investment management firms.

20

compliance and operations workflows

analyzed across current and planned AI adoption.

Research Approach

- Function-level analysis across compliance and operations.
- Desktop AI measured separately from system-level adoption.
- Data reviewed for contradictions, orphan providers, and quality flags.
- Results reflect actual reported usage, not implied adoption.

Key Findings

1

AI exposure is widespread, but adoption remains shallow

Nearly two-thirds of firms report using AI in at least one compliance or operations function. However, the average firm deploys AI in fewer than two of twenty possible workflows, and more than one-third report no function-specific usage at all. This indicates that adoption has moved beyond experimentation, but not yet into broad operational integration.

2

Desktop AI is the primary entry point—but not a proxy for maturity

The majority of respondents report using desktop AI tools such as ChatGPT, Microsoft Copilot, and Claude. While desktop usage is associated with higher rates of function-level adoption, it often reflects individual productivity gains rather than coordinated, enterprise-level deployment.

3

Compliance functions lead adoption; operations remain underpenetrated

AI adoption is most advanced in compliance workflows, particularly those that are documentation-heavy and text-driven, such as marketing material review and electronic communications surveillance. In contrast, operations functions show minimal adoption, reflecting higher integration complexity and greater sensitivity to disruption.

4

Adoption is constrained more by execution than by intent

Survey results suggest that firms are not limited by awareness or interest in AI, but by the practical challenges of implementation. Governance, system integration, data readiness, and workflow prioritization remain the primary barriers to scaling AI beyond isolated use cases.

5

A clear next wave of adoption is emerging

Planned adoption and qualitative responses point to compliance testing, surveillance, and other control-intensive workflows as near-term priorities. These areas offer opportunities to improve coverage and consistency while maintaining regulatory defensibility.

6

A small group of firms is beginning to differentiate

While most firms remain in early-stage experimentation, a minority are deploying AI across multiple workflows and establishing governance frameworks to support scale. These firms are moving beyond isolated use cases toward more integrated, enterprise-level capability.

Implications

The findings highlight a growing gap between AI familiarity and AI-driven advantage. While most firms have begun to engage with AI, relatively few have translated that engagement into structured, scalable deployment.

In the near term, progress is likely to be driven by targeted adoption within high-impact workflows, particularly in compliance. Over time, broader operational transformation will depend on firms' ability to address integration complexity, strengthen governance, and align AI initiatives with core business processes.

For firms seeking to move beyond experimentation, the critical question is no longer whether to adopt AI, but where to focus first, and how to operationalize adoption in a controlled, defensible way. ACA helps firms answer both questions.

2 of 20

The average firm deploys AI in fewer than two of twenty possible workflows.

An Industry of Broad Exposure, Limited Depth

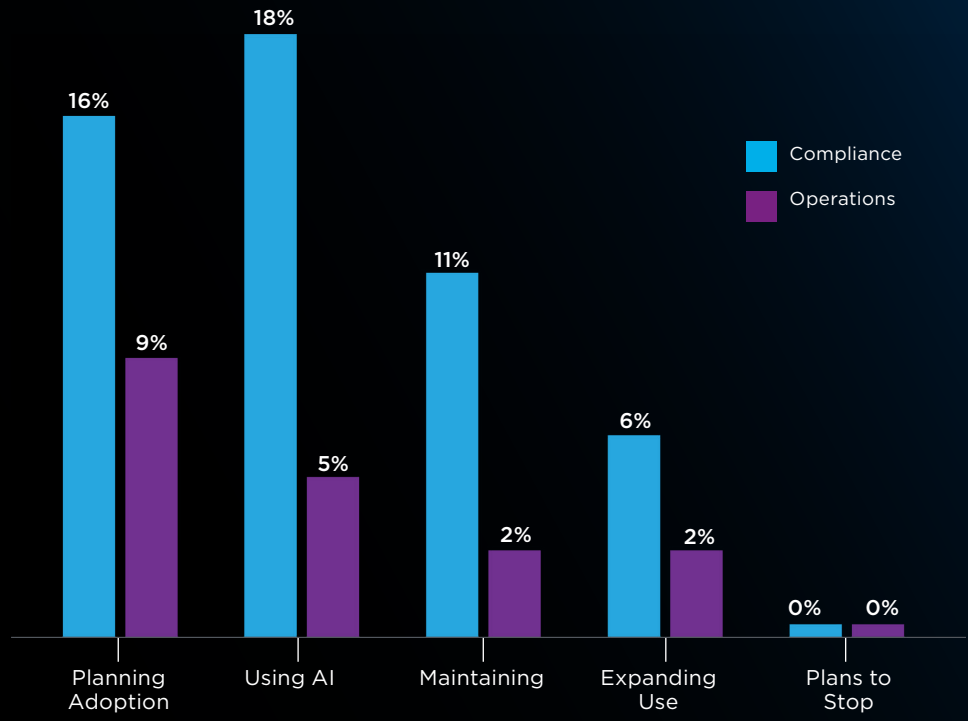
AI exposure across investment management is now widespread, but depth of deployment remains limited. Nearly two-thirds of firms report using AI in at least one compliance or operations function, signaling that adoption has moved beyond experimentation.

However, firms deploy AI in fewer than two of 20 possible functions on average, and more than one-third report no function-specific usage at all. Adoption remains uneven, with activity visible but not yet embedded into day-to-day operations.

Compliance adoption materially outpaces operations adoption, reflecting lower integration barriers and more immediate efficiency gains. While AI momentum is building across the industry, most firms remain in the early stages of operational transformation.

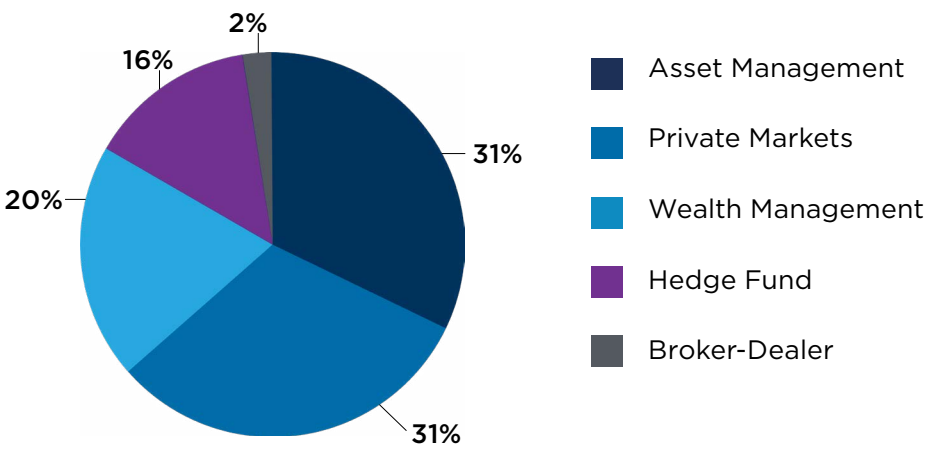
Overall AI Adoption Remains Low at 12.4%, With Compliance Leading Operations 3.4×

AI Usage

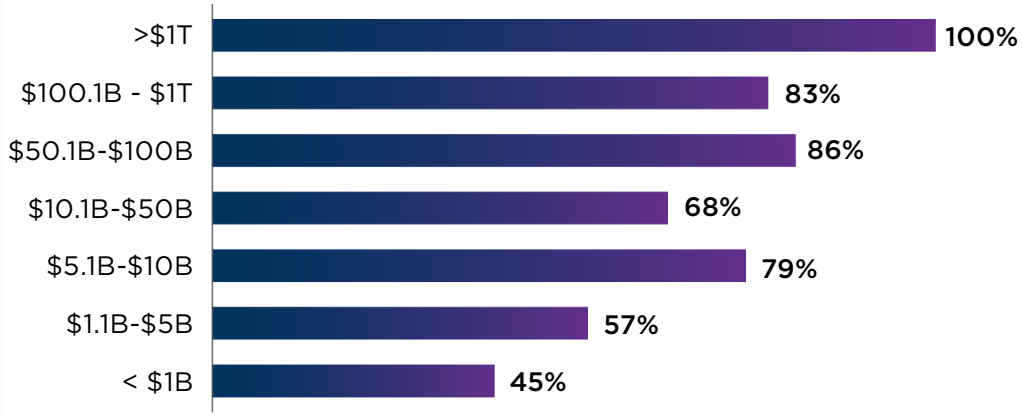


2026 AI Adoption Profiles

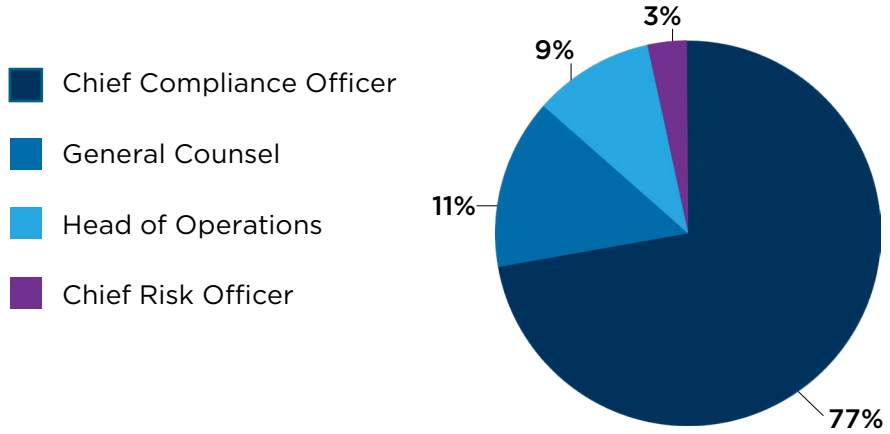
Business Types



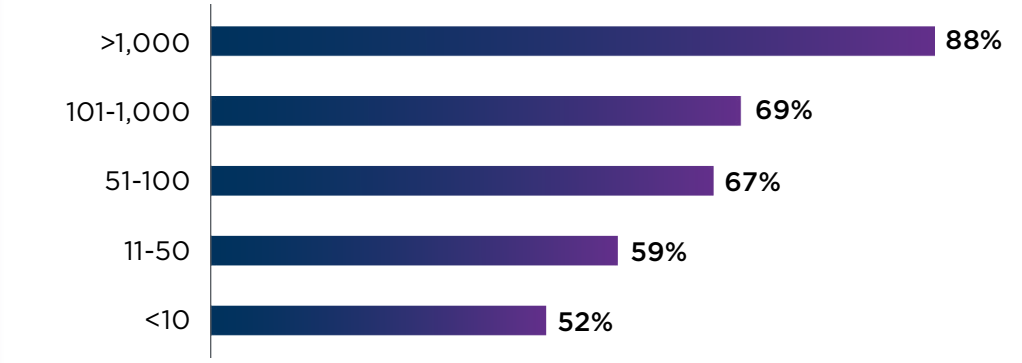
AI Adoption by AUM Tier



Respondent Roles



AI Adoption by Employee Count



From Desktop AI to Embedded Capability

Desktop AI tools are now the primary entry point for AI adoption across investment management. Tools such as ChatGPT, Microsoft Copilot, Claude, and Gemini are widely used, often on an informal or individual basis, reflecting increasing comfort with generative AI for drafting, summarization, and knowledge retrieval.

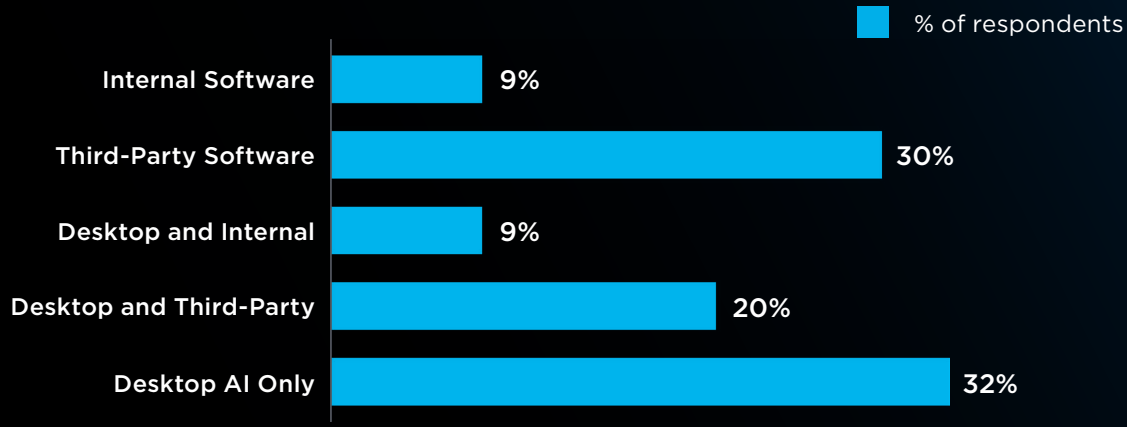
However, survey responses indicate that widespread desktop usage alone does not equate to operational maturity. While desktop AI users are more likely to report function-specific adoption, many firms remain in a hybrid state where AI usage is personal rather than institutional. Governance, consistency, and workflow integration often lag behind individual productivity gains.

As a result, the industry exhibits high familiarity with AI, but uneven execution. Desktop tools provide a critical on ramp, but only a few firms have translated early experimentation into embedded, enterprise-level capability.

Desktop AI Tool Penetration

Desktop AI usage also appears to be associated with broader AI adoption. Among respondents using desktop AI tools, 69% also report AI usage in at least one compliance or operations function, compared with 35% among respondents using no desktop tools. This suggests desktop AI may serve as an on-ramp to more function-specific deployment, though the survey does not establish causation.

AI Usage by Type



AI Use in Compliance is Gaining Traction

Compliance functions represent the most mature area of AI adoption in 2026. Workflows that are documentation-heavy, text-driven, or review-oriented such as compliance program administration, eComms surveillance, and marketing material reviews show the highest levels of adoption. These functions align naturally with generative AI and support incremental deployment without disrupting core transactional systems.

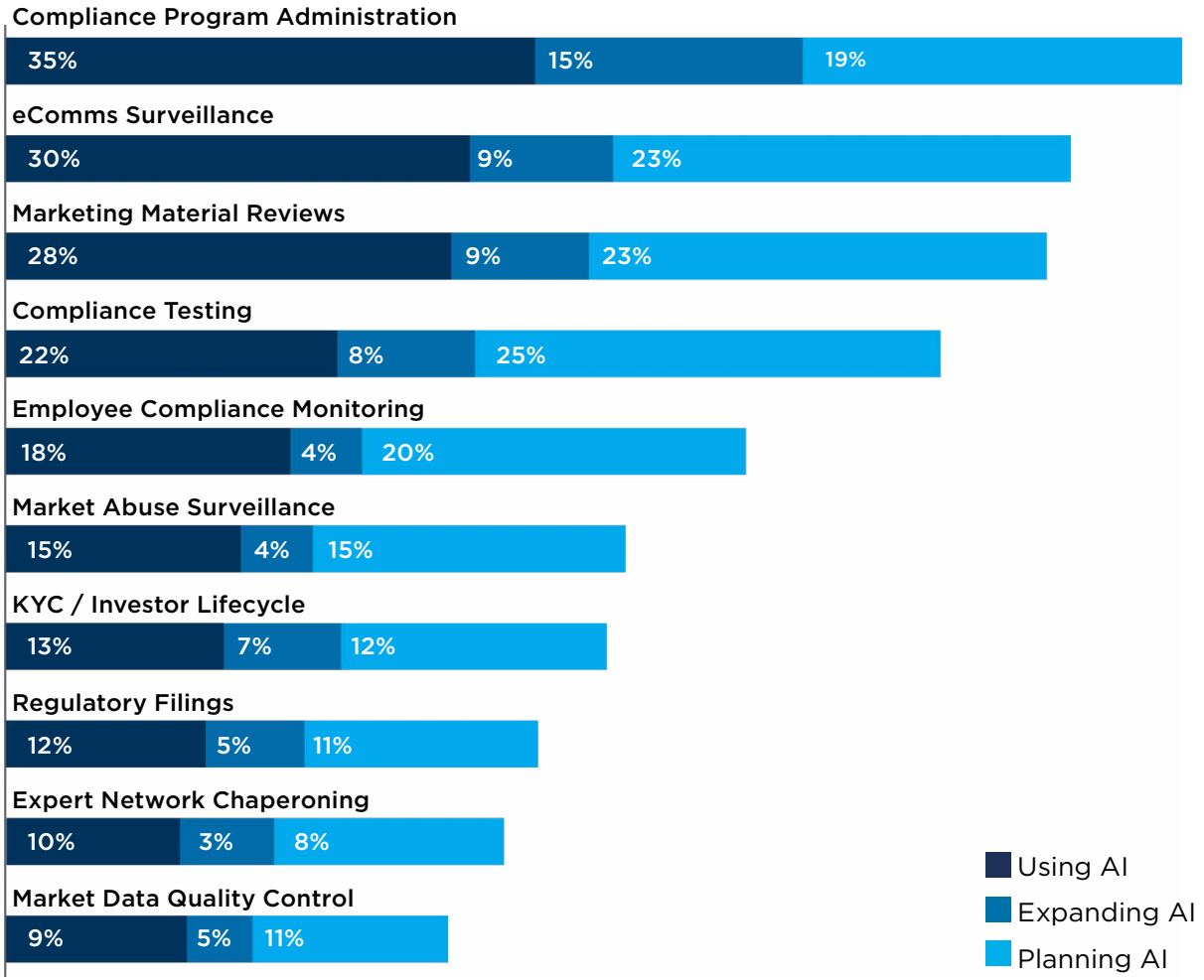
Despite leading adoption, compliance AI remains far from saturated. No single function approaches majority usage, and deployment levels vary significantly by firm size and internal resourcing. Many firms rely on a combination of third-party platforms and general purpose AI rather than deeply integrated solutions.

Overall, the survey suggests a measured evolution. Firms are prioritizing efficiency gains while maintaining human oversight and regulatory defensibility.

Single-function AI adoption is broadly in line with the market. Firms deploying AI across multiple compliance workflows demonstrate a more advanced stage of adoption.

Compliance Program Administration, eComms Surveillance, and Marketing Material Reviews Lead AI Adoption

(Top ten results are shown)



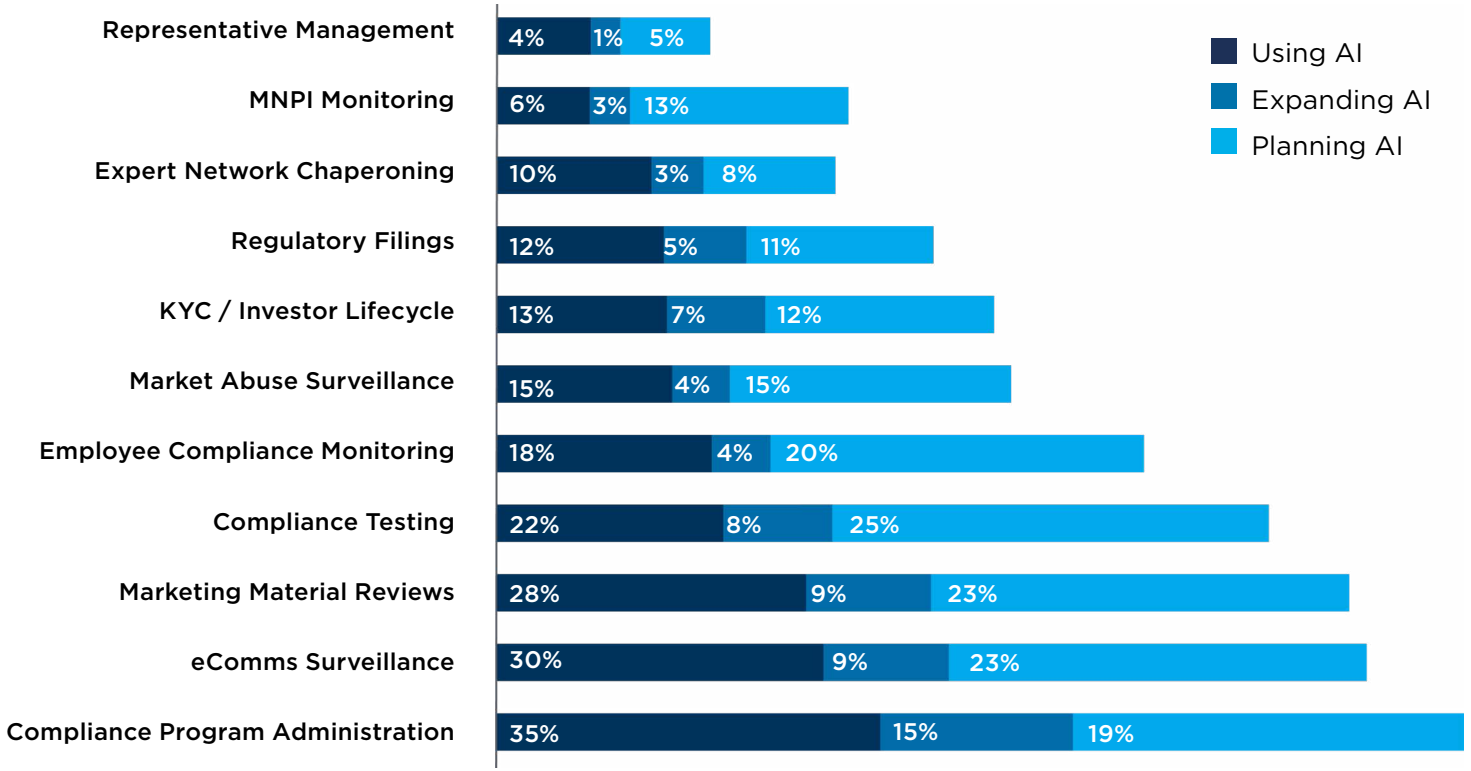
Compliance Testing as the Next Inflection Point

Compliance stands out as the function with the strongest forward momentum. While current adoption remains modest, it has the highest planned adoption rate and appears most frequently in qualitative "wish list" responses, reflecting sustained pressure to automate manual, resource-intensive processes.

Firms view AI-enabled testing as a way to increase coverage, improve consistency, and better allocate human judgment toward higher-risk findings. At the same time, concerns around accuracy, validation, and audit defensibility continue to slow broader deployment.

The result is a clear inflection point: intent is high, but execution is still emerging.

Compliance Testing Breakdown



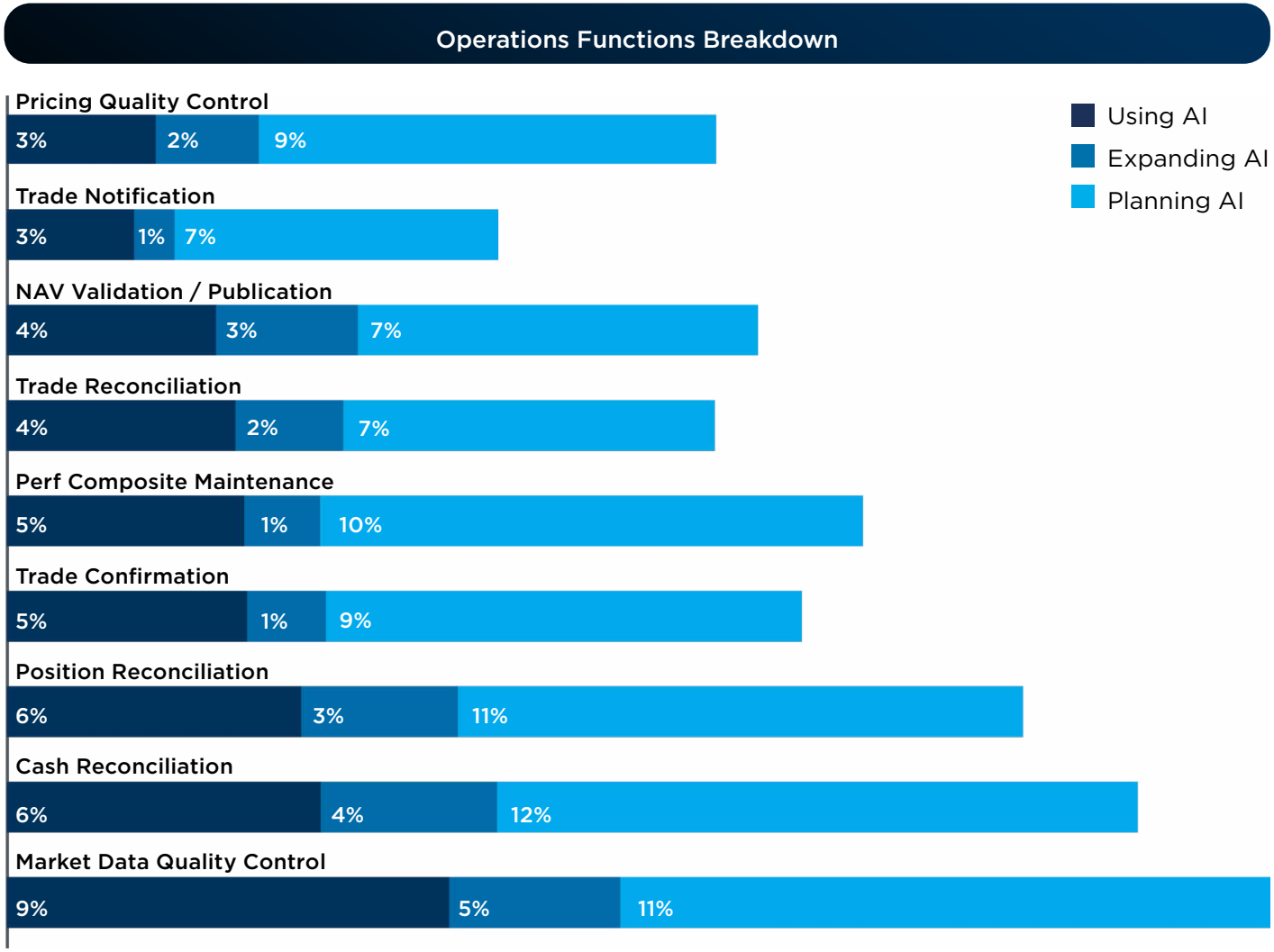
Firms actively piloting or deploying AI in compliance testing are ahead of current market adoption levels. For firms not yet prioritizing this area, the data highlights where near-term investment is concentrating. This is where firms can get near-term value.

Operations Functions as the Untapped Frontier

Operational workflows remain the least developed areas of AI adoption. Average usage across operations workflows is minimal, with limited traction in areas such as market data quality control and reconciliation. These low adoption patterns reflect the complexity and system dependencies of operational processes.

Unlike compliance, operations workflows often require deep integration with Order Management Systems (OMS), Portfolio Management Systems (PMS), accounting, and data infrastructure. This increases implementation cost and operational risk, leading many firms to remain in observation mode rather than active deployment.

Despite these barriers, operations represent the largest area of latent opportunity as AI capabilities mature and integration friction declines.



Most peer firms have not yet operationalized AI in core operations workflows. Structured AI deployment in operations positions firms ahead of current market adoption, with potential efficiency and scale advantages.

Where Firms Want to See AI Next

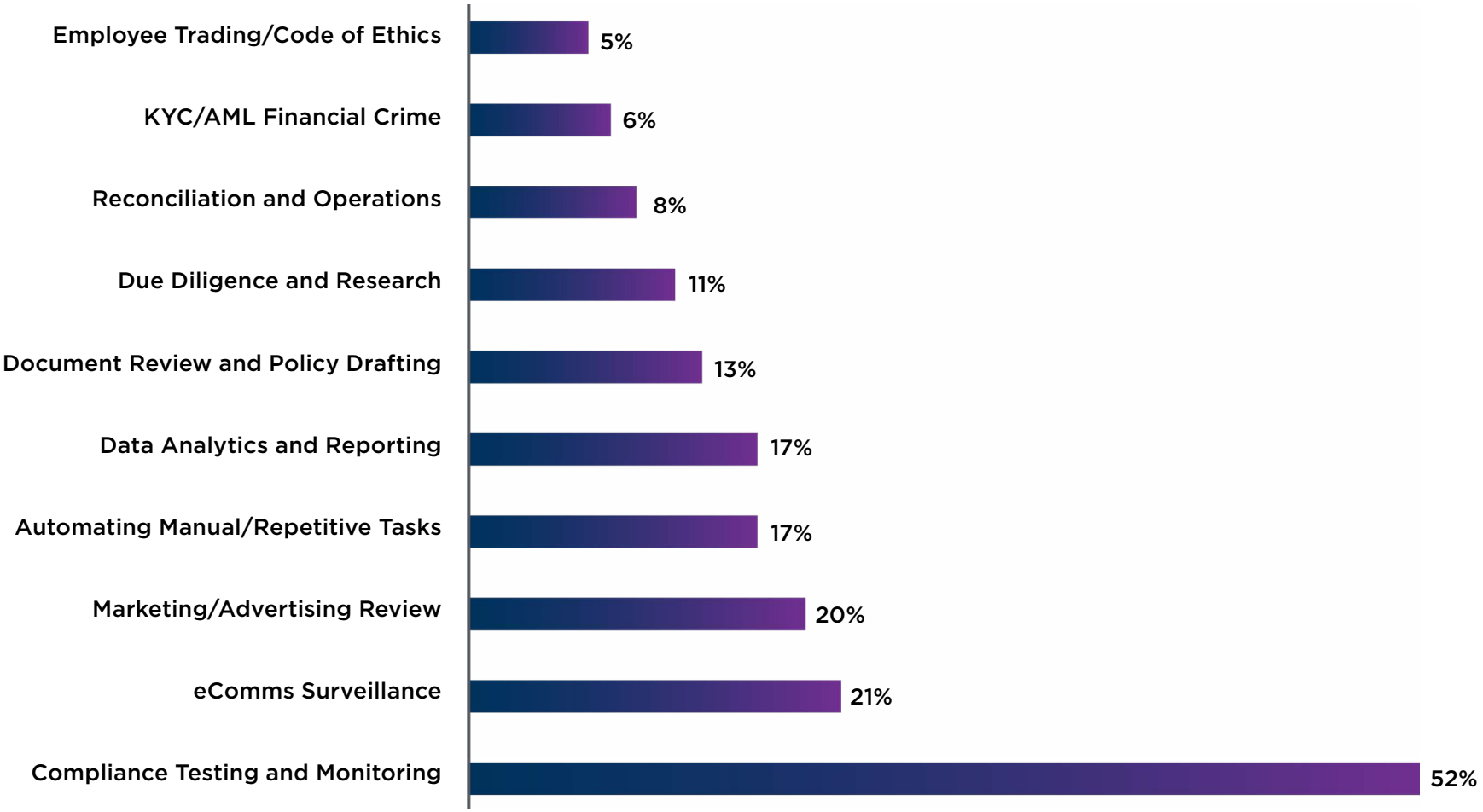
While current adoption remains concentrated in a limited set of workflows, AI wish list data provides a forward-looking view of where firms plan to deploy AI next. Wish list responses were heavily concentrated in compliance, particularly around labor-intensive and repetitive workflows that are difficult to scale with existing resources. This suggests firms are prioritizing AI less for novelty and more for application in areas under sustained operational pressure.

Compliance testing emerges as the most frequently cited wish list item, reflecting both its high manual burden and its perceived suitability for AI-assisted analysis. Firms also express strong interest in expanding AI use for eComms surveillance and marketing review, signaling demand for tools that improve coverage and consistency without increasing headcount. Notably, wish list interest often exceeds current adoption by a wide margin, underscoring a gap between intent and execution.

Operations appear less frequently in wish list responses. Where interest does exist, it is concentrated in data-heavy control points such as reconciliations and data quality checks, suggesting a near-term focus on targeted augmentation rather than full workflow transformation.

> **Any structured AI deployment within core operations workflows remains uncommon.**
>
> **Early execution in this area may provide a meaningful advantage as adoption expands.**

AI Wish List



Where Firms Fall on the 2026 Maturity Curve

Firms cluster into four maturity stages. Most remain in early experimentation, relying primarily on desktop AI with minimal workflow integration. Focused adopters extend AI into a small number of compliance functions, while scaled practitioners deploy AI across compliance workflows and begin selective operational deployment. Only a small number resemble fully AI-enabled platforms with coordinated governance, embedded workflows, and defined operating models.

Experimenters

84% of respondents use desktop AI tools (ChatGPT, Copilot, Claude, etc.).

36% of firms report no AI usage across any compliance or operations function.

The average firm uses AI in only **1.8 out of 20 functions**.

Focused Adopters

64% of firms use AI in at least one function.

Most firms report AI usage in **1–3 compliance functions**, not broadly.

Compliance adoption remains concentrated in a limited number of functions.

Scaled Practitioners

Fewer than **6%** of firms report AI use across **multiple compliance functions** and at least one operations workflow.

These firms are showing early signs of coordination, more consistent use cases with clearer ownership, and emerging governance structures that support repeatable deployment.

Platform Operators

30% of firms operate with coordinated, cross-functional AI deployment through third-party platforms.

AI usage extends beyond isolated workflows into integrated enterprise processes, **rather than reliance on desktop tools.**

Governance frameworks, model oversight, and defined operating standards are in place.

Key Takeaways

AI adoption has crossed the threshold of inevitability, but operational maturity remains limited.
Most firms recognize AI's importance, yet relatively few have translated experimentation into scalable, integrated deployment.

Success in using AI is less about technology selection and more about operating discipline. Firms making measurable progress are focused on high-impact workflows, disciplined governance, and incremental execution.
Broad, unstructured initiatives continue to stall in experimentation.

The industry continues to face a meaningful gap between intent and operational readiness.
Desktop AI usage is widespread, but governance, workflow integration, and infrastructure maturity remain uneven.

Near-term value is concentrated in compliance workflows where AI can improve efficiency, coverage, and consistency without disrupting core systems.
Operations adoption will likely evolve more gradually due to integration complexity and infrastructure dependency.

Competitive advantage will come from disciplined execution, not speed alone.
In a market where most peers remain cautious and fragmented, firms that prioritize governance, targeted deployment, and operational clarity will be best positioned to scale adoption responsibly.

How ACA Helps

AI adoption in compliance and operations is accelerating. The firms that move with focus and governance will pull ahead. ACA helps you get there.

We work with:

88%
of the top 100 hedge funds

92%
of America's top 50 money managers

6,350+
clients globally

bringing regulatory expertise, purpose-built technology, and managed services together across one international firm.

ACA ComplianceAlpha®

ComplianceAlpha® is ACA's award-winning RegTech platform, integrating compliance management, surveillance, marketing review, employee compliance, and AML/KYC into a single ecosystem, with governance and auditability built in.

Encore AI

Encore AI is ACA's proprietary AI engine, purpose-built for regulatory compliance. It brings AI-powered automation to ComplianceAlpha capabilities, including eComms and marketing material review, with human oversight at every step.

Contact ACA today to develop a focused AI strategy that delivers near-term value and builds a foundation for scalable adoption.