



How well are financial institutions navigating today's increasingly complex compliance climate?

Explore our LexisNexis® Risk Solutions True Cost of Financial Crime Compliance Study - Global Report



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Financial crime compliance continues to significantly burden financial institutions

As technology removes global commerce barriers, it also fuels growing opportunities for cross-border money laundering and financial crime. Combining this heightened risk environment with quickly evolving — and very exacting — multi-national regulatory governance creates the perfect storm against which financial institutions must contend. The cost burdens are clear as the total projected cost of financial crime compliance across financial institutions in the key markets of APAC, EMEA, LATAM and North America is \$180.9B. The operational consequences of compliance on customer acquisition and productivity are also evident.

This e-book delivers insight into the current global financial crime compliance environment. It also illustrates how financial services firms are utilizing targeted compliance technology tools to overcome the costly operational impact of compliance.

**For purposes of this study, Mexico is included in LATAM and not North America.*



Total projected cost of financial crime compliance:

\$180.9 Billion



Regional projected costs:

EMEA	\$138.8B
North America*	\$31.5B
APAC	\$6.1B
LATAM*	\$4.5B

Businesses must meet compliance obligations and manage evolving global risk realities

Around the world, financial services firms share universal financial crime compliance objectives and face common challenges created by a rapidly changing geopolitical outlook.



From a global perspective, the leading drivers for compliance are:

66%

Meeting the standards for regulatory compliance

65%

Minimizing reputational risk

55%

Completing business de-risking

50%

Improving business results

33%

Supporting correspondent banking

31%

Supporting international expansion



Key challenges for compliance screening organizations at the global level are:

56%

Customer risk profiling

55%

Sanctions screening

48%

Efficient alert resolution

36%

Positive identification of Politically Exposed Persons (PEPs)

39%

Know Your Customer (KYC) processes for onboarding

39%

Regulatory reporting

Compliance obstacles and rising cost impacts aren't limited by geography

As financial crime compliance costs continue to increase amid further declining productivity rates, the goal of balancing optimal compliance with core business objectives remains elusive for many organizations.

Percent indicating compliance processes have a negative impact on productivity

APAC	33%
EMEA	69%
LATAM*	73%
North America*	31%

Percent indicating compliance processes have a negative impact on new customer acquisition

APAC	36%
EMEA	52%
LATAM*	68%
North America*	58%



Most regions report increases in compliance costs over the last 24 months

Average 12 month increase in compliance costs over the past 24 months

APAC	4.5%
EMEA	8.5%
LATAM*	8%
North America*	5%



The trends of increasing compliance costs are anticipated to continue

Average expected increase in compliance costs by the end of 2019

APAC	9%
EMEA	17%
LATAM*	9%
North America*	9%



Non-bank payment providers are emerging as another concerning operations challenge

Non-bank payment providers have created a moderate to large degree of financial crime compliance challenges during the past year

APAC	41%
EMEA	50%
LATAM*	74%
North America*	51%

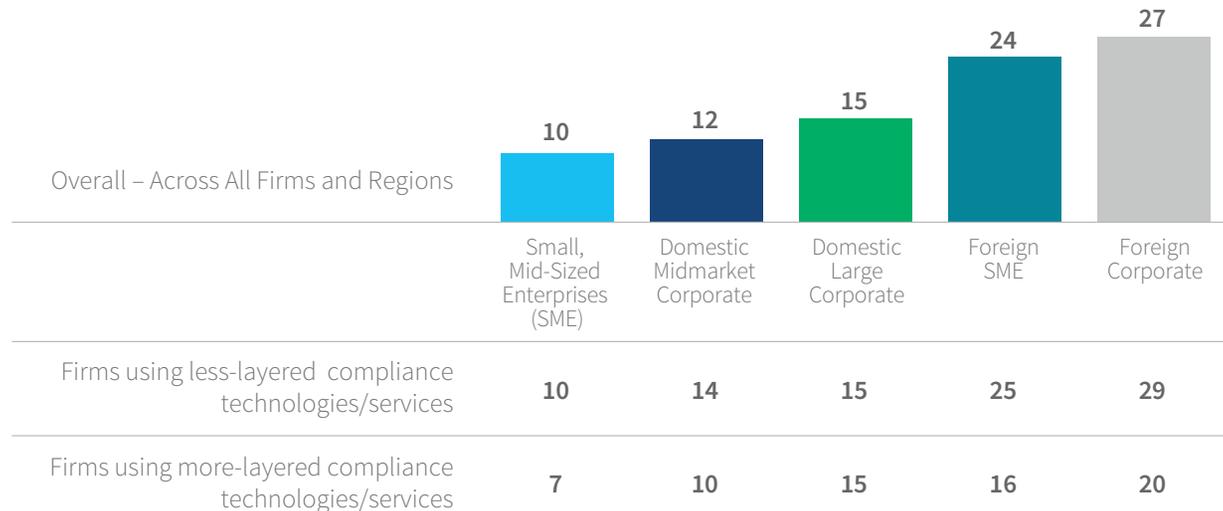
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A multi-layered solution approach is essential in the face of escalating global pressures

Today's complex environment demands a highly sophisticated solution strategy for financial crime compliance and identity proofing. Innovative technology solutions and top-quality digital and physical risk intelligence are essential tools to effectively assess the financial crime compliance risks posed by individuals and business entities while fully identifying inherent transaction risks.

Financial institutions using a layered solutions approach are completing due diligence faster than others.

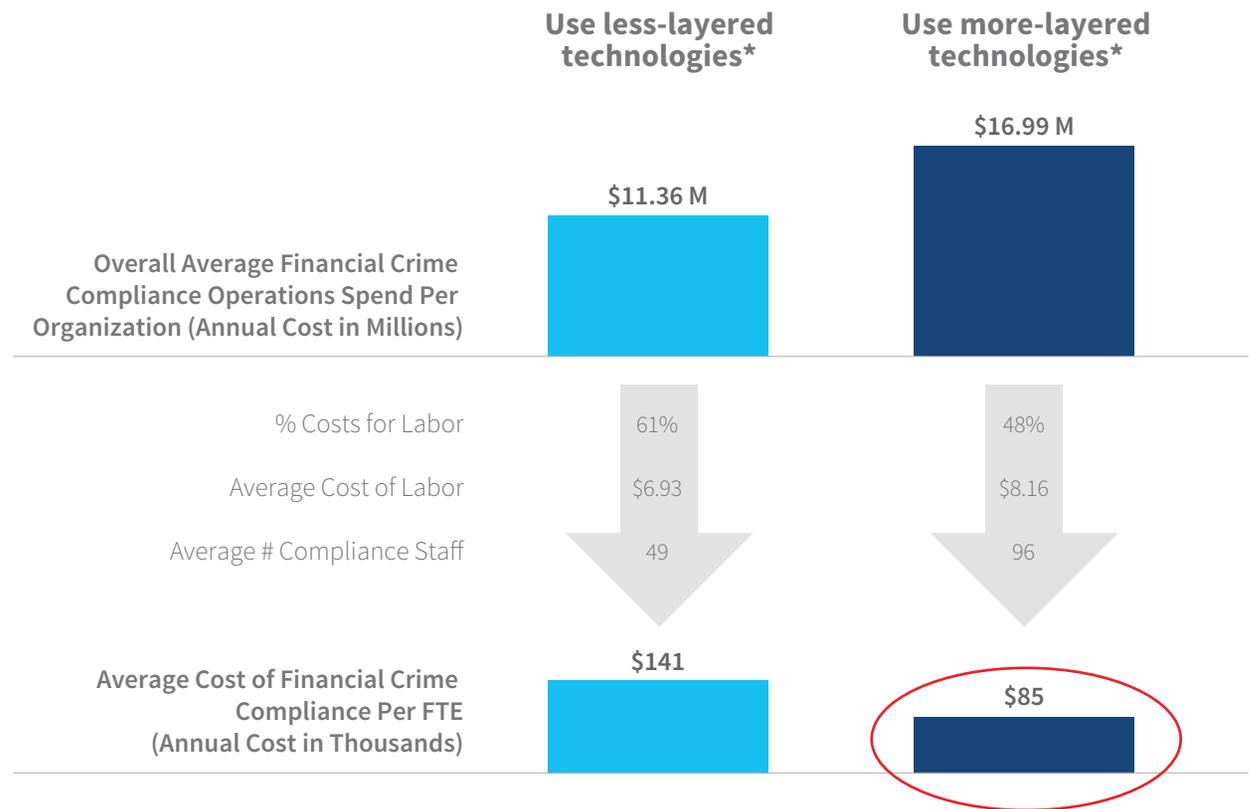
Average Hours Required for Completing Customer Due Diligence (Business Accounts)





The right mix of tools raises the effectiveness of your entire compliance team

Incorporating targeted compliance technologies into your strategy also decreases the cost of compliance per Full Time Equivalent (FTE) and reduces opportunity costs associated with onboarding friction and lost business.





Overcome a world of compliance obstacles with targeted technology

The complex, ever-changing compliance climate makes it difficult to concentrate on your core business and flourish in the competitive global marketplace. The challenges of stringent regulatory expectations, sophisticated cross-border criminal networks and stressed, overworked compliance teams are costly obstacles to sustainable business success.

LexisNexis® Risk Solutions offers the financial crime compliance expertise, technology and risk intelligence to enable your business to align key resources and achieve a more effective, cost-efficient compliance program that benefits your enterprise as whole.

By combining advanced analytics and unmatched global identity intelligence with innovative technologies like Machine Learning (ML), Artificial Intelligence (AI) and technology automation, we deliver precise risk perspective that enables your business to quickly recognize relevant risk and complete critical financial crime compliance processes. Our end-to-end compliance solutions enhance critical compliance workflows across the enterprise and the entire customer lifecycle without disrupting day-to-day business.

Optimize your compliance strategy and meet core business objectives.

For more information, [download the full Global Report](#)

Currency shown in U.S. dollars.

SOURCE: LexisNexis® Risk Solutions True Cost of Financial Crime Compliance Study - Global Report

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