

The True Cost of

Financial Crime Compliance in APAC

In this 2023 commissioned study, Forrester Consulting conducted a global online survey of **1,181** senior decision-makers at financial institutions to evaluate the cost, current state, and challenges presented by financial crime compliance operations. Survey participants from Asia Pacific include **271** senior decision-makers in Australia, China, India, Japan, and Singapore.

The ever-changing geopolitical environment, as well as frequent legislative changes, have intensified compliance requirements for financial institutions. **98% of institutions report an increase in financial crime compliance costs, illustrating undeniable regulatory pressures.**

While digital transformation and emerging technologies have offered institutions great growth opportunities, it has also exposed them to new risk typologies, as criminal groups may misuse digital services and emerging technology.



The Total Cost Of Financial Crime Compliance In APAC

Total Cost of Financial Crime Compliance by Country (in Billions)



Note: The total annual cost of financial crime compliance is calculated using the number of financial institutions in the surveyed markets and survey data regarding financial crime costs. A spend amount is generated for each region by multiplying its average reported total cost of financial crime compliance operations by the number of financial institutions in that region.

Top Compliance Pain Points



Customers expectations around real-time payments are hindered by current compliance models.



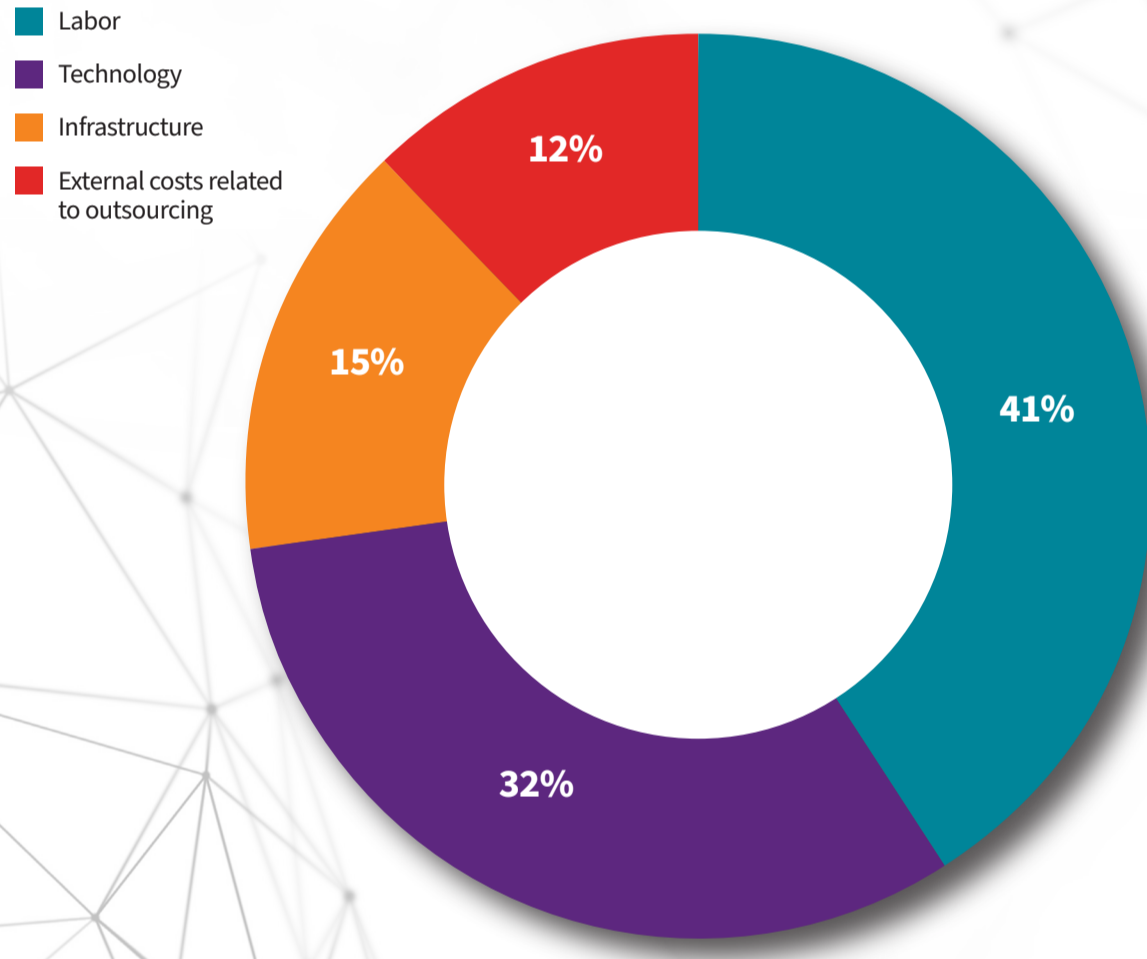
Complex sanctions are prompting compliance departments to automate and outsource some of their activities.



Increasing screening alert numbers signal a steep raise in compliance workloads.

The Key Contributors to Rising Compliance Costs in APAC

Financial institutions across APAC are seeing an increase in Financial Crime Compliance costs. The highest contributor is labor/resource costs in the form of salaries followed by technology costed related to compliance/KYC software & network & systems.



Exposure to Financial Crime Typologies

Cryptocurrencies, digital payments, and AI technologies, once seen as catalysts for progress, are now proving to be tools for illicit activities. Both trade-based money laundering schemes and corruption within supply chains have experienced significant growth, noted by **58%** and **59%** of respondents, respectively. This indicates a significant risk in supply chain operations.



Top 5 Challenges In Financial Crime Compliance



- Regulatory Reporting
- Positive Identification of Sanctioned Entities or PEPs
- KYC for Account Onboarding
- Sanctions Screening
- Customer Risk Profiling

Download the **APAC True Cost Of Financial Crime Compliance Study, 2023** to learn more about how to combine compliance effectiveness with seamless customer experience.

[Download The Study](#)

