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.

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

The ever-changing geopolitical environment, as well as

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



30.7

**Use of Money** 

34%



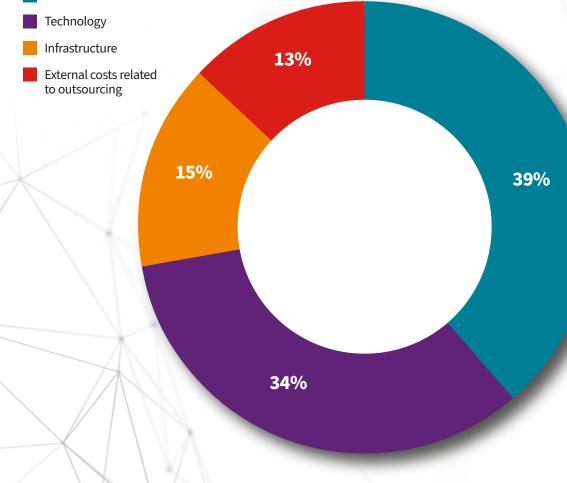


number of financial institutions in that region.

26.8

## Compliance Cost Driver in Australia

Labour/Resource Costs are the Biggest



## 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 55% and 49% of respondents, respectively. This indicates a significant risk in supply chain operations.

Laundering Activities in Australia

Overall Increase in Financial Crime and Money

Trade-based Money Proceeds of Laundering Schemes **Trafficking** 



## Investing in new technologies such as **36**% AI and machine learning

costs over the last 12 months.

Incorporation into digital channels

Increase in scope and/or

and its corresponding eKYC controls

Operations

**32**% price of external services (e.g., legal costs for arbitration) Increasing financial crime regulations and regulatory expectations **30**%

(e.g., more complex KYC, Enhanced Due Diligence) Increase in data privacy requirements **30**% (e.g., GDPR) Top 5 Challenges in Compliance Screening

## Positive Identification of Sanctioned Entities or PEPs



Sanctions Screening

Regulatory Reporting



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about how to combine compliance effectiveness with seamless customer experience. Download The Study

**Crime Compliance Study**, 2023 to learn more



