# LexisNexis
RISK SOLUTIONS

The True Cost Of

Financial Crime Compliance In Kenya

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 Europe, the Middle East, and Africa (EMEA) include **482** senior decision-makers across **9** EMEA markets.

Below are some of the key results for Kenya.

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.

98%
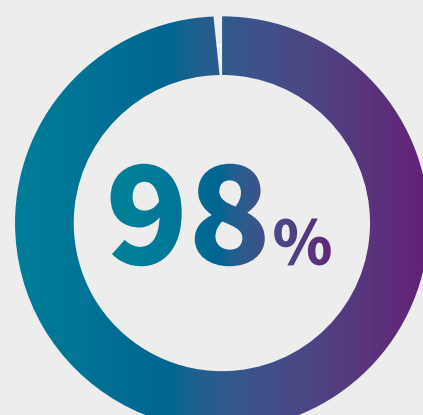
The Total Cost Of Financial Crime Compliance In Kenya

$0.6b
Total Cost of Financial Crime Compliance in Kenya

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.

- Kenya: **$0.6b**
- South Africa: **$1.4b**
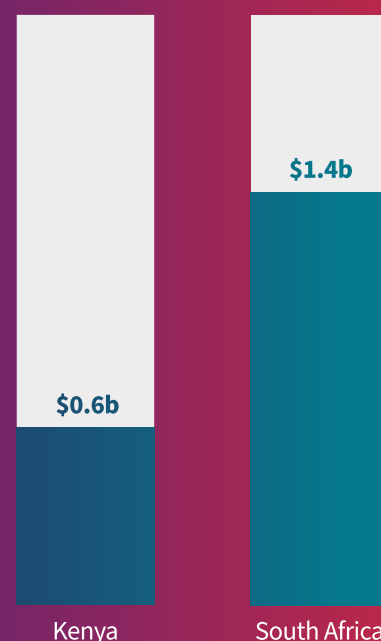
Labor is the Biggest Cost Driver To Rising Compliance Costs In Kenya

- **Labor**
- **Technology**
- **Infrastructure Cost**
- **External Cost Related to Outsourcing**

- 40% (Labor)
- 34% (Technology)
- 14% (Infrastructure Cost)
- 12% (External Cost Related to Outsourcing)
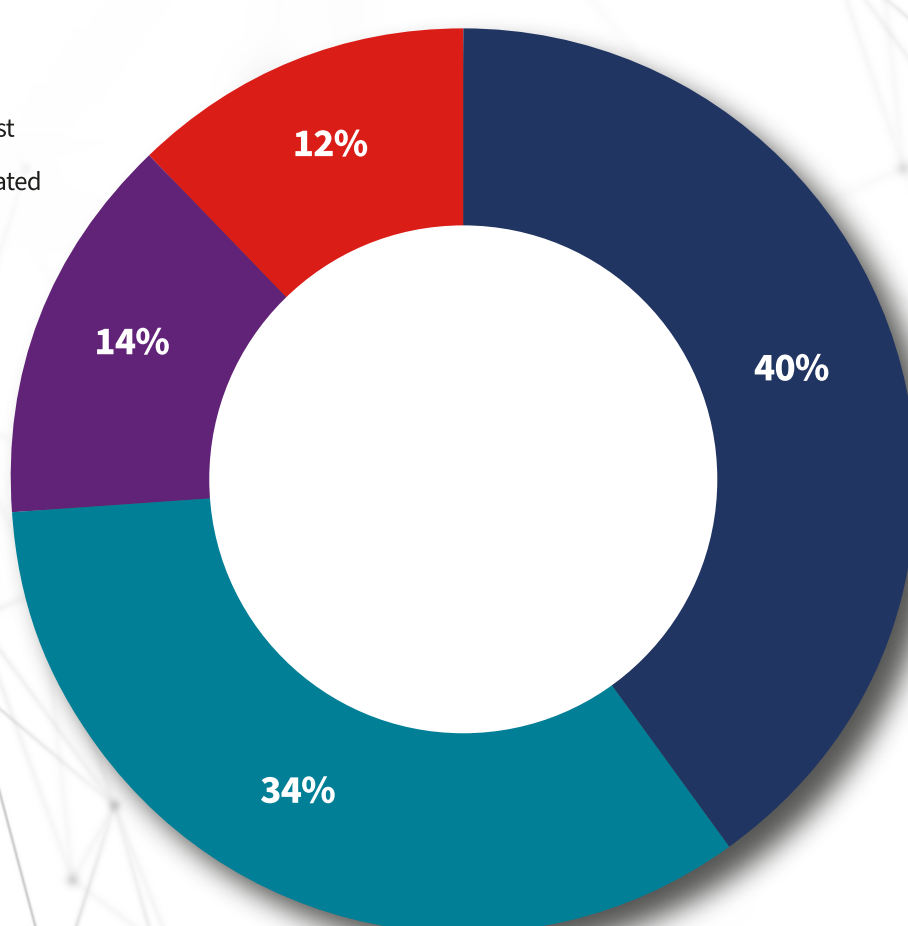
Overall Increase In Financial Crime And Money Laundering Activities In Kenya

Both trade-based money laundering schemes and corruption and bribery within supply chains are perceived as a growing concern, noted by **44%** and **55%** of respondents, respectively. This indicates a shifting focus on international trade.

Top 8 Increased in The Past 12 Months

- Financial Crime Involving Digital Payments
- Criminal Use of Technologies/Methodologies
- Financial Crime Involving Cryptocurrency
- Use of Professional Enablers/Third-Party Advisers to Lend Legitimacy to Illegal Activities
- Corruption and Bribery Within Supply Chain
- Abuse of Corporate Structures to Launder Proceeds of Crime
- Proceeds of Trafficking
- Trade-Based Money Laundering Schemes

Top 5 Challenges In Financial Crime Compliance

1
2
3
4
5

- Customer Risk Profiling
- KYC for Account Onboarding
- Detection of Sanctioned Entities or PEPs
- Efficient Resolution of Alerts
- Processing Non-Latin Scripts

Download the **EMEA True Cost of Financial Crime Compliance Study** to learn more about how to combine compliance effectiveness with seamless customer experience.

FORRESTER

True Cost Of Financial Crime Compliance Study
Europe, The Middle East, And Africa

Download The Study

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