LexisNexis RISK SOLUTIONS

THE TRUE COST OF FINANCIAL CRIME COMPLIANCE IN THE BALTIC STATES

Estonia | Latvia | Lithuania

WE COLLECTED FEEDBACK FROM 380 DECISION-MAKERS

for Know Your Customer (KYC) remediation, sanctions monitoring, financial crime transaction monitoring and compliance operations across 14 EMEA markets.

Below are some of the key results for **the Baltic States** as compared with the rest of EMEA.

RESULT 01

Across all financial firms in EMEA, **the total projected cost of financial crime compliance is**

$117.5b *for 2020*

$2.6 BILLION

Average total cost from ***the Baltic States***

RESULT 02

Financial crime compliance **costs have been driven higher** by regulatory pressures and COVID-19.

The Baltic States have been placed on enhanced follow-up after the most recent Mutual Evaluation Reports on the implementation of **anti-money laundering** and **counter-terrorist financing standards**.

UP TO 19% of the past 12 month increase in cost for EMEA organisations is attributed to **COVID-19 pandemic compliance.**

RESULT 03

Financial crime compliance spend continues to be somewhat higher for

	Baltic States	EMEA Average
Suspicious Activity/ Transaction Monitoring	38%	38%
Investigations	26%	20%
AML Compliance Management	16%	23%
KYC Program Activities	19%	19%

RESULT 04

Legal/accounting and **real estate services** are reported as sectors that pose the highest risk for financial crime.

The Baltic States report that

Retail merchants have the highest amount of new accounts opened

followed by ***hospitality*** *and* ***real estate services.***

RESULT 05

Additional **productivity**, **control** and **alert volume challenges** are also related to COVID-19, particularly among **financial organisations in the Baltic States**.

Below are the areas where **the Baltic States** scored **higher** than the rest of EMEA for challenges experienced during the COVID-19 pandemic.

- **Increased** alert volumes/ suspicious transactions
- **Reduced** controls and compliance monitoring capabilities
- **More** manual compliance workload/activities
- **Longer** time required to complete due diligence for on-boarding
- **Difficulty** accessing KYC/ due diligence sources of information

Click here to view the complete report on
The True Cost of Financial Crime Compliance - EMEA Edition