

THE TRUE COST OF FINANCIAL CRIME COMPLIANCE IN

SOUTH AFRICA



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 **South Africa** 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

\$3.3
BILLION

Average total cost from South Africa

RESULT 02

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



South Africa reports that

Retail merchants pose the highest risk of financial crime followed by *ecommerce merchants* and *legal/accounting services*.

RESULT 03

Financial crime compliance spend continues to be somewhat higher for

KYC Program Activities



EMEA AVERAGE

38%

34%

SOUTH AFRICA

AML Compliance Management

23%

SOUTH AFRICA

23%

EMEA AVERAGE

20%

SOUTH AFRICA

19%

EMEA AVERAGE

21%

SOUTH AFRICA

Investigations

20%

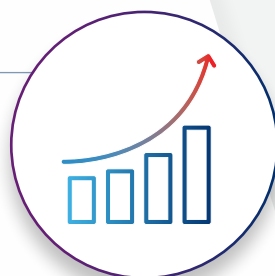
EMEA AVERAGE

Suspicious Activity/Transaction Monitoring

RESULT 04

Additional **productivity, control** and **alert volume challenges** are also related to **COVID-19**.

South Africa scored higher than the rest of EMEA for challenges experienced during the COVID-19 pandemic in the following area:



Longer time required to complete due diligence for on-boarding

RESULT 05

COVID-19 significantly heightened **screening, profiling, identification** and **compliance process efficiencies**, affecting significantly more financial firms with these challenges than prior to the pandemic.

PRE-COVID

45%

76%

Customer Risk Profiling

74%

Resource Efficiencies*

*Only asked as a COVID-19 Impact