

# Enough is NOT Enough

## Raising the compliance bar in LATAM & the Caribbean

### Regulatory compliance poses numerous challenges for countries around the world.

What makes Latin America (LATAM) and the Caribbean unique are deeply embedded cultural hurdles that continue to impact how financial institutions and organizations in the region approach compliance.

Unfortunately, regulatory compliance is often treated as a bare-minimum exercise to appease regulators.

But doing ‘just enough’ is no longer enough.

Now more than ever, the need to raise the bar on compliance is essential for business growth in LATAM and the Caribbean.

**Compliance has not been a priority. As a result, the region faces numerous issues.**

- 1 High vulnerability to money laundering, terrorist financing, human trafficking, and bribery and corruption
- 2 Low effectiveness ratings based on technical compliance assessment by FATF
- 3 Low levels of financial transparency that negatively affect the regional economy

### The Challenges



High cost of implementing compliance technology



Compliance viewed as a cost center



Investment in personnel rather than technology

### FATF’s Intermediate Outcomes

The Financial Action Task Force (FATF) has outlined three overarching anti-money laundering and counter-terrorism finance (AML/CFT) objectives.

- Policy, coordination and cooperation
- Preventing criminal proceeds and terrorism financing from entering the financial sector
- Detecting and disrupting money laundering and terrorism financing threats

If achieved, these “intermediate outcomes” will help protect against money laundering and the financing of terrorism, thereby strengthening financial sector integrity.

### FATF’s Definitions and Recommendations

#### Technical Compliance

The assessment looks at whether a country has met all the technical requirements of each of the 40 FATF Recommendations.

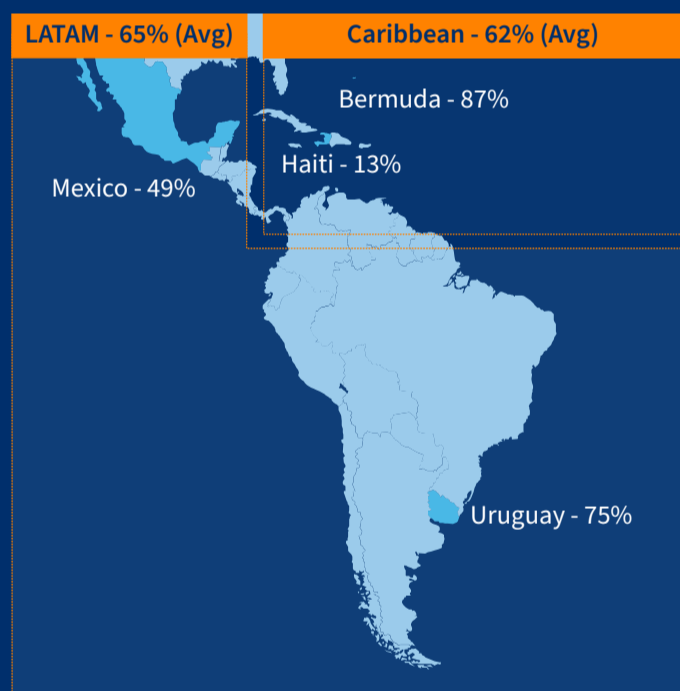
#### Effectiveness

A country must demonstrate that, in the context of the risks it is exposed to, it has an effective framework to protect the financial system from abuse.<sup>1</sup>

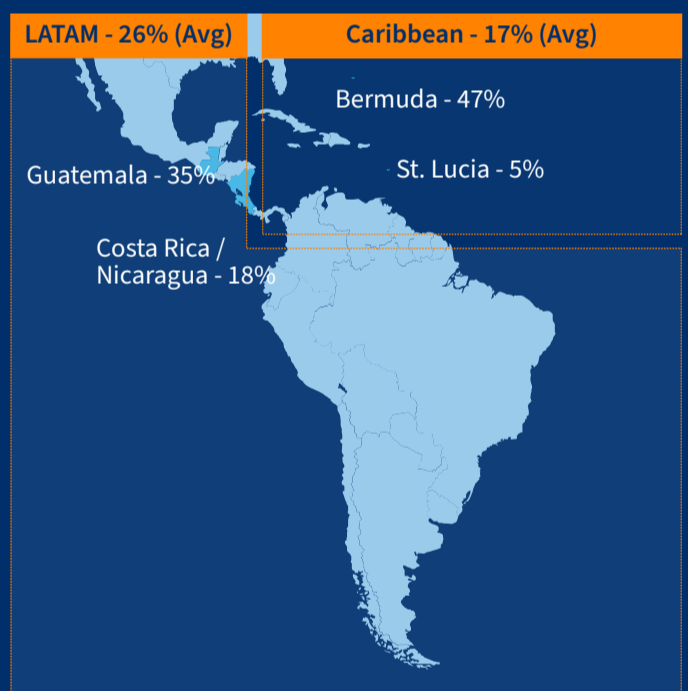
### The Region by the Numbers

In LATAM and the Caribbean, Bermuda had the highest technical compliance rating (87%). However, with an average compliance rating in the 60% range, the region has a long, but achievable journey ahead to improve technical compliance.

#### Technical Compliance



#### Effectiveness



### Are you and your organization doing enough?

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Are you fighting financial crime because you are required to? Or because it is the right thing to do?

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Are your organization’s policies in line with local and international regulations?

Going beyond the minimal regulatory requirements can make an impact on both the communities you serve and on your internal staff. Applying best practices and ensuring that the data, technology and your teams are working together in synergy will ensure your organization’s success.

LexisNexis Risk Solutions offers a host of solutions to help you mitigate AML/CTF risk. Contact us for more information or visit [risk.lexisnexis.com/FCC](http://risk.lexisnexis.com/FCC).

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