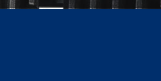


How are companies tackling trade compliance?

Industry insight



As global trade booms, how can organizations keep up with increasing demand while navigating the regulatory landscape?

LexisNexis® Risk Solutions conducted a survey on trade compliance and the specific challenges facing the industry.

More than 120 compliance professionals from banks, insurance and fintech firms around the world offered their insights into current processes and pain points.

The results reveal differences in how global banks, corporates and non-banking financial institutions (NBFIs) manage trade compliance.

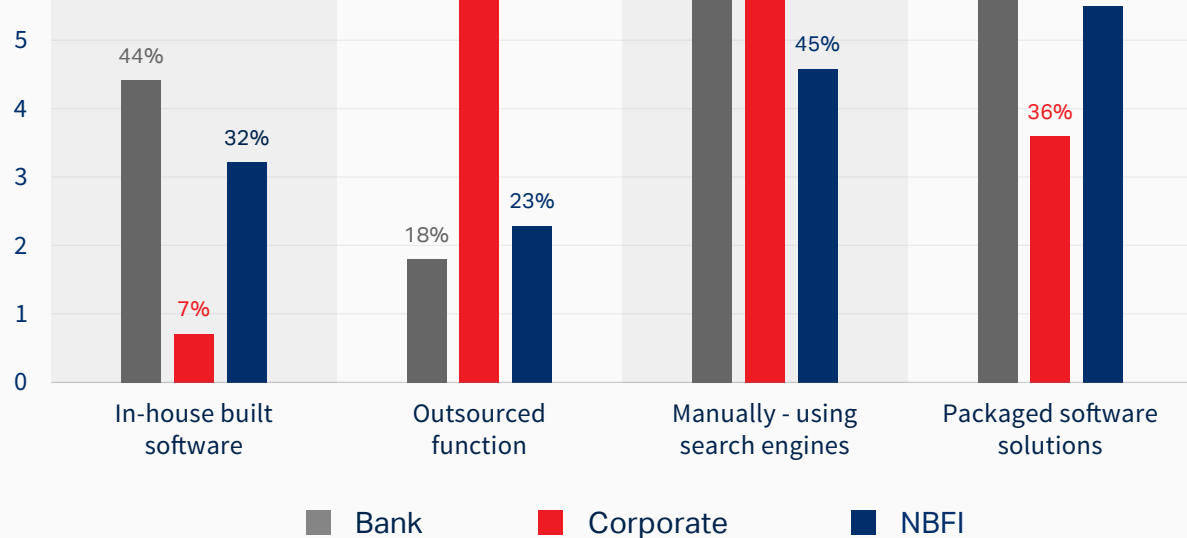
+120

compliance professionals from banks, insurance and fintech firms around the world



Many companies still rely on manual screening, despite the risks

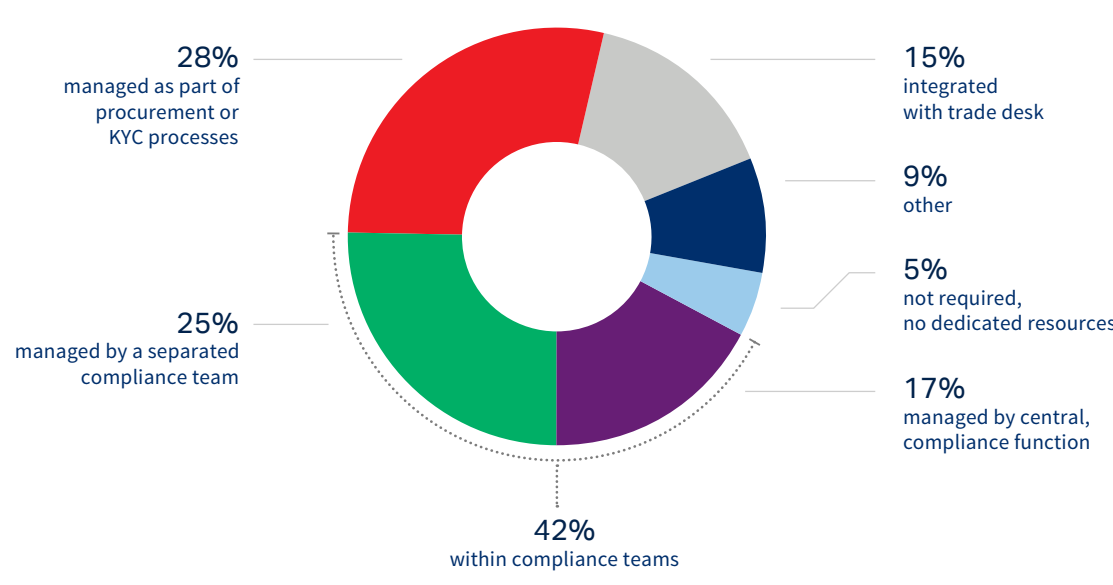
Q: How do you currently comply with trade compliance requirements?



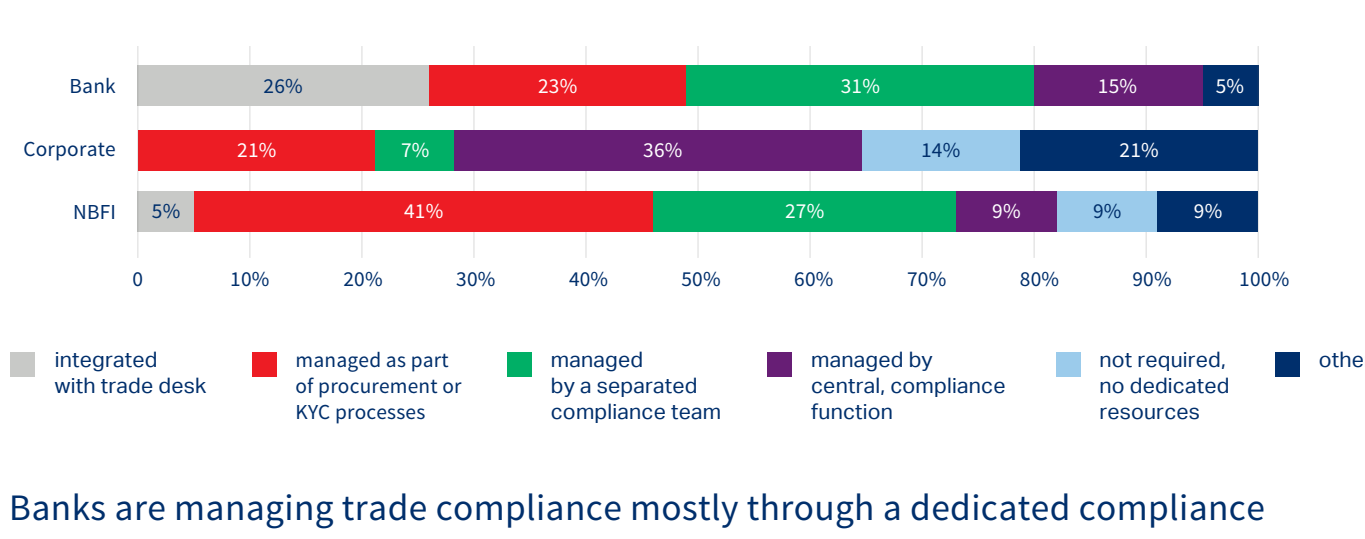
Manual searches leave organizations open to human error, leading to potentially missing red flags.

Trade compliance is not always handled by a dedicated team

Q: How does your organization manage trade compliance?



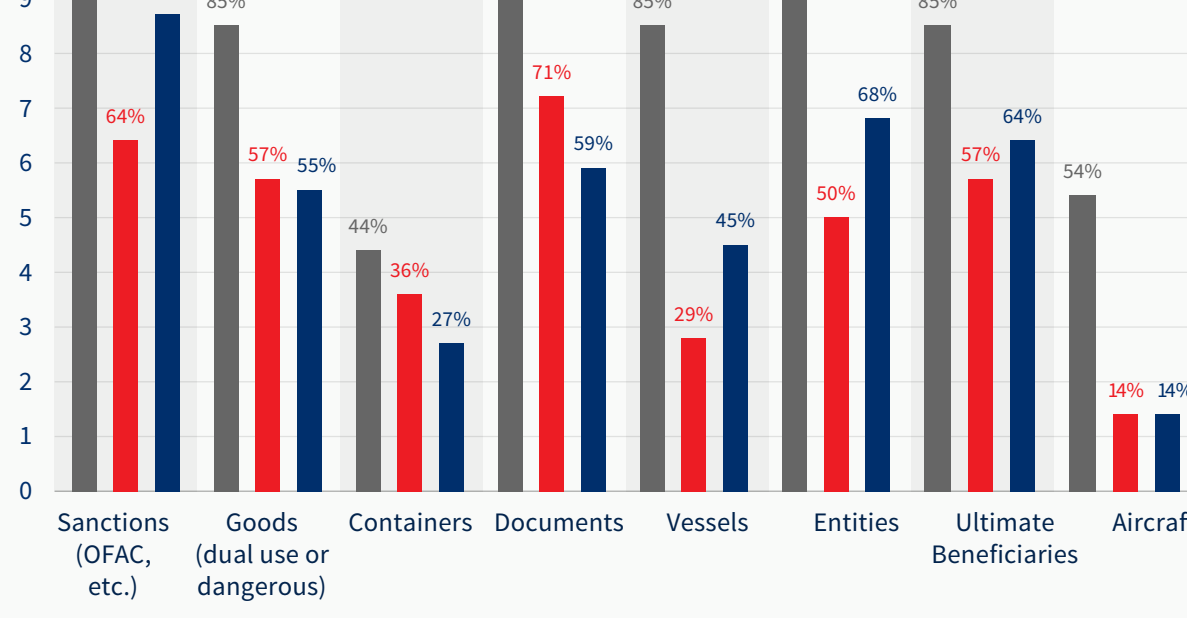
Breakdown by business type



Banks are managing trade compliance mostly through a dedicated compliance function or a trading desk, whereas NBFIs are handling it as part of the KYC process, and corporates as part of a central compliance function.

Multi-variable screening is mostly limited to banks

Q: What do you include as part of trade compliance?



While more than 90% of banks screen for five or more data points, only a third of non-banks do so.

Challenges posed by changing regulation



Regulatory landscape
#1 challenge for banks and corporates

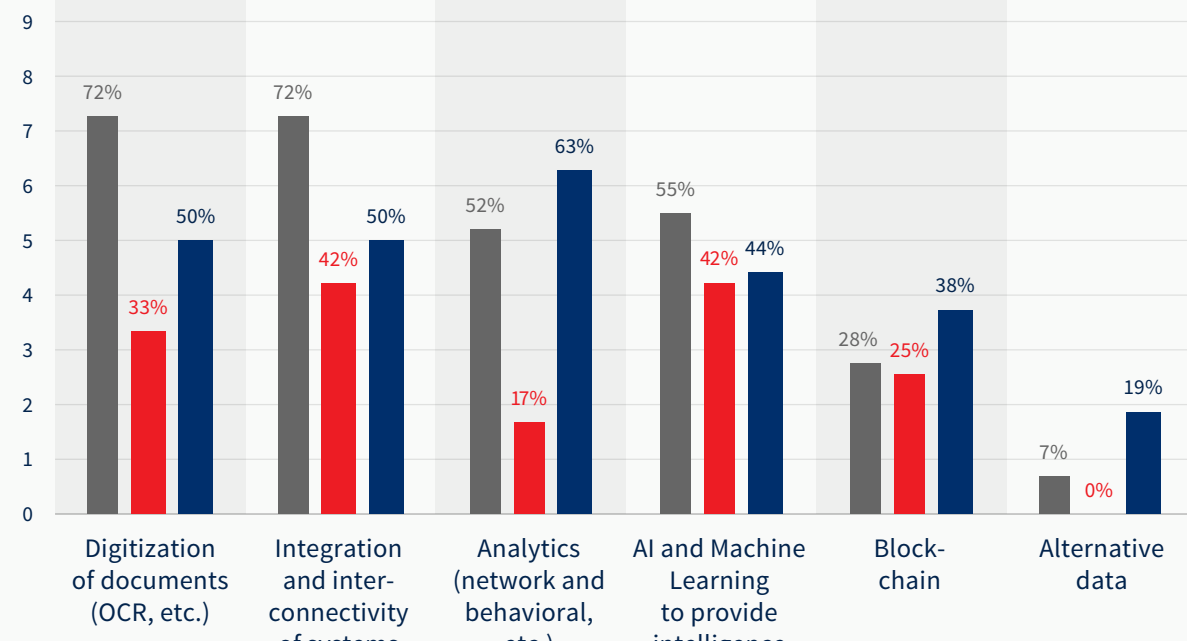


Document-heavy processes
#1 challenge for NBFIs

Keeping up with changing regulations and increasing expectations are the biggest challenges for banks and corporates, while NBFIs find document-heavy processes the biggest burden.

Efficiency gains planned

Q: Which of the following does your firm plan to invest in, to enhance trade compliance?



Overall, 60% of firms revealed they are looking to invest in integration / interconnectivity of systems, with 74% looking to improve data sharing and transparency.

Compliance as an advantage

Q: Can trade compliance be an enabler for your business?

Rank the following in terms of importance.

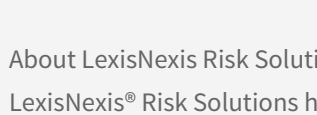
Business Enabler	Rank
Bank	
Competitive advantage	1
Avoid regulatory fines and penalties	2
Strengthen customer trust	3
Broaden customer (market) reach	4
Strengthen investor/stakeholder trust	5
Access to funding and liquidity	6
Corporate	
Competitive advantage	1
Strengthen customer trust	2
Access to funding and liquidity	3
Broaden customer (market) reach	4
Strengthen investor/stakeholder trust	5
Avoid regulatory fines and penalties	6
NBFI	
Competitive advantage	1
Broaden customer (market) reach	2
Access to funding and liquidity	3
Avoid regulatory fines and penalties	4
Strengthen customer trust	5
Strengthen investor/stakeholder trust	6

Competitive advantage is seen as the main benefit of trade compliance across the board. Corporates reported less concern over fines, with accessing liquidity a bigger priority.

Data gathered from 124 respondents, December 2020 - March 2021

Learn more about how LexisNexis® Risk Solutions can streamline your trade compliance processes, with quality list data and automated screening.

Learn more about LexisNexis® Fircos™ Trade Compliance.



About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and technological solutions reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com. Our solutions assist organizations with preventing financial crime, achieving regulatory compliance, mitigating business risk, improving operational efficiencies and enhancing profitability. LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc.

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