

## The True Cost Of Financial Crime Compliance In EMEA

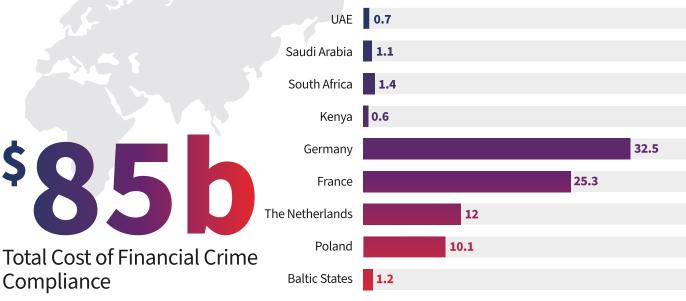
In this 2023 commissioned study, Forrester Consulting conducted a global online survey of 1,181 senior decision-makers at financial institutions to evaluate the cost, current state, and challenges presented by financial crime compliance operations. Survey participants from Africa, Europe, and the Middle East, include 482 senior decision-makers in the Baltic States, France, Germany, Kenya, the Netherlands, Poland, Saudi Arabia, South Africa, and the UAE.

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.



### The Total Cost Of Financial Crime Compliance In EMEA



operations by the number of financial institutions in that region.

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





expectations for instant payments.

each region varies.

models hinder customer



The Key Contributors to Rising Compliance Costs



controls through automation and outsourcing.

**Financial Crime Compliance** 

#### In Europe, Middle East and Africa Financial institutions across EMEA are seeing an increase in Financial Crime Compliance costs. The highest contributor is labor costs in the form of salaries. However, the key contributor in

**Middle East** 

#### performance.

**Technology Costs** Middle East is utilizing technology to enhance compliance

Key **Contributors** of Rising

Compliance

Costs

expanding spend on human resources.

Europe

Resource Costs Europe is primarily

This indicates a shifting focus on international trade.

# banking activities.

**Africa** 

**Technology Costs** 

Africa is investing in the

digital transformation of

#### Financial Crime Trade-Based Money-Laundering Involving Digital **Payments** Schemes

Exposure to Financial Crime Typologies

Both trade-based money laundering schemes and corruption within supply chains are perceived as a growing concern, noted by **58%** and **59%** of respondents, respectively.

Criminal Use of Financial Crime Technologies/ Involving the Use Top 8 Methodologies **Increased in** The Past Use of Professional



Corruption and

Bribery Within

**Supply Chain** 

Top 5 Challenges In Financial Crime Compliance

12 Months



Party Advisers to Lend Legitimacy to Illegal Activities

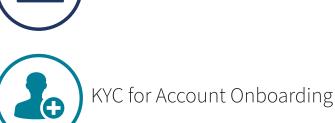
Supply Chain

Disruptions

Enablers/Third-



Customer Risk Profiling









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Crime Compliance Study to learn more about

how to combine compliance effectiveness with

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seamless customer experience.





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