True Cost of Financial Crime Compliance Study

APAC EDITION

LexisNexis®
RISK SOLUTIONS

BACKGROUND & OBJECTIVES

LexisNexis® Risk Solutions has conducted a global survey of its True Cost of Financial Crime Compliance study. The following report presents findings for the APAC region.

Specific objectives included to:

- **Identify the drivers and influencers** impacting financial crime compliance;

- **Understand spending trends** for financial crime compliance, including:
  - How spending is divided by cost of compliance area (e.g., sanctions, transaction monitoring, technology, KYC due diligence, etc…);
  - The human resources component of these costs, particularly numbers of FTEs for compliance and sanctions screening; and
  - The processing time component (e.g., length of time to complete customer due diligence by type of client/entity);

- **Determine the business impact** of the financial crime compliance environment, particularly with regard to new regulations and provisions; and

- **Identify any challenges and impacts** associated with the COVID-19 pandemic.

METHODOLOGY

LexisNexis® Risk Solutions retained KS&R, a global market research firm, to conduct this research study.

Data was collected by phone during September and October 2020 with a total of 231 completions across 4 APAC markets.

Total	Country				Assets Alt.		Co. Type		
	Indonesia	India	Philippines	Singapore	< $10B	$10B	Bank	Investment	Insurance
231 completions	60 completions	50 completions	50 completions	71 completions	140 completions	91 completions	133 completions	67 completions	31 completions

The 2019 APAC report included Malaysia, Singapore, Indonesia and Philippines. Since that market was replaced by India for 2020, year-on-year findings can only be reported for the markets represented in both 2019 and 2020.

Respondents included decision makers within the financial crime function who oversee KYC remediation, sanctions monitoring, financial crime transaction monitoring and/or compliance operations. Organisations represented banks, investment firms, asset management firms, and insurance firms.

LexisNexis® Risk Solutions was not identified as the sponsor of the research in order to lessen potential for brand bias.

In this report, **firms are referred to in terms of their asset size** and defined as:

- Small asset size – having <$10B total assets
- Mid/large asset size – having $10B+ total assets.

3rd party/non-bank payment providers are referenced in this report (not as being part of the sampling, but as having an impact on compliance operations).

- Examples of these systems and providers include mobile and Internet Payment Systems (i.e. mobile wallets, peer-to-peer payments, and social media payments) and payment services providers (i.e., AliPay, PayPal, Stripe, Amazon Payments, Authorize.net, etc.).

All currency references in this report are based on USD.

KEY FINDINGS

1. **The cost of financial crime compliance** has risen significantly for larger financial institutions in key APAC markets, with labour contributing to this.

2. **KYC for account on-boarding** is a key challenge facing larger APAC banks.

3. **COVID-19** has significantly impacted financial crime compliance operations and costs across APAC financial institutions. It has compounded the current set of challenges, and particularly contributed to significant cost increases among larger banks.

4. Challenges aside, **financial crime compliance activities do provide a range of benefits** to APAC financial institutions, allowing more effective risk management and management of customer relationships.

5. **Financial institutions which have invested in technology solutions** to support financial crime compliance efforts have experienced smaller cost increases and less negative impacts from COVID-19.

LexisNexis® RISK SOLUTIONS

KEY FINDING 01

The cost of financial crime compliance has risen significantly for larger financial institutions in key APAC markets, with labour contributing to this.

The average total projected cost of financial crime compliance across all financial institutions in APAC study countries is $12.06B, with larger banks representing a sizeable portion of this.

The average annual cost of financial crime compliance per financial organisation has risen sharply, particularly for larger firms in Singapore and the Philippines.

More costs are associated with labour compared to 2019.

Some financial firms are screening considerably more names compared to last year, but with similarly-sized teams.

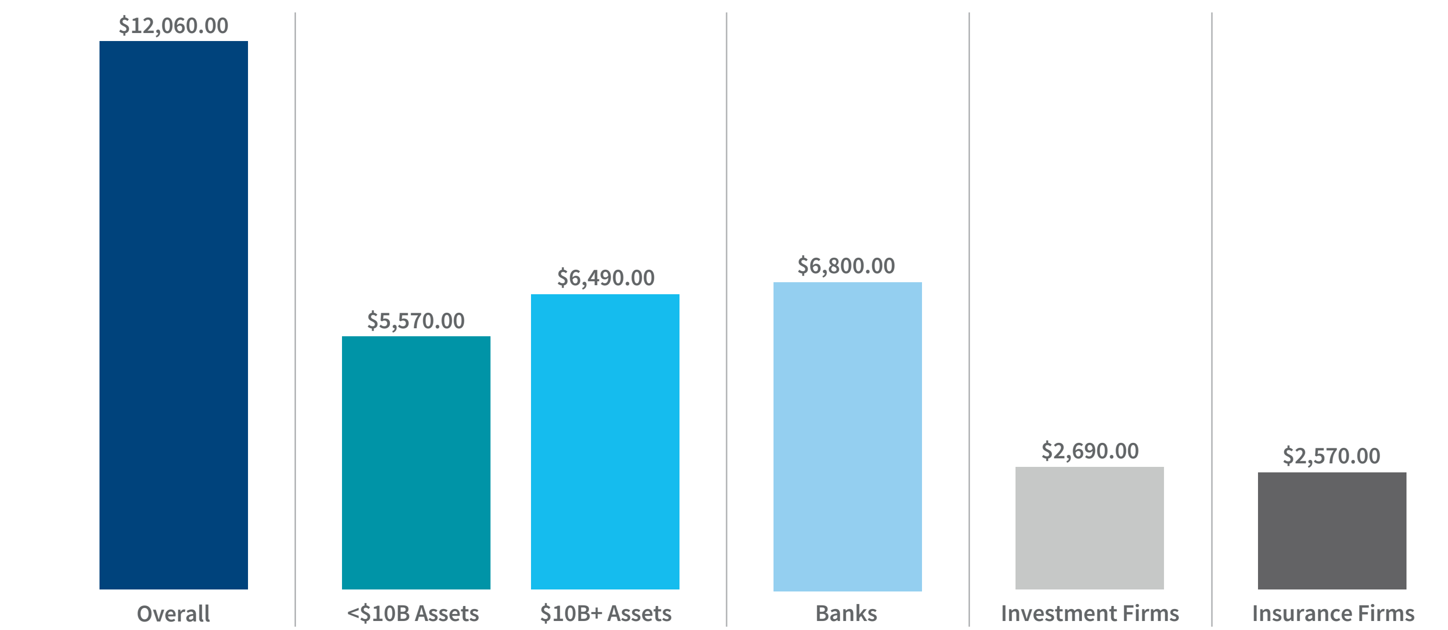
KEY FINDING 01
Projected Total Cost of Financial Crime Compliance Across Financial Institutions

The total projected cost of financial crime compliance across all financial firms in the APAC study markets is $12.06B for 2020, with larger financial institutions representing just over half of this ($6.49B).

India represents nearly half (46%) of this ($5.51B) given that there are significantly more financial services institutions in that market compared to others. That includes many smaller firms (<$10B Total Assets), such that India represents a significant portion of the total projected cost among the smaller segment ($3.89B).

This is followed by Singapore representing 32% of the total ($3.81B).

Projected Total Cost of Financial Crime Compliance* Across Financial Firms
(Costs in Millions)



Q5: Please give your best estimate of the total annual cost of your financial crime compliance operations in USD. This includes resources/labour, systems/solutions/data and other governance activities for all aspects of compliance such as customer due diligence, sanctions screening, transaction monitoring, investigations, reporting, analytics/risk assessment, auditing, training, etc… Q5aa: Roughly, what percentage would you say this spend is of your institution's total assets under management?

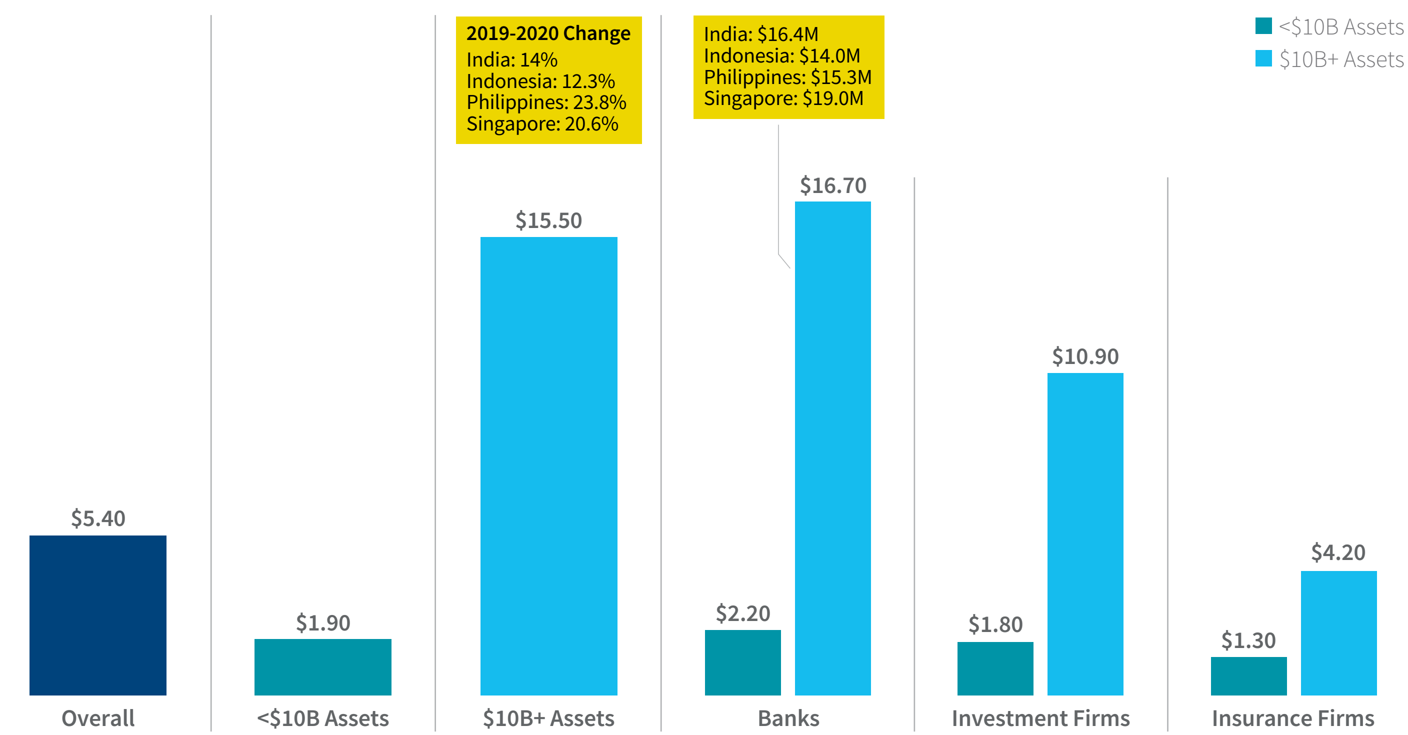
* Total annual cost of compliance across firms within the India market is calculated using two sources of information: 1.) secondary data that provides a list of all FIs in each market, along with the total assets for each organisation; and, 2.) survey data regarding financial crime costs as a percent of total assets. A spend amount is generated for each FI by multiplying its reported total asset amount by the average percent that financial crime costs represent of that amount. As demonstrated above, the average percent of spend-to-assets varies by organisation size; therefore, this calculation is conducted separately for each asset-size category and then summed for an overall total. While the survey included range of decision makers for financial crime compliance, it can be difficult for some portion of them to know the exact spend as more compliance work gets delegated down to operational and business units. Therefore, there could be some variance in the total cost amount. However, a census-type calculation, as described above, brings rigor to the process and should ensure a good estimation of total spend in the India market.

KEY FINDING 01
Median Annual Financial Crime Compliance Costs per Financial Firm

The average annual cost of financial crime compliance operations is significantly higher for mid/large banks, particularly those in Singapore and India. But the cost of compliance has increased year-on-year the most for larger Filipino and Singaporean financial institutions.

As shown later, labour is a part of these increases, in terms of adding staff and/or attributing a significantly greater amount of spend to labour resources than was reported for 2019. Increased screening volumes and COVID-19 are underlying factors with compliance team growth.

Average Annual Financial Crime Compliance Operations Costs per Organisation: ***Pre-COVID-19***
(Costs in US$ Millions)



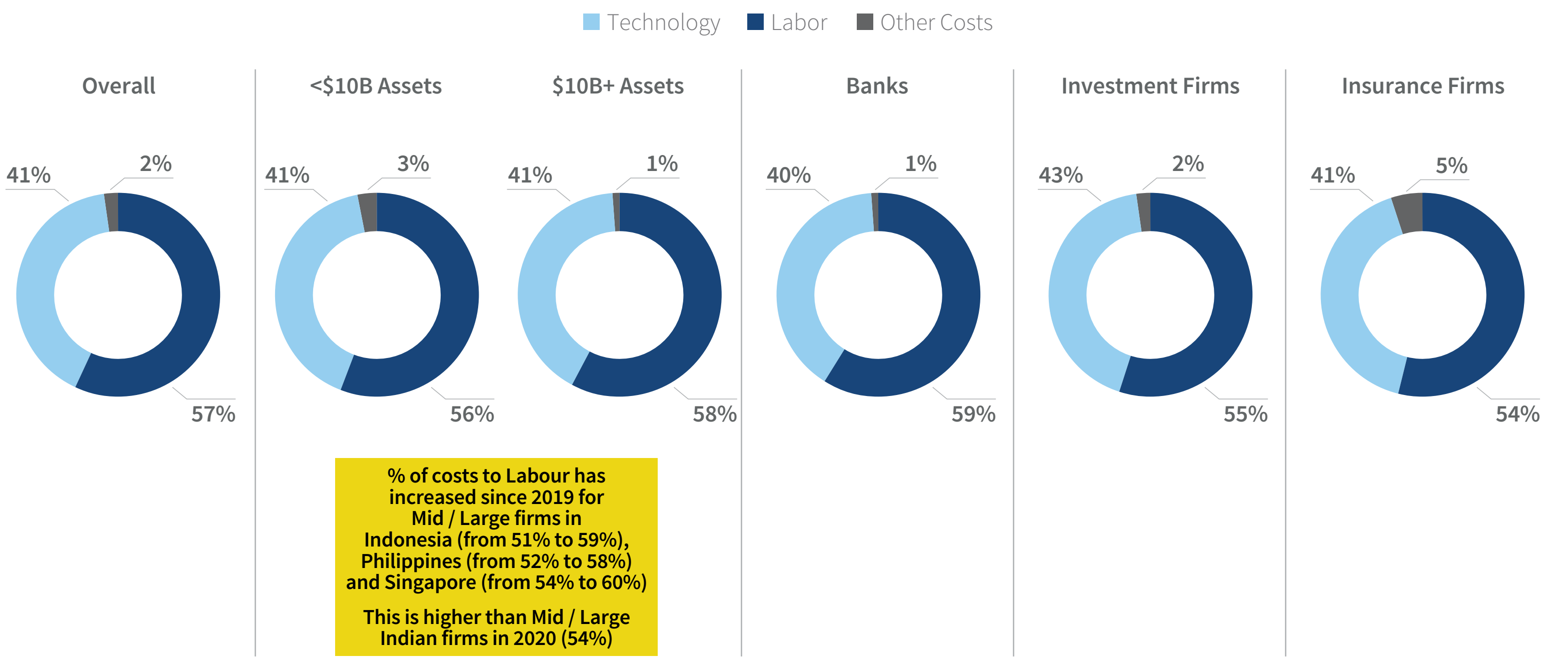
Q5: Please give your best estimate of the total annual cost of your financial crime compliance operations in USD. This includes resources/labour, systems/solutions/data and other governance activities for all aspects of compliance such as customer due diligence, sanctions screening, transaction monitoring, investigations, reporting, analytics/risk assessment, auditing, training, etc

LexisNexis® RISK SOLUTIONS

KEY FINDING 01
The Role of Labour with Financial Crime Compliance Costs

The average annual cost of financial crime compliance is weighted somewhat more toward labour than technology, particularly for banks. The percentage costs attributed to labour has increased year-on-year for mid/large firms in Indonesia, Philippines and Singapore.

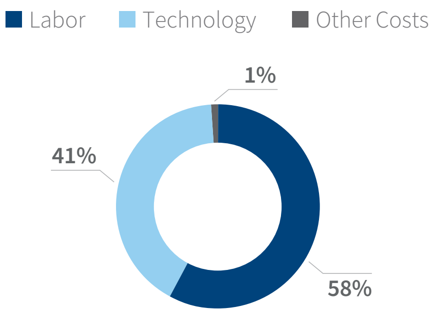
Average Distribution of Financial Crime Compliance Operations Costs



KEY FINDING 01
The Role of Labour with Financial Crime Compliance Costs

Mid/large firms across APAC study markets spend an average of $9.2M on FTE compliance staff, resulting in a 10.3% year-on-year compliance cost increase due to labour. Mid/large firms in the Philippines and Singapore are experiencing even higher increases due to labour.

Average Distribution of Financial Crime Compliance Operations Costs



Market	2020 Average Cost of Compliance (Millions)	% of Compliance Costs Involving Labour	2020 Average Cost of Compliance Due to Labour	YOY Average Cost of Compliance Increase	% YOY Average Cost Due to Labour
	Current State 2020			**Increases From 2019**	
All 4 Markets	$15.8M	58%	$9.2M	17.7%	10.3%
India	$15.7M	54%	$8.5M	14.0%	7.6%
Indonesia	$15.4M	58%	$8.9M	12.3%	7.0%
Philippines	$14.8M	58%	$8.6M	23.8%	13.8%
Singapore	$16.8M	60%	$10.1M	20.6%	12.4%

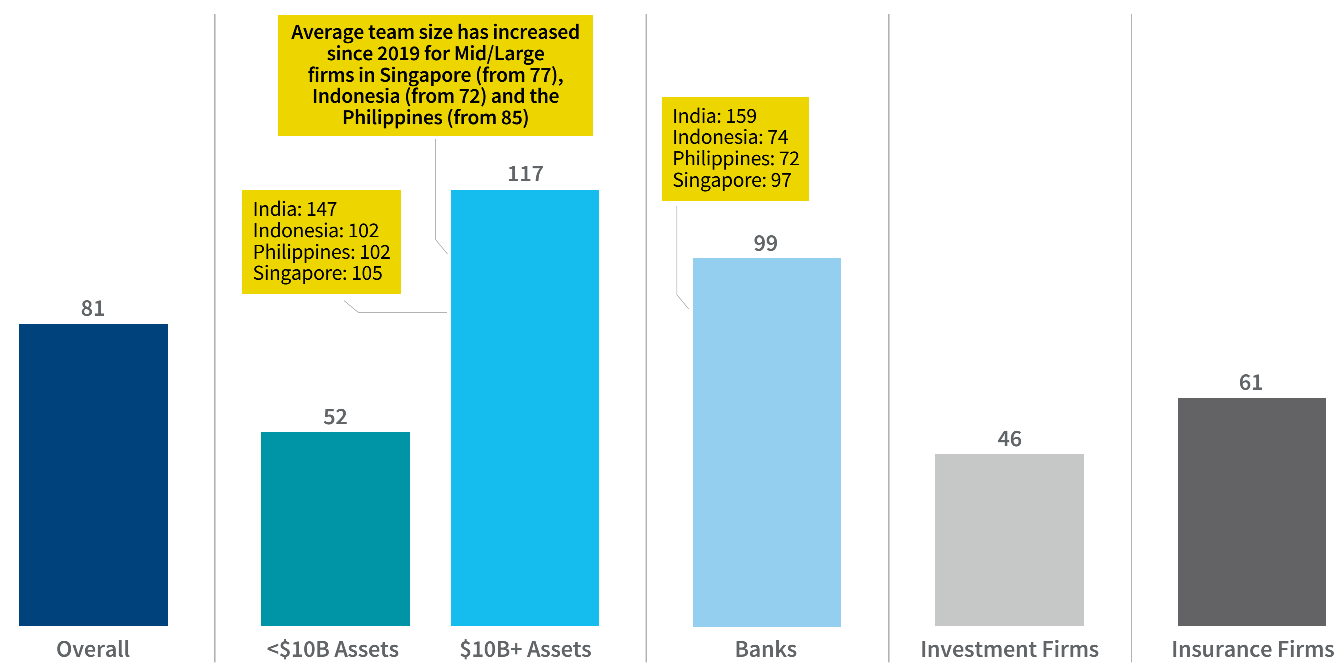
KEY FINDING 01
The Role of Labour with Financial Crime Compliance Costs

Year-on-year growth of financial crime compliance teams drives up labour costs, with banks having significantly larger teams compared to investment and insurance firms.

Compliance teams in mid/large Indian banks are up to 2x larger compared to those in other APAC study markets.

That said, compliance teams have grown since last year within larger Singaporean, Indonesian and Filipino financial firms. This has occurred as the volume of compliance and sanctions screening volumes rose for these firms, to levels rivaling Indian banks. For Singapore in particular, there has been an effort among larger financial institutions to bulk up teams as a commitment to protecting jobs during the COVID-19 pandemic; this has been encouraged by the Monetary Authority of Singapore (MAS). [1,2]

Average FTE Staff Employed in Financial Crime Compliance Operations: 2020



Q2c: Please indicate your best estimate of the number of FTE staff employed in the financial crime compliance operations departments.

1 https://www.channelnewsasia.com/news/business/dbs-to-hire-2000-people-amid-covid-19-coronavirus-downturn-12732518
2 https://www.marketscreener.com/news/latest/Gearing-up-for-New-and-Evolving-Jobs-in-Financial-Services-Remarks-by-Mr-Ravi-Menon-Managing-Di--31869396/

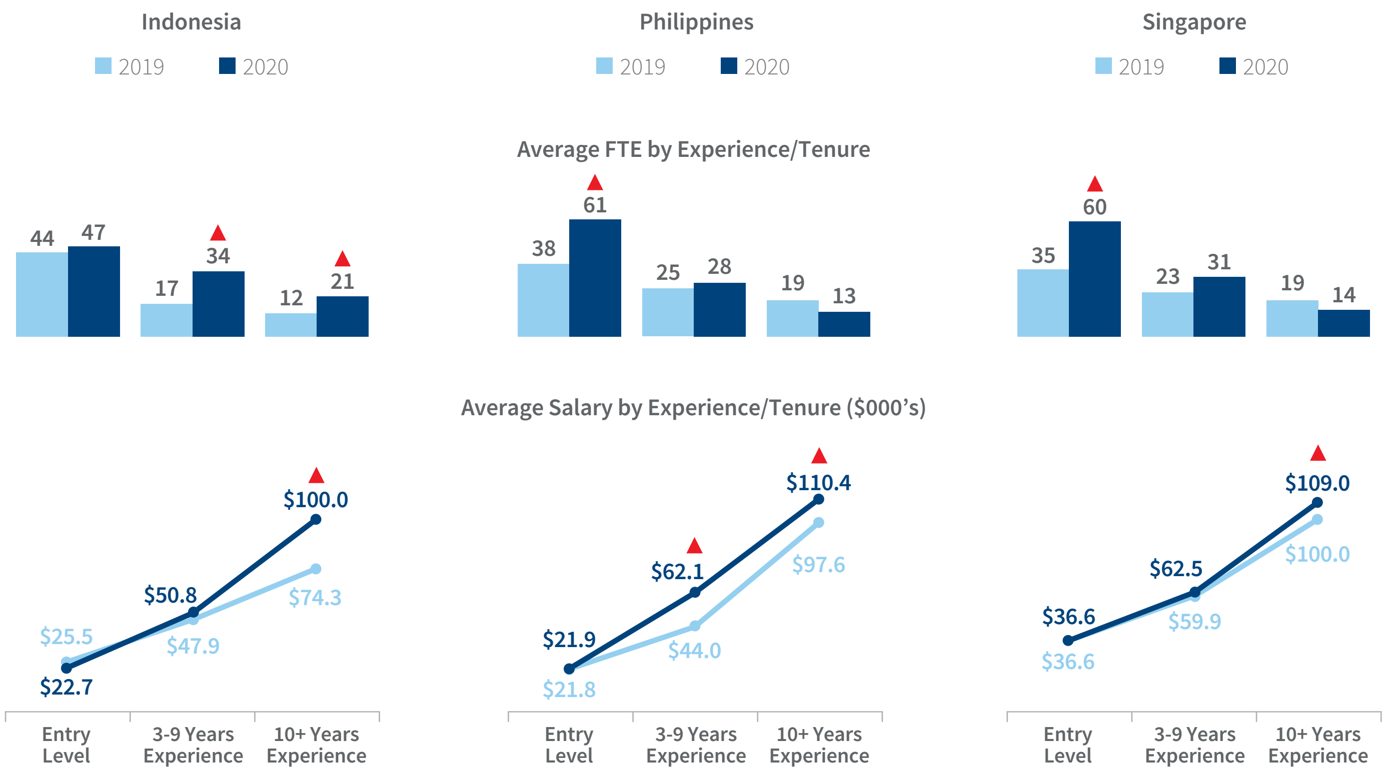
LexisNexis® RISK SOLUTIONS

KEY FINDING 01
The Role of Labour with Financial Crime Compliance Costs

The labour growth among mid/large Filipino and Singaporean financial institutions is largely based on hiring entry level staff, which correlates with rising screening volumes and COVID-19 disruptions (and added risk).

Indonesian firms have added compliance professionals with more experience, though not to the same level compared to the entry level hiring among Filipino and Singaporean firms. In each market, there is some salary creep as well, which further contributes to added labour costs.

Average Financial Crime Compliance Operations FTE Staff by Tenure / Salary: 2019 – 2020 Mid/Large Firms



▲ = Significant or directional increase from 2019

Q2c: Please indicate your best estimate of the number of FTE staff employed in the financial crime compliance operations departments. Q7: Please estimate the average annual salary of your firm's financial crime compliance personnel for the following levels/ tenures.

1 https://www.channelnewsasia.com/news/business/dbs-to-hire-2000-people-amid-covid-19-coronavirus-downturn-12732518
2 https://www.marketscreener.com/news/latest/Gearing-up-for-New-and-Evolving-Jobs-in-Financial-Services-Remarks-by-Mr-Ravi-Menon-Managing-Di--31869396/

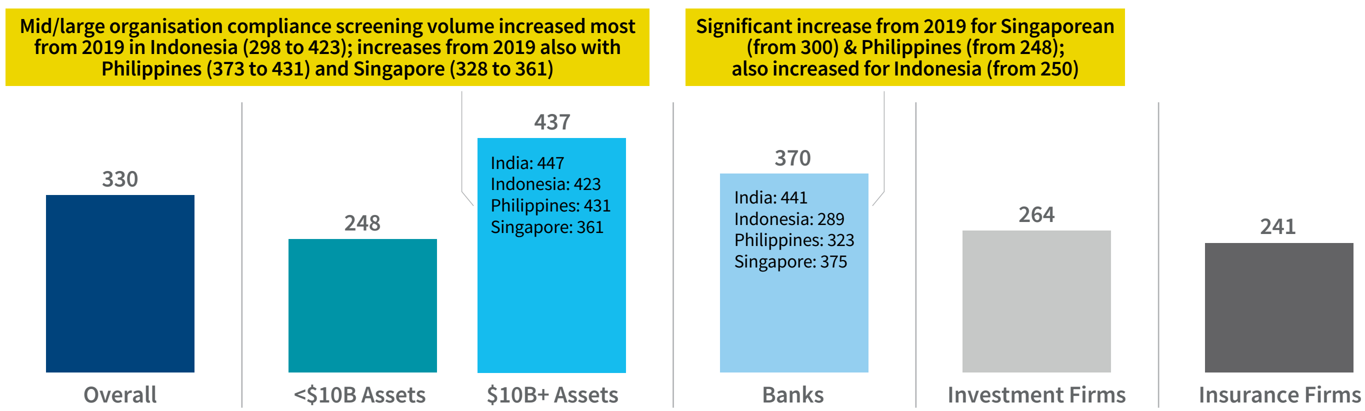
LexisNexis® RISK SOLUTIONS

KEY FINDING 01
Increased Screening Volumes Contributing to Compliance Costs

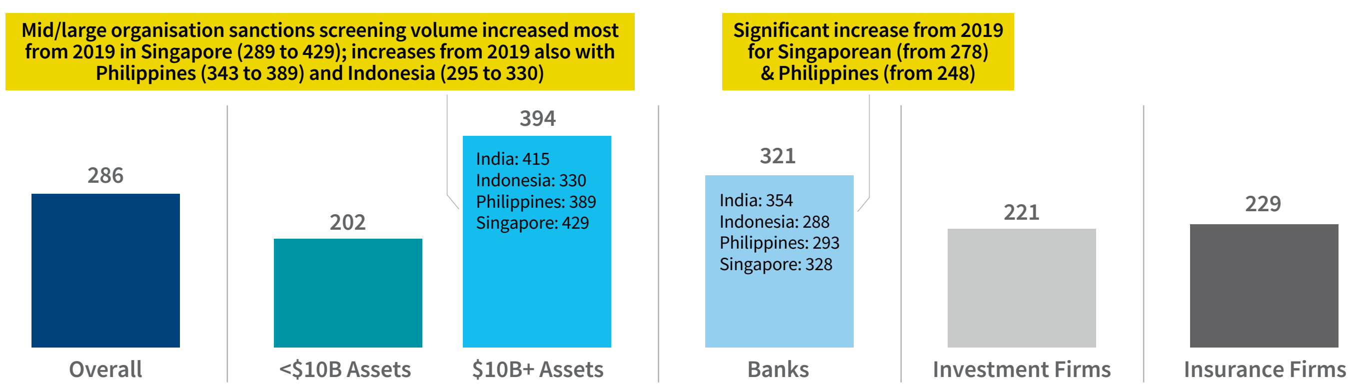
Banks in APAC study markets experience a higher average volume of screening compared to investment and insurance firms.

Markets included in both the 2019 and 2020 survey show a year-on-year increase in screening volumes, most dramatically for larger Singaporean and Filipino banks.

Average Names for Compliance screening (per day)



Average Names for Sanctions Screening (per day)

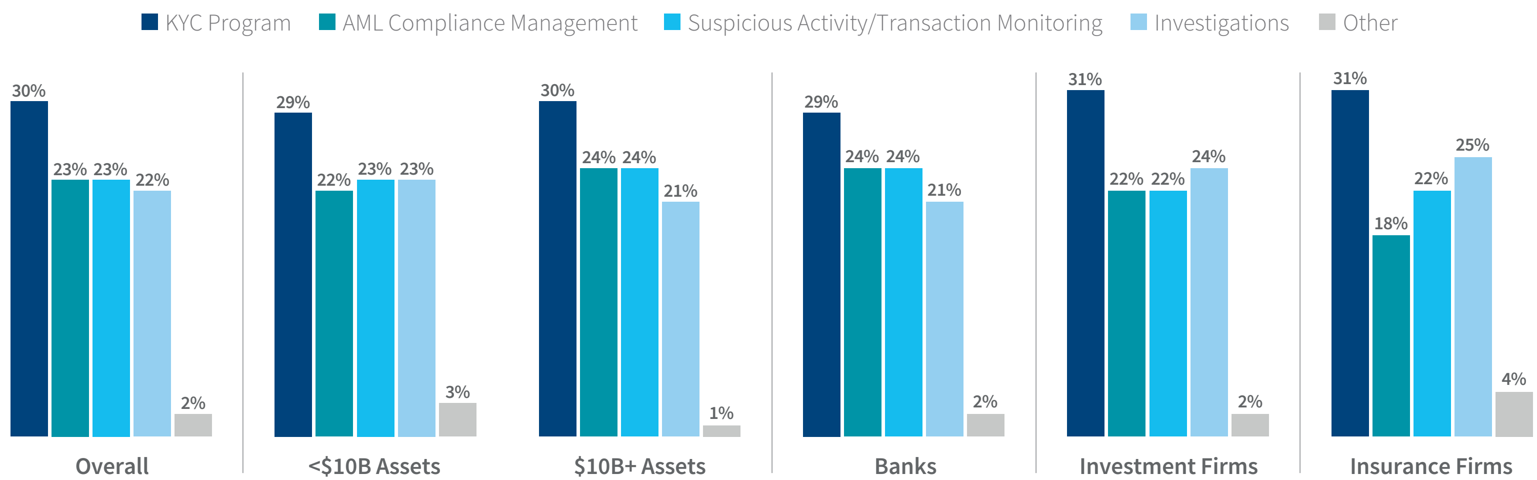


Q3: On average, how many names are screened per day across all of the FTE analysts in your financial crime compliance screening operations?
Q4: On average, how many names are screened per day across all of the FTE analysts in your sanctions screening operations?

KEY FINDING 01
Distribution of Costs Across Compliance Activity

Financial crime compliance spend is weighted somewhat more towards KYC Program activities across the APAC study markets.

Distribution of Financial Crime Compliance Costs by Compliance Activity



Q6: Thinking again about the estimated total annual cost of your financial crime compliance operations, please give your best estimate of the percentage that is spent on each of the following areas.

KEY FINDING 02

KYC for account on-boarding is a key challenge facing larger APAC banks.

Retail, real estate and legal/accounting services are key risk sectors for financial crime, particularly for APAC banks.

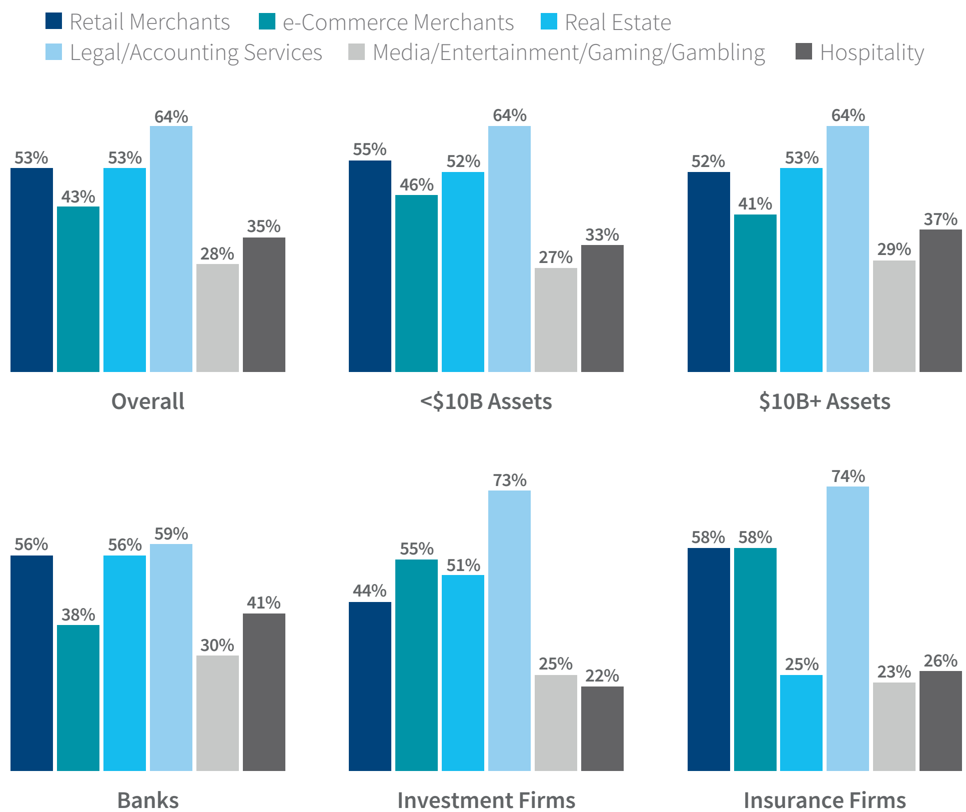
KYC for account on-boarding is a consistent challenge across APAC, especially for larger banks.

All of this is increasing pressure on compliance teams and lessening productivity, while increasing costs.

KEY FINDING 02
New Account Risks

Retail, real estate and legal/account services are ranked as top risk sectors among mid/large financial firms, particularly banks.

TOP 3 Sectors That Pose the Highest Risk of Money Laundering



Q1b: For each of the following industry segments, please give your best estimate of the number of new accounts opened monthly.
Q1c: Please select the TOP 3 sectors that pose the highest risk of money laundering for your financial institution.

India: Transnational criminal organisations use offshore corporations and trade-based money laundering to disguise criminal origins of funds, and companies use TBML to evade capital controls. In fact, it is not uncommon for businesses/professionals to collaborate with each other to use shell companies for converting illegal wealth into legitimate assets. Illicit funds are laundered through real estate transactions, as well as gold purchases, charities, election campaigns, and educational programs.[3] The most recent statistics found during the writing of this report indicate that the real estate sector accounts for 35% of money laundering cases in India.[4]

Indonesia: In the 2018 MER, APG identified real estate as one of the highest risk non-financial sectors, with proceeds from narcotics, corruption, and taxation crimes readily laundered through this sector. Not only are there are no specific licensing requirements for these agents/sales people beyond the basic requirement to obtain a business license from the Ministry of Trade, but there are difficulties identifying the beneficial owner of property. For other Designated Non-Financial Businesses and Professions, such as Accountants, requirements for determining beneficial ownership are brief; additionally, there isn't even a definition of 'beneficial owner' for guidance.[5]

Philippines: Foreign nationals often use dummy retail businesses to launder money. For example, Filipino nationals will register sole proprietorship retail businesses with the Department of Trade and Industry (DTI) on behalf of certain foreign nationals, who are the actual and ultimate beneficial owners. The associated bank accounts will then be managed and controlled by the foreign nationals (the UBOs) for the purpose of receiving funds from illegal proceeds.6 And though the Philippines has made considerable progress toward AML compliance by casinos and other DNFBPs, they are still in the early stages of compliance.[7]

Singapore: Starting a new company in Singapore is relatively easy, making it a target for the creation and misuse of shell companies, resulting in the diversion illegal funds to other entities.[8,9] Additionally, FAFT has deemed Singapore only partially compliant regarding adequate customer due diligence and recordkeeping requirements applicable to casinos, real estate agents, and accountants.[10] Most recently, e-commerce scams involving money laundering activities have run rampant, with over 300 suspects arrested just in the first half of August.[11]

3 2020 INCSR Money Laundering Report, US State Department
4 https://indianexpress.com/article/india/enforcement-directorate-real-estate-black-money-real-estate-indian-economy-money-laundering-4930435/
5 https://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/APG-Mutual-Evaluation-Report-Indonesia.pdf
6 2020 AUG AMLC RISK INFORMATION SHARING AND TYPOLOGIES ON DRUG TRAFFICKING
7 https://www.state.gov/wp-content/uploads/2020/03/Tab-2-INCSR-Vol-2-508.pdf
8 https://www.reuters.com/article/us-singapore-cenbank/singapore-steps-up-scrutiny-of-shell-firms-to-combat-money-laundering-idUSKCN1V2231
9 https://www.deccanherald.com/business/business-news/jp-morgan-used-sham-deals-shell-firms-to-launder-amrapali-home-buyers-funds-to-its-mauritian-singapore-entities-ed-845330.html
10 http://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Report-Singapore-2019.pdf
11 https://www.straitstimes.com/singapore/313-people-arrested-for-e-commerce-scams-and-money-launderingtotalling-over-1-million

LexisNexis® RISK SOLUTIONS

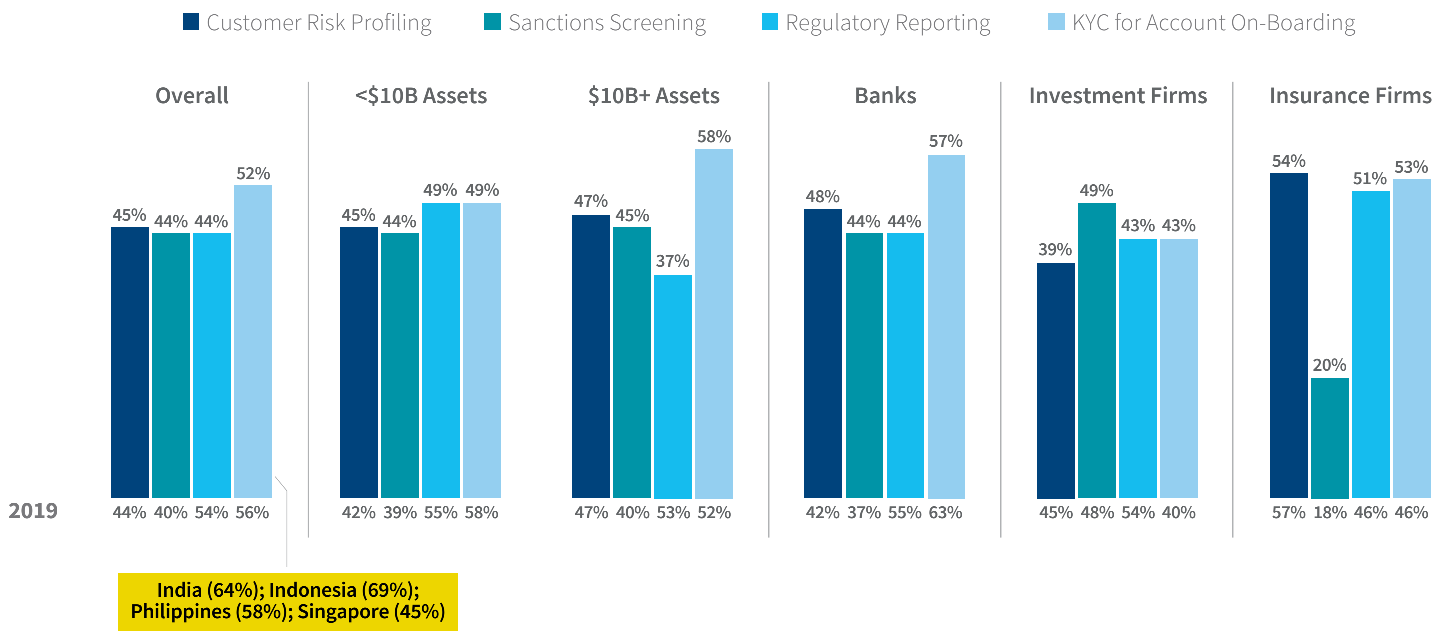
KEY FINDING 02
Financial Crime Screening Challenges

KYC for account on-boarding is the consistent top challenge across most APAC study markets. There is less consensus about the other top ranked challenges, which indicates a broader set of challenges overall.

Since the findings are based on ranking the top 3, rather than select all that apply, the interpretation focuses more on how respondents coalesce (or not) around certain challenges. This is occurring with KYC for account on-boarding. But others are more evenly distributed, which indicates that different firms are experiencing different challenges beyond KYC on-boarding.

Q25: What areas in your compliance screening operations face the largest challenges?

Key Challenges for Compliance Screening Operations
(% Ranked Among Top 3)



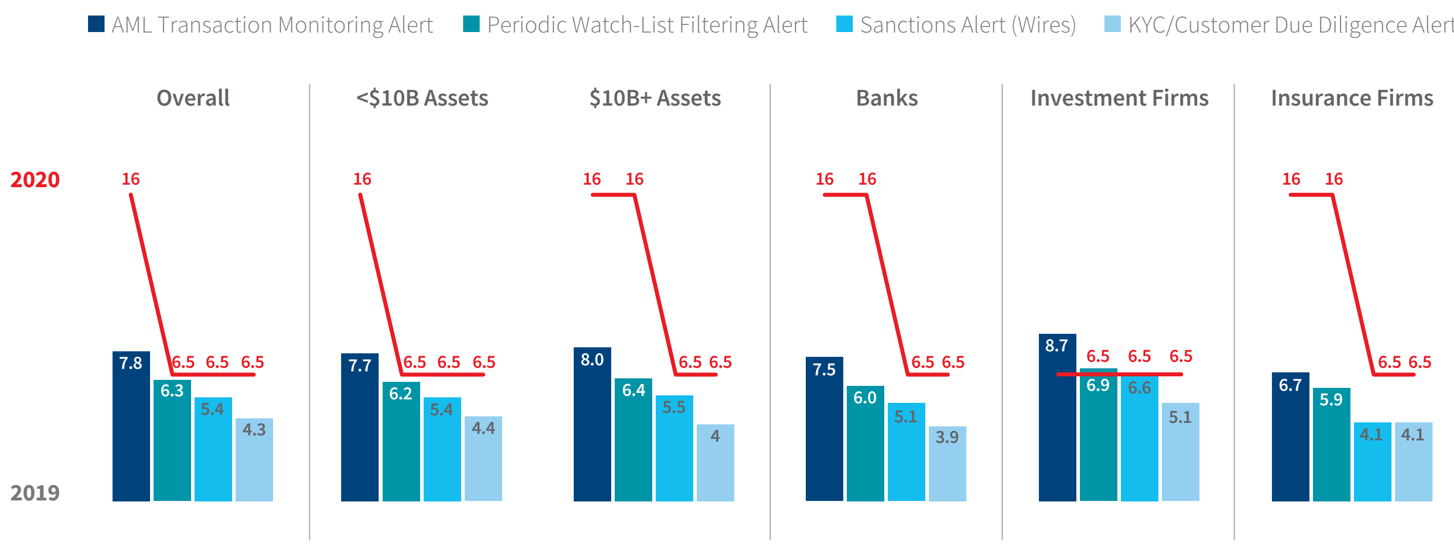
LexisNexis RISK SOLUTIONS

KEY FINDING 02
Alert Resolution Challenges

The median time to clear alert volumes has increased dramatically since 2019, doubling for AML transaction monitoring and periodic watch-list filtering.

This could be a halo-effect from the COVID-19 impacts, where a number have experienced increased alert volumes and therefore expect that to be the trend. This is also likely related to the negative impacts expressed in 2019 with regard to non-bank payment provider transactions that create challenges based on lack of transaction transparency, difficulty getting a profile of the end customers and increased alert volumes. Transactions through e-Money issuers and mobile payments have been particularly challenging.

Median Hours to Clear the Following Types of Alerts



Q18: What is the average time required for an analyst to clear each of the following alert types?

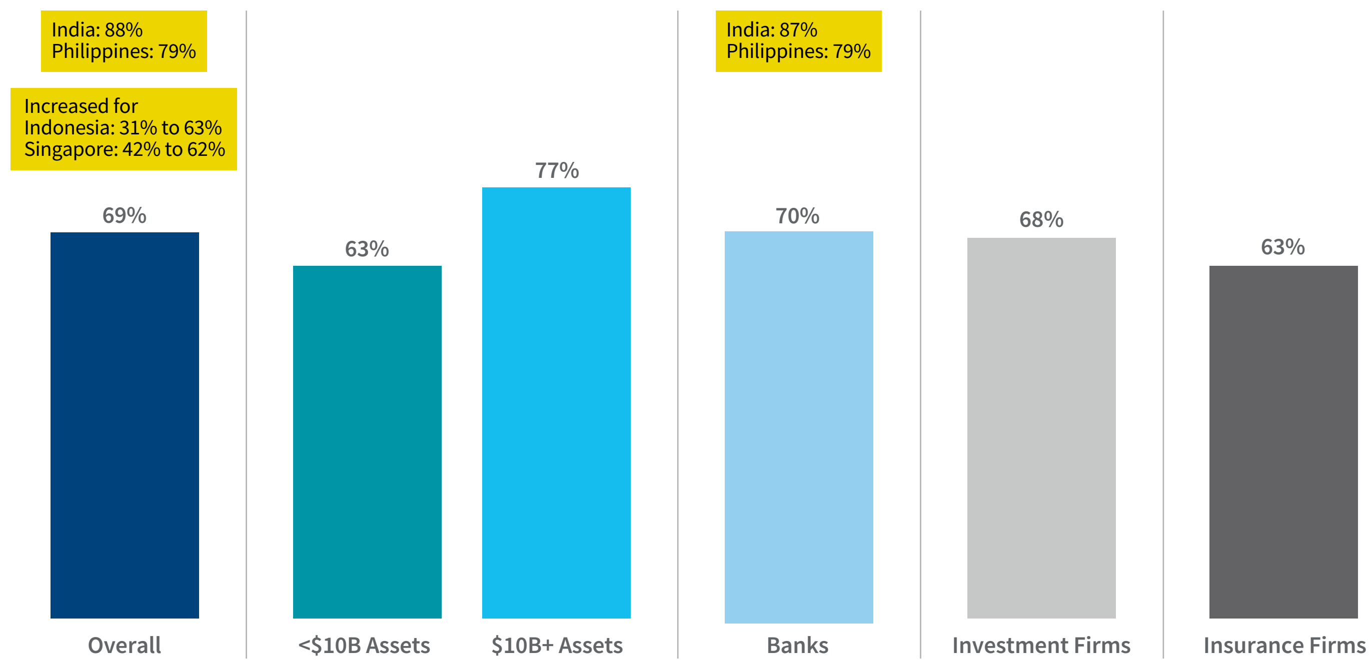
KEY FINDING 02
Alert Resolution Challenges and Impacts on Organisations

Compliance job satisfaction is a concern across APAC study market financial firms, though particularly among Indian and Filipino banks.

That said, significantly more firms have expressed concern among Indonesian and Singaporean firms since 2019.

Overall, increased alert volumes, challenges from non-bank payment providers, COVID-19 risks and continued regulatory requirements contribute to concerns about staff satisfaction.

% Somewhat to Very Concerned About Job Satisfaction of Compliance Staff

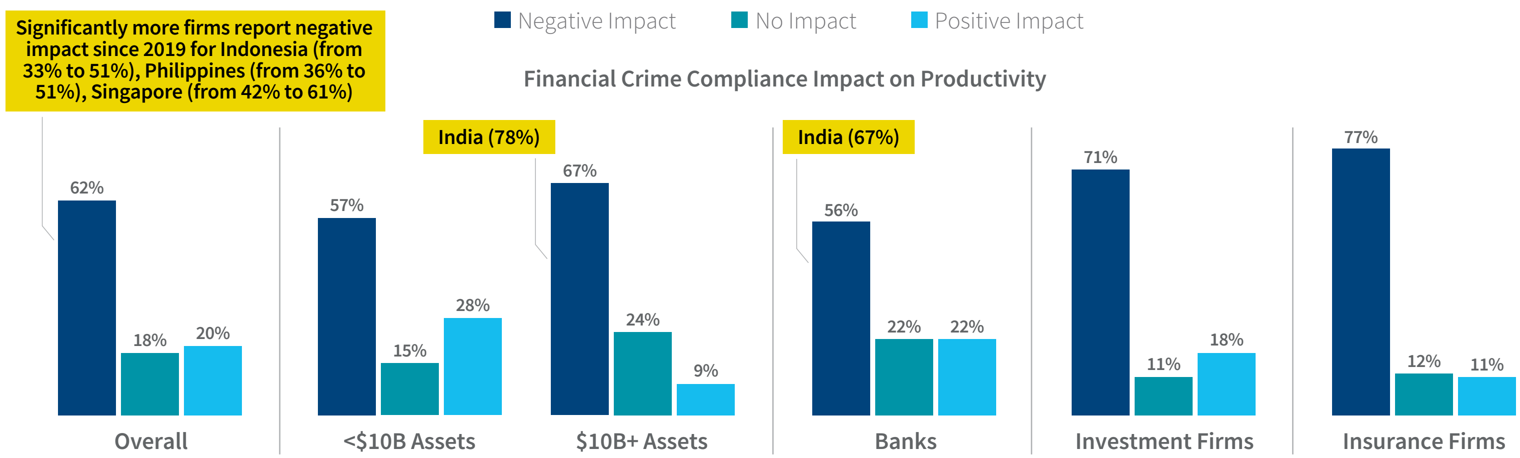


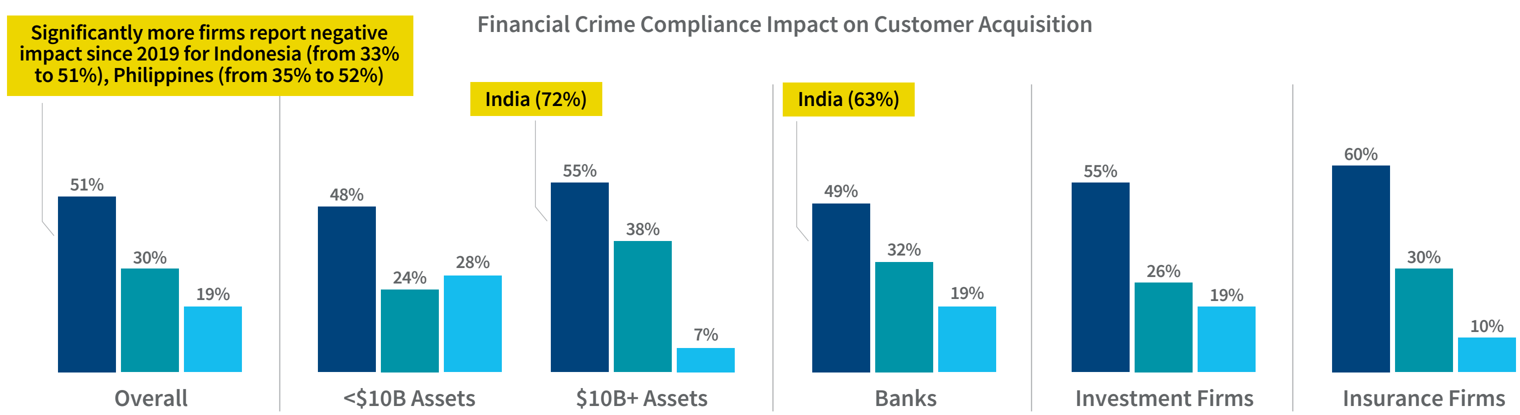
Q14: How concerned are you with job satisfaction in your compliance department?

KEY FINDING 02
Impact of Financial Crime Compliance on Organisations

Financial crime compliance has a negative impact on productivity, particularly with larger investment and insurance firms as well as Indian banks. It also has a negative impact on customer acquisition for many firms.

India is most impacted. However, compliance is becoming more problematic for firms in Indonesia, the Philippines and Singapore as well.





Q20a: What kind of impact does the financial crime compliance process have on LoB productivity?
Q22: What kind of impact does the financial crime compliance process have on customer acquisition?

LexisNexis® RISK SOLUTIONS

KEY FINDING 03

COVID-19 has significantly impacted financial crime compliance operations and costs across APAC financial institutions. It has compounded the current set of challenges, and particularly contributed to significant cost increases among larger banks.

Larger APAC banks attributed a higher portion of increased compliance costs due to COVID-19.

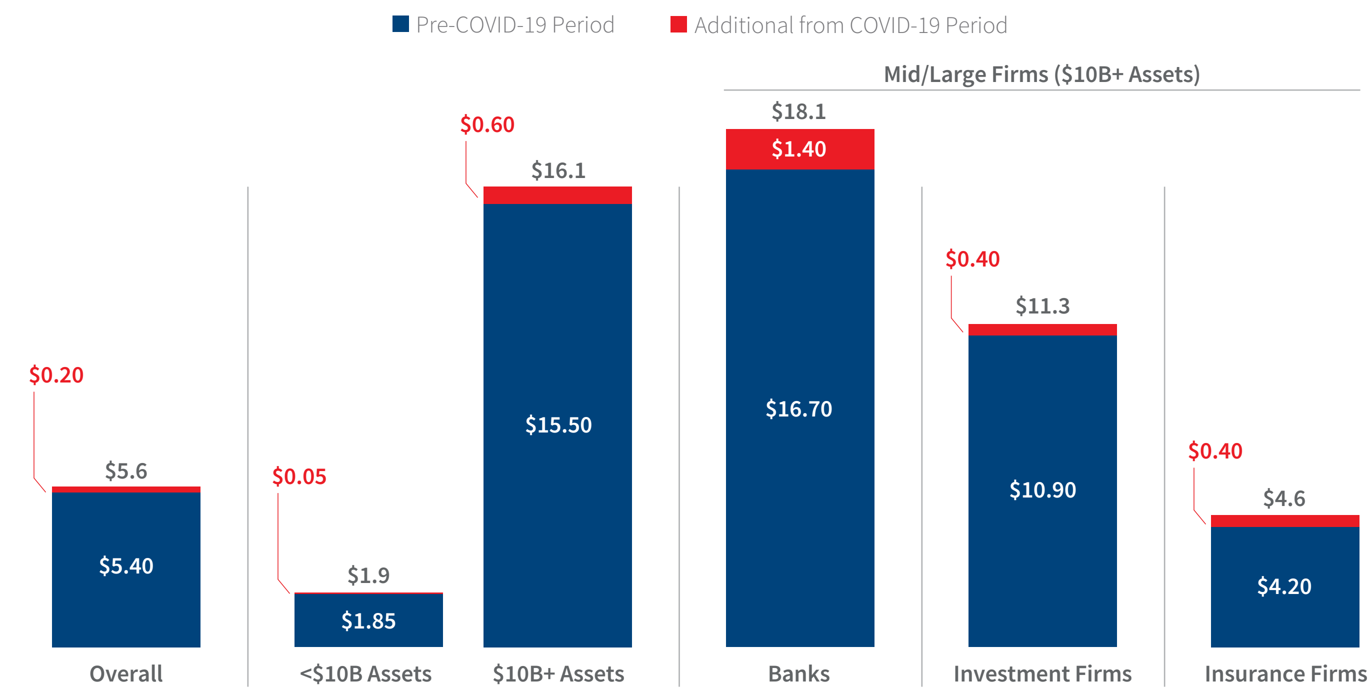
KYC for on-boarding and sanctions screening have been particularly more challenging during the pandemic period, as due diligence hours for on-boarding new foreign and large accounts have increased dramatically.

KEY FINDING 03
COVID-19 Impact on Compliance Costs

Larger banks within APAC study markets experienced further increased compliance costs as a result of COVID-19.

While these firms were experiencing higher cost increases prior to the pandemic, the COVID-19 crisis further heightened the pain.

Average Annual Financial Crime Compliance Operations Costs per Organisation: ***Including COVID-19 Impact***
(Costs in US$ Millions)

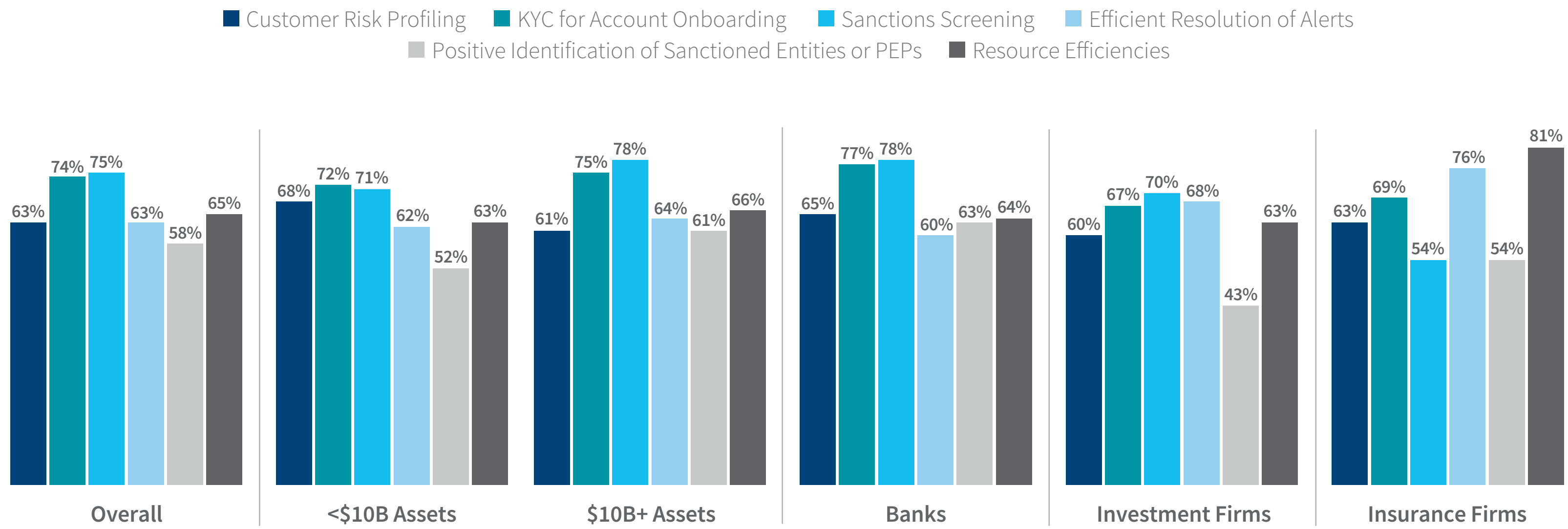


Q5: Please give your best estimate of the total annual cost of your financial crime compliance operations in USD. This includes resources/labour, systems/solutions/data and other governance activities for all aspects of compliance such as customer due diligence, sanctions screening, transaction monitoring, investigations, reporting, analytics/risk assessment, auditing, training, etc

KEY FINDING 03
COVID-19 Impact on Financial Crime Compliance Operations

Several areas of financial crime compliance operations were significantly impacted by COVID-19; KYC for account on-boarding and sanctions screening have been particular challenges for larger APAC banks.

Impact of COVID-19 on Financial Crime Compliance Operations
(% Moderately or Significantly Negative)

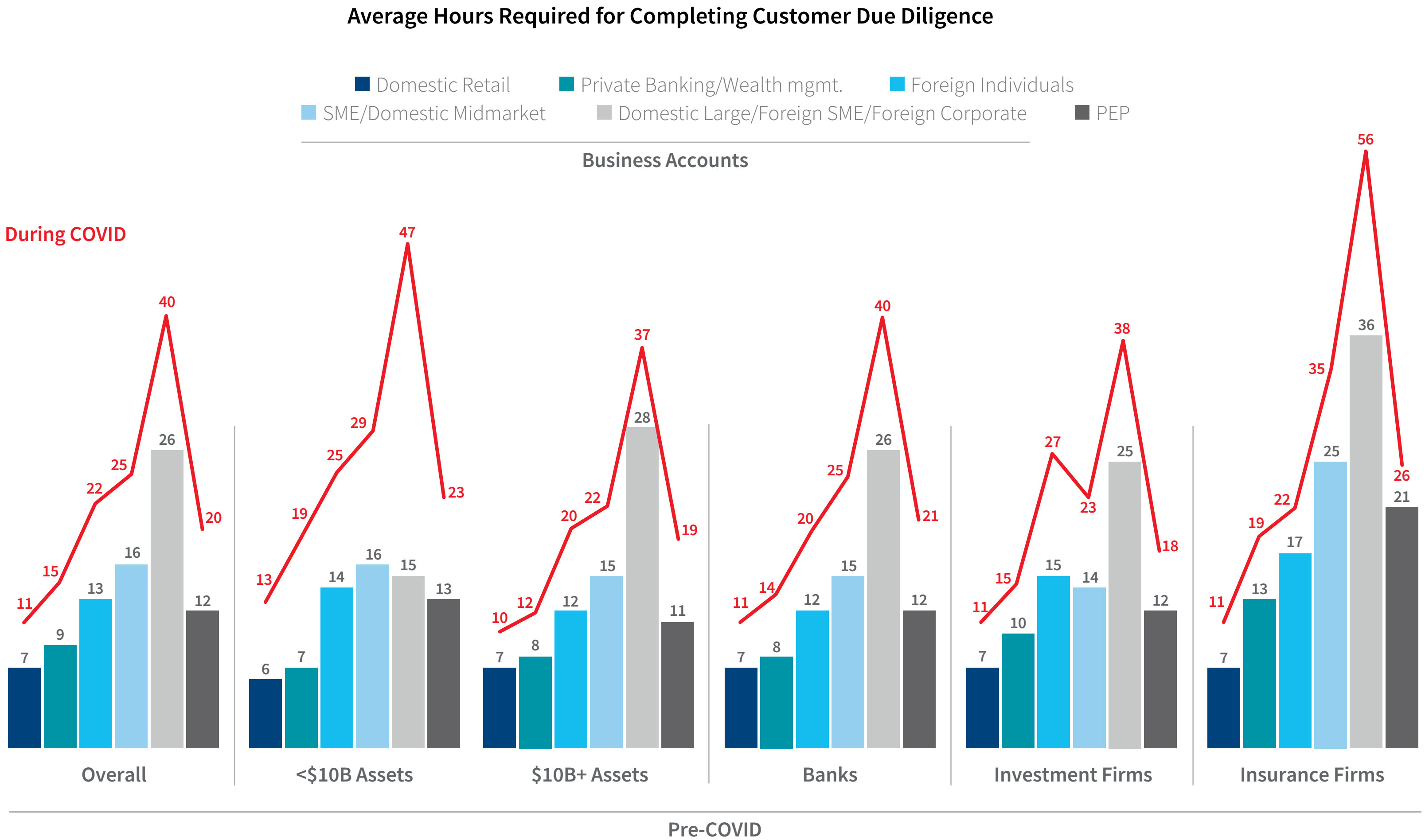


Q33: To what degree has the Covid-19 pandemic and subsequent remote working requirements negatively impacted your financial crime compliance efforts for the following:

KEY FINDING 03
COVID-19 Impact on Financial Crime Compliance Operations

Not surprisingly, average due diligence times increased significantly during the COVID-19 pandemic compared to before, particularly for larger and foreign business accounts.

Average times for domestic large/foreign SME/foreign corporate were significantly impacted.



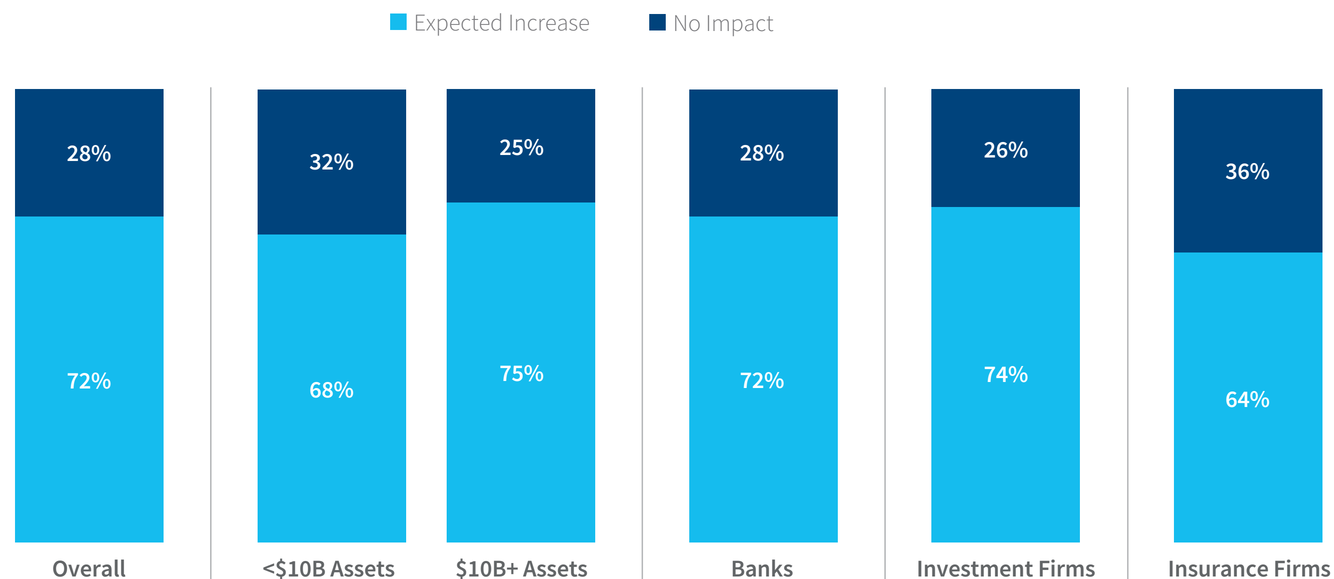
Q17a: What would you say is the average time required for completing customer due diligence on the following? Q35: Thinking only about the time period involving the Covid-19 pandemic and subsequent remote working requirements, what would you say has been the average time required for completing customer due diligence on the following?

KEY FINDING 03
Expected COVID-19 Impacts into 2021

A large majority of APAC financial firms expect COVID-19 to further impact compliance costs over the next year or two.

This includes a considerable investment in technology. Since open banking is a focus for APAC, it is likely that the COVID-19 pandemic and consumer behaviors towards remote transactions will accelerate these efforts.

% Expecting COVID-19 to Cause Further Financial Crime Compliance Spending over Next 12–24 Months



	Overall	<$10B Assets	$10B+ Assets	Banks	Investment Firms	Insurance Firms
% Increase Likely to Labour/Human Resources	31%	28%	33%	32%	29%	26%
% Increase Likely to Involve Technology	69%	72%	67%	68%	71%	74%

Q36C. Do you expect the Covid-19 pandemic to cause your organisation to spend more on financial crime compliance over the next 12 – 24 months than it ordinarily would have had the crisis not occurred? D. Distributing 100 points, what percent of these increased costs over the next 12 – 24 months, based on the Covid-19 impact, do you expect to be for technology versus labour / human resources?

19 need source

LexisNexis® RISK SOLUTIONS

KEY FINDING 04

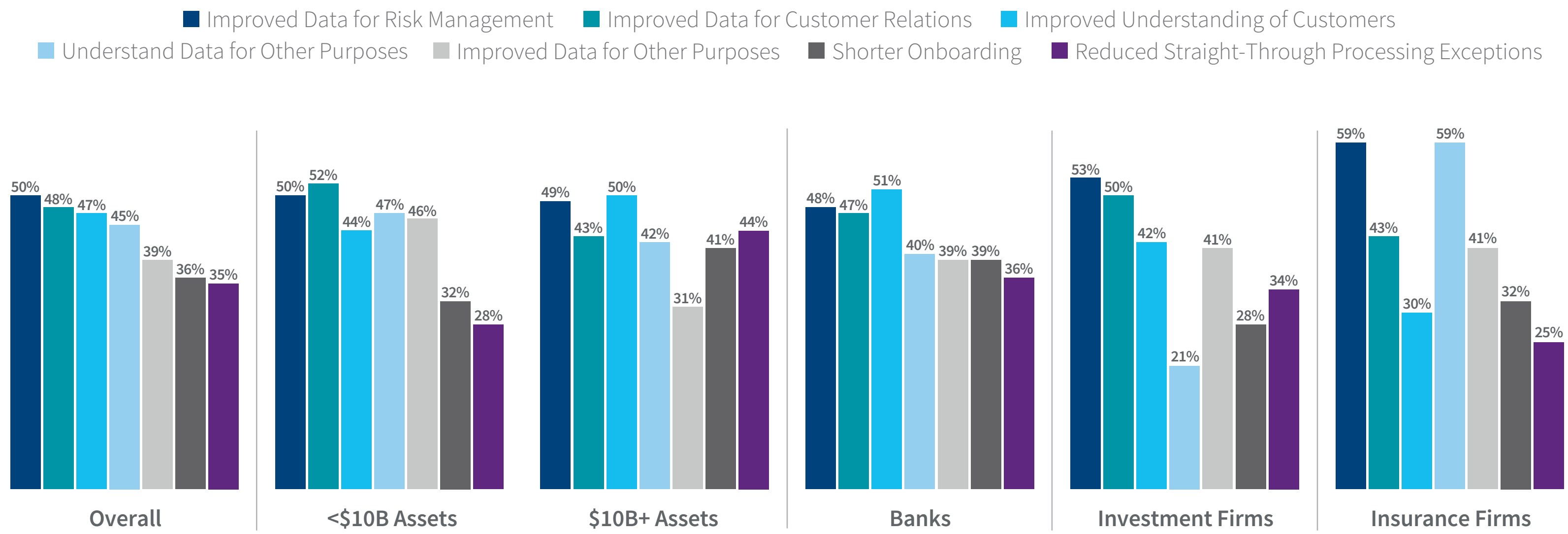
Challenges aside, financial crime compliance activities do provide a range of benefits to APAC financial institutions, allowing more effective risk management and management of customer relationships.

Knowing more about customers not only supports risk assessment, but also ways in which customer relationships and business opportunities can be managed.

KEY FINDING 04
Financial Crime Compliance Processes Provide Benefit to the Wider Organisation

Though sometimes challenging, there are various benefits of financial crime compliance, including improved data for risk management, customer relations, and improved understanding of customers.

Benefits from Financial Crime Compliance
(% Ranked Among Top 3)

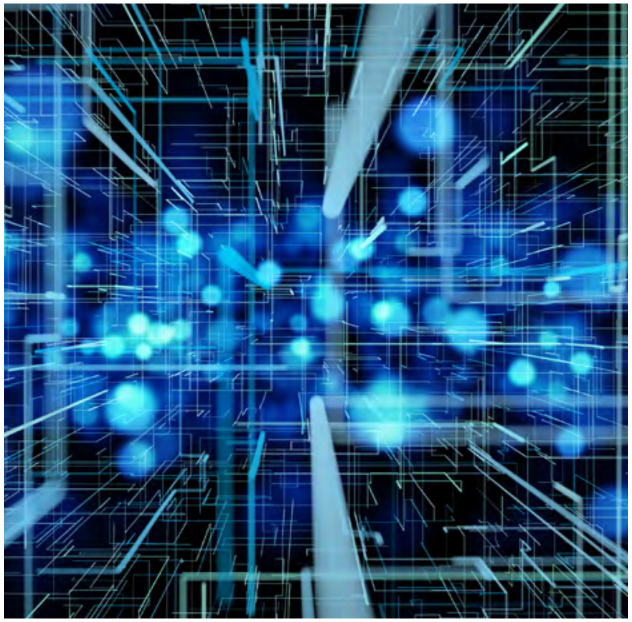


Q26: Which of the following do you see as benefits to the business brought by financial crime compliance?

LexisNexis® RISK SOLUTIONS

KEY FINDING 05

Financial institutions which have invested in technology solutions to support financial crime compliance efforts have experienced smaller cost increases and less negative impacts from COVID-19.



Year-on-year compliance cost increases are less among those allocating more spend to technology.

Greater efficiencies are realised among those allocating more spend to technology.

Fewer pandemic-related challenges are cited among those allocating more spend to technology.

LexisNexis® RISK SOLUTIONS

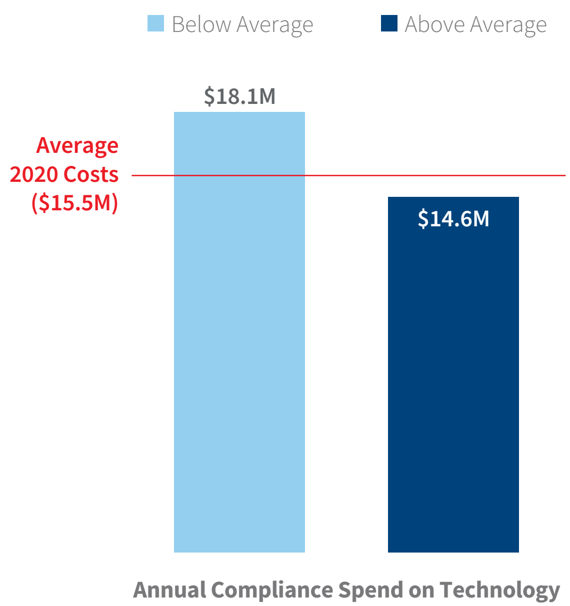
KEY FINDING 05
Compliance Technology Reduces Costs and Challenges

APAC financial institutions that allocate a larger share of their financial crime compliance costs to technology experience less severe impacts to cost and compliance operations compared to those allocating a smaller percent to technology. Also, fewer of these firms experienced negative impacts from COVID-19 on their compliance operations; established use of technology helped them be more prepared.

As an illustration, mid/large financial firms with compliance costs involving 40% or more technology experienced the following during 2020 . . . .

Comparatively lower compliance costs

Mid/Large Average Annual Compliance Costs
(2020 Costs in Millions)



Fewer negative impacts from compliance requirements overall and during COVID-19

Annual Compliance Spend on Technology

% Mid/Large Indicating the Following as Compliance Challenges Overall	Below average	Above average
Negative impact on customer acquisition	70%	39%

% Ranking the Following as a Top Challenge Based on COVID-19	Below average	Above average
Less productivity	52%	13%
More manual work	46%	24%
Increased alert volumes	69%	29%

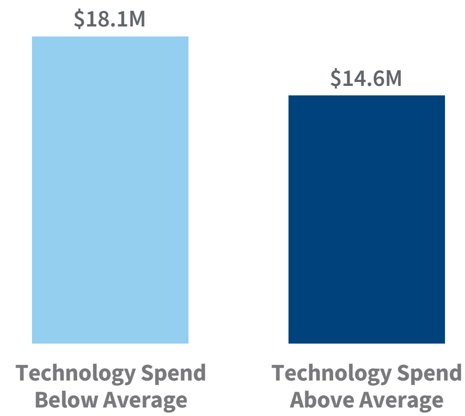
LexisNexis® RISK SOLUTIONS

KEY FINDING 05
Compliance Technology Reduces Costs and Challenges

APAC financial institutions that allocate a larger share of their financial crime compliance costs to technology also have lower cost per compliance professional compared firms that allocate more of their costs to labour.

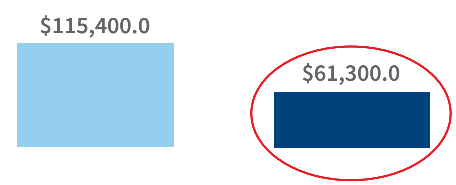
Average of AML Compliance Spend:

Mid/Large Financial Institutions
(Annual Cost USD in Millions)



	Technology Spend Below Average	Technology Spend Above Average
% Costs for Labor	66%	52%
Average Cost of Labor	$12.0M	$7.6M
Average # Compliance Staff	104	124

Average Cost of Compliance per FTE
(Annual Cost USD in Thousands)



LexisNexis® RISK SOLUTIONS

IMPLICATIONS

1 APAC financial institutions need to be extremely prepared for increased risks of financial crime for the foreseeable future.

- It is unclear what the landscape will look like over the next 1 -2 years as shaped by the COVID-19 pandemic.
- Financial institutions could be faced with greater spikes in financial crime for at least for the foreseeable future – particularly as digital/cryptocurrency transactions provide criminal opportunities.

2 Skilled compliance professionals will continue to be in demand, as financial crime grows in complexity. But, financial firms should consider fast-forwarding efforts towards compliance technology to counter challenges and costs to compliance operations.

- Financial firms which have invested in compliance solutions will be more prepared to deal with the new normal and any further sudden changes. As the cost of doing business rises in this COVID-19 environment, the added cost of compliance may become a negative tipping point; there comes a point of diminishing returns with more labour resources added.

3 A multi-layered solution approach to due diligence and financial crime risk assessment is essential to financial institutions.

- As financial crime complexity grows in the digital age, while regulations require more due diligence on beneficial ownership and risk assessment, in-house compliance solutions may be challenged to keep pace.
- There are unique risks that emerge from individuals, transactions, and contact channels. It is Important to assess both the individual and the business, with a particular need for real-time behavioral data/analytics in this digital age

4 In addition to technology, it is essential to have robust and accurate data. Without the support of expanded sources, bad data can lead to bad decisions. Good data can lead to lower risks with benefits to the wider organisation.

- Having accurate data and highly capable solutions generates a degree of utility for not just compliance, but other functional areas as well. This includes business development and marketing; knowing more about customers can help inform the right products and services to position with customers.

WE CAN HELP.

Description	Firco Insight®	Firco Filter	Firco Compliance Link	Firco Online Compliance	Firco Global Watchlist	Firco Trade Compliance	Firco Continuity
Accounts Screening Validate customer databases against sanction lists, Politically Exposed Persons (PEPs), Reputationally Exposed Persons (REPs) and other watchlists to determine potential risk.	✓	✓	✓	✓	✓		✓
Trade Screening Deliver speed and precision to trade finance screening and automate customers screening, dual-use goods, locations, and transportation vessels against sanctions, politically exposed persons (PEPs) and other lists.			✓		✓	✓	
Payment Screening Provide accurate Know Your Customer (KYC) intelligence to reduce compliance burden		✓	✓		✓		✓

Click here to read case studies on how our Financial Crime Screening products have helped organizations achieve operational efficiency and effective compliance risk mitigation.

Firco Insight
- Feature-rich customer and third-party screening and alert management platform.
- Combine high-performance processing with advanced filtering using proprietary risk scoring.

Firco Filter
- Unique filtering technology provides world-class screening in highly configurable solutions.
- Can be finely tuned to fit specific operational requirements and limit false alerts.

Firco Compliance Link
- Automate the assessment of sanctions and money laundering risk
- Screen customers, vendors, third-party relationships, financial transactions and trade activity against financial crime data.

Firco Online Compliance
- Fast and robust online lookup tool ideally suited to organizations with low volume but high-value accounts.
- Enables search on individuals against sanctions and politically exposed person (PEP) lists, and manually review information against a range of data points

Firco Global Watchlist
- Proprietary compilation of multiple regulatory and enhanced due diligence lists including sanctions watchlists, law enforcement agencies, Politically Exposed Persons (PEP) data, and adverse media from around the world

Firco Trade Compliance
- Robust trade compliance screening solution that automate customers, dual-use goods, locations and transportation vessels screening against sanctions, politically exposed persons (PEPs) and other lists

Firco Continuity
- Seamlessly screen large volumes of transactions against a wide range of sanctions lists in real time.

Accuity and LexisNexis Risk Solutions have merged operations. Both businesses are RELX companies and leaders in their respective focus areas in the global financial crime compliance sector with complementary solutions. Learn more about the Firco suite of account, trade and payment screening solutions at https://accuity.com

LexisNexis® RISK SOLUTIONS