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Global Factors Impacting AML Compliance in Banking

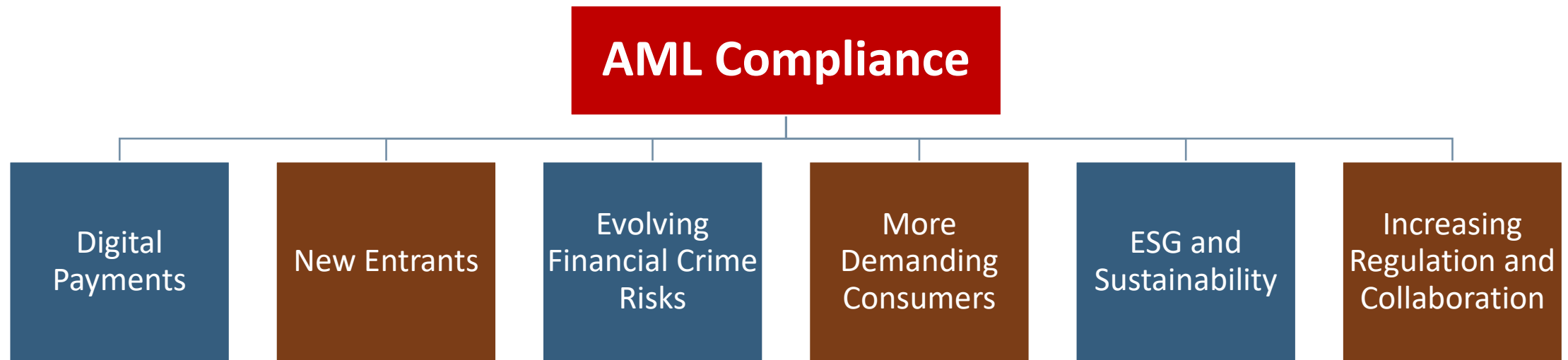


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Asian Bankers Association
Policy Advocacy Meeting
Kathmandu, Nepal
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Digital Payments Boom



Non face-to-face interactions

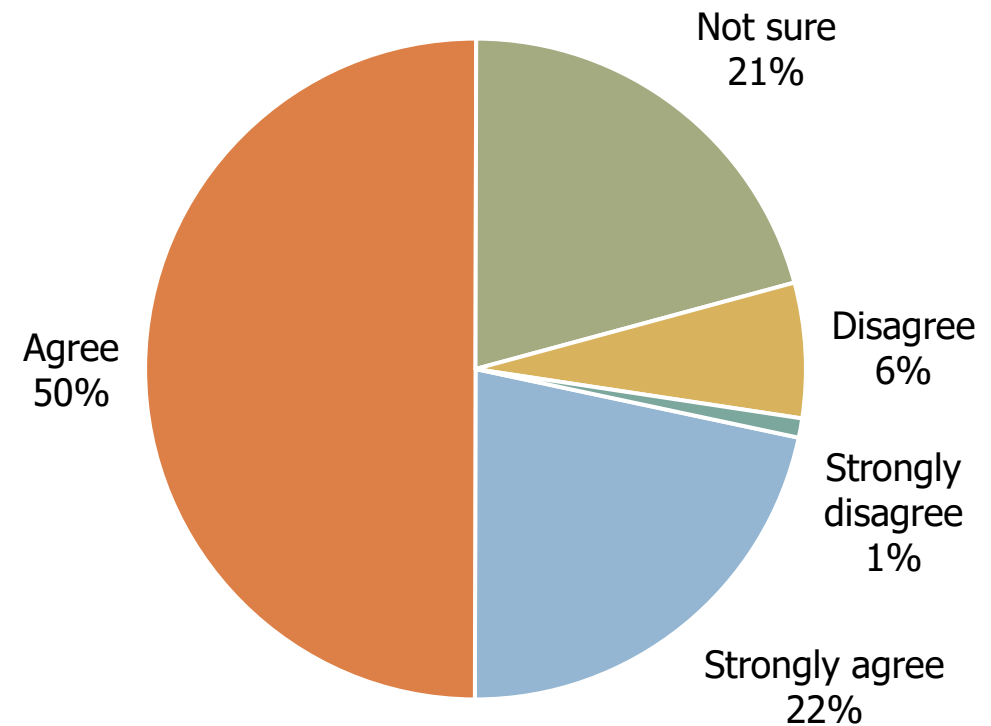


Reliance on technology for KYC and due diligence



Challenges in real-time monitoring and detection of suspicious behaviour

“ My institution is forward-thinking on the use of Regtech for onboarding and periodic monitoring ”



Fintelekt survey of 170+ AML Compliance Officers across Asia in 2022

New Entrants into the Ecosystem



Mobile wallets, remittance, virtual assets companies



Differences in compliance levels and scope for arbitrage



Regulatory learning curve

“ Compliance officers within Fintechs need to demonstrate the capability to look at compliance on a holistic basis. They need to provide comfort to the regulators that they understand the risks that the specific business brings to the table and are capable of mitigating those risks in the right manner. ”

Evolving Financial Crime Risks



Organised financial crime activity spanning geographies

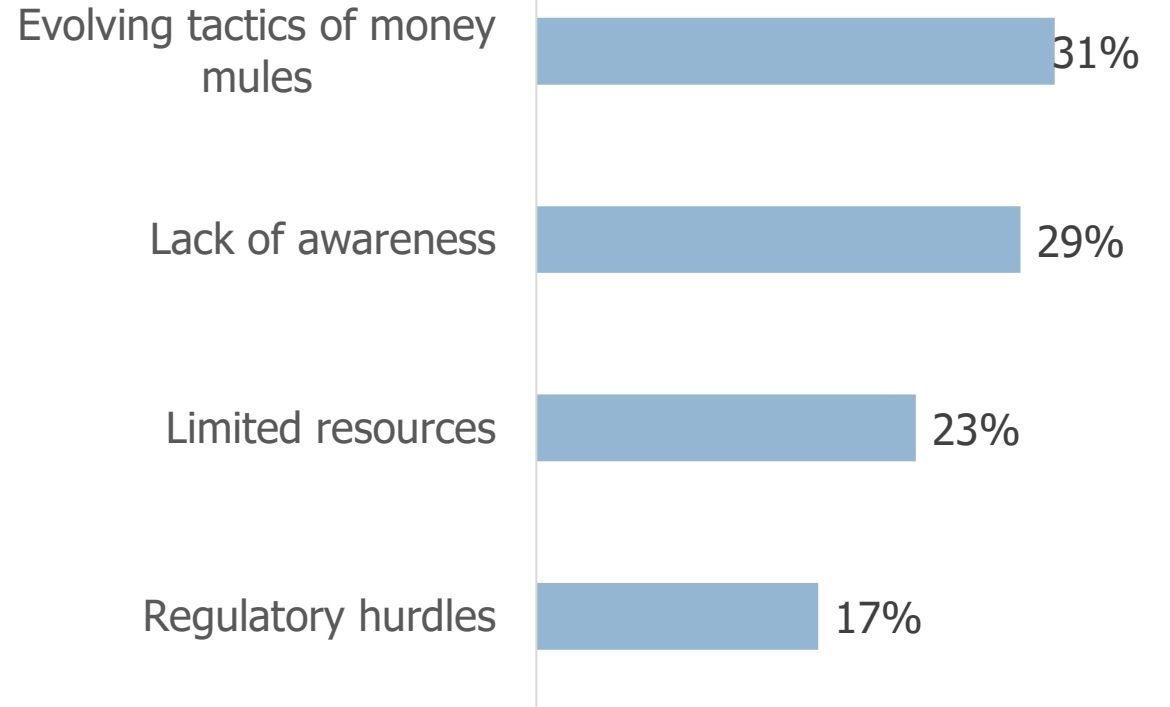


Awareness and education for customers



Real-time collaboration amongst covered persons

“ In your opinion, what are the biggest challenges in combating money mule activities? ”



Fintelekt survey of 280+ AML Compliance Officers across Asia in September 2023

More Demanding Customers



Customer expectations benchmarked to best-in-class providers

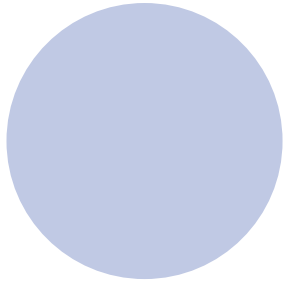


Need to be balanced with compliance obligations

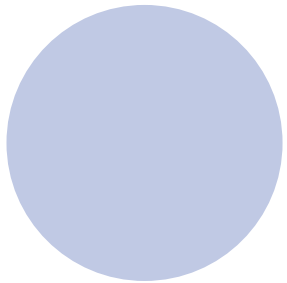


The role of organisational culture and top management is critical

ESG and Sustainability



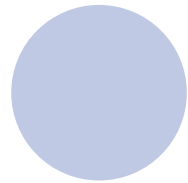
ESG and financial crime compliance have common goals and can be aligned



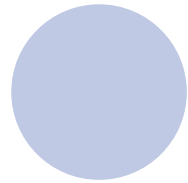
Human, societal and environmental cost of money laundering and terrorist financing is huge

“ *The role of compliance is not to police employees or please regulators. It is each employee's responsibility to remember that there is a life behind every dollar of money. If that is the mindset, the organisation can build a good compliance culture that doesn't exist just to tick the boxes.* ”

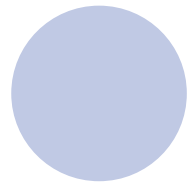
Increasing Regulation and Collaboration



Evolving regulation in crypto and digital payments, beneficial ownership, etc.



Public-private collaboration and intelligence sharing



Expectation to bring in global best practices



Ensuring Preparedness - Culture



Building the right culture



Tone from the Top



Responsibilities of the Board

“ A culture of compliance comes with a lot of benefits – it makes the employees comfortable, the management happy and the regulators satisfied. ”

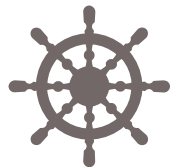
Ensuring Preparedness – Risk Based Approach



Focus on effective assessment of risks

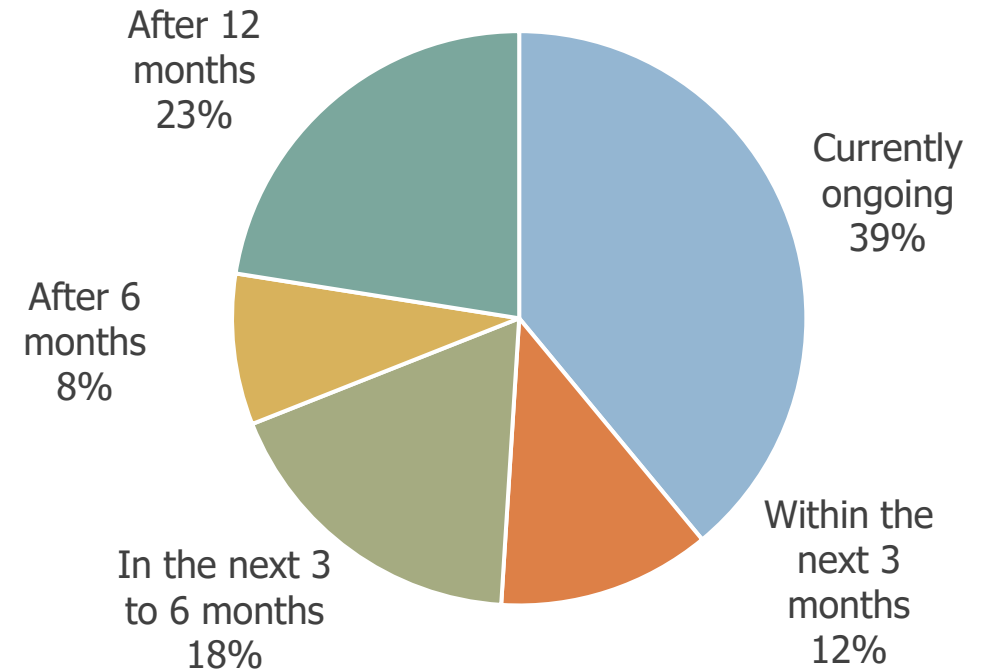


Continuously updated and monitored for newer risks



Necessary mitigation strategies to follow

“ When is the next Enterprise-wide AML/CTF Risk Assessment exercise scheduled to take place in your organisation? ”



Fintelekt survey of 200+ AML Compliance Officers across Asia in August 2023

Ensuring Preparedness - Training



Continuous and ongoing training



Bring in a collaborative mindset to learning



Role-based training to build skills at various levels

“To succeed in a compliance career especially in the current times, a person needs to embrace a learning mindset and be on top of changes. They should be comfortable with chaos and think out of the box to develop innovative solutions for AML/CFT.”



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Fintelekt Advisory Services

Uniting Stakeholders to Create a
Stronger AML/CFT Regime