



# AML Insight Survey



June 2010

# Insight Methodology

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This insight survey is the combination of two mini-surveys conducted at the American (Miami, March) and European (Amsterdam, June) ACAMS conferences by Logica's Financial Crimes experts in 2010.

During these events we interviewed 157 compliance professionals; the majority of whom were working in Tier 1 and Tier 2 banks (most of which have global locations). In most cases we spoke to the Head of Compliance, Compliance Officer, Head of Risk or AML.

What follows is a comparison of the top priorities in financial crime, globally, and expert opinions on the biggest challenges they face together with their views on sanctions screening.

For more information on this report please contact us at [GlobalProducts@logica.com](mailto:GlobalProducts@logica.com).

We listen so we  
can speak your  
language.



# Overview

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## Globally:

- Increased regulatory demands and the rise of organised crime present the biggest challenges for banks across the globe.

## Americas:

- 91% of respondents agreed or strongly agreed that increased regulatory demands were a significant challenge whilst 84% of respondents also found the rise of organised financial crime a major cause for concern.
- Budgetary constraints is an issue with more than 77% of respondents agreeing or strongly agreeing that this is a challenge.
- In South America 40% of respondents see the risk of human error as a major challenge in 2010.

## Europe:

- 73% of respondents either strongly agree or agree that sanctions regulations are ambiguous and need to be more straight forward.
- 62% of European professionals find America as the hardest region to govern and nearly half agree that OFAC bears the sharpest weight as a regulatory body.



# Our Thoughts

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What's interesting here is that so many compliance professionals in Europe are more concerned about OFAC than by their domestic regulators and the United Nations (UN). It's clear that OFAC's wide geographical reach and heavy penalties are a continuing challenge for banks. Unfortunately, as domestic regulators clamp down further, the compliance headache – and potentially the regulatory ambiguity – looks set to remain a challenge.

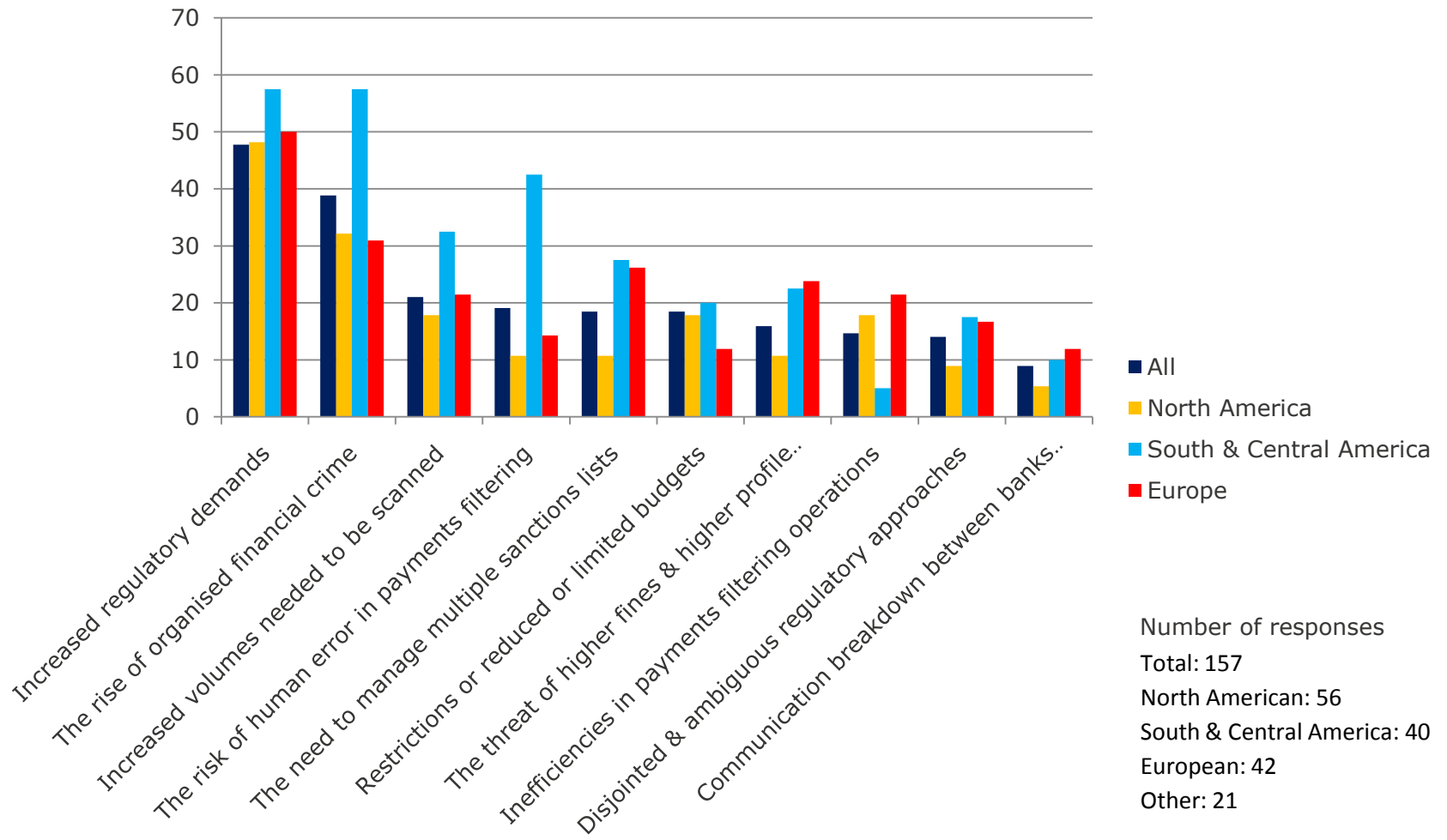
Banks focusing on North America probably only need to scan payments against the OFAC sanctions lists. Banks in Europe, however, are likely to have to factor in more sanctions lists, such as those from the European Union, the UN and domestic ones. Large global banks may have up to 25 lists to manage, so it's easy to understand why this is such an issue in Europe.



# Global Priorities



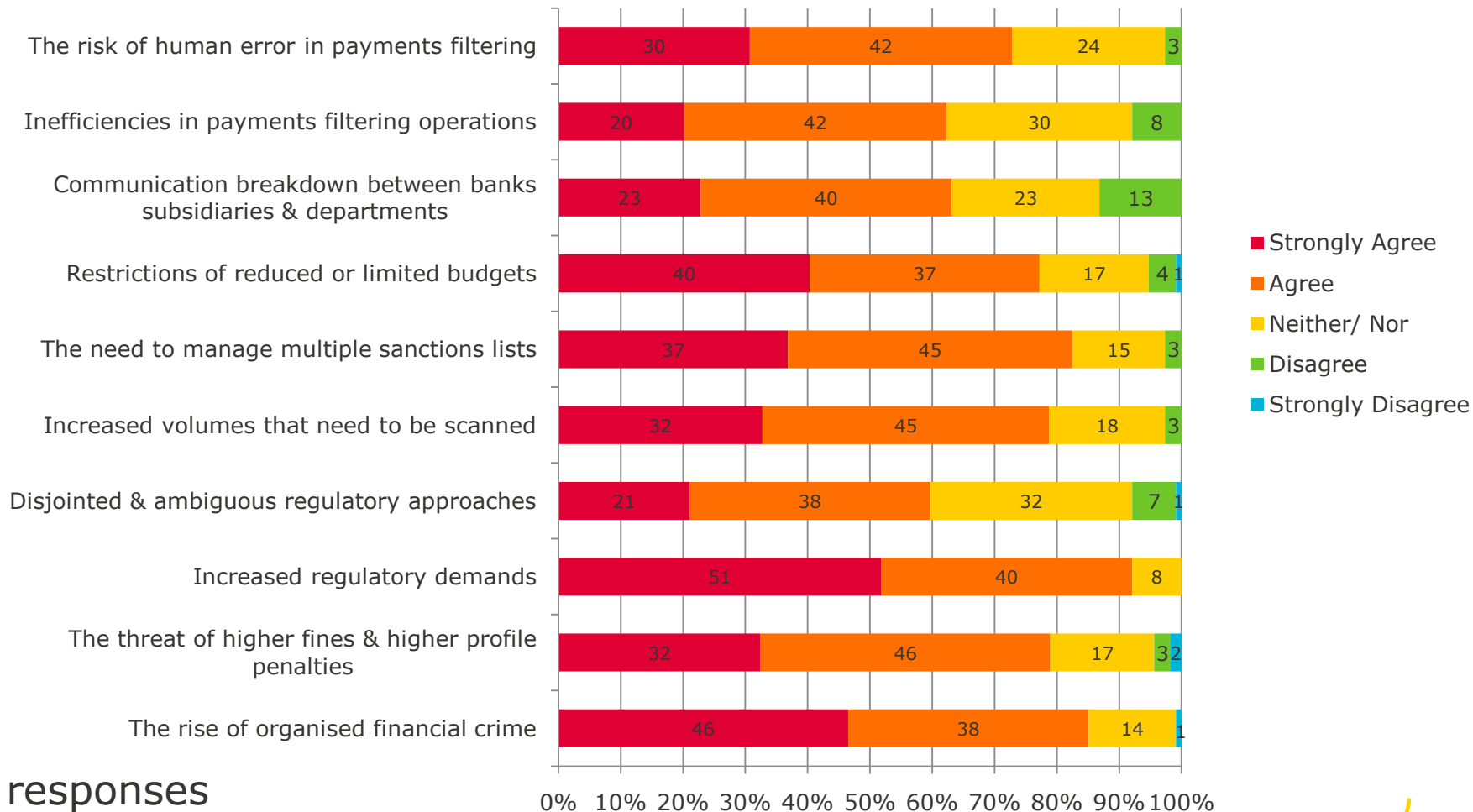
# What are biggest challenges for you in 2010?



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# Part 1: Americas

# We asked American compliance professionals how strongly they agreed with the following....



# Are you experiencing any other issues or challenges?

*A significant increase in the number of crude email based scams that pose little risk, but result in consuming a large amount of time.*

*Budget issues which create the risk of losing good employees.*

*Bureaucracy.*

*Currency fluctuations.*

*I think all operational risks will be challenges in 2010.*

*The implementation of an international application regulation - available to professionals in finance sector.*

*An increase in the risk of transfer funds.*

*Increased workloads.*

*Internal Fraud.*

*Issues related to phone payments.*

*Money laundering in social organisations.*

*Mobile Payments.*

*Non traditional finance: trade, MSBs.*

*Expectations and key staff leaving.*

*Reducing the number of false positives generated by the screening process.*

*The need for interconnectivity of regulatory institutions between nations.*

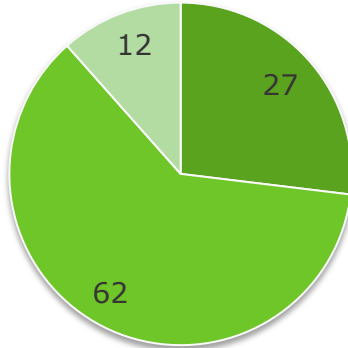


# Part 2: Europe



# We asked European Compliance professionals....

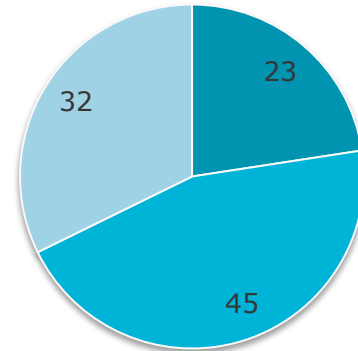
Which region is the most difficult to govern in terms of sanctions compliance?



26 responses

■ EMEA ■ Americas ■ APAC

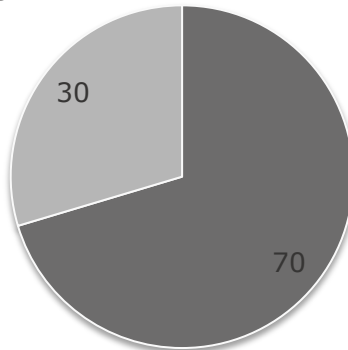
Which regulatory body bears the sharpest weight in your opinion?



31 responses

■ Domestic ■ OFAC ■ EU

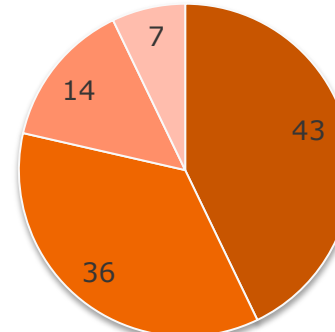
Can your existing payments filtering operations scale effectively to handle foreign domestic payments traffic?



27 responses

■ yes ■ no

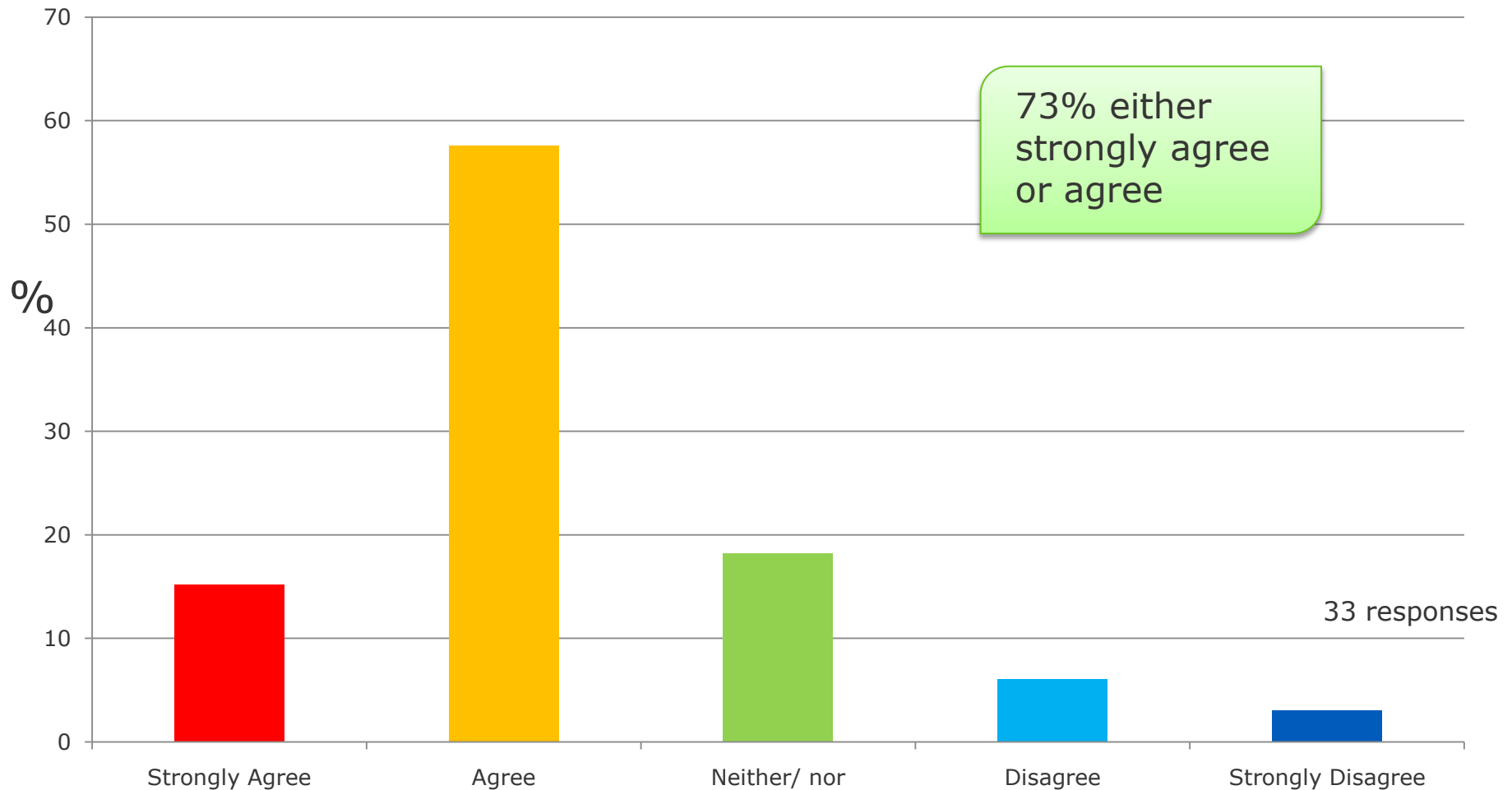
Roughly what percentage of payments does your organisation identify as possible matches to sanctions entities for further investigation?



14 responses

■ <1% ■ <5% ■ <10% ■ <20%

# Sanctions regulations are ambiguous and need to be set out in a more straightforward way. Do you agree?



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Be brilliant together

# How we are helping to combat Financial Crime

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We take financial crime seriously at Logica.

That is why we created HotScan our automated transaction filtering and scanning software. HotScan scrutinises domestic and cross-border transactions in real-time and alerts the institution to matches against watch lists.

By providing online enquiry and batch filtering of names, addresses and other biographical details, HotScan also supports you with account opening and Know Your Customer procedures. To help you carry out risk assessments against terrorist lists, sanctioned entities and politically exposed people. Its innovative technology, Intelligent Self Learning (ISL), can actively reduce false positives by up to 50%.

With over 20 years' experience in delivering financial crime solutions we are unrivalled when it comes to improving cost-efficiencies. We have the support of 500+ security experts globally and a deep understanding of the complex regulatory landscape.

# Contact Us...

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Thank you