NEWS RELEASE

Financial Institutions Say Governments Must Take More Active Role in AML Efforts to Improve Effectiveness: ACAMS Survey

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Respondents say the issuance of national AML priorities and more guidance on SARs and pending regulations would aid AFC/AML compliance teams

CHICAGO--(BUSINESS WIRE)-- Financial institutions welcome plans to regulate firms for anti-money laundering (AML) efficacy but say more input is needed from governmental officials to ensure that their compliance efforts are effective, according to a new global survey of financial crime experts commissioned by ACAMS. The survey, which was launched in partnership with YouGov, found that four out of five of the more than 340 respondents believed that the periodic issuance of AML priorities by a national governmental body would be helpful in shaping an institution's compliance program.

On balance, participants in the *ACAMS Compliance Effectiveness and Risks Survey* said they would like to see more guidance from regulatory and law enforcement officials, including on their suspicious activity reporting and risk assessments, and on the September 2020 Advance Notice of Proposed Rulemaking by the Financial Crimes Enforcement Network (FinCEN) to regulate firms for an "effective and reasonably designed AML program." When asked what they would most like to see changed about their countries' suspicious transaction reporting regime, a plurality of 39% of the respondents said more timely feedback from the law enforcement community, including on whether additional compliance steps were merited.

Approximately 27% of the respondents said that improved transparency of corporate beneficial owners would best help compliance professionals fight financial crime—a plurality closely followed by those who said greater authority to share compliance data with peer institutions would be the most useful change for compliance professionals. While 88% of the respondents cited the adoption of new technological tools as a top priority for meeting regulatory expectations going forward, the same percentage of participants viewed the criminal exploitation of technology as a top factor when it comes to failures to identify suspicious transactions.

The publication of the FinCEN Files reports in 2020 were viewed by 43% of respondents as having a net-positive impact on global efforts to fight financial crime, though 27% believed the news stories had

negatively affected the compliance industry. Nearly a third of the respondents said the reports, which were based in part on leaked Suspicious Activity Reports (SARs), would lead to increased regulatory scrutiny of financial institutions.

More than half of the survey participants said that monetary penalties were effective as a deterrent to compliance violations only in limited instances.

"The findings of the *ACAMS Compliance Effectiveness and Risks Survey* are clear: compliance professionals see a need for supervisors and law enforcement officials to do more to help them fight financial crime," said Scott Liles, ACAMS president and managing director. "While existing regulations are viewed by and large as being sufficient for the traditional banking sector, further guidance and greater feedback are much in demand. Interestingly, the responses indicate that recent advances in technology are seen as posing as much of a threat as promise."

Approximately 71% of the survey's responses were from individuals working for financial institutions, of which 35% worked for an international bank. Of the 8% of respondents working in governmental roles, 58% were financial regulators. Other survey participants worked in the fintech, regtech, cryptocurrency and legal sectors, while approximately half of the respondents were from the United States or worked in U.S.-based institutions. The full report can be accessed here.

About ACAMS®

ACAMS is a member of Adtalem Global Education (NYSE: ATGE), a leading workforce solutions provider headquartered in the United States. ACAMS is the largest international membership organization dedicated to enhancing the knowledge and skills of anti-money laundering (AML) and financial crime prevention professionals from a wide range of industries. Its CAMS certification is the most widely recognized AML certification among compliance professionals worldwide. Its new Certified Global Sanctions Specialist (CGSS) certification commenced in January 2020. Visit acams.org for more information.

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