

THE AML LANDSCAPE IN 2021

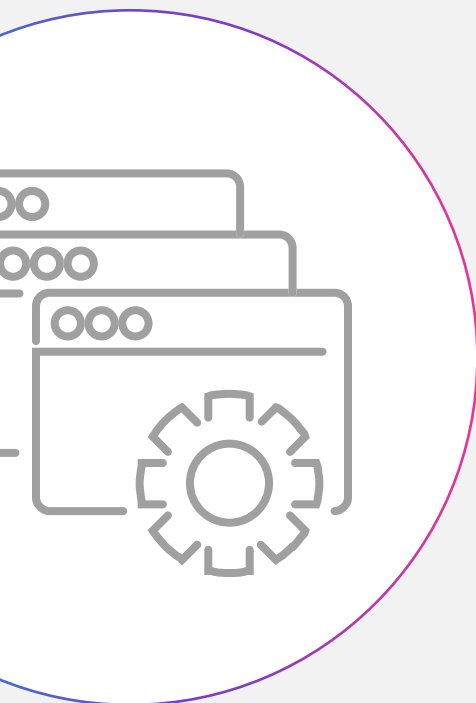
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Predicting an uncertain AML compliance future

As we recover from 2020 and move into the future, what can we expect in the AML compliance space in 2021?

Prediction 1: More adaptable compliance teams



After the shock of 2020 and changes in business processes, we'll likely see smaller, leaner and more adaptable compliance teams. Firms will employ AI, machine learning and automation across every aspect of their compliance functions to increase efficiency and reduce their operational costs.

The takeaway:

- Place priority on driving the digital transformation of AML systems forward and ensure you have the right technology in place.

Prediction 2: Faster tech adoption

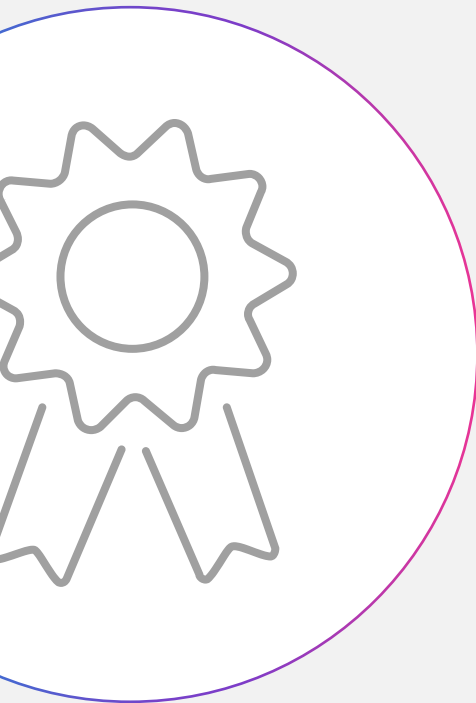
2021 will be the year we shift extensively to digital operations on a global scale. Compliance teams who can adapt by quickly using digital solutions to help onboard customers, identify truly suspicious behavior and investigate activity quickly will increase their competitive advantage by reducing customer friction.

The takeaway:

- Employ AI at scale to reduce noise, as well as machine learning and automation to help improve investigators' efficiency and accuracy.



Prediction 3: SAR quality over quantity



There will be a renewed vigor to increase the quality and reduce the quantity of suspicious activity reports (SARs) filed by the regulated sector to financial intelligence units (FIUs). Filing a SAR just to be compliant with regulation may help avoid fines, but it doesn't help fight financial crime.

The takeaway:

- Look for active SAR reform by FIUs, including guidance for SAR filing and potentially improved analytics for FIUs to better analyze SARs.

Prediction 4: Compliance convergence

Though the idea of bringing together fraud, AML and compliance operations is nothing new – 2021 will push this forward in a broader context. Firms will look to unify their front and back offices, making financial crime a hub for operations.

The takeaway:

- Reduce costs by centralizing operations, increase compliance efficiency and reduce customer friction – all with the ability to share information faster and make informed risk decisions.



Prediction 5: Focus on virtual currencies



2021 will be the year that virtual currencies take center stage in the global world of compliance. Regulators will increasingly focus on virtual currencies, possibly introducing new rules.

The takeaway:

- Begin monitoring your exposure to Virtual Asset Service Providers (VASPs) and take action to manage and mitigate the risks.

Prediction 6: Adoption of biometrics

Digital onboarding and remediation has become the norm. In 2021, we'll see extensive adoption of facial and voice recognition as a way of identifying and verifying customers. Biometric identification – and the compliance tech needed to manage the risks – will be essential.

The takeaway:

- Compliance is a critical gatekeeper for this technology to validate and verify customers. It's imperative to adopt the right technology to conduct additional validation checks as needed.



2021 is going to be an exciting year, likely dominated by further digitalization for firms to increase their efficiency and competitiveness.

[Read the full predictions here](#)

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