

# Defend and detect

Compliance hot topics – Bermuda vs global outlook

We surveyed compliance professionals in Bermuda, and here is what they had to say when it comes to preventing, detecting, and responding to financial crimes. We also took a look at their responses to see how they compare to KPMG's global 2019 Chief Compliance Officer survey. The results clearly identify the need for automation — to refocus efforts away from just information gathering and toward true data analysis.

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With RegTech, you get the powerful combination of regulatory best practices and technology. The world of regulation is only getting more complex and costly from here on.

**Charles Thresh**  
Managing Director,  
Head of Advisory  
KPMG in Bermuda

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## In Bermuda, most organisations...



Have a **response plan** in place for privacy data breach incidents or fraud, bribery, and corruption allegations.



Indicated they have an **automated sanctions and watchlist** screening process.



Plan to **invest in technology** to improve efficiency of the compliance function.



Use **artificial intelligence (AI)** for any activities, such as transaction monitoring.



## Bermuda outlook



78%

**are interested in** insight into regulatory changes and implications.



67%

**are interested in** electronic document management/data collection solutions.



50%

**are interested in** regulatory intelligence solutions including real-time monitoring.



## Global at a glance



35%

**do not agree** that the compliance function maintains current inventories of regulatory obligations.



24%

**do not agree** that their compliance function has a process in place to capture changes in laws, rules, and regulations.



35%

**Globally**, financial institutions are **spending** as much as **35% more** than necessary on AML operations.



80%

of the AML effort is dedicated to **information gathering and processing** and only **20% to assessing and monitoring** that information for critical insights.

## AML/KYC operations challenges



## How KPMG can help

Maturing your AML operations from evolving to transformational can be accomplished by conducting a maturity assessment, analysing tailored diagnostics, and developing a roadmap. We have developed the KPMG Know Your Customer Navigator to assist in the journey.

**Maturity assessment**

Conduct a **KYC/CDD maturity assessment** using the KPMG Know Your Customer Navigator to provide initial insights into your issues and opportunities, supported by peer group comparables. A key deliverable for the maturity assessment is a heat map of your AML operations, categorised by the main sections of the KPMG Know Your Customer Navigator.

- Policy and risk management
- Process and services
- People and organisation
- Data, technology, and analytics

**Tailored diagnostics**

Results of the maturity assessment are then used to **drive deep-dive diagnostics** in priority areas.

Examples include:

- Policy lineage review: structured analysis to understand the lineage between policy/business rules and underlying data and technology.
- Customer experience diagnostics: wide-ranging customer journey mappings and complaints root cause analysis to identify areas where the customer experience can be enhanced.

**Roadmap**

The maturity assessment and associated diagnostics will drive the development of a **detailed transformational roadmap** containing the following key deliverables:

- Opportunities register: a detailed set of improvement opportunities, highlighting "quick wins."
- Business case and transformation plan: developing the business case and a baseline transformation delivery plan.

## How to deliver more effective financial crime compliance...

1

**Optimise CDD business operations** to reduce the total cost of AML compliance by implementing a data model - driven approach.

2

**Enhance the customer and employee experience** for onboarding and refresh (e.g., trigger event-based refresh).

3

**Improve financial crime risk management** to assess and monitor CDD client information for critical insights.

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