# Survey Exposes Common Roadblocks for AML Managers

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WASHINGTON — A survey due to be released Wednesday reveals a wish list for anti-money-laundering specialists to help ease their process of assessing customer risk.

Respondents to the survey — conducted in August by the Association of Certified Anti-Money Laundering Specialists and LexisNexis Risk Solutions — indicated a desire for clearer regulatory guidance and more standardized formats for completing assessments, as well as steps to improve the accuracy of information submitted by customers.

Sixty-six percent of the more than 800 respondents said the risk process is challenging as a result of the general regulatory environment, while 53% specifically pointed to the complex nature of certain rules. One respondent said while recent regulations are "vague," the "regulators appear to be expecting more than [what is] identified in" formal policy.

Meanwhile, just over half reported that they lack a standardized, automated system for conducting assessments, instead relying on manual formats such as a spreadsheet. (A majority of respondents said assessments typically take 10 weeks.)

"When you see 51% of people are kind of scrambling….that to me is compelling," John Byrne, executive vice president of ACAMS, said in an interview. "I think that is where people are clamoring for some standardization and it is not there now."

The survey also found that collecting accurate data particularly when carrying out enhanced due diligence on a higher-risk customer is difficult. Only 34% said customer-provided statements on what sort of financial activity the accountholder will engage in were accurate.

"If the financial institution is only relying on the information that the customer is providing, there is a high probability that the customer will not disclose the relevant risks," said Carlos Garcia-Pavia, LexisNexis Risk Solutions' director of AML and compliance.

Collecting accurate information also becomes a challenge when an institution tries to identify a company's beneficial owner or controller, which is often even more difficult for customers outside of the United States. The survey said institutions typically have to do the legwork to determine beneficial owner information. Ninety-one percent of the respondents said they use customer-provided documents to collect such information, while 80% said they use government filings and public records. A pending proposal from the Financial Crimes Enforcement Network would require customers to state beneficial owner information when opening an account.

"Until the Beneficial Ownership … regulation is finalized, we are constantly challenged on the legal requirement for obtaining this information from both customer and technology perspectives," a survey participant said.

The survey solicited responses from around the globe, but a majority of respondents — 52% — were based in North America. Respondents from Asia made up 17% of the participants, followed by 12% from Europe.