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PRESS RELEASE

New report: Danish banks struggle under the regulatory burden, with limited results to prevent money laundering

A new report confirms that financial institutions in Denmark are struggling under the burden of increasing regulatory requirements on anti-money laundering. Efforts have little impact and financial crime continues to thrive. Meanwhile, there are increasing concerns about the cost of compliance and the lack of competence.

The report *AML State of Play*, published by FCG, is based on interviews with senior executives at ten big financial institutions in Denmark. It gives a critical view on the current challenges within anti-money laundering and actual progress made since the money laundering scandals in several Nordic banks. The interviews were all conducted on an anonymous basis with open as well as rating questions.

"If people think that AML has peaked, they are wrong. AML is no doubt top of mind for senior management, but our report demonstrates that there are fundamental gaps that need to be closed. If people think that AML has peaked, they are wrong" says **Kenneth Ullman Eenholt**.

According to the report, top challenges include measuring efficiency in transaction monitoring and setting key performance indicators for the overall AML work. This mirrors 2018-2020 data reported by the Danish FSA which state that transaction monitoring, risk assessment and ongoing due diligence, all fundamental parts of an AML-program, remain challenging to financial institutions in Denmark.

Institutions are over-investing in AML measures due to fear of penalties, but with little evidence of the effectiveness of the measures.

"Even if huge sums of money have been invested, there is no evidence that we have made any progress in combatting financial crime" says one anonymous respondent.

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