

Press release

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Conquering challenges in anti-money laundering in the Fintech era

As financial transactions become increasingly diverse, banks will need to work together and invest more in new technologies to implement anti-money laundering (AML) programmes effectively, experts said at a workshop on anti-money laundering in the digital age held on 16 May 2018 in Hanoi.

Themed “Readiness to conquer challenges in anti-money laundering and employ new technology trends in the Fintech era”, the workshop was held by the State Bank of Vietnam with the technical assistance of PricewaterhouseCoopers Consulting Vietnam, a member of the global PwC network of firms. The event attracted nearly 100 representatives from the State Bank of Vietnam and the Risk Management, AML and IT teams of commercial banks currently operating in Vietnam.

With economic integration, the increased diversity of financial transactions and the emergence of new, disruptive technologies are posing many challenges for Vietnamese commercial banks in complying with AML regulations now and in the future. The workshop was a platform for the State Bank of Vietnam representatives to provide updates on AML regulations and for PwC’s experts to share global and regional insights on implementing AML in the digital age.

Addressing commercial bank representatives at the workshop, Nguyen Van Ngoc, Head of the AML Department under the Banking Supervisory Agency of the State Bank of Vietnam said that the State Bank of Vietnam (AML Department) has cooperated with related governmental agencies to carry out various programmes to transform the AML legal framework and provide guidance on AML implementation according to international best practices. These changes have been pursuant to the National Action Plan on Anti-money laundering and Combatting the financing of terrorism in the period of 2015-2020, following the Prime Minister’s Decision No. 2112/QĐ-TTg dated 25 November 2014.

However, the Head of the AML Department also said that in order to improve the effectiveness of AML implementation, commercial banks across the financial system will need to be proactive.

Sharing a similar point of view, Grant Dennis, General Director of PricewaterhouseCoopers Consulting Vietnam, said that Vietnamese banks should strengthen awareness programmes about AML across different levels and functions in their organisations. Most importantly, there needs to be a strong tone at the top and strict enforcement actions for breaches of AML compliance.

“It is not just about compliance and safeguarding reputation. Strengthening AML capacity can help banks improve the quality of their operations and decrease risks in international transactions. To realise that, banks’ leaders will need to be active in setting clear directions and monitoring this important function,” said Dennis.

PwC experts also presented some notable findings about South East Asia from the *2018 Global Economic Crime and Fraud Survey* at the workshop. PwC’s survey reveals some main trends in AML implementation, such as stricter regulatory environments and the application of disruptive technologies.



With regards to challenges to AML, Alex Tan, Leader of Forensics Services at PwC Malaysia commented:

“There are many challenges that have been identified during the implementation of AML in the region. These include the limited use of technology, the lack of tone at the top, ineffective customer risk scoring, KPIs not matching responsibilities, transaction monitoring personnel lacking the necessary capabilities and experience to detect suspicious activities and deliver quality reports, etc.”

“Inappropriate technology is also a big challenge as it leads to poor data feeds, lack of data, as well as transaction monitoring systems that do not fit for purpose or do not cover all operations,” said Tan.

In order to help commercial banks solve such problems, the speakers at the workshop presented some best practices in governance and new technology solutions that are starting to get a foothold in developed markets, such as biometric technology for customer onboarding and robotic process automation for transaction monitoring.

At the workshop, representatives from commercial banks also had a chance to share their own AML practices and submit queries and recommendations about AML implementation.

“AML is an area where close collaboration across the banking system is needed. Money laundering schemes can often be very complex. Each individual bank can only see a small piece of the picture. Only through collaboration with the regulator and other banks will they be able to see the big picture and carry out their AML programmes effectively,” said Richard Major, PwC’s Financial Crime Unit Leader in South East Asia.

Previously, on 15 May 2018, the State Bank of Vietnam organised a seminar exclusively for its officials, also under the theme of anti-money laundering in the digital age and featuring PwC experts./.

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