



# Reading Between the Fines

## A Deep Dive into Financial Institution Penalties in 2022

# Contents

Executive Summary	3
Foreword	4
Global Enforcement Action Facts in 2022	5
Analysis by Region	6
Trends Shaping the 2022 Legislative Environment	7
Global Snapshot of Enforcement Actions	9
North America (NAM)	11
Europe, Middle East, and Africa (EMEA)	12
Asia-Pacific (APAC)	14
Latin America (LATAM)	15
2023 Outlook	16
Protecting Your Firm from Fines	19
About Fenergo	20



## Executive Summary

The total value of fines issued by global regulators to financial institutions (FIs) and individuals during 2022 hit their lowest in recent years\*.

As the world emerged from two years of disruption caused by the COVID-19 pandemic, penalties issued in 2022 amounted to just over \$4 billion (\$4,188,204,721). This is considerably less than the previous two years. In 2021, \$5.4 billion of fines were issued, while 2020 saw record fines of \$10.6 billion. So, the total fine value in 2022 was 22% less than 2021, and just 39% of the levels of fines served in 2020.

Most of the total fine value – around \$3 billion of it – was served by the United States, including the single largest penalty (just over \$1.2 billion), which was handed to one of the Nordic region's leading FIs. This fine was in relation to activities prior to 2018.

Enforcement actions for Anti-Money Laundering (AML) related regulatory breaches made up nearly all (99.28%) of the fine values in 2022. Combined, these totaled just over \$4.15 billion, an increase of 52% from the \$2.7 billion\*\* of fines issued solely for AML breaches in 2021.

Notably, fines to individuals rose to more than \$31.2 million in 2022, compared with just over \$16.5 million in 2021. Similarly, fines issued to crypto-related FIs and their employees nearly doubled, rising 92% from 2021 to reach almost \$193 million.

In this report, Fenargo explores the stories and trends behind global enforcement activity during 2022. We also look ahead to some of the potential trends for enforcement, regulation, and the financial services industry in 2023.

*\*Although the total global fines levied against financial institutions were lower in 2022 than in 2021, the dollar value for purely AML and CFT-related fines increased.*

*\*\*Excluding the \$2.1 billion in enforcement actions for tax fraud.*



# Foreword

**by Rory Doyle,  
Financial Crime Policy Manager  
Fenargo**

If we look at 2022 purely in terms of the global fines total, it seems like an unremarkable year for financial institution enforcement actions. However, considering how many fines have been issued worldwide, activity is up significantly.

Fines appear to be having the desired effect of incentivising FIs to identify and prevent financial crimes in their banking systems. If we take the largest fine out of the picture – \$2.1 billion issued to a Nordic bank – we see a trend which suggests better practice across the whole industry.

We can credit much of the fall in fines issued to FIs to better reporting frameworks, assisted by automation of many of the processes around AML and Know Your Customer (KYC). While KYC and other compliance areas, AML or otherwise, have often been seen as a cost center, we are now seeing that investment pay back in terms of avoiding fines and potential loss of business due to reputational damage.

More than half of the total fine value issued in 2022 came from just two \$1 billion-plus fines, with the US once again being the most stringent enforcer of financial penalties. Numerous smaller fines distributed across other jurisdictions point to regional regulators getting more active in cracking down on financial crime.

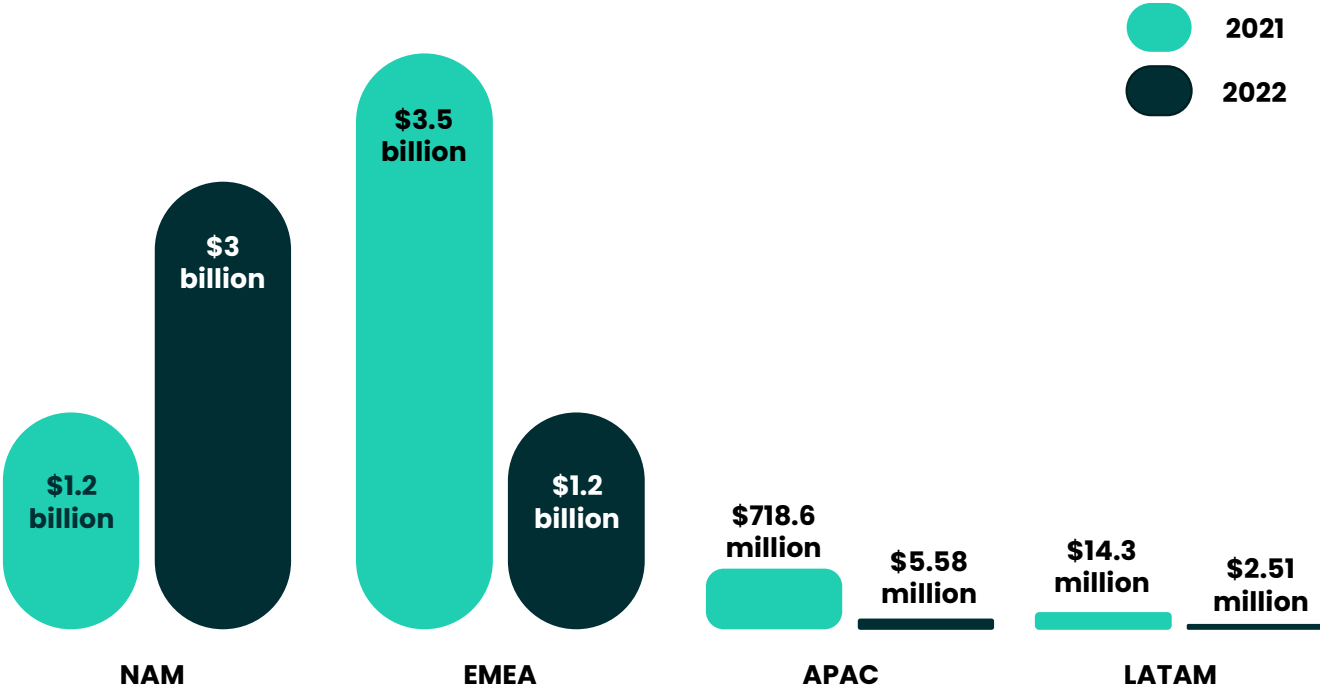
Another significant component of 2022 was the further integration of cryptocurrencies into the traditional financial ecosystem. As finance continues to evolve, technology will continue to play a key role in the prevention of financial crime.

In this report, we explore the trends influencing enforcement action across the world and look ahead to what 2023 might bring, especially given the raft of sanctions imposed on Russian individuals and companies since the invasion of Ukraine and the wider implications for global finance.

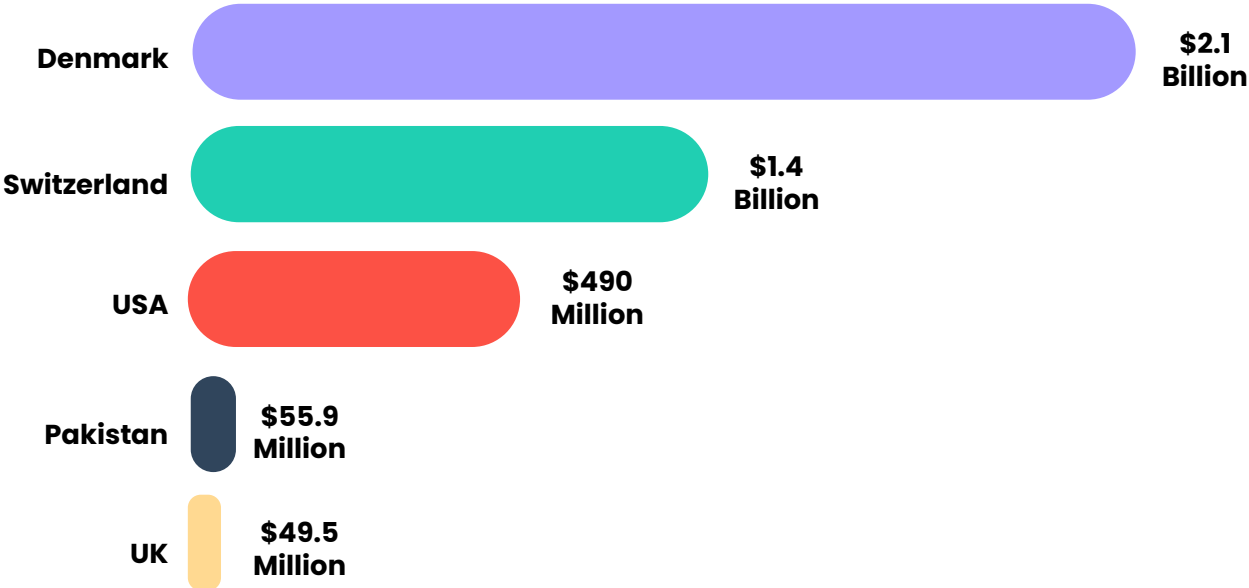
We hope you find our analysis informative in helping your organization take steps to better detect and avoid the risks of financial crime.

# Global Enforcement Action Facts in 2022

Total fines issued between 2021 and 2022



Recipients of the Largest Enforcement Actions by Financial Institution HQ



# Analysis by Region

## North America

**3x**  
increase in fine values  
from 2021

Biggest fine  
**\$1.2**  
**billion**  
to Danske Bank

USA Issued  
**26**  
significant  
AML fines

## EMEA

Fine values just  
**34%**  
of 2021 totals

Biggest fine  
**\$678**  
**million**  
to Danske Bank

**38**  
GDPR fines issued  
up nearly  
**3x**  
from 2021

## APAC

Fine values just  
**0.77%**  
of 2021 levels

Largest fine\* of  
**\$9.46**  
**million**  
served to UnionPay

Indian regulators  
issued  
**19 fines**,  
the most active in  
the region

## LATAM

Fine values just  
**18%**  
of 2021 levels

Largest fine was  
**\$376,874**  
issued to  
Inversora Bursatil

Mexican regulators  
served  
**166**  
AML fines

*\*At the time of publication, figures for 2022 from China were incomplete, and so were not included in the total figures for Fenengo's fines research report. However, the People's Bank of China appears to have been the most active regulator, reporting 608 fines against banks in Q1, Q2, and Q3, totaling \$40.4 million (CNY 278.5 m).*

# Trends Shaping the 2022 Legislative Environment

## Two Major Fines Made Up More Than Half the Global Total

Enforcement requires collaboration from a range of stakeholders so, as the world opened up more in 2022, regulators will have resumed on-site investigations, the results of which are evident in Fenengo's research findings.

In recent years, we have seen the total value of fines skewed by one or two standout cases, such as the Malaysia Development Berhad (IMDB) scandal in 2020, which resulted in a fine of \$6.8 billion to Goldman Sachs across five countries. In 2022, we saw two fines that exceeded the billion-dollar mark.

A leading Nordic bank, Danske Bank, was fined a total of \$2.1 billion by both US and Danish regulators for activity at its Estonian branch<sup>1</sup>. Another FI that has Swiss and US branches, Glencore, was ordered to pay \$1.186 billion by the Commodity Futures Trading Commission (CFTC) in the US for "manipulative and fraudulent conduct" in relation to the physical and derivatives oil markets<sup>2</sup>.

## Digital Assets Come Under Further Scrutiny

Crypto-related fine values accounted for \$193 million in 2022, up nearly double on the previous year. The largest fine issued to a crypto firm in 2022 was issued by the US Securities and Exchange Commission (SEC) to BlockFi, after the company failed to register its retail crypto lending product under the 1933 Securities Act. The \$100 million enforcement fine comprised two \$50 million fines, the first of which was paid to the SEC and the second paid to 32 states.

Another key development was a fine jointly issued by the US Department of the Treasury's Office of Foreign Asset Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN) to Bittrex, a virtual currency platform.

The US-based crypto exchange was fined more than \$24 million by OFAC for sanctions breaches, having failed to prevent people based in sanctioned jurisdictions from dealing on the platform. FinCEN simultaneously fined the company over \$29 million for failing to comply with Suspicious Activity Report (SAR) requirements, but enforcers took into account the existing OFAC fine so Bittrex paid just \$29.3 million in total. In short, the company did not have an appropriate AML program or processes in place to mitigate risks<sup>3</sup>.

US authorities commented: "This is OFAC's largest virtual currency enforcement action to date. It also represents the first parallel enforcement actions by FinCEN and OFAC in this space."<sup>4</sup>

---

<sup>1</sup><https://danskebank.com/news-and-insights/news-archive/company-announcements/2022/ca13122022>

<sup>2</sup><https://www.cftc.gov/PressRoom/PressReleases/8534-22>

<sup>3</sup><https://home.treasury.gov/news/press-releases/jy1006>

<sup>4</sup>*ibid*

## Personal Accountability

Penalties issued to individuals were up significantly from the year before. There was a rise from just over \$16.5 million in 2021 to \$31.2 million in 2022.

The vast majority of this year's enforcement fines handed to individuals came from three \$10 million fines served to the founders of cryptocurrency derivatives trading platform BitMEX by the CFTC for illegally running the operation as well as for various AML violations<sup>5</sup>. This incident further demonstrates how regulators and law enforcement are getting to grips with the cryptocurrency sector.

## ESG Emerges as a Governance Risk

Another area where we have seen more activity is in Environmental, Social and Governance (ESG) regulation, as regulators across the world aim to create a standardized approach to reporting.

There were just two significant ESG-related fines in 2022, totaling \$5.5 million. Both were served on US-based institutions by the SEC. The largest fine, \$4 million, was issued to Goldman Sachs Asset Management for failing to follow policies and procedures involving ESG investments<sup>6</sup>. The other \$1.5 million penalty was served to BNY Mellon Investment Advisor for failing to produce ESG quality reviews on some investments over a three-year period<sup>7</sup>.

Although AML breaches in areas like KYC dominated the global regulatory enforcement agenda again in 2022, we are also seeing authorities increasingly moving against abuses in emerging financial sectors, such as ESG practices and reporting, as well as in digital assets.

## The FATF Effect

While the Financial Action Task Force (FATF) does not have enforcement powers, there is a very clear correlation between FATF activity, or criticism of a country's AML regime, and fines. In recent years Pakistan has featured heavily in our research with high volumes of fines in the millions. In 2022 the number and value of fines declined significantly, down to approximately \$587,000. In 2022 Pakistan (along with Nicaragua) was welcomed by FATF for making significant progress in improving its AML/CFT regime and is no longer subject to increased monitoring while being removed from the 'grey list'. This demonstrates the effectiveness of FATF's monitored jurisdiction process.

Our annual research historically highlights a trend where scheduled on-site inspections for mutual evaluation reports can trigger a flurry of regulatory enforcement actions in that jurisdiction. However despite investigations scheduled in jurisdictions such as Qatar and several African countries including Chad, Gabon, Angola, Liberia, Algeria and Central African Republic, there has been no notable enforcement actions imposed during 2022.

## GDPR Enforcement Continues to Produce Multiple Fines

We also saw a large increase in General Data Protection Regulation (GDPR) fines in 2022 across the European Union (EU), up from 14 to 38 in one year. The total value of these 38 fines was \$15 million, so most fines were relatively modest. More than half the GDPR total resulted from just one case in Sweden (\$8.33 million). Meanwhile, Spanish authorities issued more than a quarter (11) of all GDPR penalties in the EU.

---

<sup>5</sup><https://www.cftc.gov/PressRoom/PressReleases/8522-22>

<sup>6</sup><https://www.sec.gov/news/press-release/2022-209>

<sup>7</sup><https://www.sec.gov/news/press-release/2022-86>





# Global Snapshot of Enforcement Actions



## General Overview

The US was by far the lead issuer of financial penalties and enforcement actions in 2022. North American regulators served out fines totaling \$3 billion during 2022, which accounts for around 72% of the year's total global fine value. Danish regulators served more than \$680 million in fines in a particularly active year for them. Meanwhile, French courts once more remained strict, issuing just over \$235 million in fines during 2022, followed by the UK (\$189 million), and Sweden (\$34 million).

The five most sizeable fines of the year were all served to EMEA and US-based FIs. FIs based in Denmark\* (\$2.067 billion), Switzerland (\$1.43 billion) and the United States (\$460 million) were hit hardest by regulators' penalties, while Pakistan-based organizations received nearly \$56 million in fines. One Nordic bank, Danske Bank, was fined five times across three jurisdictions.

AML-related penalties (\$4.1 billion) accounted for all but \$30.3 million of the total fines issued worldwide. The \$4.1 billion total AML fines included fines relating to KYC (just over \$2.4 million), sanctions (\$25.8 million), and Suspicious Activity Reports (SARs) (\$29.7 million). Thirty-eight GDPR-related fines totalled \$15.1 million, while Margins accounted for \$9 million in penalties resulting from one case. Of the remainder, two ESG fines accounted for \$5.5 million and four MiFID fines for \$772,084.

Most crypto-related penalties – totaling nearly \$193 million charged to five crypto companies (BlockFi, Binance, Robinhood, Bittrex, and Kraken) and \$30 million served to three founders of BitMEX – were ordered by US regulators, with only one of those companies, Binance, being fined by the Netherlands.

Mexican regulators were highly active again this year. In 2021, Mexican authorities served out 429 penalties. Interestingly the number of fines issued in 2022 (162) was just over a third of the fines served in 2021 but, despite this reduction, Mexico still topped the table for the number of fines issued in 2022. Other highly active territories included the US (29 fines), India (19), and the UK (15). Spanish (11) and Romanian (8) legislators issued half the total GDPR fines served in 2022.

*\*Related to issues prior to 2018*

# North America

## NAM – \$3,003,790,982

In North America, enforcement bounced back in 2022, with 35 fines totaling just over \$3 billion. This was up markedly from the \$1.19 billion of fines issued in 2021.

Of this total figure, 29 fines were issued by US regulators, 19 of which were served on American banks, while 10 penalties were served on non-American FIs. The two largest fines in the world and the only ones to exceed \$1 billion were both served by US authorities: SEC and CFTC.

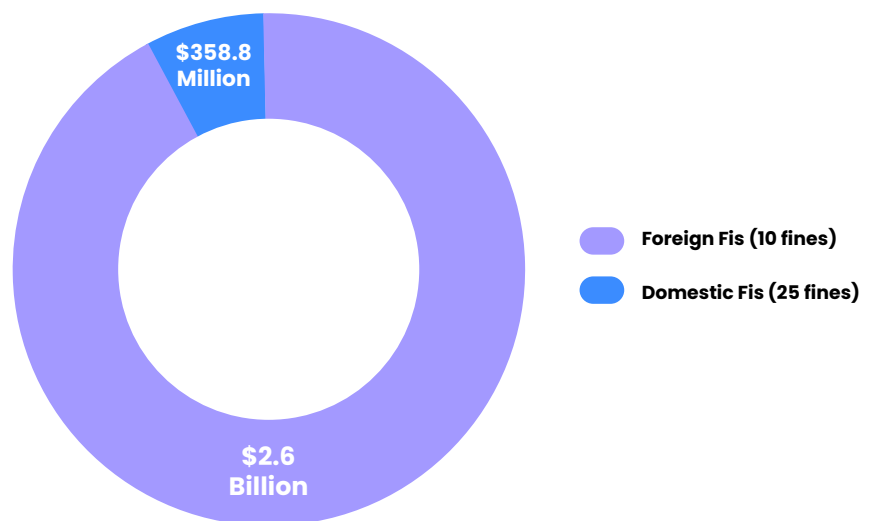
The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) served up six notable fines to financial institutions, amounting to a total of \$821,189. Of these six fines, half were for SARs-related weaknesses, and all came under breaches of the Proceeds of Crime Act, the Canadian AML framework.

The US and Canada were the only regions that enforced penalties for SARs-related failings (\$29.7 million). Notably, US regulators were more likely to pursue enforcement actions for individuals than other jurisdictions.

Sanctions violations have long been a key concern of US regulators and 2022 was no different. US authorities issued five fines totaling more than \$25.8 million of fines for sanctions-related activity. Much of this figure (\$24.28 million) can be attributed to one single fine that was served to Bittrex<sup>8</sup>.

The US was the only jurisdiction where fines were issued to crypto-related companies and individuals, which may signal how far ahead the US is compared to other regions when dealing with the relatively unregulated area of virtual assets. In March 2022, President Biden signed an executive order calling for more evaluation of cryptocurrencies, so we can expect the sector to come under increased scrutiny<sup>9</sup>.

**Fines Issued by NAM Regulators to Foreign FIs vs to Domestic FIs**



<sup>8</sup><https://home.treasury.gov/news/press-releases/jy1006>

<sup>9</sup><https://www.cnbc.com/2022/03/09/heres-whats-in-bidens-executive-order-on-crypto.html>

# Europe, Middle East, and Africa

## EMEA – \$1,166,735,812

Financial penalties issued by regulators across EMEA totalled just over \$1.166 billion in 2022, just shy of 28% of the global value of fines served. This figure is down significantly on the \$3.5 billion of fines charged during the previous year.

The largest fine served in EMEA in 2022 was a \$678.6 million penalty handed to Danske Bank by the Danish Special Crime Unit (SCU)<sup>10</sup>. In France, regulators issued the second largest, a \$235 million AML fine to Swiss bank Credit Suisse, following a tax fraud and money laundering investigation<sup>11</sup>.

The next most significant fine (\$132 million) was given out by the Financial Conduct Authority (FCA) in the UK to Santander, which it said had “failed to properly oversee and manage its AML systems” over a five year period<sup>12</sup>. The FCA also handed out EMEA’s fourth-largest fine of \$21.5 million to investment advisory and wealth management firm Julius Baer International Ltd. over its conduct and non-cooperation, simultaneously imposing bans on working in UK finance on three of the FIs’ senior staff<sup>13</sup>.

While AML-related fines made up the vast majority (\$1.14 billion) of penalties, there was significant activity around data privacy. Thirty-eight fines, totaling \$15 million, were issued for breach of GDPR, with Spain (11 fines) and Romania (eight fines) being the most active. GDPR-related enforcement activity was up from 2021 both in terms of number of fines issued (38 in 2022 compared with 14 in 2021) and the total fines value (\$14.3 million in 2022 compared with \$11.4 million in 2021).

MIFID-related fines totalled \$772,084. The lion’s share of fines occurred in Belgium (\$536,715) with smaller totals recorded in Greece (\$171,980) and Austria (\$63,338).

While Swiss firms were amongst those that received the largest fines worldwide during 2022, domestic regulator in Switzerland did not apply particularly punitive penalties within their own countries.

---

<sup>10</sup><https://danskebank.com/news-and-insights/news-archive/company-announcements/2022/ca13122022>

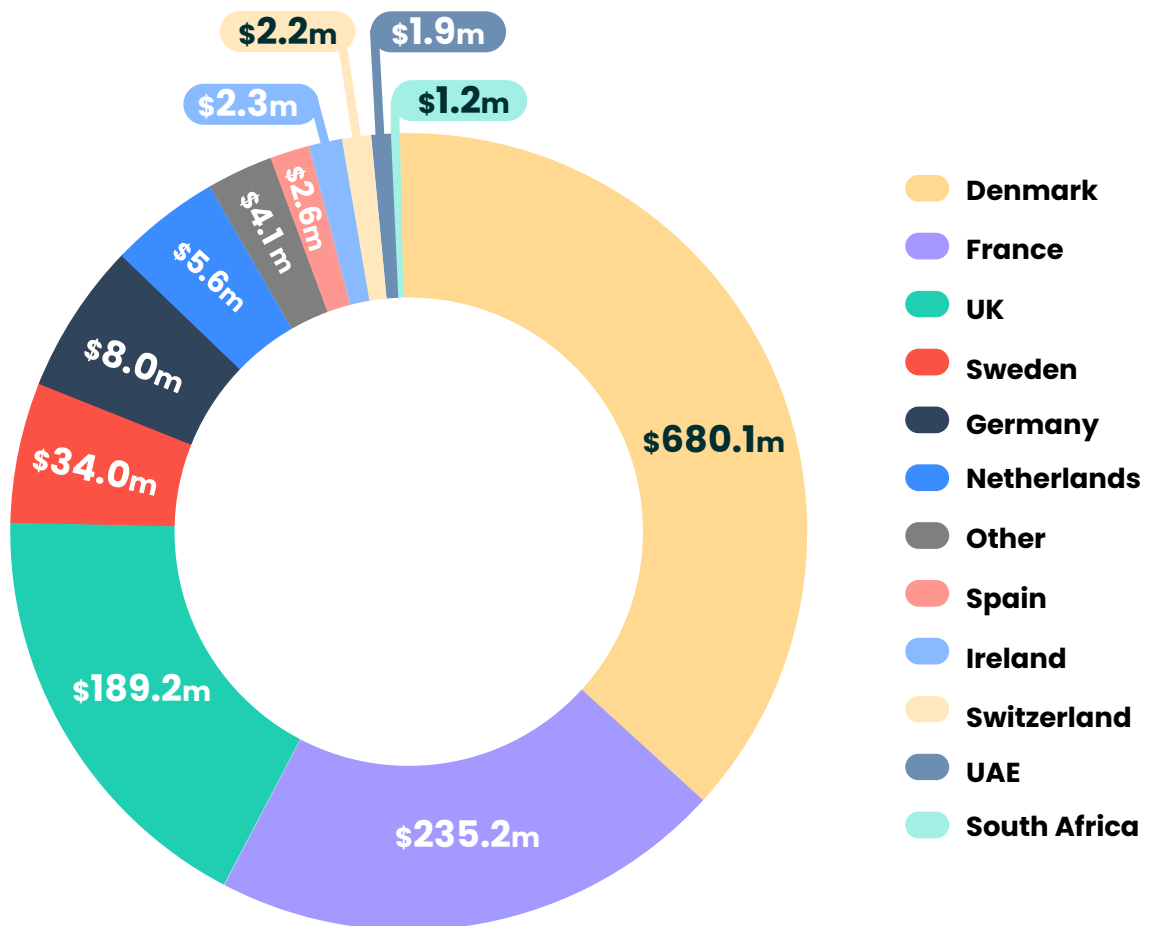
<sup>11</sup><https://www.cityam.com/credit-suisse-pays-208m-to-settle-french-probe/>

<sup>12</sup><https://www.fca.org.uk/news/press-releases/fca-fines-santander-uk-repeated-anti-money-laundering-failures->

<sup>13</sup><https://www.fca.org.uk/news/press-releases/fca-fines-julius-baer-international-limited-ps18m-and-publishes-decision-notice-three-individuals>



### Fines by EMEA Regulators in 2022



# Asia-Pacific

## APAC – \$5,583,046\*

The size of fines issued across APAC during 2022 is a tiny fraction of the fines seen in previous years. Several significant regulatory enforcement actions across the region led to fine totals of \$5.2 billion in 2020 and \$718.6 million in 2021.

Regulators in China issued the largest fines in APAC, with the largest, \$9.4m being issued to UnionPay, a payments institution, for AML failings. The largest fine outside of China (\$818,329) was in Singapore for an AML-related breach by Vistra Trust. Its considerable size meant that Singaporean authorities issued higher value fines in 2022 than in 2021 (\$748,000), but much lower still than in 2020 (\$123.1 million).

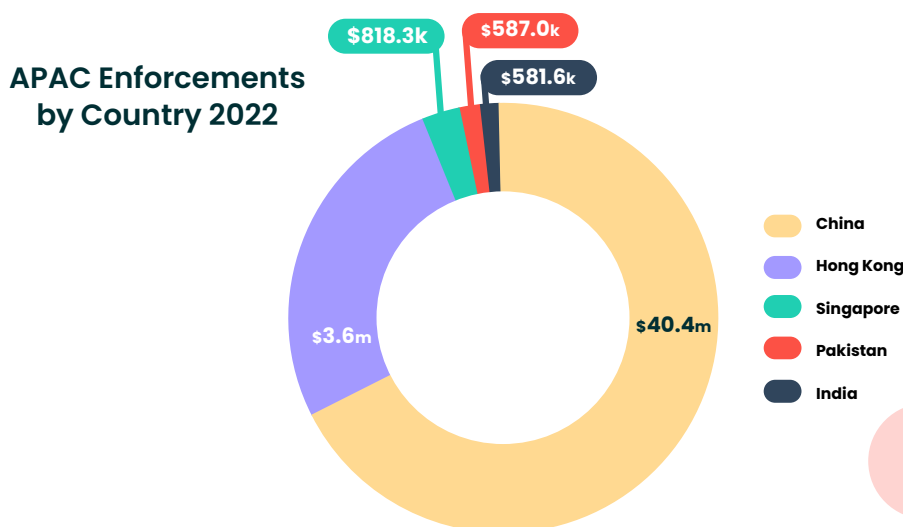
Hong Kong issued the next-largest fine (\$764.6 million) after Singapore, to Commerzbank AZ, but also saw a drop in its total fine value compared to previous years. In 2022, fines issued in Hong Kong fell to just \$3.59 million, whereas 2021 saw fines of \$9.6 million. Hong Kong issued eight fines for AML rule breaches, down slightly from 11 in 2021.

Pakistan's regulator, State Bank of Pakistan, issued four fines for AML/CFT totaling \$587,004, which was down markedly from the \$2.7 million of fines issued in Pakistan during 2021. According to FATF, Pakistan has made good progress in addressing the technical deficiencies identified in its mutual evaluation report and as a result has been taken off its grey list.

Indian regulators were very active during 2022, issuing 19 AML and KYC-related fines totaling \$581,492. The value of fines was the lowest in recent years in India, following \$15.7 million in 2020 and \$893,500 in 2021.

China's AML enforcement campaign, announced in early 2022, yielded \$40.4 million from 608 enforcement actions to banks and a further \$14.8 million to payments companies during just the first three quarters of the year, according to [figures](#) released in early 2023.

In Australia, enforceable undertakings replaced fines in 2022 for AML/CFT failings at [National Australia Bank](#) and [ING Bank](#), as the Australian Transaction Reports and Analysis Centre (AUSTRAC) ordered these FIs to instead focus on improving their AML/CTF controls and processes.



\*Enforcement actions figures from the People's Bank of China (PBOC) have only been reported for Q1, Q2, and Q3 of 2022 at the time of this report's publication, and therefore do not form part of the regional or global total figures quoted.

<sup>14</sup><https://www.regulationasia.com/pboc-fines-three-fis-a-combined-20m-for-aml-rule-violations/>

<sup>15</sup><https://www.mas.gov.sg/news/media-releases/2022/mas-penalises-vistra-trust-for-failures-in-anti-money-laundering-controls>



## Latin America

### LATAM – \$2,515,605

According to our analysis Latin American regulators had a quiet year compared to 2021, when more than \$14.2 million of fines were issued across Mexico, Brazil, Paraguay, and Colombia. Mexican regulators remained highly active, issuing penalties to approximately 166 domestic FIs totaling just over \$2.5 million during 2022.

The most significant three fines in Mexico – all worth \$125,625 – were all served to divisions of the same company, Inversora Bursatil, for failing to identify customers, lacking a sufficient automated system to detect unusual activity, and KYC shortcomings.

In 2022, Mexico continued to lead the way in the fight against financial crime in Latin America, although enforcement activity was down markedly from 2021, when the state issued 429 fines totaling \$6.7 million.

An aerial, top-down view of a busy shopping mall. The image is overlaid with a semi-transparent blue filter. In the center, two escalators lead up and down. People are seen walking on the upper level, some pushing strollers. On the lower level, there are tables with chairs, likely a cafe or seating area, and a display of pumpkins. The floor has a geometric pattern of squares and triangles.

## 2023 Regulatory Outlook



# Global Events Will Keep Financial Institutions on Their Toes

While 2022 didn't reveal any large-scale financial crime scandals in the same league as the FinCEN Files, the Panama Papers or Pandora Papers scandals of recent years, we have seen other revelations, such as the collapse of FTX. The large-scale failings, not least from a risk management perspective, will impact and inform the regulatory environment around AML and crypto for 2023 and beyond.

The financial sector was impacted by the war in Ukraine and the disruption to the global supply of energy, food, and other materials. The war also led to unprecedented levels of sanctions measures imposed on Russian entities and individuals which directly impacted the daily operations of financial institutions around the world.

Going into 2023, we can expect to see a collaborative push from policymakers and regulators to punish any regulated entity or individuals who have knowingly or unwittingly enabled flagged Russian entities to bypass sanctions. Governments and regulators in the US and EU will probably be the most active in sanctions-related enforcement during 2023.

Disruption caused by the conflict has hindered recovery from COVID-19 across several sectors. The weakened global outlook could lead to a third of the world's economy being in recession, according to the International Monetary Fund (IMF)<sup>16</sup>.

With global economic uncertainty, rising interest rates and a cost-of-living crisis, the environment is ripe for financial crime to flourish. Criminals are increasingly sophisticated in their methods and FIs will need to be prepared and agile in 2023 to be able to identify any risks.

# ESG Will Go from Preferable to Enforceable More Widely

In May of 2022, the SEC doled out the first ever fine for ESG failings. So, what does this mean for FIs going into 2023? Clearly ESG is increasingly a priority for regulators, and this is translating into serious enforcement actions against those falling short.

With ESG reporting being the new compliance game-changer, we see the EU leading the charge having already implemented several key regulations under the EU Sustainability Action Plan, with many jurisdictions well in the process of following suit either having or in the process of affecting taxonomy, disclosure, and reporting requirements. At an international level we see the International Sustainability Standards Board (ISSB), the global standards-setting board, continue to develop a comprehensive global baseline of sustainability-related disclosure standards guidelines. These will provide investors and other market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions.

---

<sup>16</sup><https://www.theguardian.com/business/2023/jan/02/third-of-world-economy-to-hit-recession-in-2023-imf-head-warns>

FIs will need to keep a close eye on jurisdictions beyond just their own, to keep up with updates rolling in like Japan's recent ESG mandate and the follow up actions to commitments made at the recent COP27 summit.

FIs want to remain compliant, but the answer is not to hire armies of additional people – we cannot create an operational problem while solving a compliance problem. The right way is to explore automation of data and processes, and to consolidate the operating model.

Last year's fines were levied against two of the world's largest household names in asset management and investment advisory, but it's safe to say that regulatory scrutiny will begin to trickle down to FIs of all sectors and sizes now that the warning bell's been sounded.

To learn more about the emerging ESG regulatory landscape and how Fenargo's technology can help you remain compliant across global jurisdictions, watch our on-demand webinar: [Operationalizing ESG – Transforming a Regulatory Obligation into a Market Opportunity](#).

## Digital Assets Have Come Under the Remit of Regulation

In the US, there has been movement by authorities to increase scrutiny and regulation around the cryptocurrency sector with orders<sup>17</sup> from President Biden for greater investigation into cryptocurrencies. It is the US that has shown leadership in taking enforcement action against crypto companies and individuals linked to crypto firms.

In the EU, moves to regulate digital assets more effectively are also in progress. In June 2020, the bloc announced its agreement on European crypto-assets regulation (MiCA). MiCA is designed to protect consumers while also requiring digital asset companies to declare their environmental impact<sup>18</sup>.

Further high-profile crypto enforcement activity across multiple jurisdictions could shake confidence in the crypto market altogether in 2023. With many FIs still looking to expand their investment in digital assets such as cryptocurrencies, 2023 promises to be another interesting year for the digital assets sector.

## Automation of AML and KYC Will Be Prioritized Within FIs

Geopolitical events and the unrelenting regulatory scrutiny we're seeing in this research will contribute to the prioritization of budgets for the automation of AML and KYC procedures and processes. Fenargo's recent global KYC in 2022 research report<sup>19</sup> finds that financial crime risk is a top three investment priority for 45% of corporate and institutional banks globally. The financial and reputation risk of enforcement action and the global economic downturn will put pressures on financial institutions to increase operational efficiencies and reduce costs.

Despite the financial downturn, FIs investment in regulatory technology (RegTech) looks set to remain steady<sup>20</sup>, because it delivers operational efficiencies and saves on costs related to compliance processes. Automation also saves money by preventing fines and remediation for non-compliance while also crucially optimizing the customer experience and accelerating time to revenue.

---

<sup>17</sup><https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/09/executive-order-on-ensuring-responsible-development-of-digital-assets/>

<sup>18</sup><https://www.consilium.europa.eu/en/press/press-releases/2022/06/30/digital-finance-agreement-reached-on-european-crypto-assets-regulation-mica/>

<sup>19</sup><https://assets.kpmg/content/dam/kpmg/xx/pdf/2022/08/pulse-of-fintech-h1-22.pdf>

<sup>20</sup><https://resources.fenargo.com/i/1481499-fenargo-kyc-in-2022-report/0>



## Protecting Your Firm from Fines

Fenergo's 2022 research into financial institution fines highlights that the traditional regulatory challenges of AML, KYC and sanctions still dominate the enforcement landscape. However, we are seeing developments in emerging areas such as ESG and digital assets, which are set to increase in the coming years.

In previous years, the total amount of fines issued across the world has been boosted by one or two significant incidents. We have seen only two such billion-dollar incidents in 2022, which could be due to the pressures on regulators, or it may be a sign that the financial sector is getting better at ensuring reporting and compliance. We should also bear in mind that some investigations that may have been delayed by COVID-19 could filter through into 2023's enforcement actions.

The financial sector is increasingly turning to technology to address the compliance challenge they face. For example, nearly seven in ten (68%) financial sector decision-makers include technology for automation in their KYC budget priorities<sup>21</sup>.

By accelerating the digital transformation of AML/KYC operations, FIs can gain a clear understanding of the risks presented by entities and individuals throughout their lifecycle. This will be crucial as firms navigate increasingly complex sanctions and regulatory frameworks in today's turbulent socio-political and economic climate. Taking advantage of the power of automation will also allow Money Laundering Reporting Officers (MLROs) and Heads of Compliance to adopt a risk based approach to compliance while ultimately protecting the business from enforcement action.

At Fenergo, we are committed to developing technology solutions that enable financial institutions to automate AML/KYC processes and remain compliant in multiple jurisdictions. Discover more at [www.fenergo.com](http://www.fenergo.com).

---

<sup>21</sup><https://resources.fenergo.com/i/1481499-fenergo-kyc-in-2022-report/0>



Visit [www.fenergo.com](http://www.fenergo.com)  
for more information.

Please email us  
[discover@fenergo.com](mailto:discover@fenergo.com)

## About Fenergo

Fenergo is the leading provider of digital solutions for client lifecycle management (CLM) and digital transformation for financial institutions. Its software digitally transforms and streamlines end-to-end CLM processes - from regulatory onboarding, data integration, client and counterparty data management, client lifecycle reviews and remediation, all the way to client offboarding. Fenergo is recognized for its in-depth financial services and regulatory expertise and out-of-the-box rules engine which ensures financial institutions are future-proofed against evolving Know Your Customer (KYC), Anti-Money-Laundering (AML), Environmental, Social and Governance (ESG), tax and OTC derivatives-based regulations across 120 jurisdictions. Headquartered in Dublin, Ireland, Fenergo has offices in North America, the UK, Poland, Spain, South Africa, Asia Pacific, and the UAE.

