Operating at the speed of crime:

The case for real-time risk intelligence in APAC

LSEG RISK INTELLIGENCE

Foreword

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Financial crime is accelerating, and the stakes for financial institutions in APAC have never been higher. In a region defined by rapid economic growth, digital innovation, and cross-border connectivity, the regulatory landscape is evolving rapidly. Compliance is no longer a back-office function – it is a strategic imperative that underpins trust, resilience, and competitive advantage. Falling behind doesn't just risk penalties but also erodes customer confidence and market position.

Our recent global report examined the challenges faced by financial institutions across North America, EMEA, and APAC, revealing common pain points and emerging priorities. This APAC-focused report builds on those findings, offering a deeper dive into the unique pressures and opportunities shaping the region. While the global survey highlighted widespread inefficiencies and growing demand for real-time intelligence, APAC stands out for its readiness to embrace innovation despite persistent hurdles such as manual processes, integration issues, and resource constraints.

The message is clear – future-ready institutions will be those that leverage technology, streamline workflows, and transform compliance from a regulatory obligation into a driver of growth. Real-time access to risk data and the adoption of AI are no longer optional – they are essential to meeting tightening timeframes and delivering the seamless experiences customers expect.

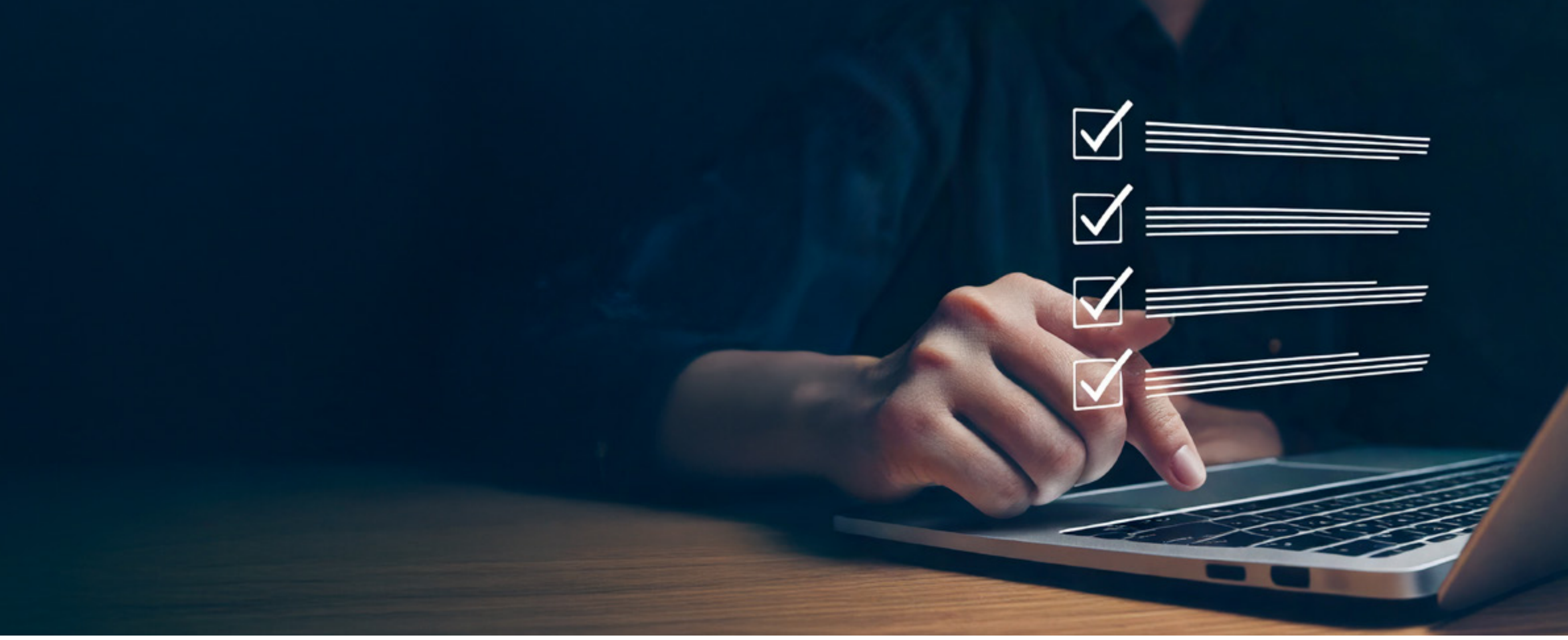
We invite you to explore these insights and consider how your organisation can transform regulatory challenges into opportunities for growth in APAC region.

About the research survey

In mid-2025, LSEG Risk Intelligence surveyed 850 senior decision makers with responsibility over risk intelligence in financial institutions including top tier banks, wealth and advisory, banking (retail and digital) and investment (asset management and insurance).

Our global survey included a wide range of countries and jurisdictions including:

- APAC (250): Australia, Hong Kong, Japan, Malaysia and Singapore
- EMEA (400): France, Germany, Italy, Denmark, Norway, Sweden, Spain, Switzerland, UAE and UK
- North America (200): Canada and USA



Key findings in APAC

1 **Delays and inefficiencies in screening are evident, with country-by-country differences:** Across all regions surveyed, 80% of respondents report at least occasional delays in onboarding or payments processing, caused by compliance screening. Across APAC, the figure is the same, with 80% of respondents across the region saying they experience delays “at least occasionally”. This rises to 90% in both Japan and Hong Kong. High false positives are the top customer screening pain point reported in the region, with 76% highlighting this as a challenge. Regional differences are apparent: in Hong Kong, more respondents (86%) find manual review and remediation to be their top challenge, and in Australia, integration issues top the list (80%).

2 **Real-time access to sanctions and risk data is essential:** Globally 98% of respondents said real-time access to sanctions and risk data is important to their compliance workflows, and this figure is similar in APAC (97%). 55% of respondents in the region said real-time data is very important.

3 **Real-time data offers many benefits, but barriers to adoption remain:** The top benefit of real-time data access, cited by 54% of APAC respondents, is that it helps them avoid outdated data. Budget or resource constraints top the list of hurdles to the adoption of real-time tools (cited by 52%). Globally, this is also cited as the top barrier.

4 **AI and workflow automation are crucial, but human input is still valued:** Financial institutions in APAC view compliance workflow automation and AI integration as key priorities for improving the effectiveness of the risk screening process, with 23% respondents saying this is a focus area.

Top regional challenges

In APAC, financial institutions report screening delays and high levels of false positives.

Across all regions surveyed, 80% of respondents report that compliance screening causes at least occasional onboarding and payment processing delays. The findings across APAC are similar:

A substantial 80% across the region report that delays happen “at least occasionally.” This rises to 90% in both Japan and Hong Kong.

12% in Australia, as opposed to zero in Malaysia say they “always” experience delays. The global average is 6%.

Looking at manual vs. automated screening processes, the highest percentage of respondents saying they are fully automated is in Singapore (6%). The highest percentage saying they are fully manual is in Japan (12%). Across all countries in the region, respondents are most likely to reveal that they use a mix of manual and automated solutions.

Looking at common pain points in customer screening, regional responses reveal that the top three challenges experienced by respondents in APAC when screening for sanctions, politically exposed persons (PEPs) and adverse media screening are:

- High false positives (76%)
- Manual review and remediation workload (74%)
- Integration issues with existing systems (74%)

These findings reflect the top three challenges reported in other regions, although the order differs. Regional differences are evident, with high levels of false positives reported by more respondents in Japan and Hong Kong (both 80%) and fewer in Australia (72%). In Hong Kong, the highest percentage of respondents (86%) find manual review and remediation to be their top challenge, and in Australia, integration issues top the list (80%).

Malaysia reports significantly fewer challenges overall. For example, only 62% cite manual review and remediation workload as a challenge.

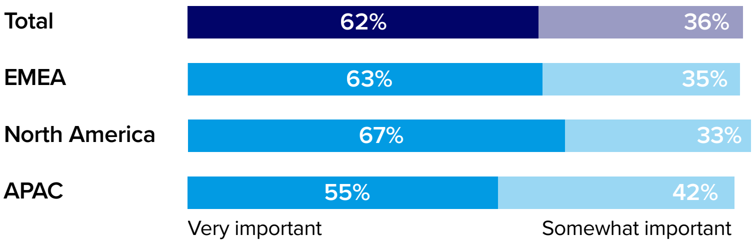
When asked how confident they are in the accuracy and completeness of their current sanctions and risk screening data, under half (44%) across the region say that they are "very confident". This compares to slightly higher average percentages in EMEA (45%) and North America (53%).

What do financial institutions really need?

Real-time data: where speed meets strategy

A highly substantial 98% of respondents across all regions consider real-time data important to their compliance workflows, with the corresponding percentage in APAC dropping very slightly to 97%. In APAC, 55% cite this as "very important" and 42% said it is "somewhat important".

Importance of real-time access to sanctions and risk data in current compliance workflows



Variations across the region are evident, with 66% in Malaysia and 62% in Australia considering real-time data very important, compared with just 34% in Hong Kong.

Across the region, real-time data access is also the most important factor when considering a customer screening tool and was selected by 62% of respondents. Once again, regional differences are apparent, with 72% in Malaysia and 70% in Australia and a much lower 48% in Hong Kong selecting this option. In the latter, customisation to risk appetite and achieving greater precision with fewer false positives (both 54%) are viewed as more influential.

The reasons given underscore the undeniable benefit of important data being available in real time, with respondents in APAC saying that real-time access helps them to:

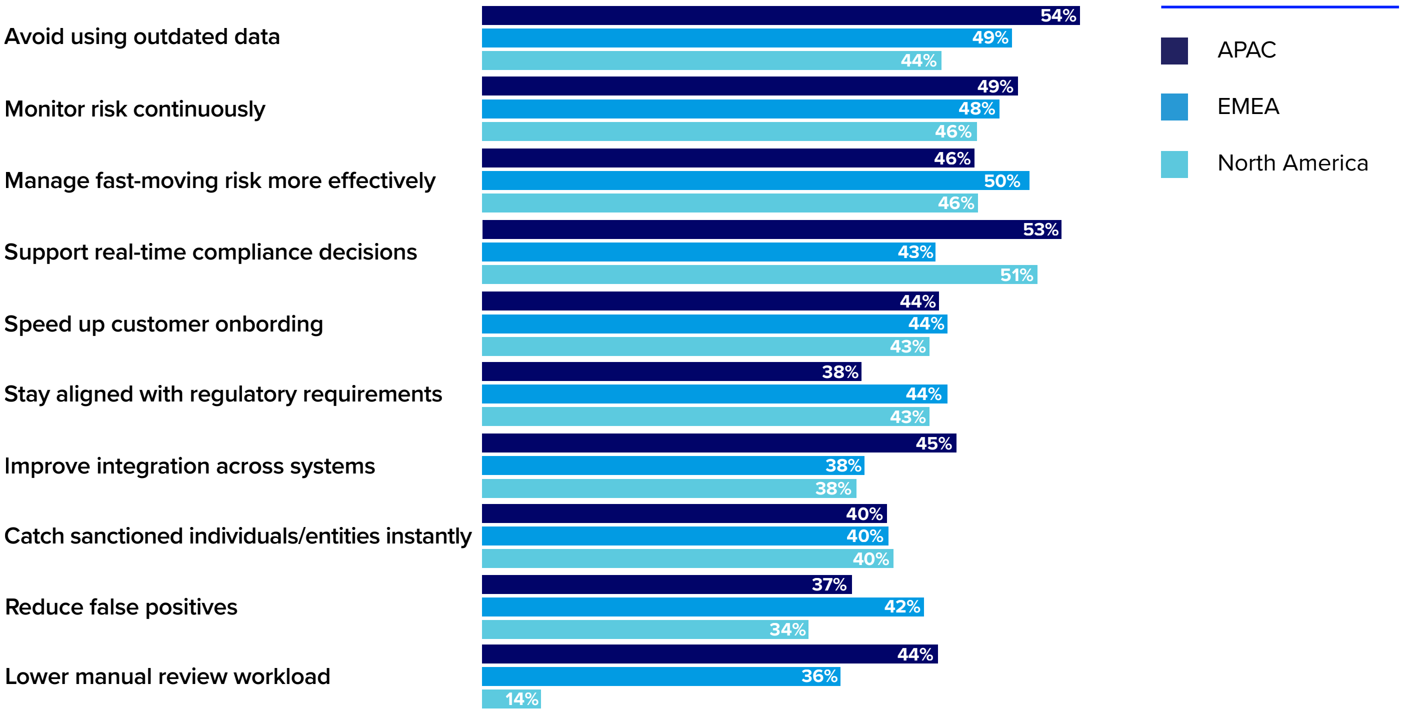
- Avoid outdated data (54%)
- Support real-time compliance decisions (53%)
- Monitor risk continuously (48%)

These are similar to the top reasons cited overall, although there is more of an emphasis in the APAC region on supporting real-time compliance decisions (selected by 48% across all regions surveyed).

Interestingly, respondents in APAC and EMEA place substantially more value on lowering manual review workload than those in North America. This is likely a reflection of the fact that North American institutions lead the way in automation in compliance screening, with 90% either mostly, fully or partly automated.

Lower manual review workload is seen as vastly more important in APAC and EMEA than in North America

Why real-time data access is an important factor when considering a customer screening tool



We also looked into the biggest barriers to adoption of real-time tools and data. In APAC, when asked why access to real-time data is not important when selecting a screening tool, the top three reasons given were:

- Budget or resource constraints make real-time tools unfeasible (52%)
- Regulatory requirements don't demand real-time checks (45%)
- Risk appetite allows for slower checks (43%)

The top three reasons differ somewhat from those reported in other regions, but budgetary constraints top the list, in line with other regions.

Country-by-country differences in budgetary concerns are also evident – 60% in Japan cite budget as a top concern, compared to 47% in Australia.

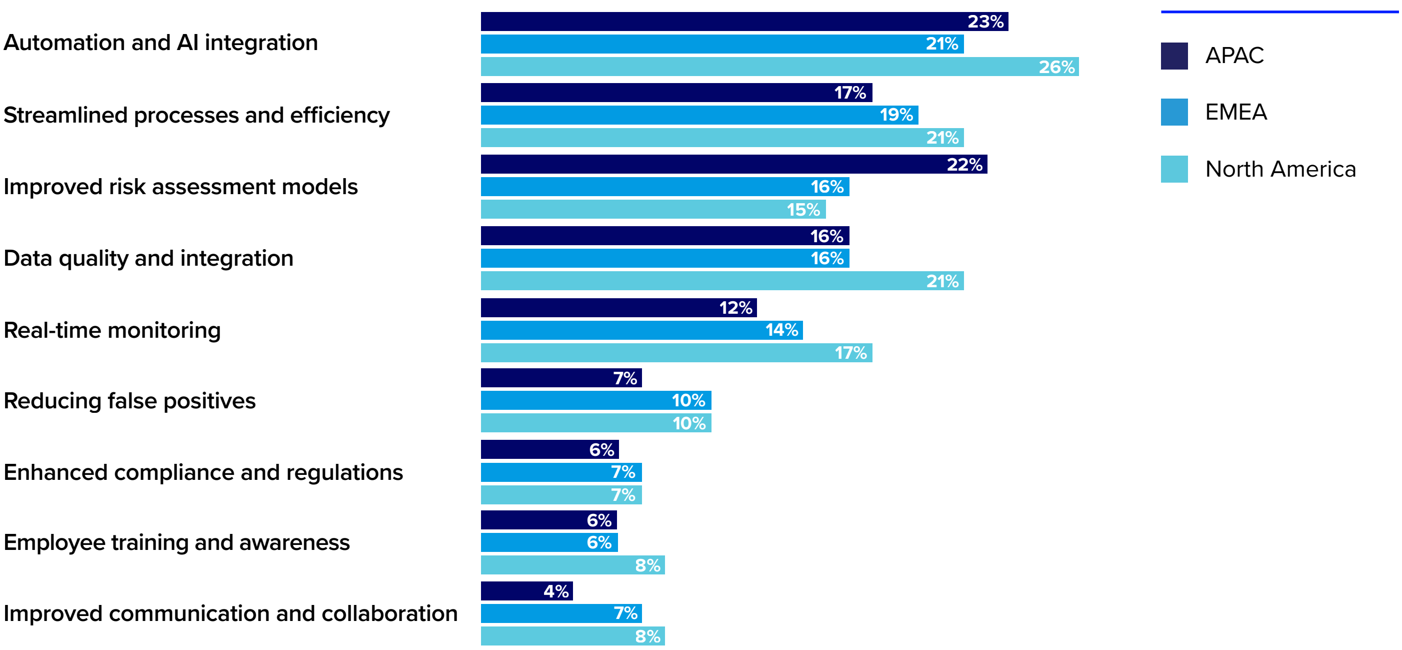
Framing the AI advantage

AI has much potential to enhance human efforts

Our research reveals strong interest in leveraging AI and automation to address persistent screening challenges in APAC. Financial institutions in APAC region view automation and AI integration as key priorities for improving the effectiveness of the risk screening process, with 23% saying this is a focus area.

Across all markets automation and AI integration is seen as the factor that would most improve the risk screening process

Changes that would improve the affectiveness of the risk screening process



Respondents highlighted priorities such as improving data accuracy, deploying deep learning models to detect complex money laundering patterns, and enhancing real-time screening with stricter false-positive filters. Across the region, there is growing recognition that AI can complement compliance teams by streamlining workflows, ensuring up-to-date sanctions data, and supporting ongoing staff training rather than replacing human judgment entirely.

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Recommendations for financial institutions in APAC

Real-time data and trusted partnerships will be key to future success.

As fraud and financial crime continue to surge globally, financial institutions face mounting pressure to keep pace with evolving regulations and rising client expectations. Persistent challenges such as high false positives, manual review bottlenecks, and system integration issues underscore the need for smarter, faster, and more resilient compliance strategies. Based on our findings, here are five key recommendations to help financial institutions in APAC navigate this complex landscape and position themselves for future success:

1

Prioritise real-time data access

In today's fast-moving regulatory environment, real-time access to sanctions and risk data is no longer optional – it is essential. With regulations like the EU Instant Payments Regulation mandating instant credit transfers, speed in screening has become a critical compliance factor. Financial institutions that invest in real-time data capabilities will not only reduce risk exposure but also deliver the seamless, reliable customer experience.

2

Embrace automation and AI

Automation and AI are powerful tools for tackling persistent challenges such as high false positives and manual review bottlenecks. By integrating these technologies into screening workflows, financial institutions can significantly improve efficiency and accuracy. Importantly, AI should be viewed as an enabler rather than a replacement – supporting training, enhancing decision-making, and freeing up human resources for higher-value tasks.

3

Optimise screening processes

Delays and inefficiencies remain widespread across APAC region, underscoring the urgent need to streamline compliance workflows. Financia institutions should focus on system integration and process redesign to enable faster, more effective screening. Optimised processes not only reduce operational strain but also position institutions to respond quickly to regulatory changes and evolving customer demands.

4

Maintain human oversight

While technology can accelerate compliance, human judgment remains indispensable for complex and nuanced risk assessments. A "human-in-the-loop" approach ensures that automation and AI are complemented by expert oversight, safeguarding accuracy and accountability. This balance is key to building trust with regulators and customers alike.

5

Build trusted partnerships

Selecting the right risk intelligence partner is critical to future success. A trusted partner brings together real-time data, advanced technology, and human expertise to help institutions navigate an increasingly complex risk landscape. Strong partnerships enable financial institutions to stay agile, resilient, and confident in their compliance strategies.

In summary, by prioritising real-time data, embracing automation and AI, optimising processes, maintaining human oversight, and forging trusted partnerships, financial institutions can transform risk management from a reactive necessity into a strategic advantage.

LSEG Risk Intelligence provides a suite of solutions to help organisations efficiently navigate risks, limit reputational damage, reduce fraud and comply with legal and regulatory obligations around the globe. From screening solutions through World-Check, to detailed background checks on any entity or individual through due diligence reports, and innovative identity verification and account verification – organisations can trust LSEG Risk Intelligence to help them manage their risk, so they can operate more efficiently, more effectively and more confidently. To learn more, visit www.lseg.com/risk-intelligence.

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