

INDUSTRY TRENDS

The Rise of Shared Compliance Utilities

RegBridge Africa Advisory | Thought Leadership Series

Transforming AML/KYC Compliance

Centralised screening infrastructure is transforming AML/KYC compliance across emerging markets. Shared utilities deliver premium screening capabilities at lower cost while enabling unprecedented supervisory visibility into sector-wide compliance performance.

The Utility Model

Shared compliance utilities operate on a simple principle: centralise common compliance functions to achieve economies of scale while maintaining individual institutional accountability. Key characteristics include:

- Centralised screening against global watchlists
- Standardised data quality requirements
- Shared technology infrastructure costs
- Regulator visibility into screening effectiveness

Benefits for Financial Institutions

Participating institutions gain:

- **Cost Reduction:** Shared infrastructure eliminates duplicate licensing and maintenance
- **Quality Improvement:** Access to premium data vendors previously unaffordable
- **Standardisation:** Consistent screening approach across the sector
- **Regulatory Confidence:** Demonstrated investment in compliance infrastructure

Cost Reality: Smaller institutions can access the same screening quality as major banks at a fraction of the standalone cost.

Supervisory Benefits

Regulators gain unprecedented visibility:

- Sector-wide screening performance metrics
- Ability to identify outliers and emerging risks
- Standardised baseline for supervisory expectations
- Reduced examination burden through centralised assurance

Implementation Considerations

Successful utility implementation requires:

- Clear governance framework with regulator involvement
- Standardised data formats and quality thresholds
- Robust technology architecture with high availability
- Transparent pricing model aligned with usage
- Preserved institutional accountability for compliance decisions