

ethikos Volume 34, Number 5. May 01, 2020 Compliance challenges in the financial sector in Brazil: Less AML and more ABCD

By Daniel Lança

Daniel Lança (daniel.lanca@sgcompliance.net) is Founding Partner at SG Compliance, located in São Paulo, Brazil, and Coordinator of the MBA Program at CEDIN.

After a long period of crisis, the financial sector in Brazil is growing vigorously again, reflecting the country's economic improvement. Finance—historically accustomed to dealing with regulations and monitoring by government agencies—has strengthened its compliance programs and now faces new challenges.

The first challenge for any company already committed to compliance is, without a doubt, keeping the existing compliance program well functioning. An organization does not live by innovation alone. Thus, the well-known offenders—like fraud and money laundering—should remain under special attention. Regulatory bodies like the Central Bank of Brazil monitor such issues closely and demand conformity with compliance policies and procedures.

Still, the dynamic of the market evolves fast, and even the old challenges become new every year. An example of this are the regulations around interoperable instant payment. Proper legal language and logistical capacity among financial operators are some of the challenges, with numerous compliance considerations around fraud and abuse of the system.

Cryptocurrencies are another constant cause for concern around anti-money laundering (AML) policies. New virtual currencies like *bitcoin* are the target to be tackled, so your compliance department must stay one step ahead and act with creativity and courage to mitigate the associated financial risks.

This document is only available to subscribers. Please log in or purchase access.

[Purchase](#) [Login](#)