

Ayman M Al-Sayari: Speech - Addressing financial crime, fraud, and corruption as barriers to growth and stability Session

Speech by His Excellency Mr Ayman Al-Sayari, Governor of the Saudi Central Bank, at the "Addressing financial crime, fraud, and corruption as barriers to growth and stability" Session, held on the sidelines of the International Monetary Fund and World Bank Group Annual Meetings, Washington DC, 16 October 2025.

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Financial crime – be it money laundering, fraud, or financing of illicit activities – has profound and far-reaching negative implications, and is a challenge that has grown exponentially in magnitude – with an estimated \$3.1 trillion in illicit funds estimated to have flowed through the global financial system in 2023.

Their impact extends far beyond individual institutions or borders: they distort resource allocation, deter legitimate investment, and weaken the credibility of financial systems.

The costs associated with such crimes are substantial and continue to rise. These range from reduced revenues, increased expenses, penalties, loss of banking services, and even heightened financial instability. Losses from fraud scams and bank fraud alone were estimated to be over \$485 billion in estimated losses globally in 2023.

In Saudi Arabia, we take this challenge very seriously. Our response has been strategic, system-wide, and firmly anchored in Saudi Vision 2030, which places integrity and transparency at the core of economic transformation. Over the past decade, Saudi Arabia has built comprehensive national AML/CFT and anti-corruption frameworks, augmented by high-level national committees to coordinate policy response to combat financial crime-integrating preventive, supervisory, investigative, and judicial efforts.

This approach reflects our view that collaboration is imperative to prevent, identify, and alleviate the impacts of financial crimes. All stakeholders, including governments, financial institutions, and businesses, have a responsibility in the fight against financial crimes.

At the Saudi Central Bank, our efforts have been prioritized to tackle the most prominent risks posed by financial crime to our economy. I would highlight actions in four areas in particular:

- First, to ensure the integrity and soundness of our financial sector, we have invested heavily in risk-based supervision of both banks and non-banks, enhanced the use of data and analytics to detect illicit activity, and nurtured a strong compliance and consumer protection culture within our financial institutions.
- Second, the Saudi Financial Intelligence Unit (SAFIU), created in 2017, has been empowered to conduct proactive financial analysis and coordinate with law enforcement to trace, freeze, and confiscate proceeds of crime.
- Third, we have also made substantial progress in transparency and beneficial ownership disclosure, aligning with FATF standards and international best practices. We see this as an essential step in protecting Saudi Arabia's financial

reputation and ensuring that every Riyal circulating in our economy contributes to productive, legitimate growth.

- Finally, we have advanced governance reforms, including transparent public procurement, digitalized government services, and empowered oversight bodies, which are embedded throughout our strategies to diversify the economy to ensure that investments enhance the overall economy of Saudi Arabia and uphold the integrity of its financial sector.

Saudi Arabia is an open economy that welcomes foreign investment, but we are equally cautious in ensuring that such investments are clean, traceable, and free of criminal origin. To do so, we proactively cooperate with foreign regulatory counterparts to ensure intelligence sharing and effective vigilance.

Through these actions, we continue to build a strong, transparent, and resilient financial system that attracts legitimate capital and repels illicit flows - this is not only a moral imperative, but also an economic necessity.

The adoption of state-of-the-art technology and innovation is central to the Saudi Vision 2030 strategy. We continue to expand the use of digital payments, artificial intelligence, and open-banking frameworks to improve efficiency and financial inclusion. Still, we are equally focused on ensuring that these innovations are not misused to facilitate financial crime.

A vital tool in this effort is the regulatory sandboxes established by the Saudi Central Bank to safely test novel financial-technology solutions, combined with robust AML/CFT requirements. These sandboxes allow us to ensure that new Fintech business models are properly licensed with strong fit and proper tests, and subject to risk-based controls in keeping with standards applied to traditional financial institutions.

Simultaneously, we also invest heavily in advanced data analytics and cyber resilience, enabling early detection of fraud, suspicious transactions, and cross-border risks. This balanced approach-encouraging innovation while safeguarding integrity is at the heart of our sustainable digital transformation agenda.

Thank you.