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Compliance Market Report 2022

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Prior to Covid-19, companies were already starting to discuss more flexible working practices and now they are even more likely to be flexible on location and remote working options.



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Introduction



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The Financial Services Compliance industry finds itself at an interesting crossroads in relation to hiring in 2022. The U.S. unemployment rate has fallen and Compliance functions find themselves grappling with a new regulatory landscape on top of the ongoing realities of Covid-19.

The Compliance and Financial Crimes market was certainly not immune to the pressures that Covid-19 placed on hiring in 2020/21. However, hiring is now at an all-time high as the market continues to re-open. Pent-up demand after the brief slowdown in hiring during 2020/21, in addition to the growing number of market competitors for talent have all contributed to this. There is no lack of great opportunities for Compliance candidates across Investment Banking, FinTech, Consumer Banking, and Consulting.

Recruiting in a market as competitive as today's is difficult, and candidates often find themselves juggling multiple offers. Certain niche verticals such as Sanctions, KYC, Transaction Monitoring, Electronic Trading, and FCC Technology, have seen an even larger demand for talent than they did pre-pandemic. Newer players to the Financial Services space such as FinTech, Payments, and Cryptocurrency firms have also seen increased regulatory scrutiny during the pandemic and, as a result, have been more aggressive in building out their Compliance functions.

Some are even building out new functions for the first time.

To secure the best talent, hiring teams must be able to quickly and effectively communicate culture, job security, visibility, progression, and flexibility to candidates. Equally important is career management, and we urge candidates to consider all the aforementioned factors when deciding their next career move.

Prior to Covid-19, companies were already starting to expand flexible working practices and they are now even more likely to be flexible on location and remote working options. We expect this trend to continue, although many employers are still reticent of offering full remote working arrangements on a full-time basis.

This report's purpose is to highlight the trends in this exciting market, and identify areas that are actively growing. We also offer practical advice to candidates in the wider market on how to future proof your career in the Compliance and FCC space.

Many of the insights included in this report have been borne out of our conversations with Senior Compliance and Financial Crime Compliance professionals and, as such, we thank all of the individuals, both clients and candidates, who continue to positively engage with Hamlyn Williams and allow us to support them.



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Market Updates

FinTech Compliance

The FinTech industry is entering an era of incredible growth, bringing with it heightened regulatory requirements and oversight.

Each year more companies are looking to acquire the requisite licenses to operate in the US. In the past year, the market has shifted from being one that is client-led to one that is candidate-led, as firms face increasing pressure to grow their Compliance functions as they continue to expand. That means candidates have significant leverage in the search process.

FinTech firms come in all shapes and sizes, and the maturity of Compliance functions depends on how profitable and well-funded the organization is at a given point in their funding cycle as well as the attendant regulatory expectation. Compliance search mandates within the FinTech space are incredibly niche in terms of the skillsets individual firms will target. As such, searches will vary widely from firm to firm. That said, candidates who have built and led Money Transmitter License (MTL) procedures or who have specific product compliance experience are often in high demand, as their experience is difficult to replicate.

As FinTech firms move into hiring roles within Compliance for the second and possibly third times we have seen them rapidly evolve their thinking around parameters for certain positions.

The rate at which companies are growing is mirrored by the pace of ever more complex regulatory demands, which may

rapidly outstrip the skillsets of current incumbents. In addition, the expectations around compensation has changed, complicating the picture further.

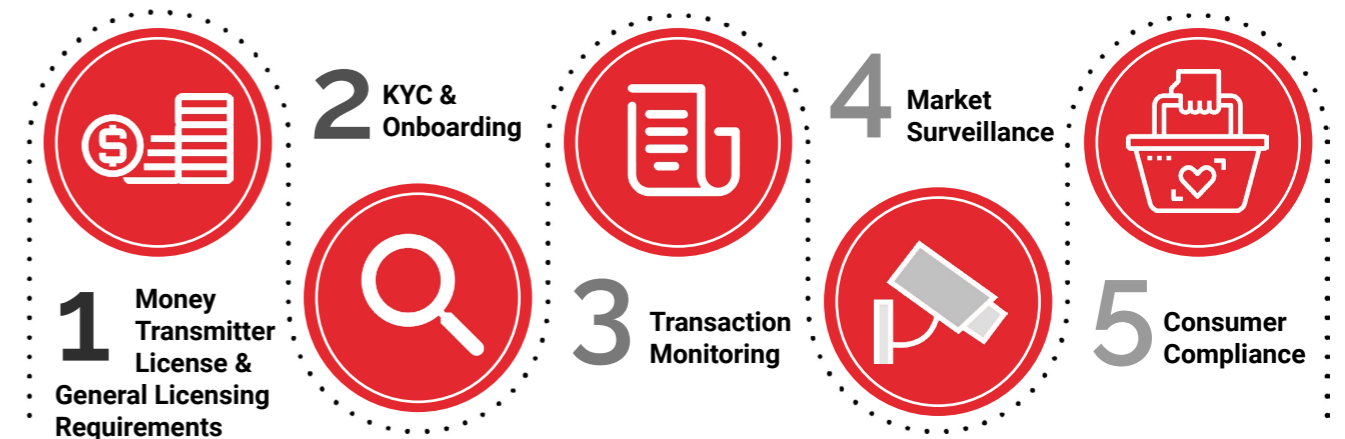
In addition to the amount of recruitment activity over the past year, there's a realistic expectation that some of these roles will need to be refilled relatively quickly given regulatory change and the inherently aggressive nature of this market. We anticipate clients tightening up their formal screening processes in line with these changes to ensure the long-term success of hires, even through rapid expansion.

In 2022 there will continue to be a high number of new CCO's that have stepped into the sector for the first time as FinTech and Crypto firms land in the US or replace existing "first wave" CCO's. This will bring a focus on the next tier of talent development, as CCOs hire teams for the first time or grow existing ones. We anticipate specific focus in the KYC/Onboarding and Transaction Monitoring space, with firms needing excellent onboarding programs to take more market share.

Likewise they will attempt to avoid replicating the high costs associated with these functions in banking by simply hiring junior level staff at high volumes. You can expect a real push and adoption of machine learning and AI based tools as well as a variety of off-shoring and near-shoring solutions due to the increasing size and cost of Compliance functions and also the need to compete in 24hr markets, particularly in Crypto.

Top 5

Sought after skills in FinTech Compliance



Hiring drivers in Regulatory Compliance

Regulatory Compliance

The Regulatory Compliance space has been a shifting arena over the past 12 months, with broader environmental variables affecting the way in which compliance teams are built, scaled-down or even relocated to new geographies.

One newer notable disruptor has been the trend of compliance professionals moving from traditional, established Banks and Broker-Dealers over to FinTech and Cryptocurrency firms.

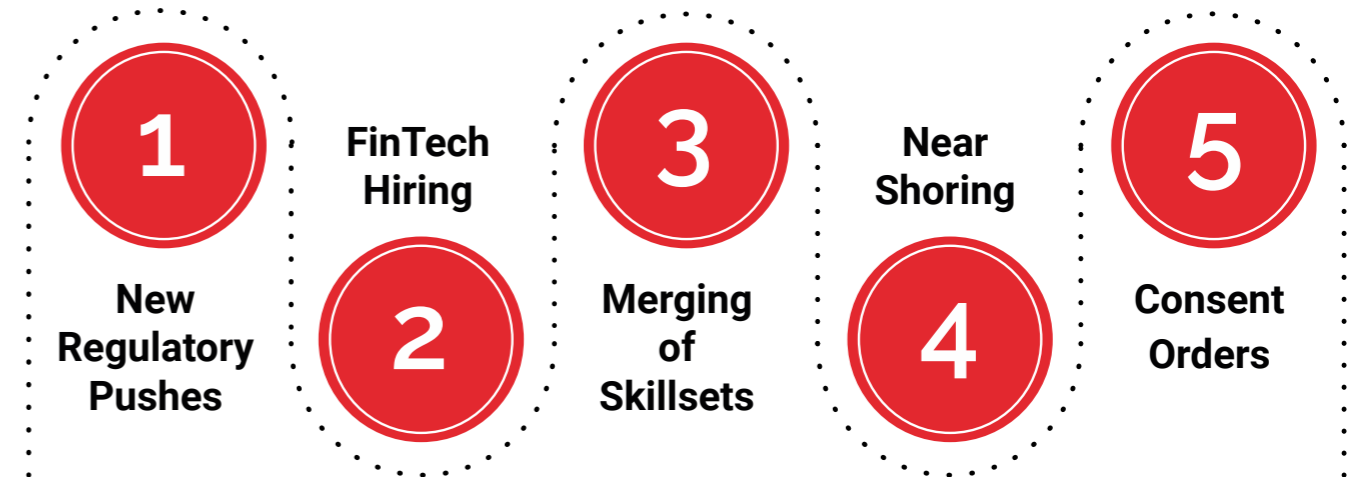
Continuing conversations with candidates show a variety of reasons for this, from perceived reduced bureaucracy, higher long-term, reward-based compensation, as well as personal interest and the desire to challenge themselves in a new high-growth industry.

We've seen changes in hiring patterns within the banking industry itself too, a by-product of heightened regulatory scrutiny combined with multiple consent orders and fines across the industry. This has led to increased hiring specifically in the functions of risk & controls, testing and markets compliance advisory as program leaders look to bolster their 1st and 2nd lines of defense.

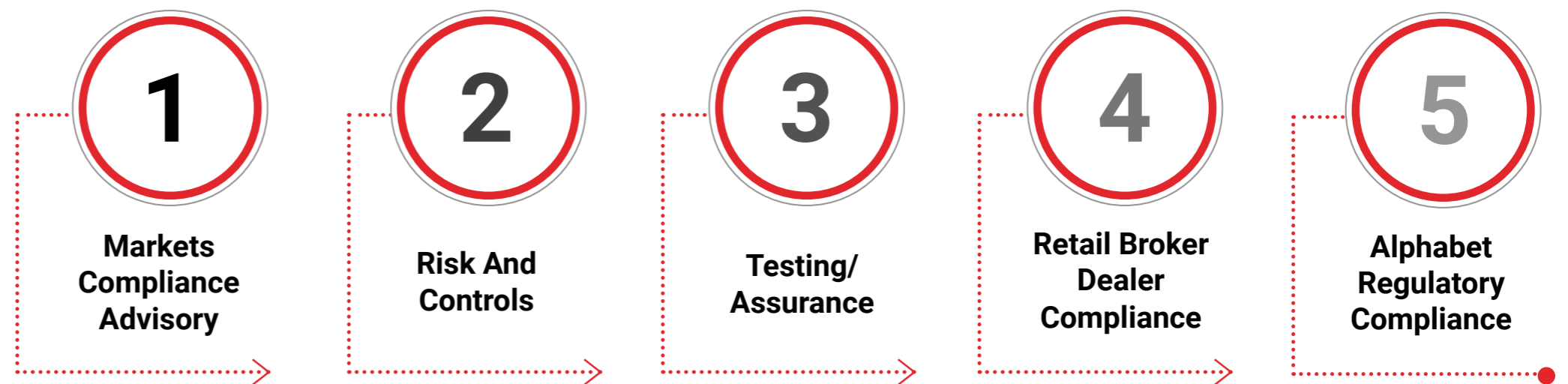
Increasing demand for the same talent profiles has led to increased competition in the search process and candidates receiving multiple competing offers. With current employers desperate to retain their best talent, we've also seen an increase in counter-offers being made to candidates, often with staggeringly

high increases in total compensation exceeding 30% in some cases. Much has been made of the "great resignation" in the last half of 2021 and while the term is perhaps over-used, the effect has been to exacerbate recruitment challenges in already pressurized verticals.

Hiring within Consumer Compliance has faced similar pressure as the FDIC has increased regulatory scrutiny on lending requirements. CRA Officers and compliance professionals with consumer lending and alphabet regulation experience have become something of a hot commodity, with well-known players in the retail space competing with FinTech or challenger banks for these individuals. This has been a challenge for all FDIC registered banks and, with candidates demanding increasing levels of flexibility we've identified a trend of these positions becoming fully remote.



Sought after skills in Regulatory Compliance



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Market Updates

Financial Crime Compliance

As 2022 begins, Financial Crime Compliance remains in the spotlight for many financial services organizations. In 2021 we saw many high-profile consent orders at companies such as Citigroup, Wells Fargo, Capital One, USAA, among others that are driving hiring sector wide.

There have been a number of high-profile moves at the Executive level in the course of 2021: Jim Candello moved from CapitalOne to PNC; Dan Rountree from Bank of America to USAA; Ken Blanco from Fincen to Citi; Andrea Walser from Bank of America to Quantexa; Graham Bailey from WellsFargo to Quantifind; and CJ Rinaldi from Deutsche bank to blockchain.com.

Many of these individuals we again see moving from traditional banks into FinTech businesses as they try to solve increasing regulatory pressure by “buying in” talent who have experienced this within the sophisticated financial crime matrixes of the banking world.

We have seen new Financial Crime Compliance technologies, such as Actimize and Fircosoft, being implemented throughout the industry, particularly at smaller banks who have updated in-house systems due to heightened regulatory expectations from the CFPB of accuracy and automation. This has led to an uptick in demand for data migration and testing individuals. Adopting new systems in turn requires the roll-out of new training programs cross-functionally, driving demand for project and training professionals.

President Biden has cited countering corruption as a top-priority national security interest with the anti-money laundering act (AMLA) 2020 working to align banking FCC provisions with national security priorities. Many feel that Cybercrime and Domestic Terrorism are not adequately covered by current FCC regulations, likewise with virtual currency. AMLA 2020 places a strong emphasis on Beneficial Ownership, Correspondent Accounts, Enhanced Whistleblower Protections, focus on modernization, all of which we expect to trigger further hiring and expansion within FCC teams.

Some Banks have expressed sensitivity around granting access to sensitive data remotely, especially to individuals working on a contract basis - which is a relatively high proportion of this particular discipline. As a result, many Banks require roles in these functions to work onsite. However, where firms have been able to offer flexibility here, they have been able to demonstrate a competitive edge in hiring, whether for contract or full-time employees.

Top 5

Financial Crime Compliance career tips

Understand The Market

Knowing **where the market is going** can ensure you are constantly **developing skills** that will be useful and potential growth areas.



Plan For The Long Term

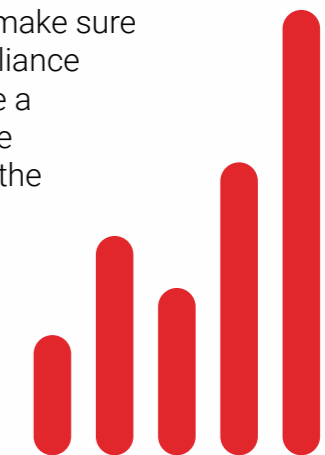
Whilst there are jobs offering attractive salary increases right now, look two steps ahead to make sure roles put you in the right company, position or offers a chance to expand your skillset.

Seek New Opportunities

Increased demand can provide an opportunity for an otherwise difficult cross-industry move, where you can either move to a new area you're interested in to learn valuable long-term skills or improve your salary.

Assess The Compliance Culture

Research companies to make sure they have the right compliance culture for you to execute a mandate and give you the right platform. Weigh up the difficulty of setting and driving a new culture at FinTech/Crypto firms against the forthcoming external regulatory environment.



Work Life Balance

Thanks to the pandemic, more people than ever are reconsidering their career aims against their personal life. Think about whether new companies offer the culture you want – whether that's working hours, pastoral provisions, healthcare or travel one way or the other.

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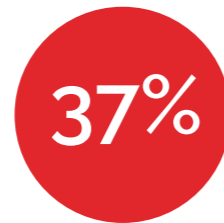
Talent planning and strategies focusing on Diversity, Equality, and Inclusion continue to form important hiring conversations across the Financial Services market. These are some of the most important items of the agenda for our clients, largely driven by the social progress made in the last two years. Globally, organizations are being held accountable to the heightened standards of the moment, and the Financial Services industry is no exception.

Critical for firms is the ability to attract diverse talent without sacrificing quality. To do so, banks must be able to offer much more competitive compensation packages. As always, going above and beyond is necessary to hire the best candidate, especially in the current market.

As a key recruitment partner, Hamlyn Williams has made a more concentrated effort to [review our own hiring practices](#) and what we can do to drive a more inclusive hiring process. Transparency is key in this – our Diversity updates for 2020 and the 1st half of 2021 show positive progress in our aims;

64% of all of Hamlyn Williams US placements in 2021 identify as diverse, when grouping ethnicity & gender. This is a rise from 56% in 2020, with even more clients requesting balanced shortlists and seeing a continued success in diverse hires.

We've also seen that in Financial Services in the 1st half of 2021, we placed more female candidates than in all of 2020. Additionally, many of these hires are at the Executive level & above, demonstrating businesses are serious about genuine



of our placements
identify as Female in 2021



of our placements
identify as Diverse in 2021



of our placements
identify as both Female and Diverse in 2021

representation. Lisa Violet, Chief Auditor at Varo Bank [spoke to Hamlyn Williams' earlier this year](#), commenting that hiring managers are now integrating "cultural quotient" into their assessment of business & staff's skills - showing that efforts toward long term business change are being made alongside DEI initiatives.

This and more insights can be found in our latest [Diversity blog on our website](#).



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Salary Guide

FinTech

| Title | Base Salary Range | Total Compensation Range |
|---|-----------------------|------------------------------------|
| Chief Compliance Office/ Managing Director | \$250,000 - \$450,000 | Excluding equity \$275,000 - \$450 |
| Director | \$160,000 - \$230,000 | \$210,000 - \$300,000 |
| Senior Vice President | \$130,000 - \$180,000 | \$150,000 - \$220,000 |
| Vice President | \$90,000 - \$125,000 | \$115,000 - \$220,000 |

Regulatory Compliance

| Title | Base Salary Range | Total Compensation Range |
|---|-----------------------|--------------------------|
| Chief Compliance Office/ Managing Director | \$250,000 - \$500,000 | \$300,000 - \$800,000 |
| Director | \$200,000 - \$300,000 | \$220,000 - \$400,000 |
| Vice President | \$130,000 - \$149,000 | \$130,000 - \$200,000 |
| Assistant Vice President | \$100,000 - \$140,000 | \$100,000 - \$165,000 |

Financial Crime Compliance

| Title | Base Salary Range | Total Compensation Range |
|---|-----------------------|--------------------------|
| Chief Compliance Office/ Managing Director | \$325,000 - \$500,000 | \$400,000 - \$750,000 |
| Director | \$200,000 - \$300,000 | \$220,000 - \$400,000 |
| Vice President | \$130,000 - \$190,000 | \$130,000 - \$200,000 |
| Assistant Vice President | \$100,000 - \$140,000 | \$100,000 - \$165,000 |

Please note, these salaries reflect the roles we have recruited in the greater New York area and will need to be adjusted depending on where your role is located. For a more bespoke conversation regarding salary guidelines and trends, please reach out to the Compliance team at Hamlyn Williams.



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Conclusion

In conclusion, this is both an exciting time to be working in the compliance industry, and a dynamic environment in which to be a Hiring Manager or looking for a new role. Recruitment in current market conditions has significant challenges. Therefore, for anyone looking to manage a successful Compliance team fostering both strong retention and recruitment practices should be front of mind.

Banking institutions are under continual pressure to increase salaries, bonuses and other compensation to compete with alternative career pathways within FinTech firms and other start-up's offering tempting equity and long-term compensation packages. As Will Brown, Hamlyn Williams' Compliance Search Lead told the Wall Street Journal recently, the FinTech sector "has matured to a point where it has begun luring professionals from banking". Traditional Financial Services need to be increasingly cognizant of the aspirations and minimum expectations of their personnel and target talent pools.

We are seeing that remote working and work flexibility is becoming more of a priority for candidates than compensation, and they are willing to sacrifice the latter for the former. Accommodating the changing nature of candidate expectations is a key driver in retaining the best talent in the market. Early indications are that candidates have a low appetite for returning to the previous "status quo", and by extension, traditional work settings.

In our introduction we stressed that in securing the best talent firms **"must be able to quickly and effectively communicate culture, job security, visibility, progression, and flexibility to candidates"**. More than

ever we can see that this does not end with the attraction of new talent but also in the way established hires are engaged. With job opportunities in abundance it is important for firms to clearly articulate their people strategies across the board in order not to be left behind in a rapidly modernizing market.

Recently Hamlyn Williams' Solutions Team was engaged to support a key client's Compliance Division to brainstorm its own "USP" in the market. This became a fascinating discussion around reputation, perception, technical excellence and what makes an employer brand great and how to articulate this to the wider marketplace.

Hamlyn Williams sees this as a key way in which we are able to support our clients ambitions, not only in projecting a message outwardly to a passive talent pool but by using a highly mindful, pro-active and quality-centric approach to engaging the market to position itself as an employer of choice. A powerful employer brand can be as important for a department as it is for an entire company. To that end, ask how you want your compliance division to be seen by the best candidates.

Whether your USPs are around being well resourced and offering clear promotion pathways, excellent Learning & Development or offering freedom & autonomy in a growth division, focusing on clearly defining & articulating what you offer potential employees is a key way Compliance teams can stand out in a candidate-led market.



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About

Hamlyn Williams is a global provider of specialised talent within the Financial Services, Technology and Life Sciences sectors.

Our customer portfolio spans three continents and includes hundreds of Financial Services organisations with whom we have built strong and sustainable relationships, from major global organisations, market leading firms, and innovative start-ups.

Through our global office network we combine localised, niche understanding of our specialist verticals with the scalability to offer rapid delivery to roles across Europe, Asia and the United States.

Our offices

London
New York
Hong Kong
Cardiff
Dallas
San Diego
Shenzhen
Amsterdam



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