

Insights Article

# 2026 AML Predictions: A Transformative Year for Compliance and Technology

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As we look back on 2025, it's clear that the financial crime compliance landscape is undergoing a significant transformation. Financial institutions (FIs) have been actively piloting and investigating new technologies across their Anti-Money Laundering (AML) and fraud programs. Traditionally, FIs and regulators alike have been cautious about implementing new technology, fearing the repercussions of missing illicit activities. However, through various pilot programs and increased transparency, that fear is beginning to subside. Regulators are becoming more familiar with the technologies being used, and these solutions are no longer viewed as mysterious "black boxes." As a result, 2026 is poised to be a year of major change, with many of these innovations moving into production environments.

## AI/ML at the Core of AML Solutions

Machine Learning (ML) has been integral to fraud prevention programs and the broader use of AI in AML, however, its use has remained largely experimental. That is set to change in 2026. FIs are seeing promising results and preparing to make AI and ML key components of their core AML operations.

This shift aligns well with the risk-based approach regulators have been encouraging for years. With regulatory support, institutions are more confident in embracing these technologies. Generative AI is already becoming mainstream in transaction monitoring, assisting with post-alert investigations and the drafting of Suspicious Activity Report (SAR) narratives. These narratives can now be tailored for consistency and include specific details that law enforcement agencies seek, improving the quality and relevance of reports.

While AI and ML have primarily been used in transaction monitoring and, to a lesser extent, in screening, their application will expand into onboarding and customer due diligence (CDD). These technologies will augment, and potentially replace, traditional scorecard methodologies used for risk rating. This evolution will enhance the accuracy and efficiency of compliance processes, allowing institutions to better assess and manage risk.

Agentic AI, which represents a more autonomous form of artificial intelligence, will begin to enter the experimental phase in 2026. As confidence in AI and ML grows, institutions will be more willing to explore agentic AI's potential to perform actions independently.

With these newer technologies, we will begin to see a shift to more adaptive AML controls. Solutions will continue to move away from the traditional rules-based approach and evolve into more active monitoring. Feedback loops will feed intelligence back into the system, allowing it to continuously recalibrate and adjust as new patterns are detected. This eliminates the need for long and expensive manual tuning efforts. The result will be better detection, stronger results and a far more operationally efficient AML program.

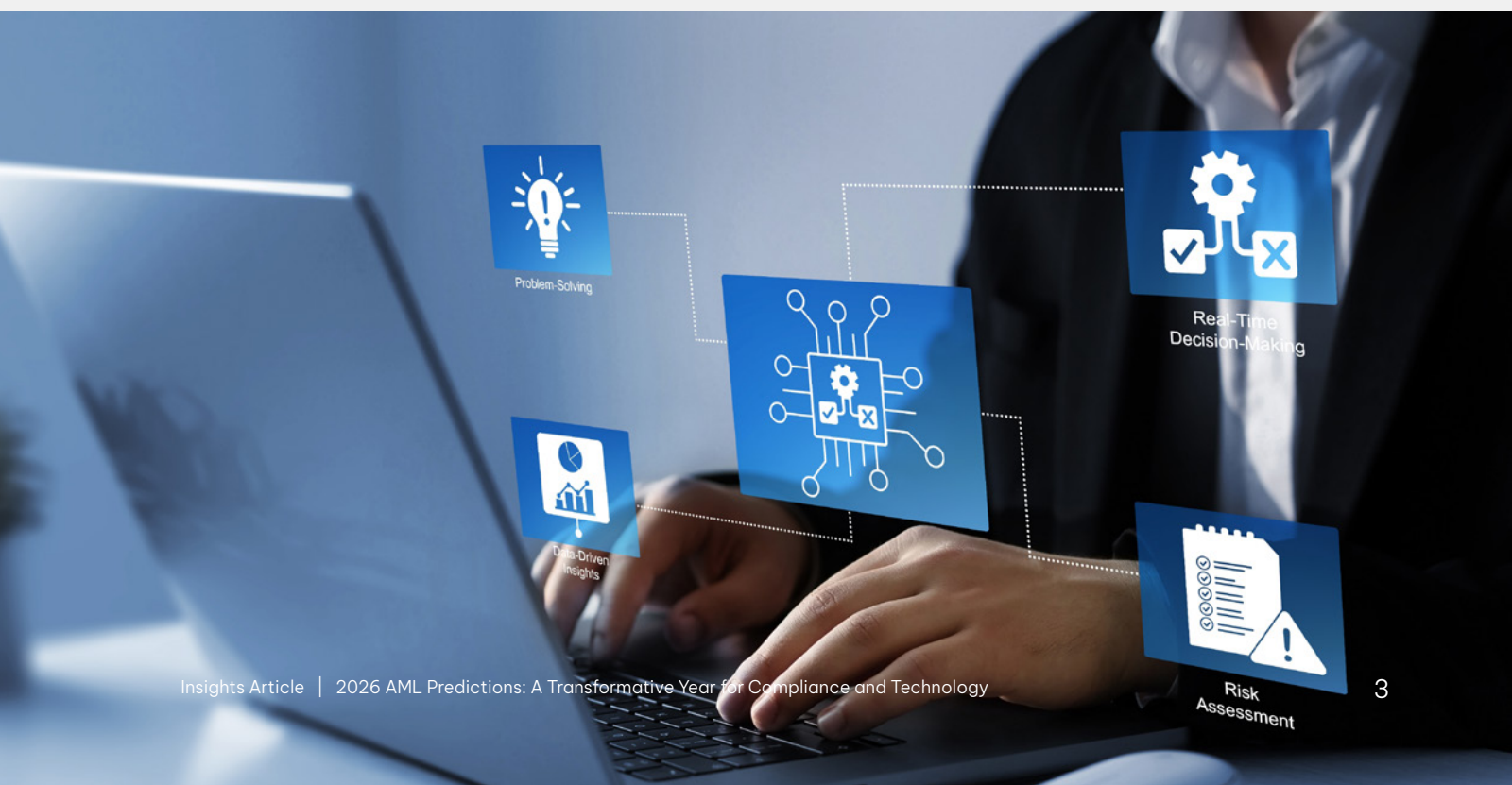


## Technology and Platform Changes

Advances in technology will also play a critical role in this transformation. The move to cloud-based platforms will continue, particularly within compliance organizations. By reducing their technology footprint, institutions can focus more on meeting regulatory expectations rather than managing hardware, software updates and performance. Many organizations will adopt Software as a Service (SaaS) models, outsourcing much of their technology infrastructure to specialized vendors. Data collection and consolidation will continue to evolve, with third-party data sources helping to streamline the process and reduce customer friction. Organizations have been doing this for the last couple of years, primarily to supplement their data; however, a pivotal moment came in mid-2025 when the Financial Crimes Enforcement Network (FinCEN) authorized the use of third parties for collecting critical data elements such as tax identification numbers. This milestone opens the door for organizations to further limit direct data collection from clients, easing customer friction. Previously, critical data elements such as tax identification were only verified by third parties, not sourced from them. To ensure data accuracy, entity resolution capabilities must be embedded within compliance solutions, as enterprise data management systems alone will not suffice.

## Organizational Shifts

These technological advancements will inevitably lead to organizational changes. With improved data collection and detection capabilities, the structure and workload of compliance teams will shift. Manual data gathering will become less necessary, freeing up resources to focus on more strategic projects, robust risk management and adapting to new threats. Detection engines will produce fewer alerts, but those alerts will be of higher quality, requiring more experienced investigators and analysts. Although the volume of alerts will decrease, the time required to resolve each alert will increase due to their complexity. Resources will need additional training in advanced analytical and investigative skills, as well as guidance on the handling of AI-generated alerts. The ratio of alerts to SARs will improve, reflecting better detection accuracy. Generative AI will further streamline SAR filings, turning them into a review process rather than a manual composition task.



## Regulatory Impacts

Regulatory developments will also shape the year ahead. In the European Union, the newly formed Anti-Money Laundering Authority (AMLA) began operations in mid-2025. Its mission is to supervise, coordinate and support Financial Intelligence Units (FIUs), promoting a more consistent approach to AML across member states. Organizations will need to ensure robust governance and oversight to comply with AMLA mandates. This will involve changes to CDD thresholds, periodic reviews, enhanced due diligence, beneficial ownership requirements, cash payment regulations, sanctions and third-party risk management. Depending on their maturity, many organizations may need to conduct a comprehensive review and overhaul of their processes.

In the United States, discussions around modernizing the Bank Secrecy Act (BSA) are gaining momentum, evidenced by the STREAMLINE Act introduced in October 2025. The BSA has been in place for over 55 years, with new requirements added over time but without a comprehensive overall review. A modernization effort would simplify some requirements; however, it would likely necessitate technology updates to accommodate revised forms, elimination of low-value-added processes and potentially adjusted reporting requirements. Anticipated changes include updates to Currency Transaction Report (CTR) filings, enhancements to SAR forms and the elimination of certain low-risk practices. While not all changes will be implemented in 2026, recent actions such as [the Geographical Targeting Order \(GTO\)](#), enacted with just 34 days' notice, suggest that change will come swiftly. Based on recent conversations, many financial organizations will continue business as usual to ensure their compliance with regulations.

Another clear trend demonstrating an evolving global regulatory landscape is the expansion of regulated entities required to establish AML programs. Australia will broaden its list of covered entities in 2026, including real estate agents, legal professionals and VASPs. In the U.S., FinCEN will extend coverage to include real estate professionals involved in non-financed transactions in 2026; however, they have postponed the inclusion of Registered Investment Advisors until 2028.

## Increased Collaboration

Collaboration will remain a key focus in 2026. FinCEN's 314b program, established nearly 25 years ago to facilitate information sharing for detecting money laundering and terrorist financing, has delivered mixed results due to its voluntary nature. Some institutions choose not to participate or respond to requests. However, global jurisdictions are beginning to relax restrictions on data sharing, while solution providers are developing methods that protect personally identifiable information (PII). In 2026, collaboration technologies will advance further and processes will become increasingly automated, removing the option to opt out and ensuring consistent participation. This evolution may drive greater cross-border information sharing. In the past, that was a sensitive area; however, many AML and fraud crimes rely on cross-border transactions to obscure illicit funds. In September of 2025, FinCEN issued guidance encouraging FIs to share information across borders, clarifying that the BSA does not prohibit such exchanges – though SAR information remains excluded.

# Cryptocurrencies and DeFi

Cryptocurrencies and decentralized finance (DeFi) are also expected to attract increased regulatory and industry attention. While concerns about crypto have fluctuated over the years, 2026 is expected to bring an increase in stablecoins, prompting a greater focus on regulatory obligations. This shift is being driven by several events, including FCA's Consultation Papers (CP25/14 and CP25/15), HKMA Supervision Guidelines, Wolfsberg Guidance on Stablecoins and the passing of the U.S. GENIUS Act. This will mark significant progress in monitoring crypto transactions and identifying illicit activities. More institutions are expected to issue stablecoins in 2026, applying the same AML controls used for fiat currencies. However, the pseudo-anonymity of crypto will make it more difficult to monitor transactions using traditional AML methods. As a result, AML organizations will need to become more technically advanced, employing tools such as cross-chain analytics and wallet address verification to manage these new risks.

## Summary

In summary, 2026 will be a pivotal year for FIs in the compliance space. The focus will shift from manual data validation to strategic analysis and investigation. Technology will be at the core of these changes, driving efficiency, improving detection and reshaping organizational structures. With regulatory support and technological innovation converging, the industry is poised for a new era of proactive and intelligent financial crime prevention. These changes reflect a global effort to build a broader, comprehensive AML landscape.

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