

Case Study

# How Saudi-based Financial Services SME Achieved SAMA-CMA Compliance

23%

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60%

of Fintech leaders are expecting stricter laws and regulations that aim to contain fraud and improve cyber security in the industry.

# Introduction

The Fintech industry has witnessed substantial growth in the Saudi Arabian market. In parallel to this unforeseen growth, the number of cyber attacks that target the Fintech industry has also increased significantly.

- **According to a recent survey**, the cost of compliance is the number one concern for 23% of Fintech leaders.
- **The same report found that** over 60% of Fintech leaders are expecting stricter laws and regulations that aim to contain fraud and improve cyber security in the industry.

**As a result, the Saudi Arabian government has implemented a number of Fintech-related laws and regulations, such as the SAMA (Saudi Arabian Monetary Agency) Cyber Security Framework.**

Fintech companies must adhere to these standards to ensure the safety of customer data and prevent fraud and money laundering. However, for many Fintech firms, especially SMEs, achieving compliance is a costly and complicated process that can be challenging to execute with internal resources.

## 23%

of Fintech leaders cite the cost of compliance as their number one concern.

## +60%

of Fintech leaders are expecting stricter laws and regulations that aim to contain fraud and improve cybersecurity in the industry.

## 73%

is the surge in identity fraud within the Fintech industry, leaving many firms on the brink of business failure and loss of investor and customer trust.

## 64%

of financial institutions experienced at least one ransomware attack in the past year, marking a significant 9% increase over the previous year.

## 93%

of Fintech organizations find it challenging to meet compliance requirements due to the perceived complexity and costs.

As part of Saudi Arabia's Vision 2030, the government has launched significant initiatives in the Fintech industry, such as the Financial Sector Development Programme (FSDP).

The number of Fintech companies that obtained licenses in Saudi Arabia has doubled in 2022 compared to the previous year thanks to SAMA's regulatory sandbox.

Complying with the SAMA Cyber Security Framework requires a clear security roadmap and a reliable partner for threat and event management

**A mid-sized Fintech company in the MENA region, whose primary mission is to simplify payment management and operations for SMEs, the organization is based in UAE but has recently wanted to expand and enter the Saudi Market.**

To be able to enter the Saudi Market the company has to comply with SAMA regulations to receive the license. The company was already approved by the Dubai Financial Services Authority. However, the Saudi Central Bank has a different regulation to comply with.

## The Challenge

**Despite the fact that the company is a leading FinTech in MENA, the complexity and specificity of SAMA regulations posed a significant hurdle for them.**

- **The company required a comprehensive solution** to navigate the regulatory landscape, manage compliance obligations, and ensure the protection of sensitive data. Additionally, as a multinational organization, due to that they needed a flexible approach to manage data segregation and compliance requirements across different jurisdictions.
- **The company relied on manual**, time-consuming processes to achieve compliance, which proved to be ineffective and unsustainable in the long term.
- **The top leadership in the organization noticed** these challenges and realized that they need a more efficient solution that can help them achieve and maintain compliance, without draining their resources extensively and disrupting business growth.

# The Solution

The Fintech organization opted for a SaaS solution that enabled them to streamline SAMA compliance processes and free up their IT resources considerably.

## Some of the key capabilities of the solution included:

- **Pre-approved Documentation:**

Using documentation that's approved by global auditing firms to streamline compliance processes.

- **Automated KPI Monitoring:**

Ensuring continuous compliance adherence with the required maturity level by tracking key performance indicators with little to no involvement from the security team.

- **Risk Assessment and Security Reports:**

Enabling the Fintech firm to detect and mitigate security threats effectively.

- **Security Training:**

Providing cyber security awareness training for the company's team.

- **Technical Integrations:**

Facilitating seamless connections with the company's existing software and operations.

- **Automated Evidence Collection:**

Streamlining the process of gathering necessary compliance evidence.

- **SAMA Regulatory Mapping:**

A comprehensive analysis of SAMA regulations to identify specific requirements applicable to their business operations.

- **Data Localization and Segregation:**

Implementing robust data management strategies to ensure compliance with data residency and privacy laws.

- **Risk Assessment and Mitigation:**

Identifying potential risks and implementing appropriate security controls.

- **Automated Compliance Monitoring:**

Continuously tracking compliance status and generating reports.

- **Security Awareness Training:**

Enhancing the cybersecurity knowledge of their employees.

# Implementation and Results

**By adopting a compliance automation solution, the Fintech firm was able to:**

- **Eliminate Manual Processes:**

Transition from complex manual spreadsheets to automated, real-time compliance tracking.

- **Improve Efficiency:**

Free up staff resources to focus on important business initiatives instead of mundane compliance tasks.

- **Maintain Compliance Readiness:**

Easily stay informed about their SAMA compliance status with detailed reports that are generated automatically.

- **Improve Security Posture:**

Regularly monitor and enhance their cyber security posture with KPI tracking and periodic risk assessments and security audits.

- **Successful Market Entry:**

Successfully expanded operations into the Saudi Arabian market.

- **Regulatory Adherence:**

Implemented robust compliance measures to meet SAMA requirements.

- **Data Security:**

Ensured the protection of sensitive customer data through data localization and segregation.

- **Operational Efficiency:**

Streamlined compliance processes, freeing up resources for business growth.

# Summary

**The Fintech organization was able to achieve compliance with the SAMA framework efficiently while directing its resources to core business tasks and eliminating complexity for its security team.**

**The company managed to achieve compliance while also improving its overall security posture with proactive, automated threat, incident, and event management.**