

Gaining control over AML

A fast and easy-to-implement customizable solution that caters to complex situations.

By: Robert Parkins

Introduction

Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) is high on the political agenda all around the world. Previously, financial institutions may settle out of court with prosecutors in the case of any infringement. Popular sentiment and a corresponding change in politics means those days are behind us. Recent developments indicate even (former) directors of a bank won't go unpunished if they were in charge at the time the violation occurred.

With regulators adopting stricter regulations on financial transactions and enhancing their enforcement efforts, institutions are facing increased complexities in being compliant. Due to the increasingly globalized nature of the financial world, financial institutions have to comply with different national and supranational regulatory regimes. Another layer of complexity is added when an institution delivers mass customised products or services (such as mortgages, private brand products, etc.) in high volume. In those situations, managing compliance obligations on a customer-by-customer basis becomes a difficult task. Each customer has to be evaluated individually based on customer characteristics, product structure and components. All in all, this gives a myriad of possibilities in compliance obligations. Without adequate tool support, this will become nearly impossible to manage.

Failures in the compliance processes of financial institutions could lead to negative publicity, damage to corporate reputation and brand as well as legal and regulatory sanctions. Therefore, financial institutions need to develop and maintain robust financial crime policies and procedures to make sure they comply with all regulatory requirements. Achieving that goal implies finding a solution for:

- demonstrating to relevant authorities how the required risk-based approach to carrying out AML, including Know-Your-Customer (KYC), is implemented;
- prevention of double implementation of similar or equivalent rules (from different jurisdictions)
- creating an Obligations Register which caters for their specific needs. This will give an overview of all relevant legal obligations. Most institutions are challenged by the fact that they have a unique combination of international legislation (due to their registered office and sales market) and product-offering. Furthermore, many institutions also have numerous internal



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rules for which (in that specific combination) no standard offerings are on the market. These situations often provide a use-case and scale to invest in a bespoke knowledge management or compliance platform where Visuall is one of the market leaders.

How Juris and Visuall can help?

To get an overview of all relevant legal obligations, Juris offers to develop a customizable, dynamic Obligations Register in the tool Visuall. A dynamic Obligation Register will provide the following benefits:

- A comprehensive and complete overview of all of the rules and regulations relevant to a financial institution structured and modelled in a way that is specific to the requirements of the institution;
- Insight into multiple different authority hierarchies which need to be processed (regulatory requirement, industry guidance, enforcement action, internal interpretation).
- Mapping multiple aspects of a financial institution into a model which addresses the needs of the specific needs of the institution. This can be used to manage activities and compliance more effectively.
- Calculate the customer risk rating based on the entity's risk appetite and risk assessment methodology as well as to link the risk rating to the required KYC procedures

Result

A dynamic and customised Obligations Register will help price-conscious high-growth financial institutions develop and manage AML compliance strategy and policies.

Using Visuall, set up is quick and easy. The register will contain relevant rules and regulations to the specific institution. Additionally, these rules and requirements will be linked to products, services, business process. This will help to manage AML compliance by improving traceability between legal obligations and policies and procedures. At the same time, it supports the capacity to demonstrate to authorities how your AML framework traces back to your regulatory obligations. The option to incorporate a customer risk assessment will make it easier for institutions to demonstrate how they have implemented a risk-based approach.

The register will identify gaps in existing policies and procedures. Regulatory change will be managed more effectively by identifying the policies, procedures and controls which will be impacted by the change.

Contact

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About Juris

Juris shows you how the laws and regulations you're responsible for work and what they look like to those affected by them. We help you map all legislation related to your services and guide you towards an improved design.

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