**CASE STUDY**

# Regulatory Compliance and Risk Mitigation

# SAS® AML/ SAS® CDD/KYC: Regulatory Compliance and Risk Mitigation

## Background

European Parliament improved a deadline on all banks to implement a solution according Directive of the fourth directive to address the threat of money laundering. Council Directive 91/308/EEC (4) defined money laundering in terms of drugs offences and imposed obligations solely on the financial sector. The following improvements were needed from the Bank and trigger of the project:

- Implementation of a standard solution with predefined configuration that is fully pre-tested and documented, which – together with a comprehensive methodology for its implementation – boosts delivery within a short timeframe on a fixed price;

- To contain main functional modules of the proposed solution including Transaction Monitoring, Watchlist Management and KYC/CDD for customer risk profiling;

- To face the following key differentiators of the solution: Data Quality; Data Model; Detection; Compliance Analytics; Compliance Solutions Query Services; High Performance Analytics and Visualization; Suspicious Activity Monitoring and Reporting; Watch List Filtering in Batch; Investigation and Alert Management; Search; Multitenant Architecture; Continuous Event Based Risk Rating of Entities; Risk Attribute Management; Funds Tracker; Dashboard and Reporting.

## The client

Tier-1 Bank in Bulgaria (The Bank).

## The challenge

The implementation of SAS® Anti-Money Laundering and SAS® Customer Due Diligence helped the Bank to comply with most current local and international regulatory requirements and mitigate the risk of customer's illicit activities.

The following challenges were faced and had to be mitigated:

- Implementation of risk-based approach, making it easier to manage alerts, test scenarios, and comply with regulatory requirements;
- Identify high risk individuals, or companies that represent regulatory risk, using intelligent scoring and fuzzy matching algorithms and alert consolidation;
- Need to Implement Watch List Management;
- Real time interface to allow fast onboarding process;
- Fast payment processing for all SEPA/BISERA transactions.

SAS AML/CDD Platform delivered a scalable and extensible platform to address the Bank's future growth targets.

Driving business improvements and implementing AML solution with the standard features in the shortest possible timeframe in a fixed price approach, the Bank ensured regulatory compliance.

## The solution

**SAS® AML/ SAS® CDD Solution was implemented successfully on time and within budget and provided the Bank with the following benefits:**

- By a seamless integration with SAS® AML, SAS® CDD supports the Bank to meet regulatory compliance as required by the 4th EU Anti-Money Laundering Directive where a risk-based approach monitoring the customer portfolio is one of the key areas;

- SAS AML helps financial institutions monitoring transactions and events for illicit activity to comply with anti-money laundering (AML) and counterterrorist financing (CTF) regulations;

- It is a high-performing end-to-end solution that covers the required steps involved in AML processes across all key areas and combines behavioural and peer-based analytics techniques that lead to improved detection accuracy;

- SAS CDD helps financial institutions to assess the risk of a customer relationship and establish an expectation about the customer's behaviour by analysing collected information and performing a risk rating on each customer in order to provide a risk score for personnel to review on a regular basis.