

RISK & COMPLIANCE PLATFORM

PROTECT YOUR BUSINESS REPUTATION
BY MITIGATING REGULATORY COMPLIANCE RISKS

DQ RISK & COMPLIANCE

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**SOLUTION
OVERVIEW**

CHALLENGES IN THE RISK&COMPLIANCE SECTOR

REGULATORY CHANGES

Changes in regulatory requirements happen regularly: Regulatory bodies introduce new watch lists, change reporting formats and establish new criteria for identification of suspicious transactions, etc.

PARTIAL AUTOMATION

There is a need for a complex centralized IT solution for comprehensive automation and creation of a seamless information environment to ensure compliance with regulations.

AUTONOMY

Dependency on LEGACY systems restrain the ability to respond to changes, complicates implementation of updates and slows down business processes.

NEED FOR FLEXIBILITY (LOW-CODE)

The lack of flexible configuration tools cause the need for software development and testing to support each change in legislation or internal control policies, which increases the TCO.



Risk and Compliance tasks are often consolidated within one department.



All such tasks are based on checks (both manual and automatic) and have similar processes and approaches to implementation.



There is no unified solution that covers all needs in this area (separate tasks have to be covered by separate software products).



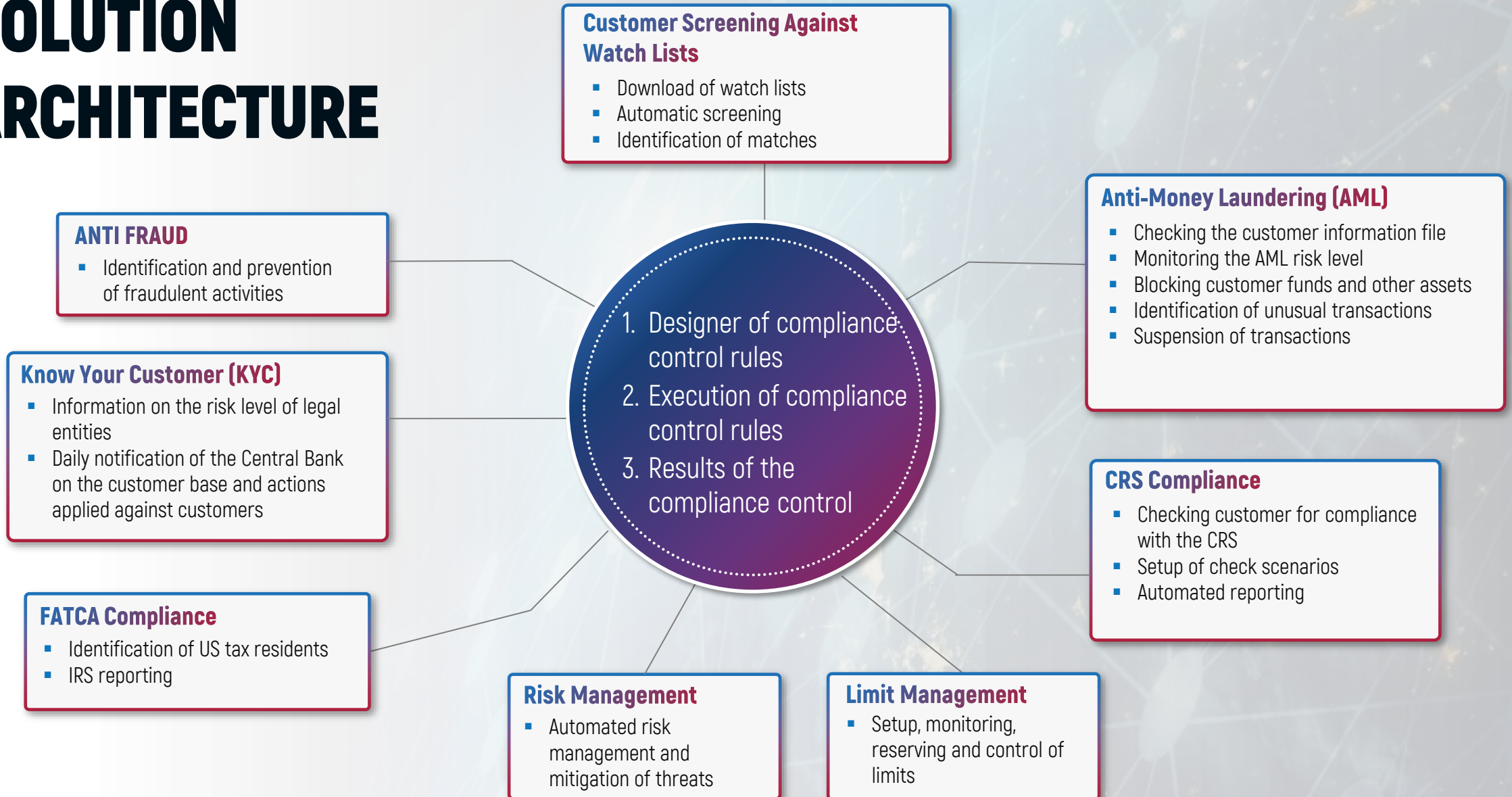
The Risk&Compliance Platform by DQ Solutions provides an autonomous solution that combines all Risk&Compliance tasks and ensures work in a single-window mode.

RISK&COMPLIANCE PLATFORM BY DQ SOLUTIONS

- ✓ Centralized access to all Risk&Compliance tasks
- ✓ Standardized approaches to setup of control scenarios
- ✓ Unified risk modelling and assessment principles
- ✓ Easy and flexible expansion of functions
- ✓ Support of the online control and offline post control depending on the specific task
- ✓ Centralize work environment for employees and managers
- ✓ Integration of the Risk&Compliance products to any IT landscape
- ✓ Ability to set up the decision-making process

- ✓ Flexible intuitive setup of monitoring scenarios
- ✓ Out-of-the-box monitoring rules
- ✓ Analysis of a selected set of objects for the selected period
- ✓ Automatic processing of controlled objects
- ✓ Automatic reporting
- ✓ Generation of requests to company customers and employees
- ✓ Centralized storage of all important system events
- ✓ Notification of responsible employees on important events in the system
- ✓ Multiple filters for selection of the required information
- ✓ Monitoring of update deadlines for data and risk levels

SOLUTION ARCHITECTURE



DESIGNER OF COMPLIANCE CONTROL RULES

- CONFIGURE AUTOMATIC RULES AND CONTROL SCENARIOS
- SET UP OBJECTS THAT ARE SUBJECT TO CONTROL
- MANAGE REFERENCE DATA

The use of the following product tools ensure flexible management of the compliance control

✓ Management of reference lists

- Aggregates
- Compliance control algorithms
- Groups of control rules
- Replacement characters
- Post-control measures
- Platform products
- Compliance reference lists
- Types of control objects
- Risk levels
- Types of risk levels

✓ Setting up compliance control rules and scenarios

These tools allow checking clients and counterparties for compliance with legal requirements, identifying suspicious and fraudulent transactions, classifying objects of control, and determining the risk level.

EXECUTION OF COMPLIANCE CONTROL RULES

The product executes rules that are designed and published in the Designer of compliance control rules

Automatic execution of checks over objects of control based on published rules and scenarios

- ✓ Recording detailed information on the object of control (the current status of control, start and end time of checks)
- ✓ Recording information on rules (the current status of control, start and end time of checks)
- ✓ Ability to re-start checks
- ✓ Notification of application products about the results of checks
- ✓ Ability to use standard rules delivered during the implementation of the product

PRESENTING RESULTS OF THE COMPLIANCE CONTROL

The product is used to store compliance control data and results, including check reports, risk levels, matches with watch lists and related incidents

- ✓ Storage of compliance control data and results
- ✓ Keeping records of check reports and identified risk levels
- ✓ Management for matches with watch lists
- ✓ Registration of identified incidents



RISK & COMPLIANCE IN THREE EASY STEPS

1 COLLECTION OF DATA

Collecting information on customers/counterparties and their transactions from different systems (core banking, public registers, etc.).
Generating objects of control.
Providing a single information environment for convenient representation of data.

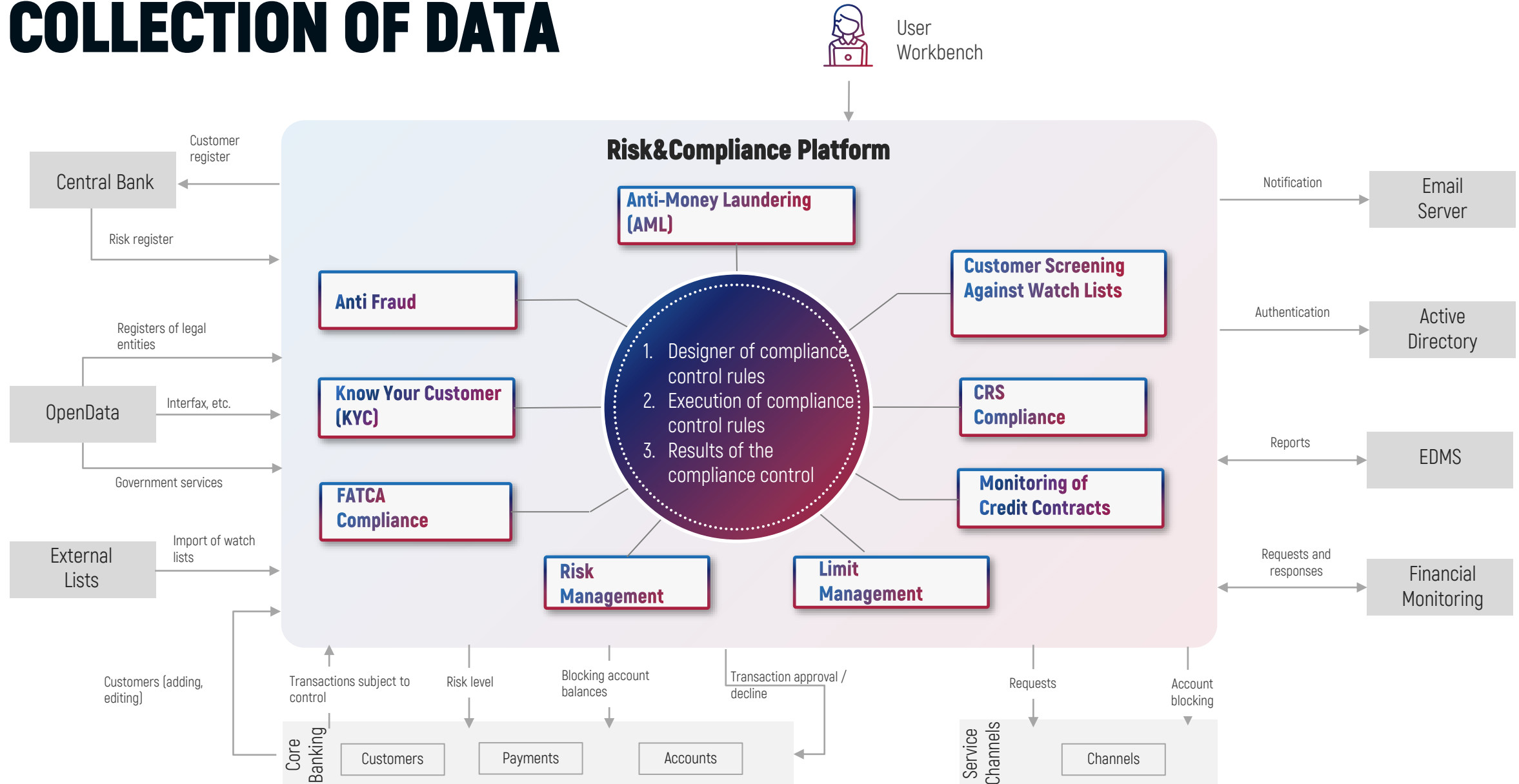
2 AUTOMATIC DATA CONTROL

Checking objects of control by configurable compliance control scenarios and rules (risk level, suspicious transactions, suspicious customer activities, etc.).

3 CONTROL RESULTS

Presentment of results of control in special control tools.
Automatic actions on control objects in case of identification of risks (suspension of transactions, blocking of funds and other assets, etc.).

COLLECTION OF DATA



AUTOMATIC DATA CONTROL

Control events



Call for a check API from an external system



Adding or editing of objects of control
(customer information file, transaction, etc.)



Download of watch lists, editing control scenarios, etc.



Forced start of a check from the program by a responsible employee



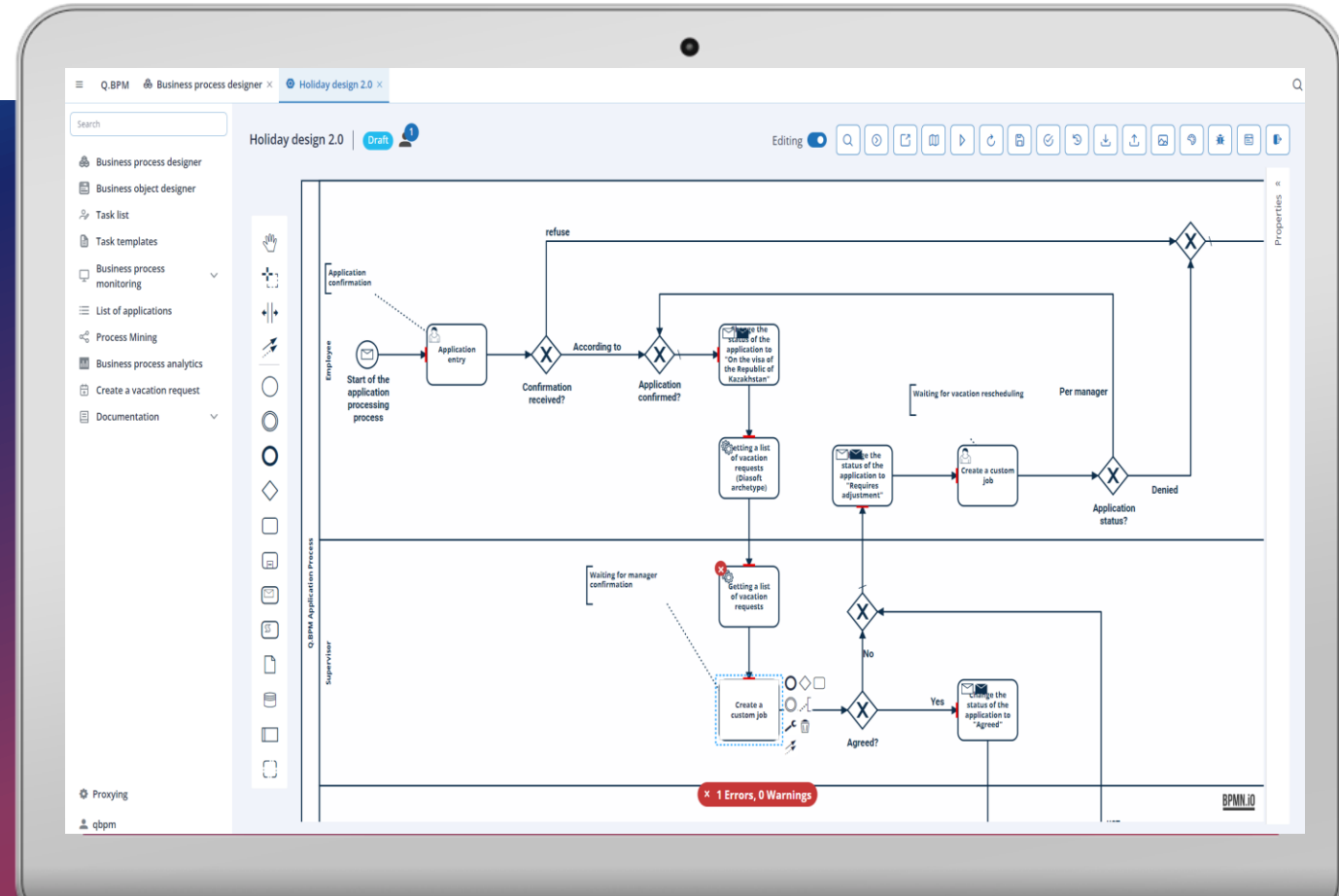
Regular (pre-scheduled) checks

AUTOMATIC DATA CONTROL

Flexible setup of business processes

DESIGNER OF BUSINESS PROCESSES

- ✓ **Design of business processes**
 Visual tools for design of business processes with the use of the common notation
- ✓ **Business rules**
 Setup of business rules for decision-making on process routing
- ✓ **ЗадачиTasks**
 Assigning tasks to specific users, roles, business units
- ✓ **Hints**
 Built-in checks for verification of processes; user hints



CONTROL RESULTS

Analysis and monitoring tools

A complete and clear picture of clients and their transactions helps to increase the speed and efficiency of investigations.

- ✓ Control statistics with a breakdown by object of control
- ✓ Characteristics of the client's transaction profile (taxes paid, debit/credit turnover, etc.)
- ✓ Forecasts
- ✓ Structure of decisions taken during a selected period (by stop lists, suspicious transactions, etc.)
- ✓ Reports on taken decisions
- ✓ Reports on declined transactions, blocked accounts, blocked channels with a breakdown by reason
- ✓ Analytical dimensions



FACTS & FIGURES

10⁺ YEARS
Developing the solution

20⁺ Successful implementations

100⁺ Out-of-the-box control scenarios

1 000⁺ Screened objects per second

UNIQUE ADVANTAGES



REDUCED RISKS

Mitigation of risks that can cause sanctions, penalties or reputational damages



REGULATORY COMPLIANCE

The Platform quickly adapts to regulatory changes



PURCHASE OF INDIVIDUAL COMPONENTS

A company can purchase individual platform components, planning costs in accordance with its current tasks.



STREAMLINING THE USE OF LABOR RESOURCES

The ability to save by streamlining the use of labor resources responsible for monitoring of financial transactions and by reducing risks



FULLY-FLEDGED APPROACH AND ABILITY TO EXPAND

The Platform components cover All tasks of the Risk&Compliance Division

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**SOLUTION
DETAILS**

CUSTOMER SCREENING AGAINST WATCH LISTS

The product is used to download lists of suspicious legal entities and individuals and automatically screen customers and transactions against such watch lists

SUPPORT OF THE MOST POPULAR WATCH LISTS:

- ✓ International watch lists (Dow Jones, UNO, AML/CTF lists)
- ✓ Sanctions lists (SDN OFAC, NON SDN OFAC, UN sanctions, Great Britain sanctions, etc.)
- ✓ Consolidated domestic and international watch lists
- ✓ Other watch lists (Lists of liquidated legal entities and companies under liquidation, lists of debtors, etc.)
- ✓ Unlimited number of custom watch lists, black and white lists

TECHNOLOGICAL ADVANTAGES:

- 1 TRANSLITERATION**
Search with the use of transliteration in other languages
- 2 FUZZY SEARCH**
Search by similar words
- 3 STEMMING**
Search by a word stem

KNOW YOUR CUSTOMER (KYC)

The product optimizes customer risk assessment, reduces involvement in suspicious transactions and reduces labor costs for identifying high-risk customers



OBTAINING INFORMATION ON THE RISK LEVEL OF A LEGAL ENTITY (DOWNLOADING THE RISK REGISTER)

- Manual or automatic download of the risk register
- Identification of customers and counterparties included in the risk register of the Central Bank, with the ability to automatically block funds and other assets
- Transaction screening, with the ability to suspend them
- Identification of matches based on the data of potential customers or counterparties submitted at the pre-qualification stage
- Notification of responsible employees on identification of high-risk individuals and organizations
- Maintaining the verification history and audit of user actions aimed at the verification of matches
- Control of transactions of high-risk customers



DAILY NOTIFICATION OF THE CENTRAL BANK ON THE CLIENT BASE (UPLOADING THE CUSTOMER REGISTER)

- Selection of client information files that are subject to upload to the register
- Generation of the electronic message based on the results of the selection



DAILY NOTIFICATION OF THE CENTRAL BANK ON THE APPLIED MEASURES (UPLOADING THE REGISTER OF APPLIED MEASURES)

- Selection of client information files with the high-risk level
- Generation of the electronic message based on the results of the selection

ANTI-MONEY LAUNDERING (AML)

The product automates bank activities aimed at the identification of suspicious activities to combat money laundering and terrorist financing

✓ **SCREENING CUSTOMER INFORMATION FILES (PROFILES)**

Checking the customer for matches with watch lists of suspicious persons, lists of invalid documents, internal checklists. Controlling update dates of customer information files, generating requests to customers for updates of identification data.

✓ **MONITORING OF MONEY LAUNDERING RISKS LEVELS**

Assigning a risk level to a customer and keeping record of risk assigning reasons (risk factors)

✓ **MONITORING OF BENEFICIARIES**

Detecting customers' beneficiaries for processed transactions

✓ **БЛОКИРОВАНИЯ ДЕНЕЖНЫХ СРЕДСТВ И ИНОГО ИМУЩЕСТВА**

✓ **MONITORING AND REGISTRATION OF SUSPICIOUS TRANSACTIONS / TRANSACTIONS SUBJECT TO MANDATORY CONTROL**

Automatic entry of control codes and causes

✓ **LOGGING AND MAINTAINING THE HISTORY OF REQUESTS TO CUSTOMERS**

Sending requests to customers for submission of clarifications and additional details

✓ **SELECTION OF UNUSUAL TRANSACTIONS**

Search for unusual transactions by pre-set parameters. Generation of notifications on the selected transactions

✓ **REGULAR UPDATING OF CUSTOMER INFORMATION FILES**

✓ **MANAGEMENT OF ELECTRONIC REGULATORY REPORTS**

Generating regulatory reports and regulatory filing

✓ **MAINTAINING THE LIST OF HIGH-PRIORITY TASKS OF THE FINANCIAL MONITORING INSPECTOR**

Distribution of financial monitoring tasks within the bank's department

✓ **SUSPENSION OF SUSPICIOUS TRANSACTIONS**

B Suspension of transactions in applications in case of matches with watch lists

FATCA COMPLIANCE

The product supports requirements of the US Foreign Account Tax Compliance Act (FATCA)



Identifying U.S. tax payers among customers



Generating regular IRS reports



Notification of domestic regulatory bodies

- Minimizing the risk of penalties from the US tax authority
- Reducing the risk of exclusion of the financial institution from the list of FATCA participants and, as a result, the risk of termination of foreign correspondent relationships
- Reducing labor intensity of preparation and submission of regular reports to the IRS
- Maintaining the history of customer verifications, submitted reports and received responses
- Controlling the execution of the requirement to notify authorized domestic bodies prior to submission of IRS reports

CRS COMPLIANCE

The product automates the implementation of the CRS requirements
(Common Reporting Standard)



Identifying foreign tax payers
among customers



Generation of regular reports
to the Federal Tax Service



Compliance with domestic
regulatory requirements

- ✓ Identification of customers by CRS criteria
- ✓ Maintaining the history of customer verifications, submitted reports and received responses

- ✓ Automatic mass generation of reports on financial accounts of non-resident customers based on uploaded customer data

ANTI FRAUD

The product is designed to detect suspicious activities and prevent fraud



FRAUD DETECTION

In real time or after completion of a transaction

RULES

Control scenarios based on the scoring model.

- Transaction screening against watch lists
- Number of transactions per minute (completed > 10 in one minute)
- Control of the geolocation and abnormal geolocation changes
- Total payments or transfer amount



FRAUD PREVENTION

Support of two strategies: "Approved" and "Forbidden"

EXPANSIONS

Libraries, additional modules, plug-ins

- Control of unsuccessful login attempts in remote channels
- Bot-Trek Tools:
 - Malicious injections in Internet banking pages
 - Phishing attacks
 - Unauthorized remote connections to the customers' device and making transactions on their behalf, etc.

LIMIT MANAGEMENT

The product automates setup and monitoring of company limits

✓ **SETUP OF LIMITS**

Set up of limit policies, with control parameters and validity periods

✓ **RESERVING LIMITS**

Reserving limits for planned transactions

✓ **LIMIT CONTROL**

Automated control of limit excesses, with the minimal user involvement

✓ **LIMIT MONITORING**

Monitoring of limits, with highlighting of exceeded, critical, close to critical and out-of-date limits

✓ **LIMIT APPROVAL**

Approval of the excess of limits that have been set for the respective control method

RISK MANAGEMENT

The product automates risk management activities.
It helps minimize financial, operational and strategic threats, ensuring transparency and increasing the effectiveness of risk management at all business levels.

☑ REFERENCE LIST OF RISK LEVEL TYPES

Adding and editing risk level types with individual calculation methods
Maintaining the entire history of changes

☑ REGISTER OF RISKS

Detailed information on control objects, risk levels, risk factors and their change history

☑ LIST OF RISK LEVELS

Setting up risk levels with weight, expiry date, color
Maintaining the history of changes

☑ PROCESSING RISK FACTORS

The processing form adapts to the data of the control object, which can include the name, dates, status and characteristics of the risk factor

☑ RISK FACTORS

Setting up risk factors for control objects and risk types (with weight, validity period, etc.)

☑ RISK PASSPORT

Creation and editing of risk passports, with automatic generation and configuration of attributes

MONITORING OF CREDIT CONTRACTS

The product is designed to monitor the state of the credit portfolio of a financial institution, which includes analysis, assessment and forecasting of the fulfillment of credit agreement terms.

☑ **MONITORING OF CREDIT CONTRACTS**

Activities aimed at timely identification of the credit risk for a Customer or a Credit Contract

☑ **CALCULATION OF THE CREDIT RISK**

Assigning a credit risk level to a Customer or a Credit Contract based on the credit risk factors identified during the monitoring

☑ **IDENTIFICATION OF CREDIT RISK FACTORS**

A credit risk factor is a negative factor that indicates that there is risk of default. The credit risk factor is identified during monitoring of a customer/credit contract and can be assigned automatically or manually

☑ **MAKING PROFESSIONAL JUDGMENTS**

Preparation and approval of professional judgements on Customers/Credit Contacts

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**SUCCESS
STORIES**

SUCCESS STORIES

PROJECT

Implementation of the solution for automatic analysis of transactions and generation of reports in compliance with the regulatory standard.

PROJECT GOAL

To automate identification and analysis of suspicious transactions and support reporting on these transactions in compliance with the regulations.

RESULT

Within the project scope, five bank systems were successfully integrated
The AML solution selects transactions for the analysis and generates reports on these transactions.

The system allows quickly setting up new control rules upon implementation of new regulatory requirements

SUCCESS STORIES

PROJECT GOAL

To automate business processes in compliance with the CRS standard

RESULT

- The solution was implemented as is, without enhancements and modifications
- The functional capabilities and technological features of the solution fully met the bank's requirements

PROJECT

Automation of support
of the CRS standard

OUR EXPERTISE

SYSTEM INTEGRATION & DELIVERY OF THE LEADING GLOBAL SOLUTIONS IN ASIA PACIFIC

GLOBAL BEST PRACTICES, SOLUTIONS & TECHNOLOGY FOR THE FINANCIAL SERVICES INDUSTRY

VAST EXPERIENCE IN RETAIL, CORPORATE AND BUSINESS BANKING

COMPLEX DIGITAL TRANSFORMATION PROJECTS

CUTTING-EDGE FINANCIAL TECHNOLOGY

THANK YOU

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