



At the Heart of Driving Compliance

Implementing a Cost-Effective Anti-Money Laundering Solution for a Cooperative Bank

CASE STUDY

Synopsis

Are you able to meet compliance requirements and spot fraudsters posing as customers right at the initial stages of the relationship? The question was well answered for a prominent cooperative bank in India with the help of our comprehensive, cost-effective and automated Anti-Money Laundering (AML) solution. Our scalable and flexible solution was able to easily integrate into the client's IT ecosystem—preventing criminal elements from using the banking system.

About the Client

A notable co-operative bank in India, the client has eight branches with 54 employees, 20,000 customers and deposits worth \$ 11 million. It provides a wide range of banking facilities to the economically weaker sections and helps enhance their standard of living.

Business Challenge

Criminal legislation and regulation in all major jurisdictions have made it mandatory for banks and

financial institutions to combat money laundering and non-compliance with harsh criminal penalties. In response to increased regulatory pressures and tighter AML compliance requirements, the client wanted to implement an effective and efficient business solution that could ensure adherence to RBI's AML guidelines.

The existing system used by the bank was following an unstructured Know Your Customer (KYC) process, which increased the time to onboard and transact with the customer. Also, they were not able to derive actionable insights from the voluminous data, leading to a number of risks. In addition, they had to manually intervene for submitting reports and generating critical regulatory reports.

To address these challenges, the client needed a partner with the domain knowledge and skills to deploy effective compliance solutions integrated with the existing set-up. We were able to deliver on every requirement of the client.

Our Solution

We deployed AMLEasy, our cost-effective solution, to meet and comply with the directives and mandates of regulatory bodies. AMLEasy was used by the client to monitor customer transactions and receive automated early warning alerts. It helped them auto generate requisite regulatory reports such as Cash Transaction Report (CTR), Suspicious Transaction Report (STR), Critical Regulatory Reports (CRR), and Non-Profit Organization Transaction Reports (NTR). RBI recommended templates were used by them to identify and categorize the customers at high/medium/low risk levels.

AMLEasy's features, listed below, ensured that the client's documents and procedures were complete:

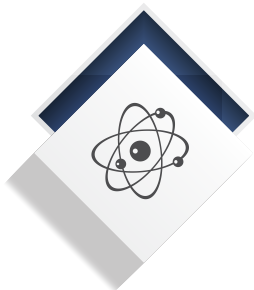
- ◆ **Know Your Customer (KYC)**
The KYC feature helped the client identify customers at various stages—while establishing the relationship, while carrying out financial transactions and when doubts cropped up about the authenticity of customer information collected.
- ◆ **Customer Risk Categorization (CRC)**
The client classified their customers into three risk categories—high, medium, and low—and linked CRC with the monitoring process so that the high risk accounts were automatically monitored more closely than the low risk accounts.
- ◆ **Reporting**
The client was able to generate three types of reports:
 - a. Currency Transaction Report (CTR) took into account directives issued by the RBI
 - b. Counterfeit Currency Reporting (CCR) generated reports for the Financial Intelligence Unit–India (FIU-IND)
 - c. Suspicious Transaction Report (STR) was submitted within seven days of any suspected illegal transaction

- ◆ **User and Master Maintenance**
AMLEasy managed user and master data. User permission and roles were configured using its configuration management feature.
- ◆ **Rules Engine**
It helped the client identify and categorize customers at high/medium/low risk levels.
- ◆ **Analytics**
It used algorithms and rules for pattern recognition of transactions, monetary instruments, and transaction dates. The Artificial Intelligence technique of this feature was used by the client to get a wide array of predictive and early warning alerts. A powerful combination of proven anti-fraud, anti-money laundering, and business intelligence utilities was also provided to the client.

Delivering More Value

AMLEasy is an end-to-end AML solution that enabled the client to perform KYC better and helped efficiently monitor every transaction to detect money laundering activities with unerring accuracy.

- ◆ **More Security:** AML Easy constantly monitored customers' financial transactions—preventing criminal elements from using the system. Auto alerts on suspicious activities were sent to the client.
- ◆ **More Transparency:** With transparency on the KYC status, the client was able to easily manage risks.
- ◆ **More Savings:** The time and effort required to generate and submit regulatory reports were reduced.
- ◆ **More Visibility:** The client got regular reports on high/medium/low risk customers.
- ◆ **More Compliance:** The client fully complied with the applicable laws and regulatory guidelines.



The NIIT Technologies Advantage

Leveraging our Anti-Money Laundering Center of Excellence, the client was able to achieve complete regulatory compliance in a cost-effective manner. We were able to integrate easily into the bank's existing system with minimal disruption.