

Machine Learning in the Compliance Suite

How machine learning efficiently supports compliance to fulfil regulatory requirements.

actico⁷
Smarter Decisions

Detect Market Abuse

Prioritize and reduce False Positives

Check Sanctions Lists

Monitor Embargos

Prevent Money Laundering

Monitor Transactions

Improve Know Your Customer (KYC)

ML
MACHINE LEARNING
FOR COMPLIANCE

Compliance Suite & Machine Learning: Better identify risks

The ACTICO Compliance Suite has been supporting banks and insurance companies for more than 15 years to reliably identify compliance risks. The proven rule-based proceedings have now been extended to include machine learning proceedings. The analysis results of the Compliance Suite can be prioritized, reduced and clarified faster thanks to machine learning. This results in better risk management and reduced clarification costs.

ACTICO Compliance Suite

The ACTICO Compliance Suite is a powerful software for banks and insurance companies. The modular design allows different functionalities to be used on one user interface (UI): Prevention of money laundering and terrorist financing, KYC (Know Your Customer), sanctions list and PEP list checks, payment transaction monitoring and the prevention of market abuse and insider trading.

Transparent Compliance Knowledge

Compliance expertise is available in the Compliance Suite in the form of graphical business rules. This approach is particularly advantageous for compliance officers because every rule that leads to a decision is transparent (no black box decision). If a compliance risk, i.e. a hit, is indicated by the system, it can be precisely traced which factors have led to this hit and why it has to be clarified.

Compliance & Machine Learning

ACTICO Machine Learning supplements this rule-based approach with new methods that recognize patterns in large amounts of data. This approach combines the best of both worlds: Transparent hit generation based on defined rules, which can, for example, be agreed upon with the auditor, supplemented by machine learning, which evaluates these hits with proceedings from the area of Artificial Intelligence.

How does ACTICO Machine Learning work in the Compliance Suite?

Train Machine Learning Models

To train machine learning models, the analysis results from the Compliance Suite from previous investigations are used. The aim is to benefit from the knowledge of compliance officers in the clarifications. Different machine learning methods are tested to generate the best machine learning models for each scenario. These trained models are then used in the Compliance Suite.

Machine Learning „Out of the Box“

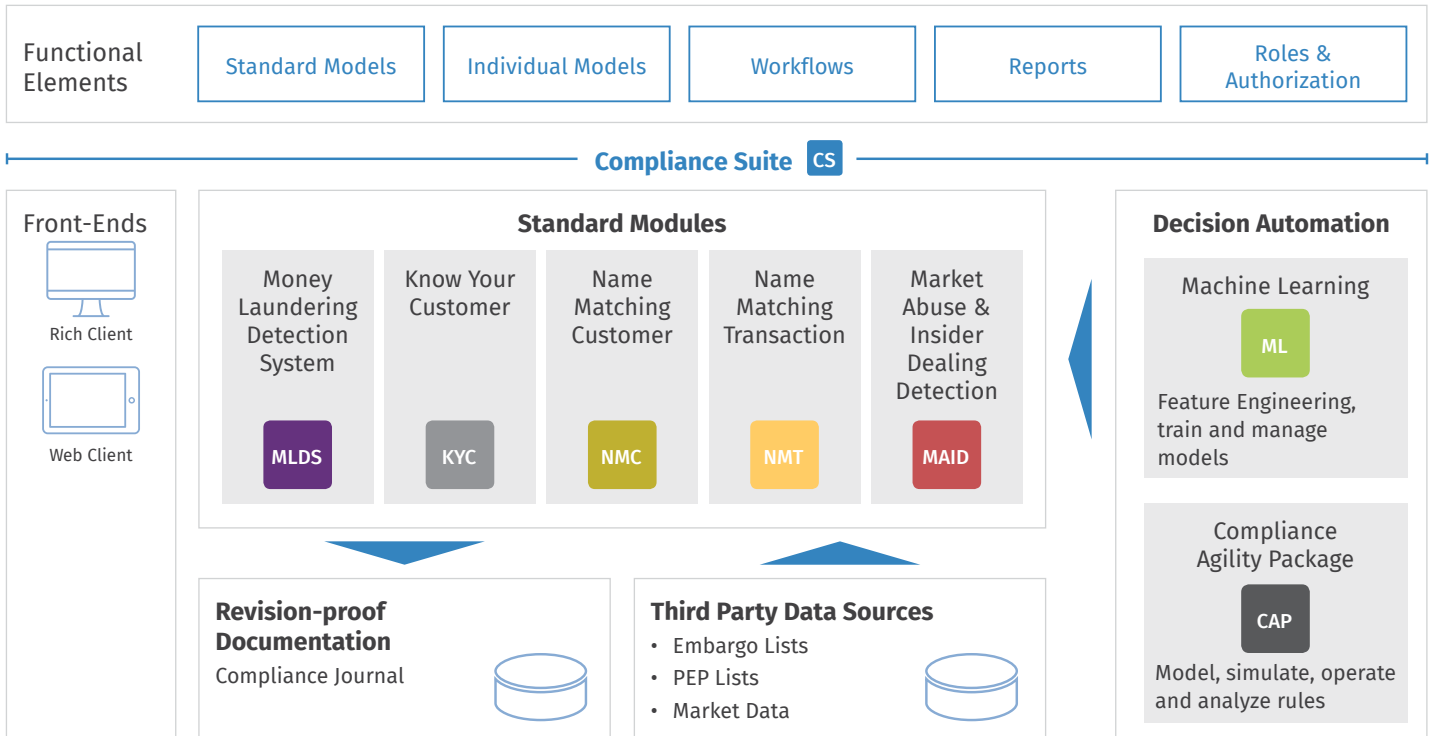
The latest version of the Compliance Suite comes standard with machine learning models that have already been tested and can be used „out of the box“. For example, to optimize the clarifications in the „Name Matching Customer“ module. Machine Learning prioritizes the hits and displays the hit probability to the compliance officer. The use of machine learning methods reduces the effort for clarifications by up to 70%.

Machine Learning „advanced“

In addition to the „out of the box“ models, the latest version of the Compliance Suite offers the possibility to train individual, company-specific models. This allows „out of the box“ models to be individually refined with own models. This is suitable for banks and insurance companies that process large amounts of data in the Compliance Suite. Machine learning thus becomes a transparent tool for better decisions.

>> Up to 70% less effort for clarifications required <<

Overview of the Compliance Suite



MLDS MONEY LAUNDERING DETECTION SYSTEM

- MLDS checks **payments** and recognizes conspicuous customer behavior.
- MLDS enables risk-oriented **clarification** and concentration on relevant cases.

KYC KNOW YOUR CUSTOMER

- KYC checks new and existing customers and creates the **KYC profile**.
- Customer and payment data are evaluated in the **risk classification** and form the basis of the risk-based approach.

NMC NAME MATCHING CUSTOMER

- The software compares the **customer base** with PEP and sanction lists as well as internal checklists.
- **New customers** from onboarding are checked against blacklists.

NMT NAME MATCHING TRANSACTION

- Name Matching Transaction checks **payments** against blacklists and stops them before execution, if necessary.
- Defined workflows enable the **immediate clarification** of hits before the payment is executed.

MAID MARKET ABUSE & INSIDER DEALING DETECTION

- MAID detects market manipulation & insider trading and supports the clarification of conspicuous orders in **securities trading**.
- MAID serves to manage **insider knowledge** and takes into account internal and legal rules in securities trading.

CAP COMPLIANCE AGILITY PACKAGE

- With ACTICO Rules, CAP ensures that **compliance experts** can flexibly and independently adjust their existing rules and create new rules.
- In CAP, rules are historized in a **revision-proof** way.

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ACTICO is a leading international provider of software solutions and technologies for decision management.

In a digital world, it is necessary to process large volumes of data and make real-time, consistent and auditable decisions. ACTICO software allows companies to implement highly flexible applications to optimize their daily decision-making on a continuous basis. This enables them to accelerate growth, innovate effectively, stay compliant and as a result, increase profits.

ACTICO provides software solutions for the areas:

- Credit Risk Management: Monitor, assess and manage credit risk
- Loan Origination: Automate credit decisions
- Compliance: Enable transparency, avoid fraud and comply with regulations
- Client Management: Process sensitive customer data securely – from onboarding to reporting
- Underwriting & Claims: Make claim settlement processes quicker, consistent and cost-effective

Since 1997, ACTICO has delivered software and services to our customers' benefits. Headquartered in Germany with offices in USA and Singapore.

More information at www.actico.com