

MDS **SMARAGD**

Software for early recognition of AML and financial fraud

Financial crime has many faces: Whether it is money laundering, terrorism financing or fraud - all of them pose a serious risk to society and to national as well as international financial systems. Each year, companies lose billions of dollars as a result of criminal activities. And that is only because they were able to be abused for illegal business practices. Additionally, there is also the reputational damage, which is often difficult to recover from despite comprehensive investigative efforts. SMARAGD MDS helps companies to recognize compliance risks easily.

Motivation

It is a special obligation to protect financial institutions as well as companies, and thus the financial system as a whole against criminal financial abuse. Intelligent IT systems greatly contribute to this. SMARAGD MDS is utilized by every company which has been obligated by the EU anti-money laundering directive.

Goal

It is important for companies to protect themselves against illegitimate and deceptive practices. An effective element to facilitate this, is a software solution that easily integrates into existing structures, and utilizes them to protect the company by examining potential risks and reporting the results to the compliance officer.

Solution

SMARAGD MDS can perform all of this. This will provide companies with a comprehensive overview of any potentially existing compliance risks. Users can intervene quickly and avoid damage. This will enable an early detection of financial crime and longterm prevention.

The highlights:

- » Classic money laundering prevention
- » Identification of tax fraud
- » Combatting of terrorism financing
- » Monitoring of correspondence banking
- » Containment of corruption/fraud prevention (internal/external)
- » Detection of trade-based money laundering (TBML)

Risk-based Monitoring

SMARAGD MDS precisely monitors the business activities of customers through complex long-term and short-term analyses with a day-to-day accuracy. Additionally, the system will determine risk-weighted and meaningful references to dubious or unusual factual circumstances. Thereby, all the information necessary for the investigation will be recorded. SMARAGD MDS helps the compliance department perform the classification and monitoring of high-risk customers.

BUSINESS-PROCESS RELATED DATA

A broad range of different information can be provided to SMARAGD MDS for assessment through the flexible interface concept of the SMARAGD Compliance Suite. Depending on the technical process, it is therefore possible that all data pertaining to customers, networks, KYC, accounts, contracts, financial products and transactions can be supplemented with additional relevant information.

BUSINESS PROCESS-SPECIFIC RULE SETS

A comprehensive rule set of indicators and scenarios considers national and international requirements specified by the legislative bodies. It integrates transactions, customers and networks of relationships of a company into the analysis process. By default is a series of business-specific standard rule set catalogs are available.

At one glance - **SMARAGD MDS**

- » Covers all fields of financial crime
- » Helps companies to recognize compliance risks
- » Comprehensive ruleset to detect dangers

The Analysis

With SMARAGD MDS, companies are able to conduct a daily analysis of their entire customer and account base. This will be performed through an application of the indicator and scenario model. The compliance department can specify indicators for individual business processes and new risk situations. Here, it is possible that complex scenarios from the area of money laundering, terrorism financing and fraud can be depicted in a highly detailed manner. Any conspicuous characteristics can be detected and subsequently processed.

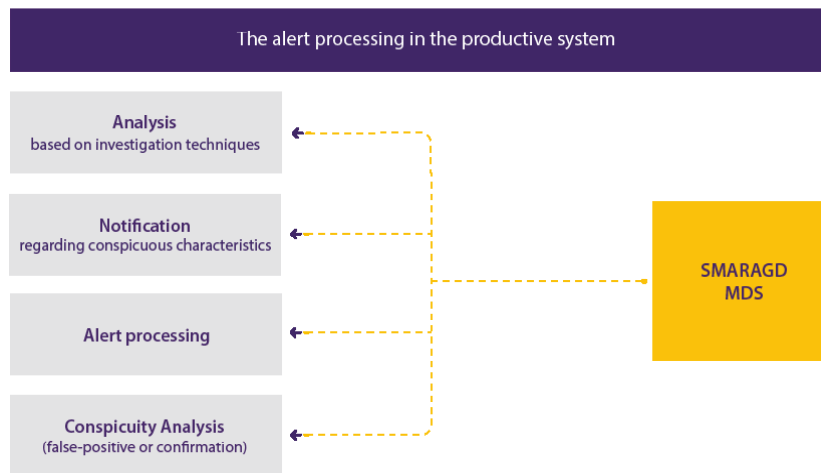
An indicator is the notification of a conspicuity. A scenario is an interlinking of various indicators. In the following, we will only refer to both of these respectively as indicators or the indicator model.

The Determination

The precise determination of conspicuous factual circumstances is carried out through the application of a rule-based approach. This combines profiling and matching techniques.

The Alert Processing

If SMARAGD MDS discovers conspicuous characteristics, these will be displayed to the specialist department with all the associated information. The alert processing is configurable and can be adapted to the company's workflow. This will enable a simple and fast processing (see Figure). Generally, alerts are prioritized according to the scoring and displayed on the screen. Statistics and extensive evaluation options will facilitate a comfortable researching of the alert. All processing steps are also documented in an audit-proof way.



SIMULATION

SMARAGD MDS provides a simulation function to optimize the rule set for the recognition of money laundering, terrorism financing and fraud. Through this, it is possible to check the effects of rule set changes prior to the production run. The simulation system uses random samples from the production data. These random samples are extracted from imported and plausibilized data of the previous month. Thus, they are always up-to-date. After the simulation is completed, the user can evaluate the results of the indicator model and release it for the production system.

IMPLEMENTATION

During the development of SMARAGD MDS the focus was on a simple and standardized procedure. Thus, a fast and uncomplicated implementation is ensured.

SUMMARY

SMARAGD MDS is a product for surveilling and detecting money laundering and financial fraud. It supports the compliance departments to protect their companies against financial crime.

SMARAGD

1,600 companies from all sectors in more than 50 countries rely on the compliance competence when it comes to counseling and implementation projects in conjunction with the marketleading software SMARAGD.

targens

As an expert consultancy for banking, compliance and digital innovation, targens is the leading provider of consulting and software solutions. Based in Germany, Austria and Switzerland, the company has 30 years of experience in the development of internationally proven compliance services for financial institutions with futuristic and disruptive technologies. Using artificial intelligence and blockchain technology to create innovative products that provide the highest possible value to our clients. With its consulting portfolio, targens supports clients in their banking and corporate management, trading activities and the safeguarding of business processes.

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SMARAGD MDS**

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