

CBM **SMARAGD**

Disclosure of conspicuous transactions of correspondent banks

SMARAGD CBM is a part of the SMARAGD Compliance Suite by targens in Stuttgart. With this software solution, banks minimize the risk of money laundering and illegal money transfers when payments pass through a variety of correspondent banks. Foreign payment transactions are especially vulnerable to money laundering and terrorism financing. SMARAGD CBM examines payments for anomalies by splitting up SWIFT messages, helps with the analysis and offers a flexible alert processing as well as an audit-proof documentation.

Motivation

Due to stricter due diligence financial institutes are required to carry out an automated transaction monitoring on payments via correspondent banks. The payment transactions abroad will reach an extent of several trillion US dollars in 2022. This requires modern technical systems, in order to minimize the risks of money laundering. SMARAGD CBM fulfills all regulatory requirements and helps to reduce risks efficiently.

Goal

SMARAGD CBM examines all correspondent bank transactions of a company as well as all parties involved in it for unusual behavior. If there is a conspicuous alert, the system creates a hit and reports it to the compliance department via an alert.

Solution

Every financial transaction has a corresponding SWIFT message that takes its course through the company. It is split up by the help of SMARAGD CBM. The data of all parties involved in the transaction is analyzed and especially enriched by key risk indicators. A fully developed monitoring as well as a daily evaluation with the help of a flexible ruleset are the basis of the assessment. Anomalies in payments can be recognized and displayed fast and easily.

Here are some examples:

- » **Burst of Activity**
 This is a deviation in the transaction profile based on longterm data.
 If anomalies occur here, the software reports an alert for the correspondent bank.
- » **Nested Activities**
 Identification of potential nesting activities in correspondent bank accounts.
- » **High Risk Countries**
 If the transaction passes through one or more high risk countries, a hit is displayed.

In case SMARAGD CBM discovers anomalies and conspicuousities, the system reports it to the compliance department via an alert for further processing. The alerts can be weighted and prioritized individually by the specialist department in charge. After a detailed analysis of the hit the necessary measures are triggered. The process is furthermore documented audit-proof.



At one glance - SMARAGD CBM

- » Detailed display of payment flows
- » Minimization of operational risks
- » Fulfillment of all national & international regulations

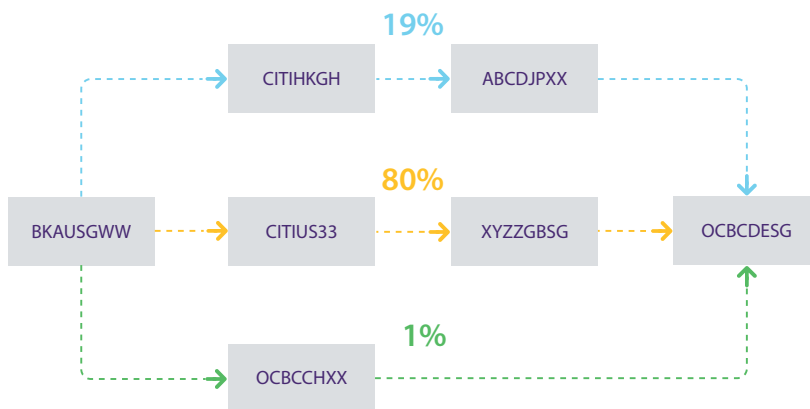
Flexible Ruleset

Thanks to its flexible ruleset SMARAGD CBM offers the chance to adapt checking rules and indicators at any time, in order to react to new requirements quickly. An integrated testing and simulation system that operates with live data guarantees the efficient adaptation of the ruleset. Due to its high scalability SMARAGD CBM also guarantees a performant processing of SWIFT messages.

Monitoring of SWIFT-Messages

SMARAGD CBM is able to monitor SWIFT FIN messages of the types MT103, MT202, MT-202COV as well as SWIFT CBPR+ pacs.008, pacs.009 and pacs.009COV. This happens during the daily evaluation run. In this process every participant of the SWIFT message is monitored in reference to the full payment chain and his data is enriched by key risk indicators.

Detailed reports show the frequency in payment paths



Further test methods

In addition, the system creates transaction profiles for each correspondent bank, to determine changes in the volume of transactions. To detect money laundering and terrorist financing, keywords are identified. All of this is supported through extensive reports on processed data, clue hits and processed cases.

Alert processing

If SMARAGD CBM discovers anomalies it fully displays all information to the specialist department. The alert processing is configurable and adaptable to the company workflow. Because of that a fast and simple processing is possible. Generally all processes are prioritized according to their scoring and shown on the screen. Statistics and extensive evaluation possibilities allow comfortable research of the process. All steps of it are documented in an auditproof way.

IMPLEMENTATION

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

SUMMARY

SMARAGD CBM is a product to monitor conspicuous transaction activities in correspondent banks. Since it is easy to handle and integrates into the existing IT landscape easily a fast and risk-free implementation is ensured. The solution minimizes the risk for financial institutes to get involved into money laundering and illegal money transfers when acting as a correspondent bank. Furthermore, it provides banks with lots of control over their payment processes by examining money transfers and showing conspicuous alerts quick.

PRODUCT VIDEO SMARAGD CBM

In order to show you the way SMARAGD CBM works and its benefits more graphically, there is a product video. It is available on the platform YouTube or under this link:

www.youtube.com/watch?v=PxxaRvZdhDU

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

targens is a professional service provider for banking, compliance and Digital Finance, as well as a leading provider of consulting, software and product solutions. Based on a professional consulting, high-performance products and the mastering of disruptive technologies, the consulting and software company supports its customers in their corporate management, trading activities, the protection of their business processes and the accelerated attainment of sales activity success.

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SMARAGD CBM**

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