Transactions monitoring: how to generate the appropriate alerts

How to calibrate suitable parameters and thresholds for each segment? How to strengthen your traditional TM rule based system with AI?

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Gagik Sargsyan,
Former compliance officer,
CEO,
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14.00 **The multiple facets of failure to generate the correct alerts**
• What are the reasons for high false positives rates? What are the main ways to reduce them?
• Missing true positives: reasons, solutions
• Understanding the limits of Rule-based transaction monitoring (RBTM) and what can data analytics do that RBTM cannot
Radish Singh and Meenakshi Sundaram Srinivasan

14.20 **Designing appropriate customer segmentation for thresholds setting**
• Why are customers segmented for transaction monitoring?
• Takeaway from MAS' Guidance for effective AML/CFT Transaction Monitoring Controls
• Practical approaches to customer segmentation
• How to calibrate suitable parameters and thresholds for each segment: what are the characteristics of the segment which determine the level of thresholds and other parameters?
Alwyn Loh

15.00 **Discovering enhanced TM with Risk-based Approach & AI**
Advanced analytics embedded with AI capabilities to strengthen risk-based approach to existing TM process and AML compliance framework. Combined with traditional business detection methods, this significantly enhance the accuracy of detection, improve operational efficiency, allow FIs to focus resourcing on customer benefits.
• Apply additional risk-based & value-based scoring model to score and prioritize alerts
• Automate to reduce manual review/evaluation works of low score alerts, saving up to 30% resource
• Identify known & unknown pattern and be adaptable overtime using ML to reduce false positive, ensure zero omission.
Irene Xu

15.30 Coffee break

15.40 **How to identify what AML/CTF risks across the business require monitoring**
• How to use a risk based approach to identify what monitoring scenarios are required
• Key concepts of an AML Transaction Monitoring Risk Assessment
Utpal Patel

16.00 **How to build scenarios – Overview of key stages in building a scenario**
• Design requirements – from business requirements to technical functional requirements
• Scenario design – ensuring that the scenario can be built in the automated TM system as specified by requirements
• Scenario data management – ensuring that the data points required for the scenario to operate effectively are complete and sufficient quality
• Parameter setting – key principles and factors for initial threshold setting and calibration
• Testing – validate that scenario is functioning as specified in the requirements, and is producing meaningful alerts
Utpal Patel

16.20 **Challenges to detect clients subject to Sanctions: Legacy tech vs NextGen AI powered DataScience**
• Your solutions are as good as the Data inside. Sources of Sanction Data and associated challenges: key concepts to know before analysing or using any tool: Initial base line minimum datasets; deep data; Collateral Exposures data, Data source related economics; State-authorities manipulating data
• Synthetic data vs manually compiled traditional sanction datasets: advantages and shortfalls
- Why old finished manually created excel files with sanction names are not efficient in any serious sanction screening effort.
- What technology (Data Science, Natural Language Processing techniques…) brings
• Sanction Analyst: Best Practice Screening techniques
- How to avoid bogus datasets
- How to test the quality of sanction data
- How to set up programs with less false positives
- What is the market Best Practice in terms of screening techniques
- What are possibilities and risks of data manipulation by State authorities and providers and impacts on Analyst's work.
- Practical examples
Gagik Sargsyan

17.20 End of the seminar

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PRACTICAL INFORMATION

Conference online on Zoom

Academy & Finance provides technical assistance before and during the conference: please contact Matheus Amorim at: mamorim@academyfinance.ch. We will send the Zoom link, the password and the documentation on 30 May 2022 in the afternoon.

How to register

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AF 1208

REGISTRATION FORM

I register for the seminar online "Transactions Monitoring: how to generate the appropriate alerts" in Singapore on tuesday 31 May 2022.

FIRST PARTICIPANT

Full name.....

Position.....

E-mail.....

Company.....

Address.....

Postcode..... City.....

Tel ..... Fax.....

SECOND PARTICIPANT (-30%)

Full name.....

Position.....

E-mail.....

Bank transfer ☐ Mastercard ☐ VISA ☐ AMEX ☐

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