Advanced trade finance risk and compliance analytics

**Trade monitoring challenges**

Banks are facing increasing regulatory expectations as many industry specialists believe as much as one trillion dollars of financial crime activity is funneled through trade channels annually. Trade institutions are challenged to meet heightened expectations due to:

- Complex and distributed ecosystem including manufacturers, importers, shipping entities, financial institutions and government agencies drives process complexity and inconsistency
- Paper documents still prevalent in many aspects of the trade transaction life cycle
- Manual processes used to review and process documents throughout much of the trade life cycle
- Increasingly complex risk patterns covering AML, Fraud, Military and Dual Use Goods, Boycotts, and Sanctions

**How TRACK can help**

TRACK (Trade Risk Analytics Compliance Kit) is a platform that harnesses advanced analytics and automation capabilities, powered by SAS, to enable more effective and efficient monitoring of trade transactions. TRACK enables:

- A risk-based approach by performing in depth analysis and risk scoring of every transaction, banks can then align resources to the highest risk items
- Deeper insight by using adaptive analytics and text analytics to understand customer activity over time, the network of related parties, and unstructured data
- Automation by combining analytic results and bank policy to escalate the highest risk items for investigation and reducing delays to processing of low-risk items

**Driving business outcomes with advanced analytics**

- Improved risk posture
- Potential 30%-60% reduction in operational costs
- Improved customer experience

powered by SAS
Performance and risk insights, delivered through analytics

TRACK employs the latest in analytics technology and techniques, combined with robust trade finance risk and business knowledge, to deliver a solution that addresses the key challenges of the trade industry. Key features include:

1. **Utilization of advanced analytics** to identify anomalous behaviors hidden in complex transactional patterns and relationships

   **Red flags**
   - **Business rules**
     - Rules and cross-checks for known high-risk scenarios
   - **Complex patterns**
     - **Predictive analytics**
       - Predicting patterns learned from prior behavior

   **Unknown behavior**
   - **Anomaly detection**
     - Abnormal values for entities (e.g., party, goods), including peer group comparisons
   - **Relationships**
     - **Entity linking**
       - Entity resolution and discovery through link analysis

2. **Robust text analytics capabilities** enable the automated review of digitized documents for indicators of key trade finance risks

   **High-risk geography**
   - Dual use/military goods
   - Boycott language

   + **Text analytics**

   = **Automated decisions**

3. **Interactive interface** allows users to rapidly explore and assess documented insights on alerting transactions

   - Anomalous transactions identified based on historical customer and peer group profiling
   - Holistic views of client relationships and transaction networks, incorporating key risk and compliance indicators
   - Identification of trade-specific risk factors related to shipping vessels, containers and goods

**Schedule a demonstration**

Contact any of the following EY professionals to schedule a live demonstration of TRACK:

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