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Governance Risk and Compliance made clear.

SMART AML SIMPLIFY YOUR AML PROCESSES

1. Adopt a risk based approach:

AML is not a one size fits all approach - a risk-based approach focuses on allocating more resources and scrutiny to higher-risk customers and transactions, while reducing effort on lower-risk ones, to optimise compliance efforts efficiently.

Automate customer risk rating and tailor the due diligence process to the risk level, which reduces unnecessary, repetitive checks.

2. Implement Cost Effective Technology and Automation:

Many reporting entities still rely on manual, paper-based systems, which makes processes prone to human error, inefficiency, and difficulty in scaling as transaction volumes grow. The following greatly reduces the time to manage AML processes.

- **Automated KYC Tools:** Use digital KYC (Know Your Customer) tools to streamline customer identification and verification (including PeP checks), reducing manual input whilst ensuring a better customer experience for clients (especially if you are not meeting them face to face).
- **AI-Powered Transaction Monitoring:** Implement AI-driven transaction monitoring systems that can learn and adapt to detect suspicious activities, decreasing the volume of false positives.
- **Automated Reporting:** Automate SARs and PTR filings to the regulator, ensuring timely compliance with minimal manual work. Automation is available through bespoke AML and practise management software.

3. Centralised Data and Documentation

- **Central Database:** Create a single source of truth for all customer data and documentation to reduce duplication and streamline verification.
- **Shared Access:** Ensure all compliance personnel have access to updated information, minimising time spent on re-verifying data.

4. Escalation and Training Protocols

- **Clear Escalation Paths:** Establish clear rules for when and how to escalate alerts to senior personnel/AML Compliance Officer, ensuring consistency and reducing delays.
- **Continuous Training:** Regularly train your compliance personnel on AML policies, technology, and best practices.



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5. Regular Reviews and Continuous Improvement

- **Updated Process Documentation:** Keep AML documentation clear, concise, and up-to-date, with straightforward instructions that make onboarding and compliance easier.
- **Ongoing Optimisation:** Regularly review and update AML procedures to remove outdated steps, align with new regulations, and implement lessons from past cases.
- **Feedback Loops:** Set up mechanisms for feedback from your team on what's working and what isn't, allowing for continuous refinement of AML processes.