# Deloitte.



Financial Crime
Service offerings



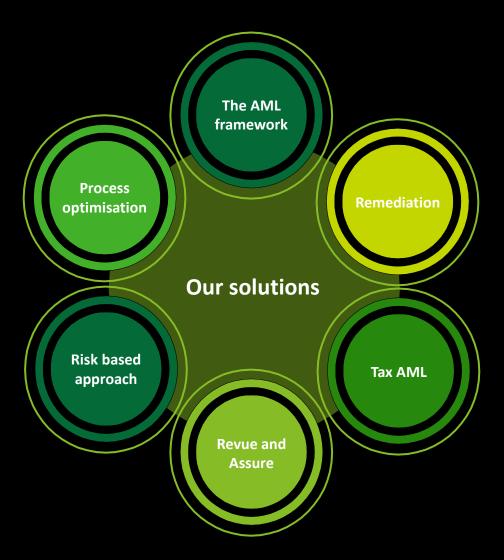
# Your challenges

Adapting to a demanding and rapidly changing regulatory environment

# **Challenges**



- Staying on top of regulatory changes and the ability update policies and procedure to remain compliant and effective.
- **Growing cost of compliance** that does not translate in value add or improvements in effectiveness.
- Attraction and retention of resources and subject matter expertise.
- Inefficient AML framework operating model does not support the business resulting in impediments to the achievement of strategic goals.
- **Data quality issues** result in poor management information and significant effort to meet internal and external reporting requirements.
- Transaction monitoring rules produce significant volumes of alerts with very low STR ratios resulting is high cost of compliance and risk of non-compliance.





# The AML framework

- AML/CFT target operating model
- Training and awareness
- Policy and process design and development

# Risk based approach

- Typology assessments
- Business risk assessments
- Risk scoring methodology

# Process optimisation

- Technology driven process re-engineering
- Risk intelligence
- Transaction monitoring optimisation
- KYC flow
- Systems implementation support



#### Remediation

- Remediation projects for KYC and transaction monitoring alert clearing
- Quality control and assurance
- Capacity augmentation

#### **Review and assure**

- Independent AML/CFT audits
- Simulated on-site inspections
- Health checks



#### Tax AML

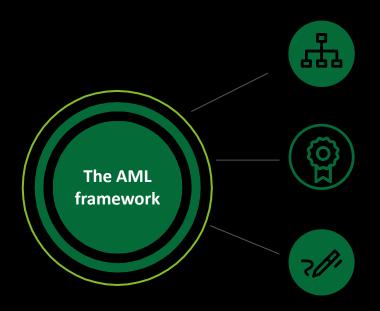
- Assessment of inherent risk exposure to tax evasion
- Tax AML calibration of risk management infrastructure
- Training on tax evasion risk management
- STR consultation on circumstances giving rise to possible taxrelated ML





#### The AML framework

We assist with your overall AML/CFT risk management programme by designing and implementing robust and effective frameworks that are sustainable and compliant with regulatory requirements.



**Target operating model**: We assist in the design and implementation of your AML target operating model – a framework that outlines the processes, roles and responsibilities, technology and resources needed to effectively and efficiently manage your organisation's AML compliance programme.

**Training and awareness:** Our training programmes are tailored around your organisation's specific financial crime environment and are delivered by trained individuals with theoretical and practical knowledge and experience on AML/CFT matters. Our training programmes are customizable to address specific target audiences and can be performed in-person or remotely.

**Policy and process design and development:** We are able to develop and implement practical and effective AML/CFT Frameworks including the drafting of policies and procedures based on the risk-based approach which includes the consideration of the size, nature and business operations of an organisation.

### Risk based approach

We advise on the design and assist with the implementation of a robust and effective end-to-end risk-based approach.



**Typology assessments**: A typology assessment sits at the heart of any robust risk-based approach as it helps to identify areas of vulnerability and to develop targeted prevention and detection measures.

Business risk assessments: We help organisations develop their business risk assessment methodologies and reports. Our approach to business risk assessment is based on sound risk management principals and built on quantitative and qualitative risk metrics and indicators. Our solutions aim to provide management and the Board an assessment that is tailored to their specific AML risk exposures and that therefore provides insights that enable decision making around risk mitigation. We advise on the design of an end-to-end risk-based approach covering customer, jurisdiction, product and industry risk assessment methodologies. Our BRA journey is scalable and can be extended to fully automate the BRA process.

**Risk scoring methodologies**: We support organisations to develop risk scoring methodologies that are based on robust risk management principles and leverage quantitative and qualitative data points in a robust and consistent manner.

### **Process optimisation**

We use a pragmatic approach by combining our regulatory and compliance skillset with that of our consulting and technical expertise to maximise and strengthen the efficiencies and effectiveness of our client's AML/CFT and sanctions control environment.



**Technology driven process re-engineering:** We support you with reshaping your AML processes in order to achieve efficiencies whilst improving customer and employee experience, enhancing data quality and strengthening risk assessment. We advise on the integration of robotics and AI technologies and support with their implementation.

**KYC flow**: A robotics powered workflow engine which addresses all your KYC requirements, including customer outreach, on-boarding, ongoing due diligence, and remediation.

Advanced data analytics: We leverage the organisation's data to bring to life ML/TF key risk indicators in a custom-built visual dashboard that is intuitive and provides the MLRO and broader financial crime team visibility of the organisations ML/TF risk profile on an ongoing basis. This is an invaluable tool through which detailed cross risk analysis and drill down review can be performed with ease and at speed, facilitating ongoing monitoring, data quality validation and reporting.

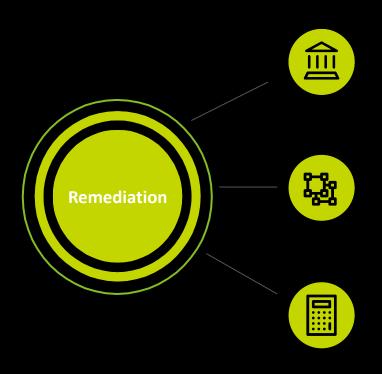
**Transaction monitoring optimisation:** We review the effectiveness and efficiency of an organisation's transaction monitoring system by combining and performing typology assessments, data analytics to determine accuracy of rule development (parametrisation including threshold and frequency of rule triggers) and simulation.

IT systems implementation partners: We help you every step of the way. Business case development, system requirements definition, vendor selection, business requirements definition, project management, technical support and User Acceptance testing.

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#### Remediation

Experienced in managing large scale remediation projects through our local and off-shore Financial Crime Competency Centers to provide scalable teams at short notice.



Remediation projects for KYC and transaction monitoring alert clearing: We support small and large scale remediation projects for customer due diligence, KYC and TM alert clearing. We offer a technology-enabled service to minimise customer impact and ensure manual case handling only where human judgement and analysis is required.

**Quality control and assurance:** QC and QA services provided as part of the CDD process to test and improve business as usual functions, controls and processes, or to fulfil time-sensitive regulatory commitments.

**Capacity augmentation:** Temporary capacity augmentation in various areas of you AML structure through secondment of experienced resources.

#### Revue and assure

Through our review and assure offerings we assess the design, implementation and effectiveness of your AML/CTF and sanctions monitoring framework against the latest regulatory guidelines.



**Independent AML/CFT Audits**: We support governance bodies, the internal audit function and the MLRO to independently evaluate the strength of the organisation's systems and controls; whether it is for internal evaluation or to meet requirements of external stakeholders.

Simulated on-site inspections: We perform mock inspections that mirror the regulators' approach to enhance management readiness whilst providing insight on key strengths and weaknesses of your AML framework, as well as provide remediation recommendations.

Health check to assess compliance with applicable regulations: Every organisation's AML/CFT and Sanctions structure need to adapt to changes either organically or by way of newly introduced regulatory requirements. We can help identify gaps that will need to be filled by conducting an assessment of the organisation's AML/CFT and Sanctions structure in its current state and assist in drafting an AML programme to address and reduce the gaps identified.

#### Tax AML

Our Tax AML offerings bring tax professionals and AML subject matter experts together to evaluate your exposure to the risks presented by tax evasion and mitigate that exposure through the integration of appropriate structural safeguards.



Tax AML risk management: We provide a comprehensive analysis of your inherent risk exposure to tax evasion, by assessing the day-to-day activities of your business and the likelihood of your services being used by criminals to launder their illicit funds.

Tax AML risk calibration: Once we have evaluated your inherent risk exposure to tax evasion, we design and calibrate your controls to identify and mitigate the corresponding ML risks.

**Tax AML training:** We provide your staff with training that is specifically tailored to the needs of your business to equip your team with the skills required to identify and manage tax related AML risks.



**STR consultation:** When you are confronted with particularly dubious or convoluted scenarios, our expert resources are available at a moment's notice, to give you targeted advice on the making of a suspicious transaction report (STR).

### Get in touch

#### **Ian Coppini**



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Ian leads the Risk Advisory business in Deloitte Malta, a position he has held since 2019 following 18 years working as an audit practitioner within Deloitte's Audit & Assurance business.

In his role as Risk Advisory Leader, Ian serves as engagement director on a broad range of engagements primarily in the areas of regulatory advisory, financial crime advisory, internal audit, 3rd party assurance and risk management advisory.

During his time in Audit & Assurance, Ian served as audit director for a number of public and private entities engaged in a variety of industries specialising in entities operating in the Insurance and Asset Management sectors.

lan acts as the Transport, Hospitality & Services sector delegate and is Deloitte Malta's Financial Crime offering Leader.

#### **Cheryl Grech**



Title: Senior Manager
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Cheryl is a Senior Manager within Deloitte Malta's Risk Advisory team. She is an experienced Banking professional having joined Deloitte after 13 years working for Global Systematically Important Bank. Her banking experience started in front-line roles and business development, before specialising in Risk Management.

Cheryl is CAMS qualified and has been leading significant regulatory compliance and change management engagements for Deloitte, with a focus on AML Compliance and AML Operational Risk within the Financial Services sector.

During her time at the Bank, Cheryl led the implementation of a number of regulatory projects on a bank-wide level working closely with the Regulator as well as managing cross-functionally. In her Risk Strategy role, she acquired skills in governance management including the adoption and periodic review of the Enterprise Risk Management Framework and held active roles in governance committees.

#### **OUR FINANCIAL CRIME CREDENTIALS**

AML/CFT and regulatory compliance engagements in the broadest sense are core service offerings of our Deloitte Risk and Regulatory Advisory team.

Over the past months, our team has conducted several engagements in the financial services, gaming and professional services industries in the sphere of AML/CFT compliance and regulatory compliance.

## Deloitte.

Completion of a national risk assessment of the gaming sector for the Malta Gaming Authority, including specific focus on AML/CFT.

**Malta Gaming Authority** 

## Deloitte.

Design and implementation support for an end-to-end anti-financial crime system solution for a significant banking institution.

Top 3 bank

## Deloitte.

AML/CFT compliance review and mock inspection, and provision of overarching regulatory health check incl. AML/CFT implementation.

Local bank

## Deloitte.

Supported a national bank with a large transaction monitoring alert clearing backlog. The bank leveraged heavily on Deloitte Malta's financial crime competency centres.

Local bank

## Deloitte.

Internal audit review of the organizations AML/CFT processes and controls in our capacity as internal auditors of multiple subject persons operating within the FSI.

**FSI** entities

## Deloitte.

Training on changes in implementing procedures to multiple boards of directors, including a top 3 bank and local financial institutions.

**Multiple entities** 

## Deloitte.

Completion of major customer file review exercises for gaming operators, for onward submission to the UK Gambling Commission.

**Gaming operators** 

## Deloitte.

Completion of an AML/CFT compliance review to assess remediation measures following an FIAU onsite visit and report.

Top 3 bank

### Deloitte.

Development of an AML/CFT Business Risk Assessment and its automation for a major acquiring financial institution.

**Payment Services Provider** 

## Deloitte.

Completion of an AML/CFT maturity health check and client file review for a multinational corporate services provider.

**Corporate service provider** 

### Deloitte.

Completion of an AML enterprise risk assessment and review of design and effectiveness of internal controls.

Investment advisor

## Deloitte.

Review of the AML/CFT framework to meet the ongoing due diligence requirements of the organisation's correspondent banks.

**Payment Services Provider** 

# Deloitte.

# Learn more: www.deloitte.com/mt/fincrime

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