

Impact Story – Actimize Trade Surveillance Support for US-based Bank



Client requirement

- » The client's Compliance team was facing bandwidth issues in validating AML models based on the latest regulatory guidelines
- » The client wanted Moody's Analytics Knowledge Services team's support on:
 - Validation of the AML model as per the bank secrecy act (BSA)/AML regulatory guidelines
 - Validation of the model as per SR11-7 guidelines

How we solved the problem?

- » **Model documentation alignment**
 - Internal model documentation standards
 - Adherence to BSA/AML regulatory guidelines
- » **Data validation and integrity**
 - Sufficiency of controls around the data-mapping process
 - UAT and SIT to assess whether the model captures complete and accurate information from the source data
- » **Model tuning**
 - Changes to the tuning process on various risk factors and the attributes of these risk factors
 - Fine-tuning of model parameters to determine the performance and to provide a basis for further tuning
- » **Evaluation of overrides (eliminating false positives)**
 - Reporting of the validation of each level

Key client benefits

- » Met the timelines provided by regulators
- » Validated models and improved multiple processes, such as tuning and model fitment
- » Identified and rectified discrepancies in model documentation

About Moody's Analytics Knowledge Services

We enable organizations to innovate and transform in an ever-changing world. Our global pool of domain experts enables businesses to innovate, scale, and reduce costs. Providing customized solutions is in our DNA – solutions that have a tangible impact on our clients' top-line and bottom-line, enabling them to achieve more with less.

Our clients include leading bulge-bracket financial institutions, asset managers, Fortune 100 corporations, mid-tier companies, boutique investment banks, and funds. We support over 150 institutional clients through our team of 2,600+ employees and our global delivery centers, located in close proximity to our clients.