Money Laundering, Terrorism and Proliferation Financing Risk and Control Module for Electronic Money, Foreign Exchange, Money Remitters, Foreign Exchange and Payment Service Providers

ARCTIC INTELLIGENCE

Compliance. The smart way.

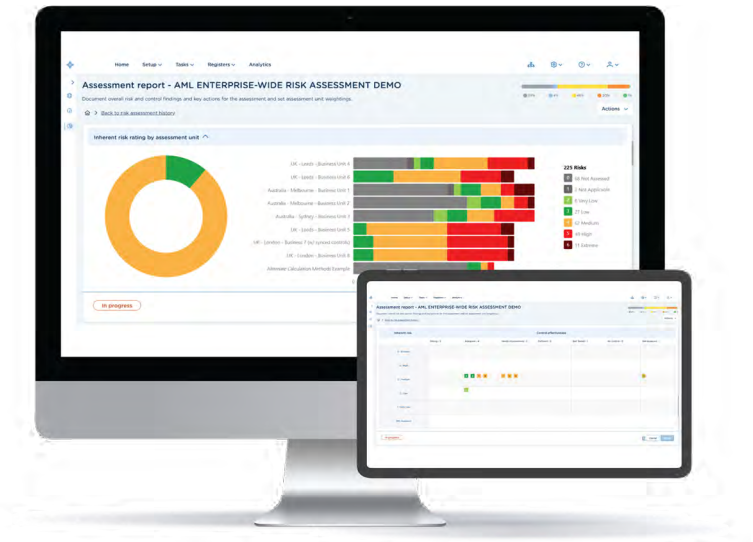
Electronic money institutions, foreign exchange dealers, money remitters and payment service providers are highly attractive to organised criminal networks because they enable the rapid movement of funds across borders, currencies and digital platforms often with limited face-to-face interaction and high transaction volumes.

Criminals may exploit these services to place, layer and integrate illicit funds through complex payment chains, prepaid instruments, virtual accounts, or cross-border remittance networks that obscure the origin and destination of money. To counter these threats, it is vital that these providers maintain a robust, enterprise-wide money laundering, terrorism and proliferation financing risk assessment framework.

By systematically identifying and understanding their exposure to financial crime risks and assessing the design and operational effectiveness of mitigating controls in a manner proportionate to their business model, size and complexity, they can strengthen regulatory compliance, protect consumers and uphold the integrity and trust essential to global payment ecosystems.

About Arctic Intelligence's Risk Assessment Platform

Arctic Intelligence's Risk Assessment Platform can be used by smaller reporting entities out-of-the-box with standardised risk and control libraries or configured by medium and larger enterprises to suit any enterprise risk management framework.
Our multi-award-winning platform is highly-configurable and can be tailored to suit your methodology, risk indicators, applying risk and/or control weightings as appropriate, with a full audit trail and real-time data aggregation of individual business lines or consolidated across enterprises.



Play Video Demo
Digitisation

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Automation

Play Video
Money Services Businesses

Who is this risk and control module designed for?

The money laundering, terrorism and proliferation financing risk and control module contains a library of risks, controls and control tests designed specifically for different types of Electronic Money, Foreign Exchange, Money Remitters, Foreign Exchange and Payment Service Providers:

- **Electronic Money and Emoney Service Providers**
- **Foreign Exchange Businesses**
- **Money Services Businesses and Money Remitter**
- **Payment Service Providers**

What's included in the risk and control module?

Each of our expert-designed risk modules contain an Enterprise-Wide Risk Assessment, a Channel Risk Assessment, a Product Risk Assessment and a Country Risk Assessment containing hundreds of risk indicators and risk factors, grouped under different risk categories and risk groups.

In addition to a fully comprehensive risk library, our module also contains a library of controls and control tests that you can use to assess the design and operational effectiveness of your control environment.

Our content modules can be used out-of-the-box, easily modified to suit your requirements or you can simply build and import your own risk and control content. We can support implementation directly or through our growing advisory network.

What's the structure of the risk and control module?

Environmental Risk

External Threat Environment

- **Exposure to External Risks**
  Money Laundering or Terrorism Financing Risks; Proliferation Financing Risks; Sanctions or Geopolitical Risks; Fraud and Scam Risks and Other Financial Crimes.
- **National Risk Assessment Considerations**
  Criminal Threats; Sector Vulnerabilities; Regulatory Expectations; Enforcement and Supervision; International Standards and Divergence; Legal and Judicial Systems and Emerging Regulations.

Internal Threat Environment

- **Exposure to Internal Risks**
  Governance and Oversight; AML/CTF Program Alignment to Risks; AML/CTF Program Non-Compliance and Regulatory Reporting.
- **Exposure to Operational Risks**
  Business Location Risk; Outsourcing Risk; Employee Risk; New or Significant Business Changes and Emerging or Forward Looking Risks.

Customer Risk

- **Customer Base Profile**
  Customer Type; Customer Location and Changing customer base profile.
- **Customer Legal Form Risk**
  Proportion of higher risk customer types.
- **Politically Exposed Person (PEP) Risk**
  Proportion of PEPs and PEP profile changes
- **Customer Location Risk**
  Proportion of customers by location.
- **Customer Industry / Occupation Risk**
  Proportion of higher risk industry or occupations.
- **Customer Activity Risk**
  Customer risk profiling and other risk factors; Customer behaviours, profiles and activities and PEPs, sanctions or proliferation financing risk.

Product and Services Risk^

Product and Service Types

Consumer Financing and Credit Services; E-Wallet and Digital Payment Wallet Services; Electronic Money and EMoney Service Providers; Foreign Exchange Services; Merchant and Platform Services; Money Services Businesses; Payment Service Providers; Stored Value Card Providers and Virtual Currency Wallet (Non-Crypto) Providers.

General Product and Service Risks

Product lifecycle and governance; Product transparency and anonymity; Transactional features and payment characteristics; Geographic and customer exposure; Transaction volume, value and revenue; Monitoring and reporting involving higher risk products and services and Higher product and service risks.

Consumer Financing and Credit Services

- Buy Now, Pay Later (BNPL)
- Deferred Payment for B2B Transactions
- Instant Credit Underwriting and Decisioning
- Interest Free and Interest Bearing Payment Plans
- Merchant Branded Finance Solutions

Embedded Finance and API-Based Services

- API-based Payment Integration for Platforms
- B2B Payments Infrastructure
- Embedded Payment Solutions in SaaS marketplaces
- White-Label Payment Gateways and Wallets

Money Services Businesses (MSBs)

- Cash Payout and Agent Network Services
- Correspondent Banks / Payment Network Integration
- Cross-Border Remittances and Foreign Exchange
- Cross-Border Remittances via FinTech Platforms
- Cross-Border Remittances via Licensed MTOs
- Digital and FinTech Remittance Platforms
- Domestic and International Money Transfers
- Foreign Exchange and Currency Conversion
- Foreign Exchange Hedging
- Informal Value Transfer Systems / Hawala
- Money Transfer Operators (MTO's)
- Non-Bank or Alternative Value Transfer Methods
- Peer-to-Peer Transfers
- Prepaid and Reloadable Card Services
- Traditional Wire-Based Payments

Electronic Money and Emoney Service Providers

- API-based Payment Infrastructure
- Digital Payment Account Services
- Domestic and International Money Transfers
- Electronic Money
- Payment Processing for Merchants
- Peer-to-Peer Transfers

Foreign Exchange Services

- Airport and Travel Exchange Services
- Corporate FX Services
- Cross-Border Payment and Remittance Services
- Currency Exchange Services
- FX Brokerage and Trading Services
- FX Rate Booking and Online Currency Ordering
- Money Changing and Walk-in Cash Services
- Prepaid Travel and FX Cards
- Spot Foreign Exchange Transactions

Payment Service Providers

- Bank Transfers and/or Direct Debits
- Buy Now, Pay Later (BNPL)
- Card Payments
- Cash Payments via Partner Agents
- Cryptocurrency
- Mobile Wallet Payments
- Online Checkout Solutions
- Payment Gateway Services
- Payment Processor Services
- Physical Point of Sale Payment Terminals
- QR Code and Contactless Payment Enablers
- Virtual Point of Sale Systems

E-Wallet and Digital Payment Wallet Services

- Bill Payments and Top Ups
- Cash-in and Cash-out Services
- Domestic and International Money Transfers
- In-App or Online Purchases
- Loyalty, Cashback and Rewards Schemes
- Mobile and Web-based Wallet Apps for Payments
- Peer-to-peer and Merchant Payment Service

Merchant and Platform Services

- Disbursement and Payout Services
- Marketplace Solutions
- Merchant Acquiring
- Merchant Onboarding and Risk Monitoring
- Multi-Currency Processing
- Recurring Billing and Subscription Management

Virtual Currency Wallet (Non-Crypto) Providers

- Digital Wallet to Digital Wallet Transfers
- In-Game Currency Wallets
- Retail Specific Stored Value
- Wallets for Proprietary Digital Tokens or Currencies

Stored Value Card Provider

- Closed-loop and Open-loop Card Issuance
- Gift Cards and Branded Stored-Value Cards
- Prepaid Cards (Reloadable and Non-Reloadable)
- Travel Money Cards and Corporate Expense Cards

^ Our separate product and services risk model contains over 25 different products and services offered by asset fund, investment and wealth managers and includes ML/TF/PF risk factors aligned to the features and characteristics of each.

Channel Risk^

Face-to-Face Channels
Internal Physical Channels; Relationship Managed Physical Channels and External Physical Channels.

Face-to-Face or Non-Face-to-Face Channels
External Partner Intermediary Channels.

Customer Onboarding Channels
Channel type; onboarding through face-to-face channels and non-face-to-face channels and customer onboarding through intermediaries.

Non-Face-to-Face Channels
Internal Remote Assisted Channels; Internal Manual Channels; Internal Digital Self-Service Channels; Internal Programmatic / Embedded Access Channels; External Interbank and Payment Infrastructure Channels and External Digital Channels.

Transaction and Delivery Channels
Value of transactions by delivery channel type.

General Channel Risks
Higher channel risk indicators.

Face-to-Face Channels

- Authorised Third-Party Introducers
- Onsite Sales Representatives
- Post Offices
- Retail Agents / Convenience Stores
- Sales Agents / Relationship Managers

Non-Face-to-Face Channels

- ATMs or Cash Deposit Machines
- Call Centres / Customer Service Desks
- Chatbots / AI Assistants
- Crypto Exchange / Digital Asset Partnerships
- Digital Wallets / Stored-Value Facilities
- Fax or Email instructions
- Mobile Banking Apps
- Online / Internet Banking
- Open Banking / APIs
- SMS Banking
- Social Media / Messaging Apps
- Telephone Banking

^Our separate channel risk model contains over 30 different customer onboarding and transaction channel types.

Transaction Risk

Transaction Risk Rating
By customer type (individuals vs. entities).

Transaction Volume By Transaction Risk Type
Industry Type; Customer Type; Country Risk Rating and Changes in Transaction Volumes.

Transaction Value By Transaction Risk Type
Industry Type; Customer Type; Country Risk Rating and Changes in Transaction Values.

Transaction Monitoring and Reporting
Alerts, Cases and Suspicious Activity Reports and Transactions involving Higher Risk Countries and Alerts, Cases and Suspicious Matter Reports related to higher risk scenarios.

Country Risk^

Higher Risk Business Operations
Geographic footprint of business locations.

Country Risk by Customer Type (Individuals)
Higher risk individual customers and country risks and Residency, nationality or citizenship.

Country Risk by Customer Type (Entities)
Higher risk non-individual customers and country risks and Country of registration, incorporation, domicile or operating in.

Country Risk by Transaction
Transaction volume and values by country.

^ Our separate country risk model contains country risk ratings generated for over 240 countries and territories.

Key Features

To help manage your enterprise-wide risks, whatever the risk domain you're assessing

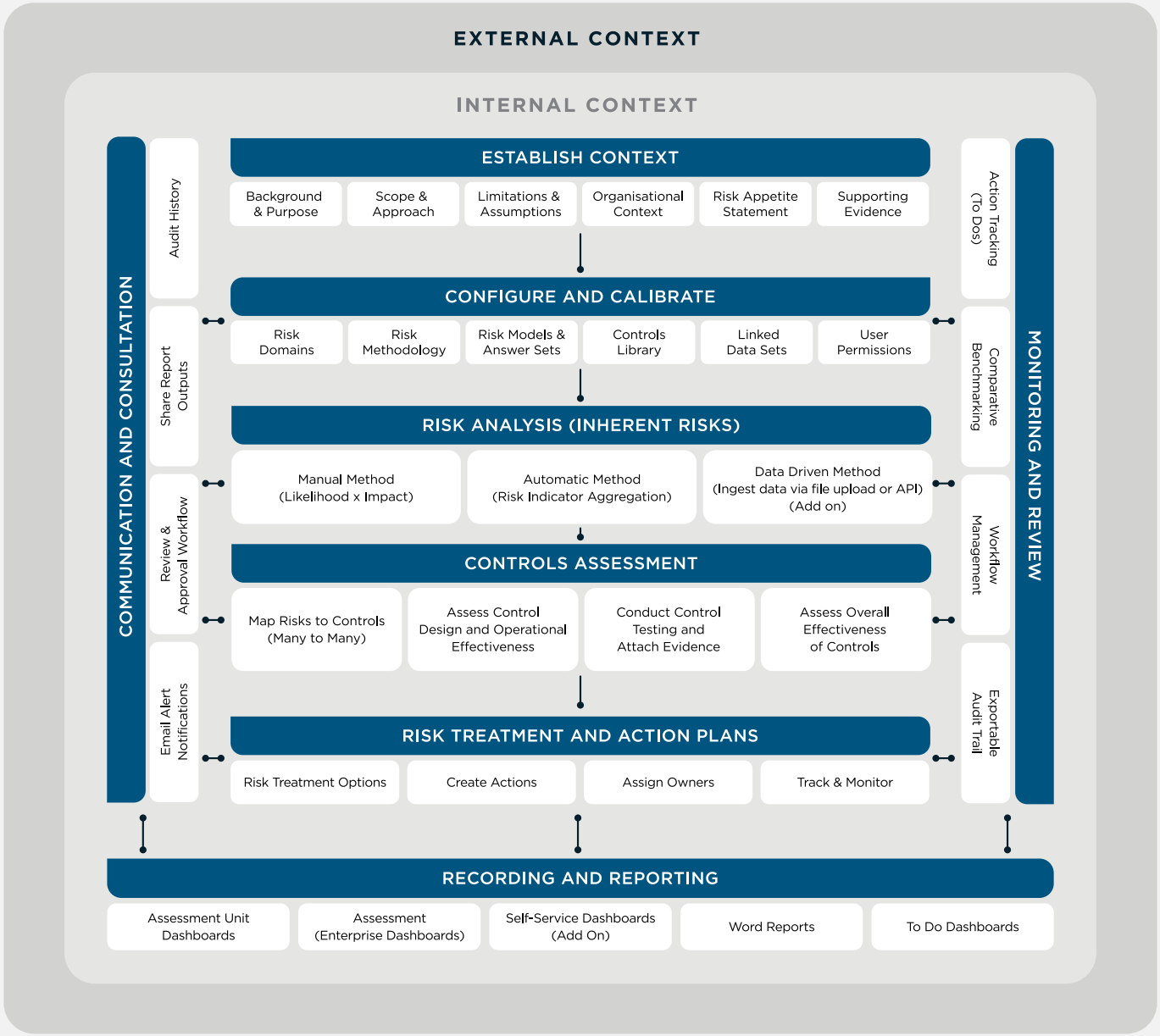
- Highly configurable so you can tailor the platform to suit your needs
- Import your own risk and controls or use our expert-built risk domains
- Flexible risk methodology, tailored to your risk-based approach
- Auditable workflow process for conducting risk analysis and controls assessment
- Digitise and automate by ingesting data via API or file upload
- Track, monitor and report on actions, issues and incidents
- Real-time dashboards and analytics, with exportable reports
- Fully hosted in a secure cloud with dedicated support

Why choose the Risk Assessment Platform?

- Fully configurable risk analysis and controls assessment platform
- Expert-built content modules with hundreds of risks and controls
- Digitise spreadsheet-based approaches, improving quality
- Automate risk assessments by ingesting data, improving efficiency
- Real-time analytics, approval workflows and fully auditable
- Save time and money, reducing compliance costs

How it works

The diagram below visualises recognised industry best risk assessment practices overlaid against the features within the Risk Assessment Platform that supports these processes.



Companies we've helped

APAC

BOQ, Qudos Bank, BIBD, imb bank, Heritage Bank, TAL, regional australia bank, QBANK, Beyond Bank Australia, Bell Potter, Newcastle Permanent, credit unionsa, HESTA, Spirit Super, Entain, Suncorp, Defence Bank, Crown Resorts, People's Choice Banking for life, me

EMEA

Bank of India, Jupiter, M&G Investments, First Sentier Investors, Skipton Building Society, Ford Credit, African Bank, nationwide, Arbuthnot Latham, Paragon, CRDB Bank, BitMEX, unionbank, Close Brothers, Hermes Investment Management, Flutter

AMERICAS

Vermilion Credit Union, abcu Credit Union, Lakeland Credit Union, FirstOntario Credit Union, bow valley credit union, Vision Credit Union, Prospera Credit Union, 1st Choice Savings, ADP, Fidelity Investments, ICBC, Cambrian, Corpay

Our customer footprint

About Arctic Intelligence

Arctic Intelligence is a multi-award-winning RegTech firm that specialises in financial crime risk and controls risk management software to help regulated businesses to identify, assess, mitigate and manage financial crime.

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