

# Money Laundering, Terrorism and Proliferation Financing Risk and Control Module for FinTechs

FinTechs are attractive to organised criminal networks because they operate at the intersection of technology and finance, offering fast, borderless and often low-friction financial services that can be exploited to move, layer, or disguise illicit funds. Their rapid growth, reliance on digital onboarding, use of third-party providers and innovative product models such as digital wallets, crypto assets and payment platforms can create vulnerabilities if financial crime risks are not fully understood and managed.

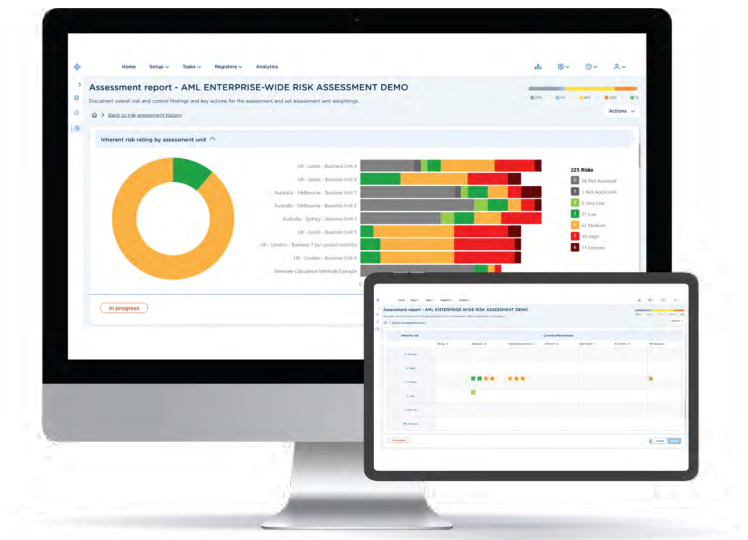
To mitigate these threats, it is essential that FinTechs maintain a robust, enterprise-wide money laundering, terrorism and proliferation financing risk assessment framework.

By systematically identifying, assessing and understanding their risks and by evaluating the design and operational effectiveness of their mitigating controls in a way that is appropriate and proportionate to their technology, size and business complexity, FinTechs can build regulatory confidence, foster customer trust and ensure sustainable growth in an increasingly regulated digital financial ecosystem.

## 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.



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*Digitisation*

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*Automation*

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*Risk Assessment for FinTechs*

## 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 regulated FinTechs:

- ✔ Alternative Lending Platforms
- ✔ Buy Now, Pay Later Providers
- ✔ Cross-Border Payment Platforms
- ✔ Crowdfunding Platforms
- ✔ Crypto Investment Platforms
- ✔ Crypto Wallets and Custody Platforms
- ✔ Decentralised Finance (DeFi) Platforms
- ✔ Digital Brokerage / Trading Apps
- ✔ Digital Credit Providers
- ✔ Digital Currency Exchanges
- ✔ Digital Wallet Providers
- ✔ Digital-Only Banks
- ✔ Embedded Finance Providers
- ✔ InsurTech
- ✔ Invoice Financing / Factoring Platforms
- ✔ Marketplace Lending Platforms
- ✔ Merchant Acquirers / POS FinTechs
- ✔ Micro-Investing Apps
- ✔ Money Remittance Platforms
- ✔ Neo-banks / Challenger Banks
- ✔ NFT Marketplaces / Tokenisation Platforms
- ✔ Non-Bank Lenders
- ✔ Open Banking / Account Aggregation Platforms
- ✔ Payment Gateways / Payment Processors
- ✔ Peer-to-Peer (P2P) Lending Platforms
- ✔ Personal Financial Management
- ✔ Robo-Advisors / Digital Wealth Managers
- ✔ Share Trading Platforms
- ✔ Stablecoin Issuers / Payment Rails
- ✔ WealthTech Infrastructure

## 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

Commercial and Business Lending Products, Deposit and Savings Products, Investment and Wealth Management Products; Investment Products; Payment and Transaction Services, Personal Lending Products and Superannuation, Pension and Insurance Products.

## 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.

### Commercial and Business Lending Products

- Commercial Overdrafts or Lines of Credit
- Crowd Funding
- Equipment Loans

### Investment Products

- Investment Funds
- Trading in Bonds, Commodities, Currencies, Derivatives and Equities
- Unit Trusts

### Superannuation, Pension and Insurance Products

- Insurance / InsurTech
- Superannuation

### Deposit and Savings Products

- Cash Management Accounts
- Deposit Accounts
- Savings Accounts
- Savings and Transaction Accounts

### Payment and Transaction Services

- Cash Passports
- Credit Cards
- Debit Cards
- Digital Currency
- Merchant Acquiring
- Payment Processing
- Prepaid Cards
- Remittance (Domestic and International)
- Stored Value Cards
- Transaction Services

### Investment and Wealth Management Products

- Asset Management
- Discretionary Portfolio Management
- Financial Planning
- Robo-Advisors

### Personal Lending Products

- Buy Now, Pay Later
- Cash Advance Loans
- Debt Consolidation Loans
- Early Wage Access
- Medical / Dental Loans
- Mortgage Broking
- Peer-to-Peer Lending
- Personal Loans



# Channel Risk<sup>^</sup>



## 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
- ✓ Correspondent Banks
- ✓ Insurance Agents
- ✓ Mortgage Brokers / Loan Originators
- ✓ MSBs / Remittance Agents
- ✓ 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
- ✓ Clearing Houses / Payment Processors
- ✓ Crypto Exchange / Digital Asset Partnerships
- ✓ Digital Wallets / Stored-Value Facilities
- ✓ Fax or Email instructions
- ✓ Mail / Postal Instructions
- ✓ Mobile Banking Apps
- ✓ Open Banking / APIs
- ✓ POS Terminals / Merchant Payments
- ✓ SMS Banking
- ✓ Social Media / Messaging Apps
- ✓ Telephone Banking

<sup>^</sup>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<sup>^</sup>

-  **Higher Risk Business Operations**  
Geographic footprint of business locations.
-  **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 Customer Type (Individuals)**  
Higher risk individual customers and country risks and Residency, nationality or citizenship.
-  **Country Risk by Transaction**  
Transaction volume and values by country.

<sup>^</sup> 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

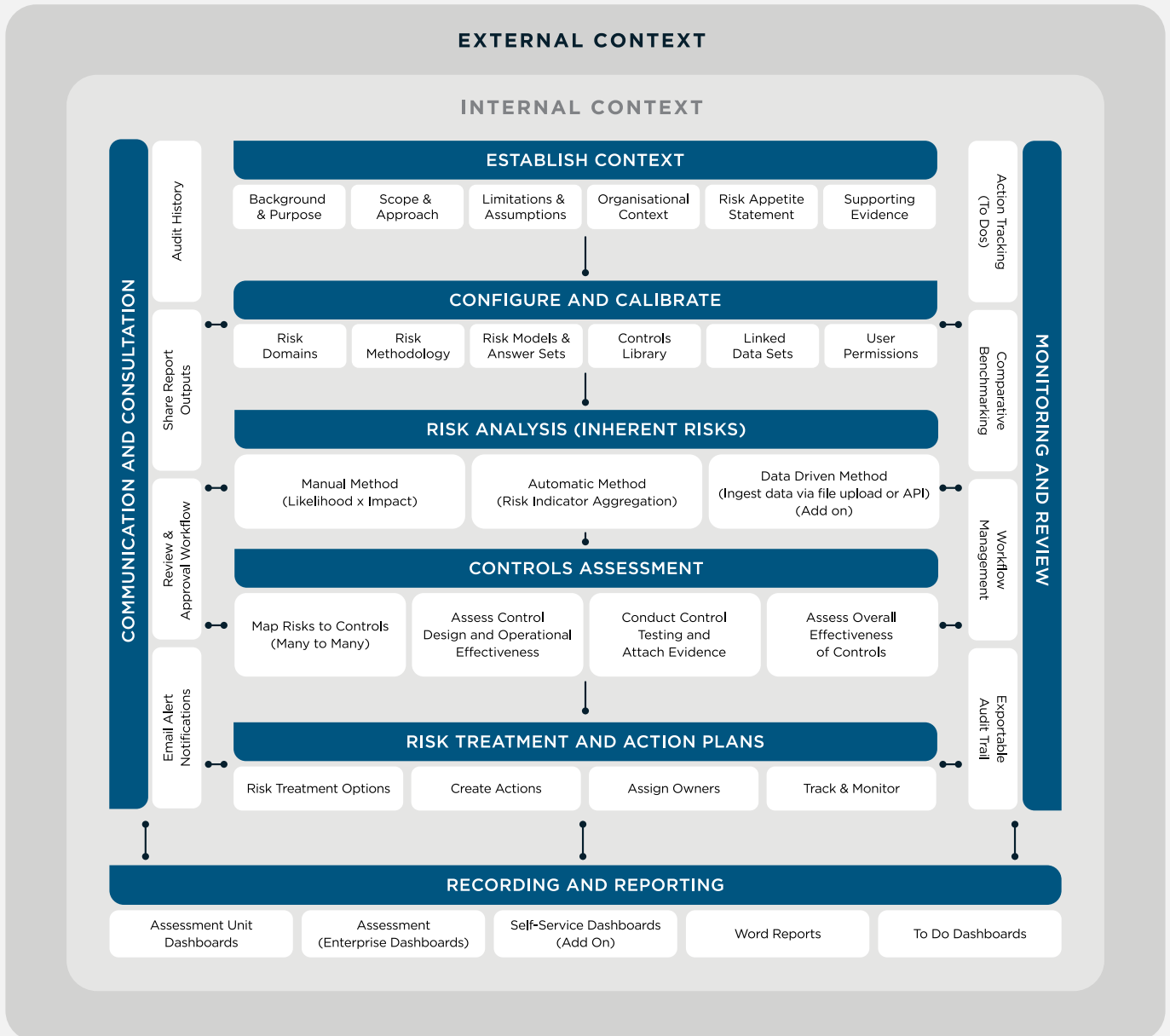
-  Highly configurable so you can tailor the platform to suit your needs
-  Digitise and automate by ingesting data via API or file upload
-  Import your own risk and controls or use our expert-built risk domains
-  Track, monitor and report on actions, issues and incidents
-  Flexible risk methodology,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

# Why choose the Risk Assessment Platform?

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



### EMEA



### AMERICAS



## 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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