

Money Laundering, Terrorism and Proliferation Financing Risk and Control Module for High-Value Goods Dealers

High-value goods dealers are attractive to organised criminal networks because they trade in luxury assets - such as vehicles, yachts, artwork, jewellery, antiques and designer goods, that can be purchased, resold or transferred to disguise the origin, ownership or value of illicit funds.

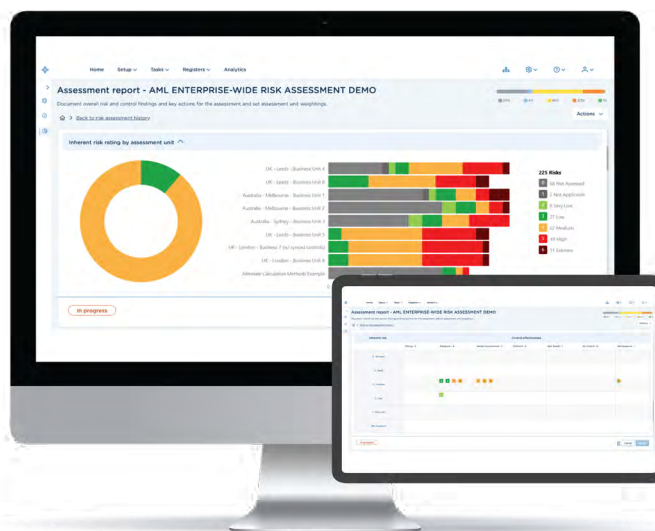
Criminals may exploit these transactions through cash purchases, over- or under-invoicing, use of intermediaries or rapid resale to integrate criminal proceeds into the legitimate economy. To mitigate these risks, it is essential that high-value goods dealers maintain a robust, enterprise-wide money laundering, terrorism and proliferation financing risk assessment framework.

By systematically identifying and assessing their exposure to financial crime risks and by evaluating the design and operational effectiveness of their mitigating controls in a manner appropriate and proportionate to their nature, size and complexity, they can strengthen compliance, protect their brand reputation and preserve the integrity of the luxury goods market.

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

Play Video Demo
Automation

Play Video
High Value Goods Dealers

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 High-Value Goods Dealers:

- ✓ Art, Antique and Antiquities Dealers
- ✓ Auction Houses
- ✓ Cash-in-Transit (CIT) Service Providers
- ✓ Jewellers, Luxury Watch and Timepiece Dealers
- ✓ Motorised Vehicle Dealers
- ✓ Other Luxury Good Providers
- ✓ Pawnbrokers and Secondhand Dealers
- ✓ Precious Metal and Stone Dealers
- ✓ Private Vaulting Services
- ✓ Rare Collectibles and Memorabilia Dealers
- ✓ Safety Deposit Box Services

What's included in the risk and control module?

Each of our expert-designed risk modules contain an Enterprise-Wide 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**
Higher Risk Environments; Higher Risk Relationships and Higher Risk Regulatory Environments.


Internal Threat Environment

- ✓ **Exposure to Internal Risks**
Higher Risk Business Operations; Governance and Oversight; Program Alignment to ML/TF/PF Risks; Business Location Risks; Business Activity Risks; Employee Risks and Outsourcing Risks.

Customer Risk


-  **Customer Base Profile**
Customer Type (Individuals and Entities); Customer Location and Changes in Customer Base Profile.

-  **Customer Legal Form Risk**
Customer Distribution by Customer Type and Higher Risk Customer Types.

-  **Politically Exposed Person (PEP) Risk**
PEP Distribution and Changes in PEP Profiles.

-  **Customer Location Risk**
Customer Location Distribution and Changes in Location Profiles.

-  **Customer Industry / Occupation Risk**
Customer Distribution by Industry / Occupation.

-  **Customer Activity Risk**
Politically Exposed Persons, Sanctions Risk or Proliferation Financing Risk, Customer Behaviours, Profiles and Activities; Customer Risk Profiling and other Risk Factors.

Industry Red Flag Risk

- Customer Behaviour and Due Diligence Evasion
- Misuse of TCSP Services
- Ownership and Identity Concealment
- Transactional Red Flags
- Unusual of complex business structures

Product and Services Risk

- Art, Antique and Antiquities Dealers
- Auction Houses
- Cash-in-Transit (CIT) Service Providers
- Disbursing Assets
- Jewellers, Luxury Watch and Timepiece Dealers
- Motorised Vehicle Dealers
- Other Luxury Good Providers
- Pawnbrokers and Secondhand Dealers
- Precious Metal and Stone Dealers
- Private Vaulting Services
- Rare Collectibles and Memorabilia Dealers
- Safety Deposit Box Services

Channel Risk



Direct Channel Risk

Non-Face-to-Face Onboarding.



Indirect Channel Risk

Use of third-parties to onboard customers.

Transaction Risk



High Risk Transaction Types

Higher Risk Transactions; Transactions involving Third-Party Intermediaries and Customer Behaviours related to Transactions.

Country Risk[^]



Higher Country Risk

Exposure to higher risk customers; Residency, Nationality or Citizenship (Individuals) and Country of registration, incorporation, domicile or operating in (Entities).

[^]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



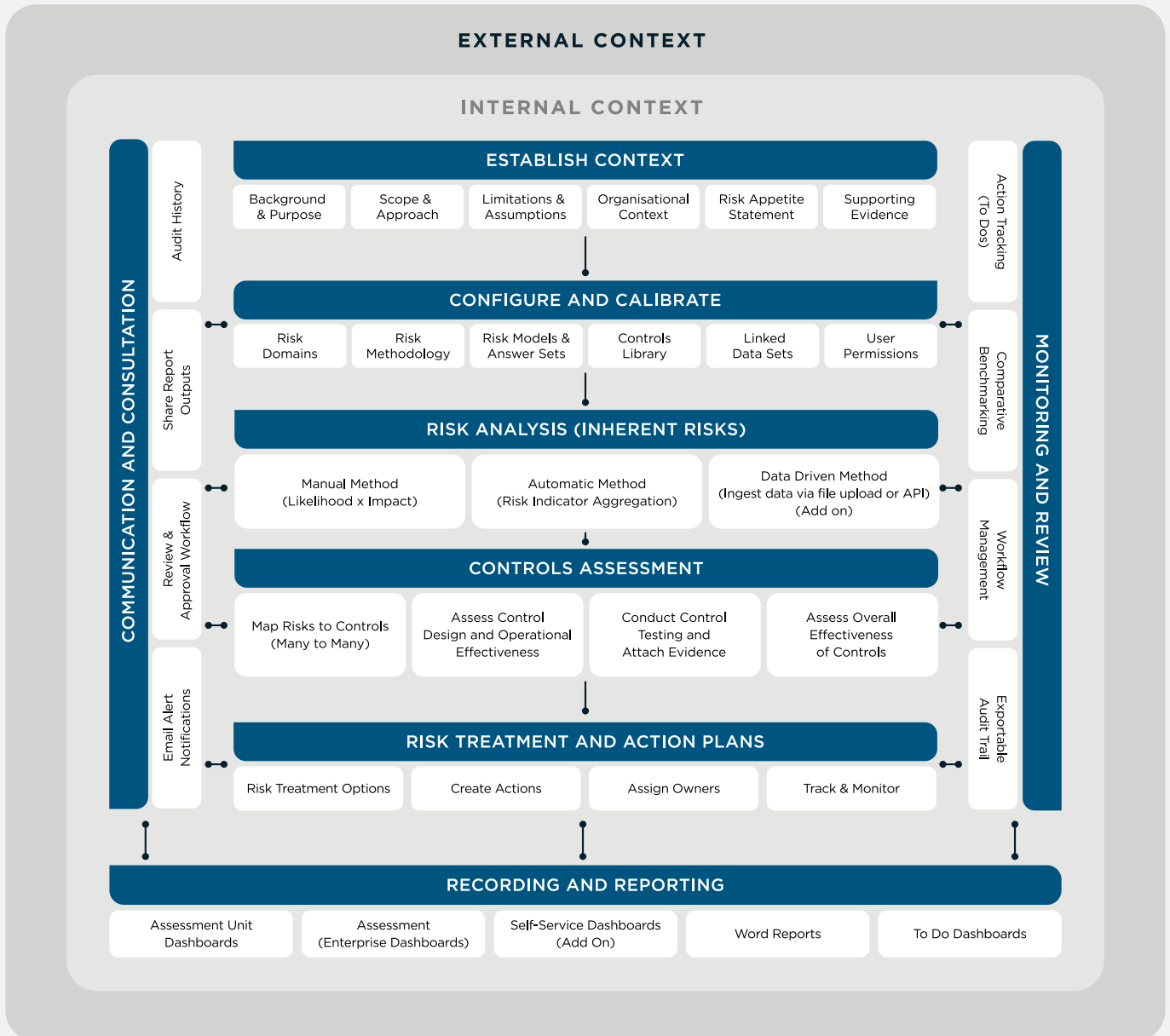
Fully hosted in a secure cloud with dedicated support

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.



Compliance. The smart way.

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