



# Money Laundering, Terrorism and Proliferation Financing Risk and Control Module for Virtual Asset Service Providers (VASPs)

Virtual Asset Service Providers (VASPs) are attractive targets for organised criminal networks because they facilitate rapid, cross-border and often pseudonymous value transfers across a diverse ecosystem of exchanges, wallets and tokenised instruments, creating opportunities to place, layer and integrate illicit proceeds through complex on-chain transactions, mixers, peer-to-peer trades and opaque intermediary services.

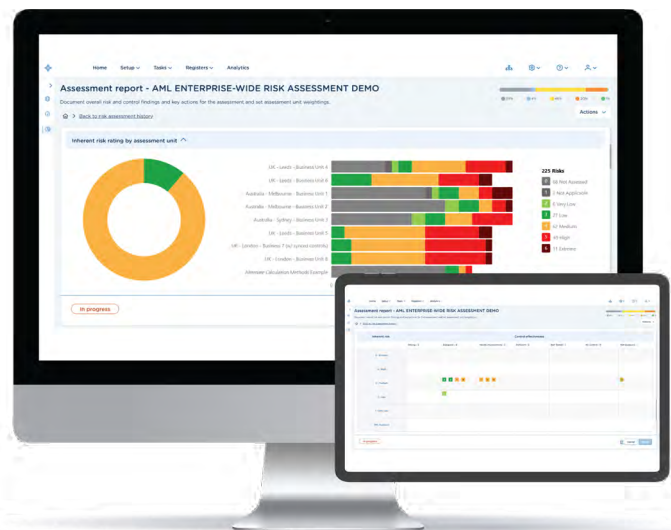
Given the speed, technical complexity and evolving regulatory landscape of virtual assets, it is essential that VASPs implement a robust, enterprise-wide money laundering, terrorism and proliferation financing risk assessment framework that identifies unique crypto-specific threats, assesses exposure across products and channels and tests the design and operational effectiveness of mitigating controls.

By doing so in a manner proportionate to their size, business model and technological complexity, VASPs can strengthen compliance, protect customers, meet regulator expectations and sustain market trust as the digital-asset ecosystem matures.

## 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  
*Virtual Asset Service Providers*

## 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 Virtual Asset Service Providers (VASPs) :

- ✓ Blockchain Asset Platforms
- ✓ Crypto and Fiat Exchange Providers
- ✓ Crypto Asset Managers
- ✓ Crypto Brokers
- ✓ Crypto Custodians
- ✓ Crypto Exchanges
- ✓ Crypto OTC Desks
- ✓ Crypto Payment Processors
- ✓ Crypto Trading Platforms
- ✓ Decentralised Finance (DeFi) Platforms
- ✓ Digital Asset Exchanges
- ✓ Digital Currency Providers
- ✓ Digital Token Providers
- ✓ NFT Marketplaces
- ✓ Virtual Asset Custodial Service Providers
- ✓ Virtual Asset Service Providers (VASPs)
- ✓ Virtual Currency Exchanges
- ✓ Virtual Wallet Providers
- ✓ Web3 Financial Services

## 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

Deposit and Savings Products; Payment and Transaction Services; Personal Lending Products; Commercial and Business Lending Products; Trade and International Finance; Investment and Wealth Management Products; Investment 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.

### Cross Border and Intermediary Services

- Cross-Border and Intermediary Services
- Cross Jurisdictional Value Transfer Services
- Message Passing in a Value Transfer Chain

### Custodial Services

- Custodial Services
- Custodial of Digital Asset Services
- Custody of private key services

### Digital Currency Exchange Services

- Brokerage and Arrangement Services
- Fiat to Virtual to Asset Exchange Services
- Virtual Asset-to-Virtual Asset Exchange Services

### Issuance and Fundraising Services

- Crowdfunding and Fundraising Tokens
- Initial Coin Offerings (ICOs) and Token Sales
- Issuance and Fund Raising Services
- Token Structuring and Advisory

### Transfer and Payment Services





- Accepting Virtual Assets as Payment
- Payment Services
- Transfer and Payment Services
- Transfer of Virtual Assets

### Wallet Services





- Hosted Wallet Services (Custodial Wallets)
- Unhosted Wallet Interfaces
- Wallet Services

^ Our separate product and services risk model contains different products and services offered by virtual asset service providers and includes ML/TF/PF risk factors aligned to the features and characteristics of each.

## 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

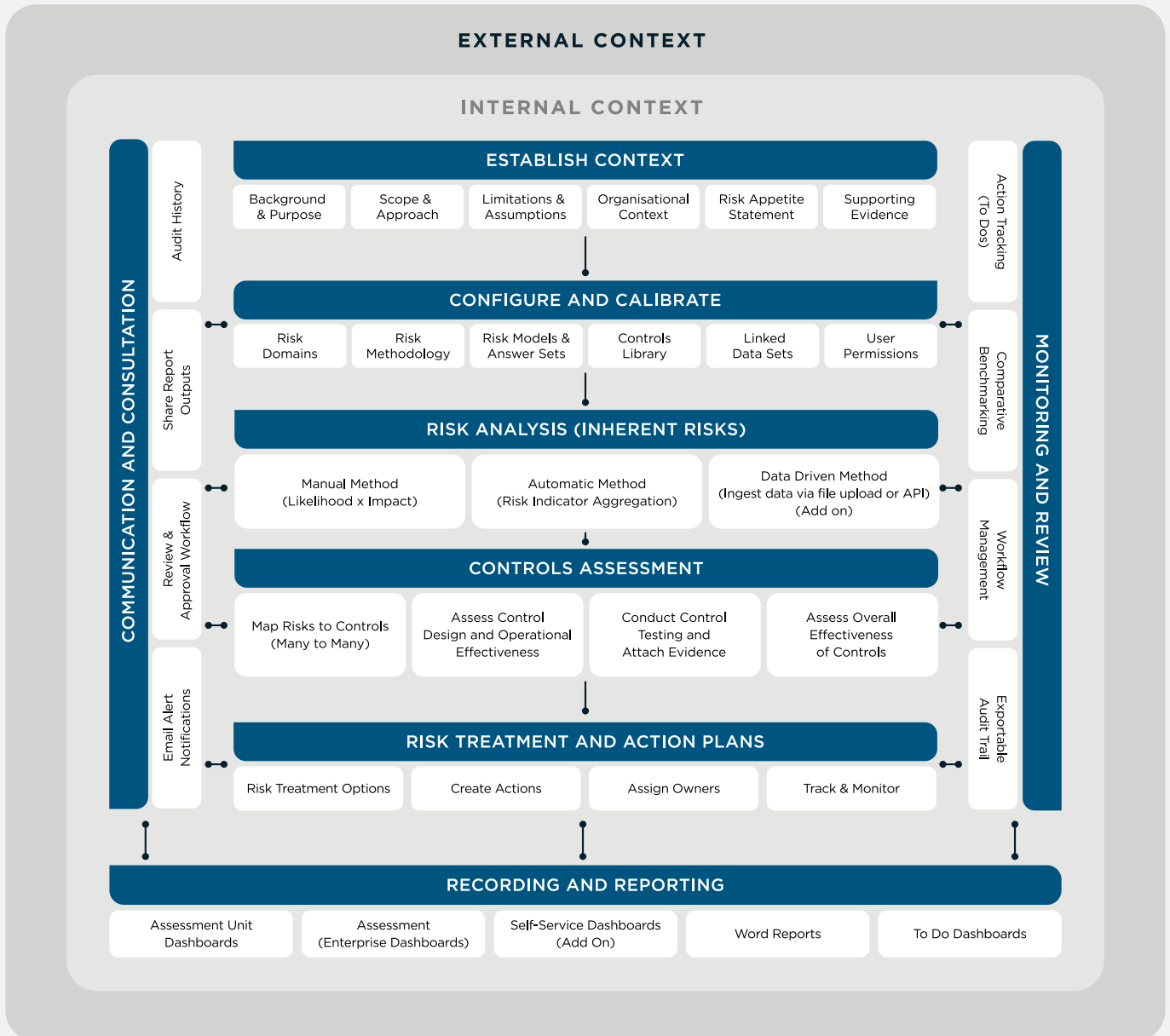
-  Highly configurable so you can tailor the platform to suit your needs
-  Digitise and automate by ingesting data via API or file upload
-  Import your own risk and controls or use our expert-built risk domains
-  Track, monitor and report on actions, issues and incidents
-  Flexible risk methodology, 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.



Compliance. The smart way.

VISIT OUR WEBSITE

BOOK A DEMO TODAY