



Financial Crime Compliance

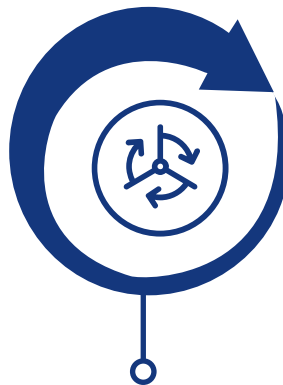
It is no longer sufficient to 'go it alone'

Forensic 

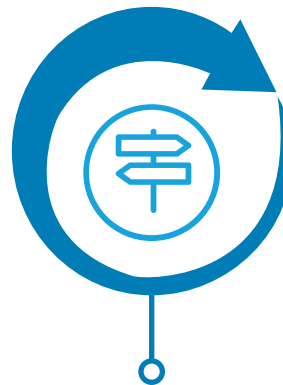
The issue at hand

Negative publicity, damage to corporate reputation and loss of goodwill, legal and regulatory sanctions and adverse effect on the bottom line – are all possible consequences of an organization's failure to manage the risk of financial crime. With regulators adopting stricter regulations on financial transactions and enhancing their enforcement efforts, institutions are facing increased complexities in being compliant.

With penalties for non-compliance only getting steeper, what financial institutions need to focus on today are not only the costs that need to be incurred on remedial measures but also improve processes and operational controls to help mitigate these risks in the future.



Financial services organizations are struggling to manage and control elements of financial crime.



The threat of financial crime runs the gamut of financial fraud and abuse, such as money laundering, bribery and cybercrime. It has therefore become too broad to be handled by established divisions or departments.



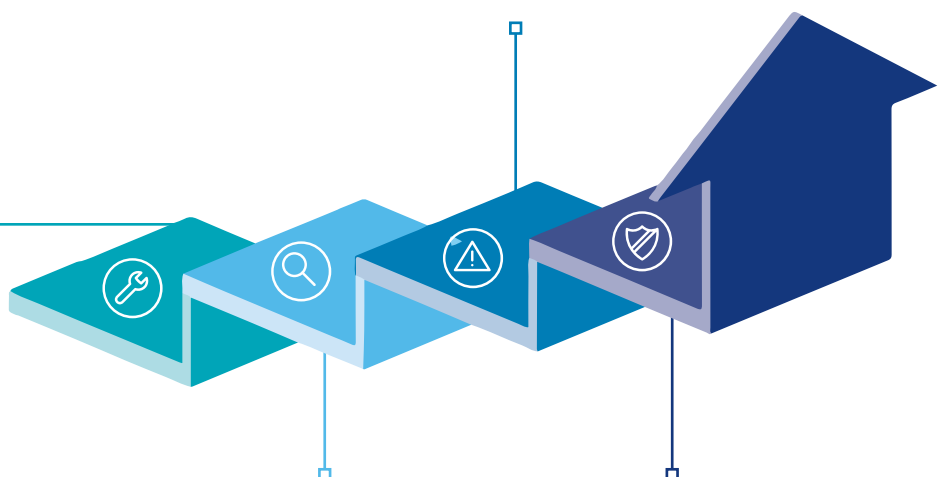
An enterprise-wide approach is essential and should leverage new analytical software tools.

The Financial crime lifecycle

"Just because your bank's compliance challenges are unique does not mean you must tackle them alone"

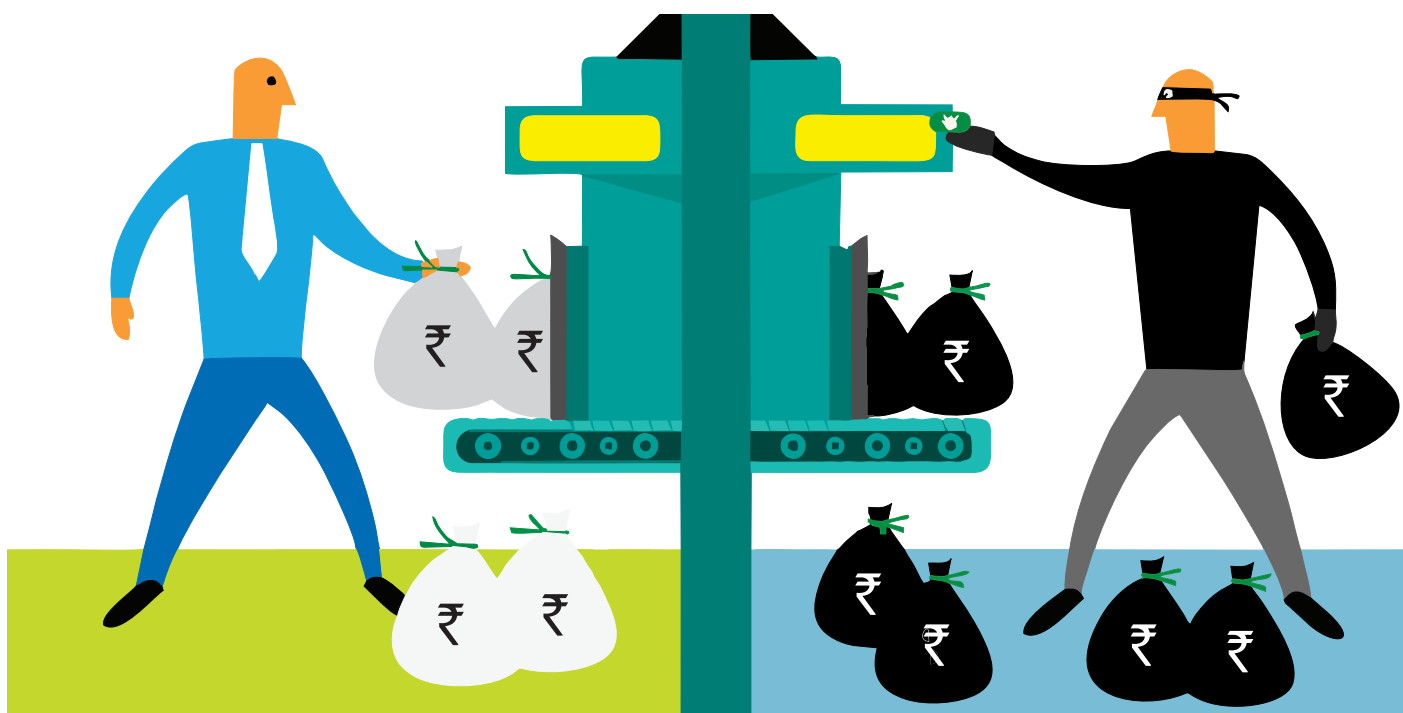
Prevention and detection: Reducing financial crime incidents and identifying early issues and risks by implementing effective operational controls. The focus is on enterprise fraud and misuse management using integrated technology platforms and advanced analytic.

Monitoring and testing: Assessing financial crime systems and policies to ensure they are efficient and tailoring systems to meet changing internal and external threats.



Investigation and remediation: Assessing allegations of fraud or financial mismanagement, responding to government regulatory requests, and helping financial services organizations remedy issues and prevent their recurrence. This involves data assessment, e-discovery, understanding relevant laws and regulations, and undertaking cyber response activities.

Compliance: Acting in accordance with the requirements of relevant authorities by implementing governance structures and financial crime strategies.



What we can do for you

Regulatory compliance | Anti-money laundering (AML) services

Developing or enhancing your AML framework and/ or target operating model based on regulatory requirements and leading industry practices	We have advised several financial institutions including global financial institutions in enhancing their AML framework and/ or target operating model. This includes undertaking gap analysis vis. a vis. local regulatory requirements, their global AML policies/ procedures and benchmarking them against industry practices.
AML training for employees to facilitate knowledge and capability building	We have helped conduct AML awareness/ training workshops for senior as well as middle management. This entails a comprehensive program tailored to every organization's culture and product base to train and create awareness amongst staff on key AML issues.
AML due diligence	We have helped clients in getting clarity on the target's business profile; KYC procedures; existing systems and controls; and overall compliance with AML legislation as part of a pre-acquisition review of the target's AML systems and controls.
Assist in transaction look back exercise	We have assisted clients in undertaking a review of historical transactional data with respect to sanction screening and reporting of SARs (suspicious activity reports).
Implementation or enhancement of your transaction monitoring system	We have assisted Global and Indian clients in enhancing their transaction monitoring systems; including reducing false positives, enhancing/ developing the alert clearing process as well as quality assurance of their alert clearance process.
Client on-boarding and remediation programs	We have assisted clients in India as well as globally with planning and implementing account remediation/ periodic refresh exercises using an offshore model with inbuilt quality assurance processes and tools to manage this process effectively.
AML Investigation	We have undertaken some of the largest AML investigations in the country. We also have experience of having undertaken investigations on behalf of regulators for some of the largest financial institutions in the country.

The International Monetary Fund estimates the amount of money laundered globally in one year is between 2 to 5% of the global gross domestic product (GDP).

Financial services: Banking



Fraud risk management - We have helped several financial institutions in undertaking a review of their portfolio and enhance their fraud risk framework. The team has experience of undertaking work in retail and commercial asset portfolios and cybercrime risk.



Stressed asset management - We have worked with a number of Banks and consortium of banks in undertaking a forensic review of the stressed asset portfolio to identify misuse of facilities granted by the bank including diversion/ siphoning of funds. We have undertaken more than 20 forensic audits which included three entities that were part of the top ten NPA accounts in India.



Forensic audit - We have assisted regulators in undertaking a review of non-performing assets (NPAs) declared by the Bank and under-reporting, if any. This included determining the actual value of NPAs, reviewing the systems and its deficiency, top management involvement, if any.



Forensic data analytics/ Early warning system - Based on our experience of working with other financial institutions, our tools have been customized to identify patterns, nonobvious relationship identification and inductive analysis techniques to analyze your customer and transactional data which can identify potential outliers in the data, helping identify fraud risks sooner than later.



Investigation - We have assisted Banks, Regulators and the Ministry of Finance in undertaking various investigations into allegations regarding employees including top management and determining process weaknesses leading to the incident.



Financial services: Insurance

Enhancement of fraud risk management framework

- We have helped several life and non-life insurance companies in undertaking an independent assessment of their processes, identified gaps and recommended measures to enhance their fraud risk framework. The team has extensive experience of working across the entire insurance value chain from customer acquisition to policy management and service to claims management. We also support by carrying out strategic interventions wherever required so as to enhance the existing fraud management framework in their companies – by preparing an anti-fraud policy, by training their resources, by recommending and supporting implementation of a governance structure and framework.

Setting up of fraud control units - Since the fraud management space in the Indian insurance industry is still evolving, we also help insurance companies set up their fraud control units – by putting in policies, procedures in place as well as loan staffing.

Investigation of market abuse cases

- We are the only Big 4 in India to have investigated all the high profile market abuse cases that have taken place across different types of capital market entities – asset management companies, brokerages, etc. These cases have also involved us working in close conjunction with the regulator.

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Claims management - We have worked with a large number of insurance companies – especially on the non-life insurance side – in developing a fraud analytics solution for the claims management space. The solution involves setting up of customizable business rules for the client which then enables the company to identify high risk claims at the claims notification stage itself and undertake enhanced due diligence measures for such claims.

Customized investigation procedures - We have carried out claims investigation engagements in cases which are of sensitive nature or involve high claims pay-out. These type of investigations involve carrying out market intelligence procedures to identify if these are instances of fraudulent claims. We have supported insurance companies in carrying out mystery shopping exercises to check the efficacy and effectiveness of their anti-fraud controls. This has been across multiple areas including sales, distribution, customer service and claims.

Insider Trading - We have also worked with a few companies across different sectors to investigate into allegations of insider trading made against senior management personnel.



Select relevant forensic credentials in the financial sector

We have worked with multinational and domestic banks in the private and public sector, regulatory bodies and the government institutions to ensure enhancement of anti-fraud frameworks and financial crime compliance.

Assisted a large global bank with reviewing and remediating more than 65,000 client files across multiple line of businesses to comply with revised standards of the Bank on a managed services model.

Assisted a multinational bank with AML/KYC policy and procedures gap analysis subsequent to a revised AML global standards roll out. The engagement also included assisting the bank with reviewing and KYC upliftment for high and medium risk customer files for its India operations.

Undertook forensic audit on more than 20 financial institutions to assess the quantum of loss to the banking system by a borrower.

Conducted a detailed forensic review into money laundering allegations raised during a sting operation.

Assisted a global bank in review of its Offshore Banking Business in light of heightened global issues around offshore banking. This included review of their AML framework and sample KYC compliance review of client files.

Helped implement a new AML Target Operating Model for enhanced regulatory compliance.

Conducted a review to enhance a bank's fraud risk framework, alert scenarios, and also reviewed select asset portfolios.

Assisted the bank in the implementation of the AML transaction monitoring and sanctions screening solution for their operations across the globe, including India, and helped enhance and optimize the alert clearance framework.

Reviewed a bank's wealth management process and internet banking facilities to further enhance their FRM framework.

Investigated allegations of fraudulent overdraft facilities against fixed deposits.

Implemented an integrated framework to manage the risk of financial crime across the customer lifecycle.

Assisted a bank in reviewing and identifying gaps in the sanctions compliance framework.

Engaged to restructure and integrate the compliance function within a global organization.



Why choose Deloitte's Forensic practice in India?

Deloitte has been at the forefront of providing services to help clients - especially for some of the leading financial institutions - to help deal with myriad business and compliance issues presented by financial crime.

Financial services focused Forensic practice:

Drawing on in-depth sector experience and forensic domain knowledge on engagements

Sounding board for Government agencies and market regulators:

Long standing and trusted association with regulatory authorities

Diverse team skill sets: Drawing on our expertise and qualifications – our capabilities spread across the financial domain as well as varied others such as chartered accountants, CFEs, forensic accountants, economists, mathematicians, computer forensic specialists, engineers, lawyers, and professionals with law enforcement experience



Dedicated industry experts: We have one of the largest financial sector focused teams (within the forensic practice) in India

Unparalleled 'Senior Management' Forensic experience: Collective Partner-Director experience of over 250 person years

Marquee credentials: Appointed to conduct majority of the headline making, high profile investigations in India

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