AI enhanced surveillance alert disposition

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Organizations can improve quality and efficiency of trade surveillance alert reviews by using AI/GenAI to disposition alerts or assist analysts in their reviews and alert closures

Common Challenges / Opportunities

Manual Intensity in Surveillance Reviews

- Alert investigations are manual and resource-intensive.
- Process involves assessing alert data to assess risk and determine alert validity.
- Alerts are either closed with no finding or escalated as a potentially suspicious cases.

Trade Surveillance Use Case

AI-driven Consistency & Efficiency

- AI and automation improve alert review quality and consistency.
- Streamlines operations and reduces costs.
- Scales solutions, enhancing efficiency and robustness in financial institutions.

Value Proposition

Enhancing Risk Management with AI Insights

- Boosts efficiency by pre-identifying less productive alerts
- Enables resources to focus on higher-risk alerts
- Speeds up documentation with explanatory alert disposition comments.
- Uncovers risk insights that is invisible to the human eye.

Manual Process Today

- Manual **labor-intensive review**
- Requires **additional data sources for effective reviews** not captured in the alerts
- Prone to **human error**
- **Inconsistency** in analysis & decisions

Surveillance

Analytics + **AI/GenAI** + **Accelerated Closure**

Reduced Investigation Hours

50 - 60%

Estimate is based on results of POCs and steps taken to semi-automate similar processes.

Converting data into readily available reviewer insights through AI/GenAI

AI for trade surveillance reviews applies the same analysis human analysts perform manually today along with historic alert dispositions to generate a next step recommendation for human action with a precompiled risk narrative resembling an actual investigator disposition

Activity Analysis

Analytics

- Model calculates risk factors based on desktop procedures/test scripts and reviewer experience, such as:
  - Trading value /volume
  - High risk accounts /clients
  - Market Volatility
  - Impact on indicative price
  - Historical Trading pattern (Alerted activity vs. General pattern)
  - Historical alert disposition
- Improved results with external systems integration
  - Market Data – to analyze price impact on market
  - Systems – for account/books/desk data
  - Systems – for packaged trade/compression trade
  - Systems – for transaction data
  - E-communications data

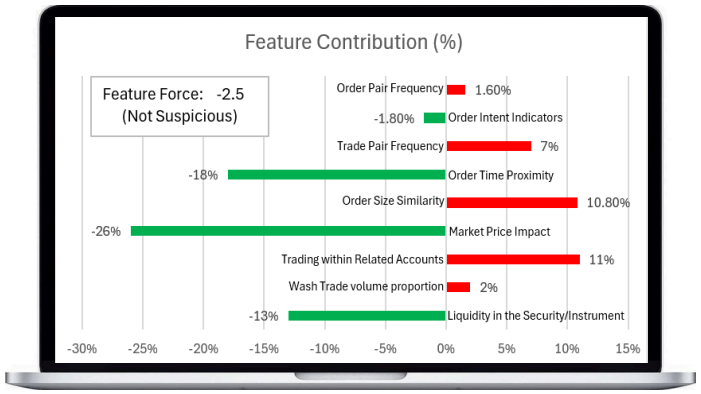
✓ ***Data Aggregation***

Risk-based Prioritization

AI

- Score and prioritize each alert according to risk:
  - Low risk alerts (80 – 95%) – based on alert data + model enrichment, trading activity is not indicative of market abuse/manipulation auto-dispositioned
  - High risk alerts (5 - 20%) – analyst to assess alert information along with additional data enriched by the model
- Cluster alerts based on similar characteristics and historic dispositions

✓ ***Volume Reduction***



Risk Explainability

GenAI

- Apply GenAI to generate plain text risk narrative explaining rationale for the alert disposition and closure
- Automatically generate a structured alert disposition narrative highlighting relevant risk factors/attributes to be reviewed by trade surveillance analyst
  - Profile of the activity
  - Risk factors and their relevance
  - Data attributes for alert closure

✓ ***Time Savings***