

# INTERNATIONAL COMPLIANCE ASSOCIATION FEATURES THOUGHTS FROM FINANCIAL CRIME EXPERTS

## VIDEO TRANSCRIPT

### **Beyond Regulation: International Compliance Association**

The risks faced by financial services organizations have changed dramatically in recent years. Today's risks include not just financial crime but also cybersecurity and reputational damage. Accenture has brought together a number of thought leaders to discuss the innovative approaches they're taking centered around the use of new technologies, analytics, robotics, culture and process.

Financial crime underpins almost every other serious crime from financing drug crime human trafficking modern-day slavery these are often carried out by sophisticated networks of criminals who take advantage of geopolitical shifts and advances in technology and data to carry out their crimes.

#### **Vanessa Cuddeford, reporting**

Criminals of course try to cover their tracks but some of their transactions do stand out putting banks on the front line of prevention. The global size and scope of HSBC means that it's well-placed to spot those criminals and their networks.

Banks devote huge resources into developing ever more sophisticated techniques to uncover and stop threats.

#### **Jennifer Calvary, Global Head of Financial Crime Threat Mitigation, HSBC**

First of all we can support a strategy of transparency globally with governments, so looking to make the entire system more transparent. Secondly, we can harden the target so here at HSBC what can we do to erect the strongest controls possible. And then third

is really harnessing technology and data and making sure that we're using that to get to a place in the future where we understand and can see criminal behavior in as near real-time as possible.

**Reporter**

New FinTech is already making it possible for banks to find out more about criminal networks than ever before. Their transactions leave a data footprint and analytics can start to paint a picture of what they're up to.

**Vishal Marria, CEO, Quantexa**

Over the last sort of five to seven years there's been huge change within Technology Analytics is critical in fighting financial crime and many banks are using a range of analytical techniques to do this. These technologies are using a range of different data elements to better manage the risk, so things such as names addresses telephone numbers but also transactional data.

**Reporter**

It's one thing to have this data it's another to know how best to use it and these new technologies bring with them challenges.

**Adam Markson, Managing Director, Accenture Finance & Risk**

There are a number of things other banks need to overcome to move down this path. The first is there is a continuing story about getting the data right for analytics. The second I think is that we need to look at the security around that data, there are a number of security regulations and privacy concerns that need to be dealt with. But perhaps one of the more significant ones is the need to work with the regulators and to work with other institutions to build up an acceptance about how these types of models and machine learning tools will be used in practice and regulated.

**Reporter**

Regulators are expecting more and more from banks and dealing with financial crime and it has become a board-level issue. Many banks are having to change their own internal structures to meet the challenge.

**Adam Markson**

It's important to create solutions for financial crime by bringing together multiple different disciplines within banks. Some banks are quite good at this and are already starting to break down those barriers. Some have got further to go. For example, we see the customer due diligence and transaction monitoring components need to come together. There's also discussion about whether banks should be sharing information between each other to aid the fight against financial crime.

**Reporter**

Banks know there's a way to go and that collaboration will be the key to success.

**Jennifer Calvary**

if we're smart, if we act strategically, what we expect this to lead to over time is a fundamental transformation on how we do want to work and how the public sector and private sectors work together to go after financial crime.

**Reporter**

Just as criminals rely on networks, those fighting them need to create networks too, within organizations and outside. It's business critical and vital for the good of society as a whole.