

Banking **CIO** Outlook

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EDITION



IMTF

Modular-Approach to Regulatory Compliance



The Great Recession of 2007-2009 has certainly left an unforgettable mark on the financial industry. Its cause was a combination of vulnerabilities that developed in the financial system, including the cheap credit and lax lending standards of financial institutions, which ended up giving bad housing loans to borrowers without conducting sufficient risk analysis. The colossal losses faced by all the involved financial institutions and investment

stakeholders and the related decline in the market and economic crisis that lasted well over several years, causing a major overhaul of the regulatory and compliance requirements imposed on financial institutions. Over the years, similar unfortunate incidents—although not as disastrous—in different segments of the financial services industry have prompted regulatory agencies to continually upgrade and tighten their regulatory infrastructure. The rise in digital consumption due

to the COVID-19 pandemic as well as an increased adoption of blockchain-based currencies and assets are among the latest developments that have similarly introduced new unknowns and (compliance) risks for financial institutions.

Today, as the financial services industry faces a new paradigm shift with the rise of digital payments and cryptocurrencies, regulatory agencies are, again, becoming warier and preparing to protect the industry from another ‘economic upheaval.’ They believe that the lack of regulatory standards around cryptocurrencies will attract illicit activities like money laundering, terrorism financing, and financial fraud, among others. With these looming threats on one side and the inevitable, ever-evolving regulatory compliance shift on the other, financial institutions today are indeed caught between a rock and a hard place. At this juncture, coming to their rescue is IMTF—a company that offers a robust range of digital solutions to not only ensure the financial institutions’ compliance with the progressing regulations but also secure them against illegal activities such as fraud and money laundering.

Headquartered in Switzerland and with subsidiaries across Europe, the Middle East, and the Asia Pacific, IMTF serves clients from all over the world. The company is a global leader in software and IT services for banks and financial institutions, offering a portfolio of compliance and risk management solutions. The company’s groundbreaking solutions include anti-

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Currently, by integrating blockchain monitoring technology into its regtech platform, IMTF is helping clients manage their customers’ KYC, contain money laundering risks related to crypto currencies and assets, and gain visibility into the customer’s financial behaviour. The solutions offered by IMTF’s platform are not only providing financial institutions greater transparency around their clients’ (potentially risky) activities in the crypto space but are also enabling them to be ready when such activities occur. In fact, the modern, efficient, and ML-enabled alerting feature offered by the company’s platform sends automatic notifications and empowers compliance teams to treat threats more efficiently, saving precious manual effort and improving case outcomes and time to resolution.

While crypto monitoring is the newest addition to the company’s USP, its centralised platform also comprises multiple modules designed to address other compliance needs of its clients. Notably, IMTF’s regtech platform offers a case management module to treat compliance-related alerts, cases and documents in a collaborative manner across today’s

mostly siloed and isolated teams within large institutions. Alongside, its AI-enhanced anti-money laundering module (powered by the anti-money laundering pattern and risk detection engine) and fraud detection module enable clients to monitor monetary transactions and counter any suspicious activities. The regtech platform also comes with a ML-based name screening module for identity screening and resolution, and a background search module with automated and real-time search and filtering capability. Besides, a next-generation customer risk scoring module and an automated regulatory reporting tool complete the platform’s offering. These modules, combined, ensure that financial institutions are always one step ahead when it comes to risk and compliance management.

“Our platform also comes with cutting-edge enterprise digitalisation tools to automate information, processes, and more,” says Hicham Hiddak, head of service delivery, IMTF. The regtech platform combines the power of automation, AI, and analytics to deliver accurate risk and profile calculations. The ML algorithms utilised by the platform not only can learn from historical user patterns and decisions but also adapt continuously to new user behaviours, thus ensuring that the clients can detect any fraudulent activities with pinpoint precision and reduce false positives. Owing to

these capabilities, IMTF's clients can easily break down the barriers of legacy compliance infrastructures, capitalise on new opportunities, and even seamlessly adapt to regulatory changes.

Having said that, IMTF also firmly believes that leveraging the benefits of technology isn't limited to mere digital transformation or regulatory compliance; it is also about empowering organisations to change their corporate and work culture that fosters a safer financial environment. So, unlike most companies that only focus on technology, IMTF goes the extra mile in facilitating a culture change in client organisations so that every employee can leverage the implemented solutions to their full potential.

IMTF's clients can also rely on a highly qualified consultants with in-depth compliance knowledge and international experience to find the right mix between technology and organisation. There is no need to find a compromise between these two factors. Combined with its modular approach, IMTF offers the possibility to "start small and scale smart." This means initial scope can be limited to specific modules that clients need most while giving them the flexibility to add on additional modules later on as they scale up their businesses or need to comply with new regulations.

By leveraging its capability to design new compliance strategies and the experience to deliver complex projects, IMTF clients end up getting a holistic picture of all available contextual data and documents, which means they can always have all the compliance-related information ready at hand at all times.

Then, depending on the client's existing or targeted organisation, the Compliance Case Management platform can be combined with a Document Management module, which forms a secure and compliant repository to track and store all critical documents. All the documents are stored in a digital, collaborative e-folder, from where the client teams can easily access the compliance-related information they need anywhere, anytime.

Another particularly valuable feature in an international context is that the platform is designed to be used by financial institutions in their individual language preferences. To make it even more convenient for users, IMTF offers 'no-code' capability in its platform, so that users can configure it without relying on IT teams. Even when incorporating new workflows and tasks, the clients' business and compliance experts themselves can adapt the platform to their evolving needs without having to write a single line of code.

Driving Clients towards a Safer and Sustainable World

Today, owing to IMTF's state-of-the-art regtech platform and its employee-centered implementation process, financial institutions all around the world are seamlessly simplifying their customer lifecycle management (CLM) workflows and streamlining their compliance processes. A notable instance is when IMTF helped a digital bank in the Middle East to augment its compliance infrastructure with its robust compliance suite. IMTF equipped them with multiple modules, including an 'intelligence layer' that allows the client to keep track of all their compliance requirements, get alerts whenever they are behind on compliance tasks, and even conduct KYC reviews for customers. Moreover, IMTF enabled the client to scale the compliance suite in line with its growing customer base, while also giving them the ability to configure and iterate attack angles and scenarios. The end result? The digital bank was able to completely align its compliance infrastructure according to the regulatory requirements and secure itself against illegal activities, while also ensuring seamless services to its customers.

This is but one of the many success stories that IMTF has been scripting over the years. According to Hicham Hiddak, this has been possible not just because of the company's next-gen technology but also its foresighted workforce, which embodies IMTF's Swiss legacy of the highest quality standards at its core. "We have employees from 20 different countries who speak over 24 languages. The combination of Swiss quality standards and an international multi-cultural approach makes us a company to be reckoned with," extols Hicham.

Owing to this industrial and technical expertise, IMTF has gained international fame and the trust of several giants in the financial industry. Preparing for the next generation of challenges brought on by emerging payment technologies, IMTF has brought a new change in leadership as well. Gion-Andri Büsser has taken on the position of the new CEO and drives the company's growth with the regtech and process automation products to take on any challenges that IMTF's clients might face in the changing financial services paradigm. Looking into the future, the company aims to pursue its growth strategy, accelerate the digital transformation of financial services providers, and proactively respond to emerging global demands for compliance and anti-fraud automation solutions. The future, therefore, shines bright for the company! **BC**



Hicham Hiddak,
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