

AML RISK & COMPLIANCE

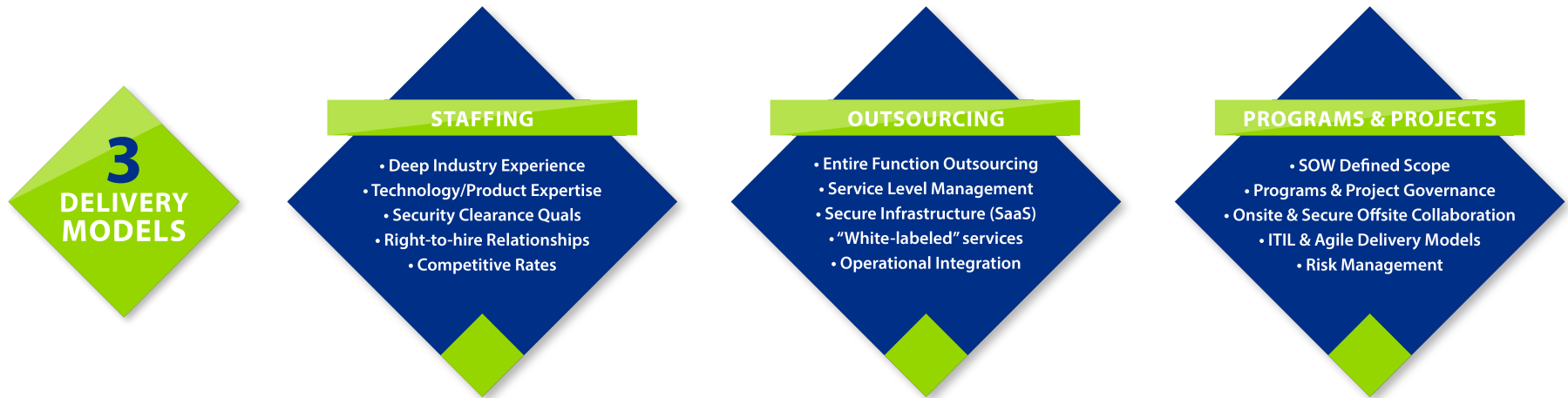




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- For over 12 years Enterprise Iron has been providing strategic, operational and technology consulting to the financial services industry.
- Our consultants average over 15 years of specialized industry experience in their respective fields.
- Our delivery models are flexible and include:





BANKING

- Opportunities as a result of deregulation
- Sarbanes-Oxley Compliance
- Dodd-Frank Compliance
- AML/CFT
- SSAE16
- Modernize business operation
- Anticipating and adapting to an ever changing regulatory and compliance environment

INSURANCE

- Maximizing value of limited capital investments
- Increase the focus on the customer with better CRM
- How to deal with 'Big Data' opportunities for their analytics
- Challenges to remain competitive in their marketplace
- Anticipating and adapting to an ever changing regulatory and compliance environment
- Optimize their investments in operational and other mission critical solutions

TRUST SERVICES

- Challenges as a result of Merger & Acquisition
- Modernizing their sub-custody servicing
- Maximizing capital investments
- How to remain competitive in their marketplace
- Adapting to an ever changing regulatory and compliance environment
- Optimize their operational solutions investments
- Better alignment with strategy



RETIREMENT SERVICES

- Pension Administration or Record Keeping solutions
- 5500 and Schedule C Compliance
- ERISA Reporting requirements
- Optimize their investments in Retirement Services solutions
- Modernize business operations
- Facing complex challenges
- Remain competitive in their marketplace
- Anticipating and adapting to an ever changing regulatory and compliance environment

WEALTH MANAGEMENT

- Challenges as a result of Merger & Acquisition
- Integrating Advisor Workstations
- Improving Customer Relationship Management
- Developing standards for Foreign Exchange processing
- Optimize their investments in mission critical enterprise solutions
- Modernize business operations
- Anticipating and adapting to an ever changing regulatory and compliance environment

BROKERAGE

- Improving straight-through processing to the DTC & FundServ
- Modernizing their mutual fund processing and trading systems
- How to deal with increasing volumes of trading
- Anticipating and adapting to an ever changing regulatory and compliance environment
- Optimize their investments in trading systems and other mission critical solutions
- Gain competitive advantage



- Due to our broad range of experience in governance and risk management at Fortune 500 companies, our teams are well equipped to handle even the largest AML/CFT projects.
- Enterprise Iron has observed that many regional institutions are often underserved and have some unique challenges.
- EI is pleased to serve the SMB sector and look forward to helping your firm stay fully compliant with the regulations governing your operations.

UNIQUE CHALLENGES FACING MID-SIZED INSTITUTIONS



- Over the past several years, large institutions have faced greatly increased pressure from regulators to run effective AML/CFT programs. Some very public embarrassments added to the focus (including the record \$1.9 billion dollar fine HSBC paid).
- This has led to a significant increase in the hiring of compliance officers, driving up prices for experienced staff. Finding and keeping good people has become difficult even for the largest firms.
- Concurrent with this is the “de-risking” trend – large firms shedding riskier clients that pose too great of a potential AML/CTF cost, forcing the clients to seek banking at smaller regional banks and credit unions without the means to hire and keep experienced compliance officers.
- The result is that regulators are now devoting increased resources towards looking at those smaller institutions.



- The current shift away from a rules-based approach to a risk-based approach is difficult, especially for regional firms.
- Risk and Compliance officers will no longer be able to simply defer to a rulebook.
- Rather, they will need to identify, understand and mitigate any risks and document them clearly. Firms will be held accountable for any decisions they make under the risk-based approach.
- Enterprise Iron has a deep bench of experienced people with the knowledge of the challenges faced by regional institutions that, despite being constrained by smaller margins than Fortune 500 firms, need to comply with the same regulations.



How compliant are we and how well do we manage risk?

Are all the technical controls in place to minimize risk?

Does operations have the skills and training to enforce compliance?

Are we avoiding or leaving markets that are too risky for their value?

AML RISK & COMPLIANCE SERVICES

Audit
Risk & Assessment

AML/CFT Solution
Implementation

Front Office
Staff Training

Pre-risking &
De-risking

Crisis Mitigation



- Enterprise Iron consultants can help your staff construct or tune your AMLRA tools, assist in the annual audits, or can conduct a full independent audit.
- Recent FATF and FinCEN guidance indicates that financial institutions should apply a Risk Based Approach (RBA) to their Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT) programs.
- The foundation of this approach suggests that internal auditors develop Audit Risk Assessment tools specific to their organizations, and that these tools are periodically updated.
- The recommendation is that an AML Risk Assessment be conducted annually.



- Once Risk models are developed, they need to be turned into controls and require software systems, processes and procedures to implement them.
- Our consultants have experience with multiple systems, and can assist in the installation, upgrading, or configuration of the software you use.
- In addition, as a firm we have long specialized in the interface between the business and IT sides of the house.
- In the case of AML/CFT, this means understanding how to construct the processes and procedures your compliance staff will use to interact with the software so as to align business processes with the risk profiles articulated in the Risk Assessment.



- While internal auditors and compliance staff have a relatively sophisticated understanding of AML/CFT requirements and processes, the client-facing staff also have an important part to play.
- Periodic training is critical especially when internal systems or processes or regulations have changed.
- Our consultants are expert at producing the sorts of materials that non-specialists can understand, and are able to run the training courses required to keep your front office staff up to date.



- Pre-risking (choosing not to enter lines of business or business sectors) and especially De-risking (closing accounts in lines of business or business sectors) are becoming widespread.
- Banks say that due to increased regulatory activities, and rising compliance costs, many sectors simply are not profitable (especially high-risk sectors, e.g., MSBs, embassies, casinos, etc.).
- Regulators, however, frown on taking a sector approach.
 - When done correctly, it can lower your risk profile and increase profitability.
- When done incorrectly, it upsets regulators, and exposes you to reputational risk. Getting it right requires experience and our consultants have the skills to help you walk that fine line.



- Regulatory audits do happen and they do not always result in the best outcomes.
- Non-compliant firms often need to bring in independent firms to correct identified flaws in processes and procedures, software, or staff training.
- Our Crisis Mitigation teams review the audit, construct a roadmap from the current state to full compliance and bring in the specialists required get the job done.
- Emphasis is placed on moving carefully, but quickly.

For More Information:

<http://www.enterpriseiron.com/industry-consulting/financial-services/aml-risk-management/>

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