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Understanding the present to predict the future.

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Problem
Overview

The fight against money laundering and terrorist financing has become increasingly difficult over the years as criminals have found new channels to launder the proceeds of their illegal activities.

In response to this challenge, the European Union (EU) has created several Anti-Money Laundering (AML) Directives over the last decade to aid the fight against illicit activity.

Each year over $**2 trillion** are laundered around the world.

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Current
Situation

Banks must be compliant with AML EU directives.

Rule-based technology and silo operations have proved inadequate in detecting evolving criminal behaviour. A flood of **false positives** and **heavy reliance on manual processes** are making **AML** programs **expensive**, **inefficient**, and **unsustainable**.

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The solution
Faraday

The AI based platform for risk analysis and interception of suspected money laundering activities.

The FARADAY platform combines the specialised technical know-how in risk management with innovative technologies such as **artificial intelligence and machine learning algorithms** to offer best-in-class solutions.

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Customer's data says that
we have found a smart alert priority

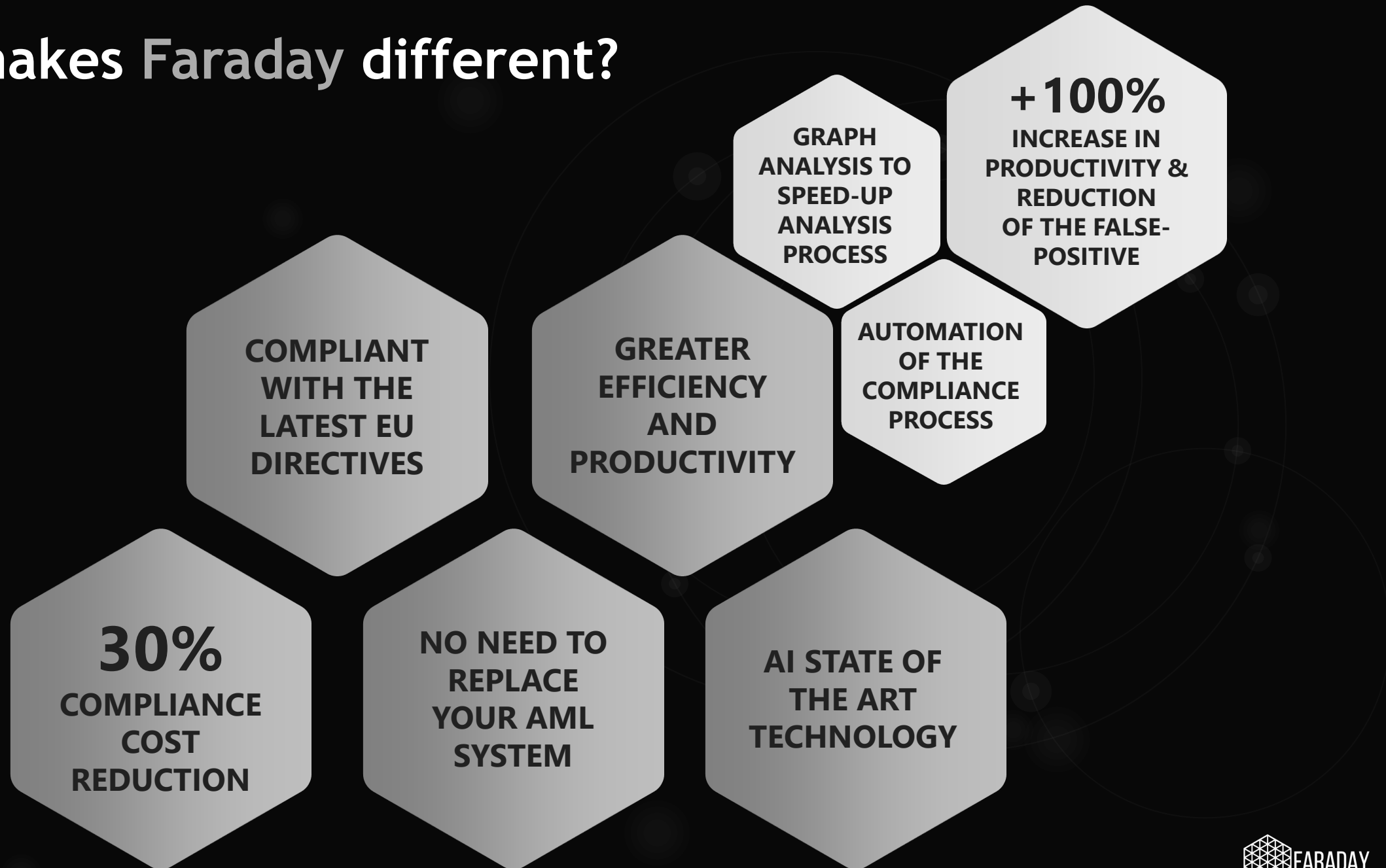**45%**
of alerts

automatically resolved with

95%
confidence.

20%

Resolved with **minimal supervision.**

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What makes Faraday different?

GRAPH ANALYSIS TO SPEED-UP ANALYSIS PROCESS

+100% INCREASE IN PRODUCTIVITY & REDUCTION OF THE FALSE-POSITIVE

COMPLIANT WITH THE LATEST EU DIRECTIVES

GREATER EFFICIENCY AND PRODUCTIVITY

AUTOMATION OF THE COMPLIANCE PROCESS

30% COMPLIANCE COST REDUCTION

NO NEED TO REPLACE YOUR AML SYSTEM

AI STATE OF THE ART TECHNOLOGY

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Faraday a New Approach

From a single subject to an ecosystem

A paradigm change in the standard practices

Faraday adopts a risk approach where the anomalous event is at the center of the analysis instead of a single subject or a single operation.

1. Identification of subjects at risk

Identification of at-risk subjects in relation to a certain scope or event that is expected to be intercepted

2. Cluster construction

Identification of the connections between people and legal or financial entities whether it be static or dynamic.

3. Risk Assessment

Applies predictive algorithms for analysis, estimating the risk assessment on probabilistic criteria.

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Faraday Platform
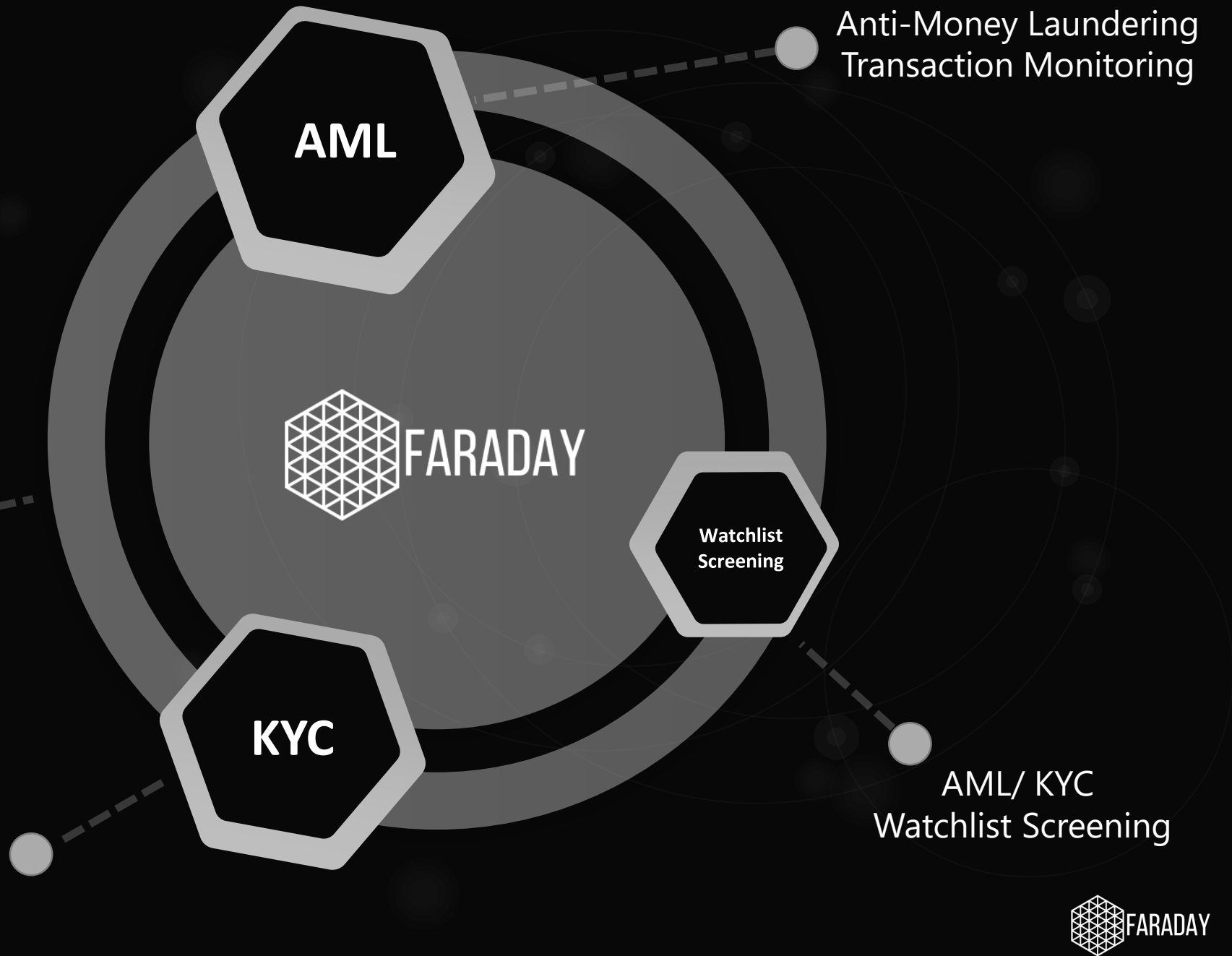# Main Modules

The FARADAY platform is designed to be flexible through the addition of optional modules that are independent of each other.

Anti-Money Laundering Transaction Monitoring

AML

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Open Data

Watchlist Screening

KYC

AML/ KYC Watchlist Screening

Know Your Customer

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AML basic module

The AML module is the transaction monitoring module that allows you to apply in a single solution, all the anomaly schemes indicated by the Bank of Italy and the UIF in the AML field.
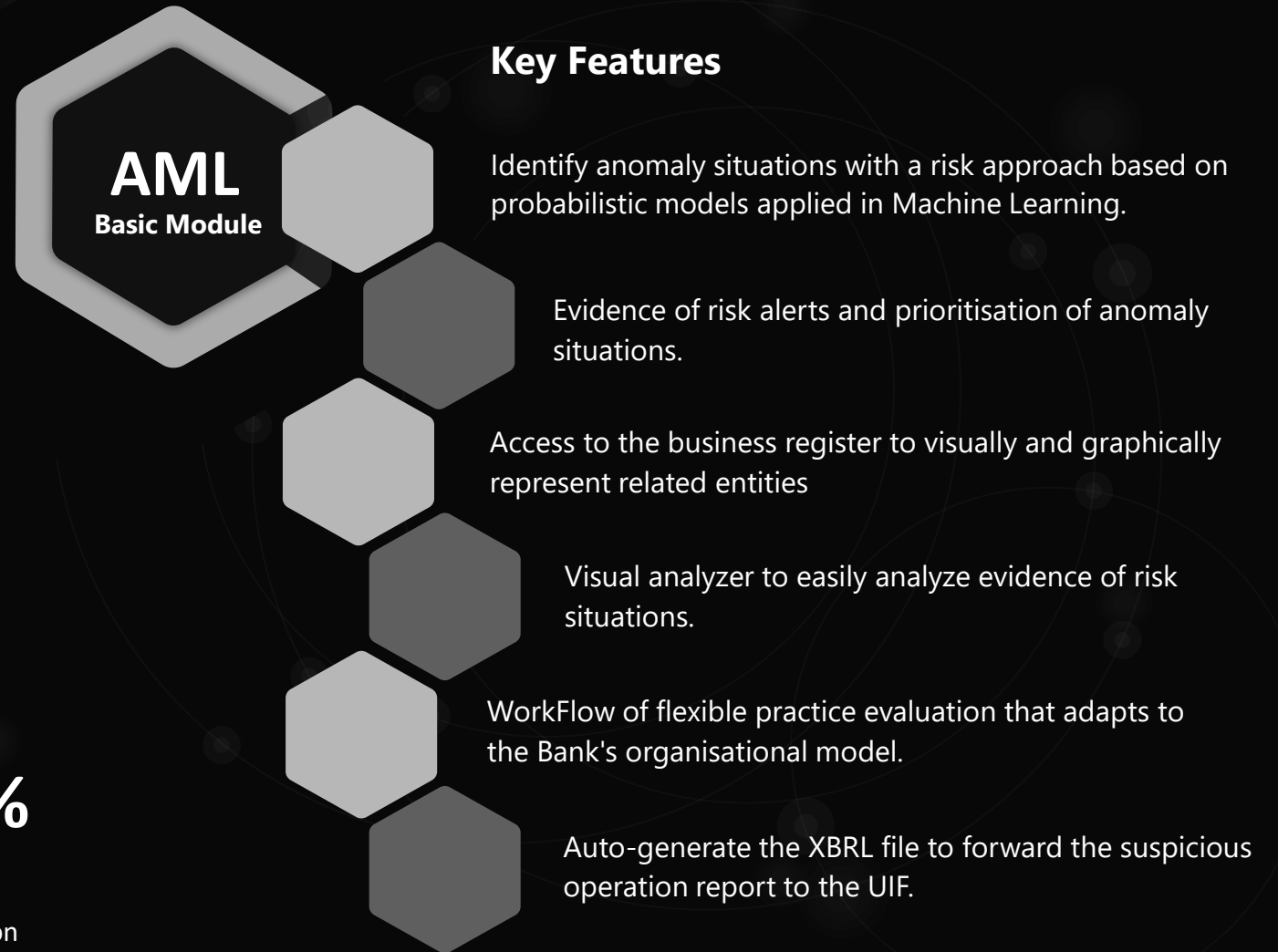
+70 %
Reduction
of false positives

+60 %
Risk situations
not detected
by other AML systems

-30 %
Compliant
costs reduction

AML
Basic Module

Key Features

Identify anomaly situations with a risk approach based on probabilistic models applied in Machine Learning.

Evidence of risk alerts and prioritisation of anomaly situations.

Access to the business register to visually and graphically represent related entities

Visual analyzer to easily analyze evidence of risk situations.

WorkFlow of flexible practice evaluation that adapts to the Bank's organisational model.

Auto-generate the XBRL file to forward the suspicious operation report to the UIF.

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Optional Modules

The AML Module is designed to be flexible, through the addition of optional modules that are independent of each other, which provide the tools to carry out risk assessment in each specific area.
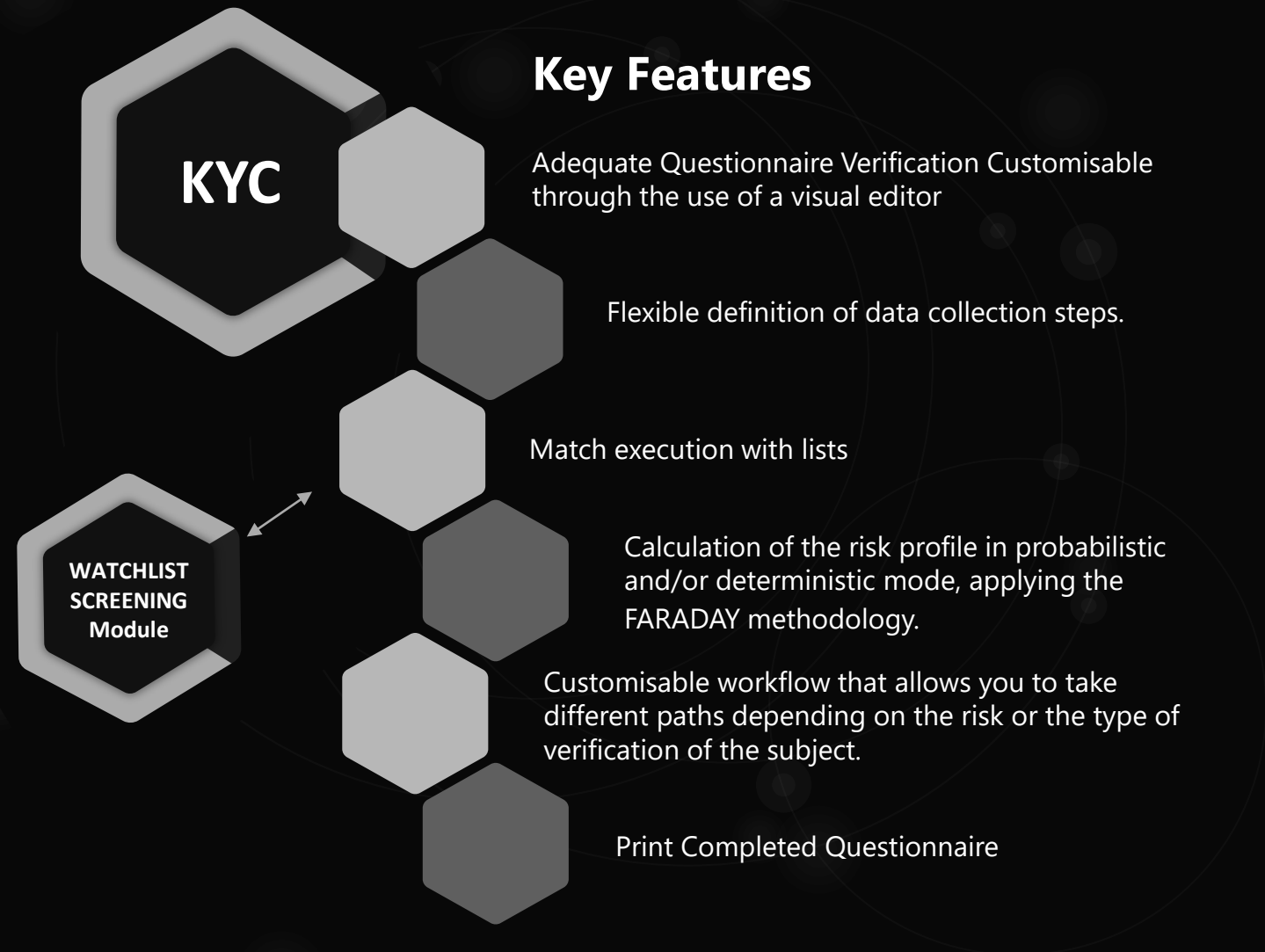
Anti-Terrorism

Anti-Corruption

AML
Basic Module

Cryptocurrency

Fraud

Compliance 2nd checks

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Faraday
KYC Module

As a solution for managing KYC compliance throughout the customer relationship lifecycle, KYC module supports the risk classification process of new and existing customers.

The Faraday solution takes an approach to adequate verification that goes beyond the concept of questionnaires as the so-called Practice of Adequate Verification (PAV) is adopted.

This represents a paradigm shift as a differentiated and customizable step evaluation practice is expected to be compiled by a flexible evaluation workflow.

KYC

WATCHLIST SCREENING Module

Key Features

Adequate Questionnaire Verification Customisable through the use of a visual editor

Flexible definition of data collection steps.

Match execution with lists

Calculation of the risk profile in probabilistic and/or deterministic mode, applying the FARADAY methodology.

Customisable workflow that allows you to take different paths depending on the risk or the type of verification of the subject.
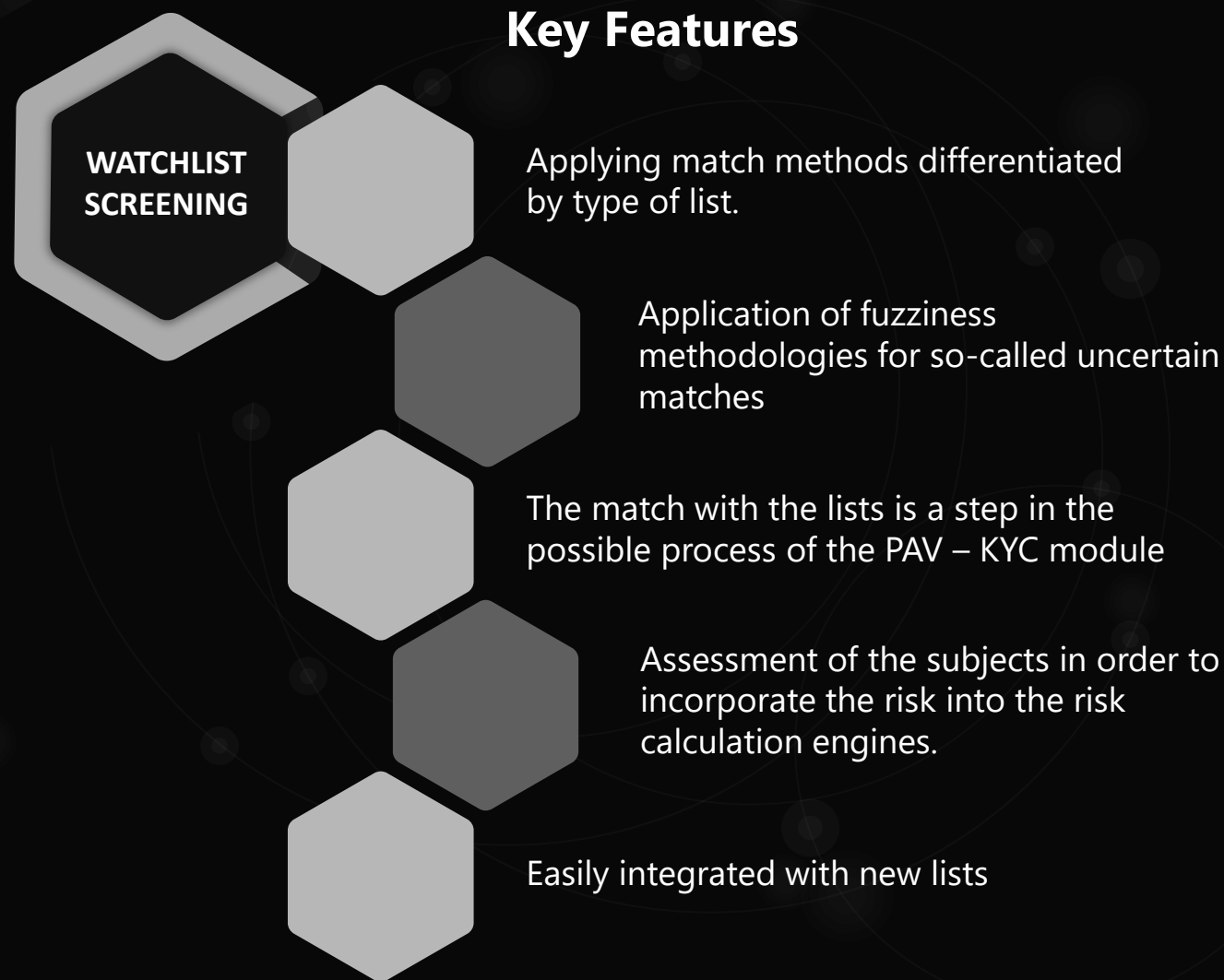
Print Completed Questionnaire

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Faraday
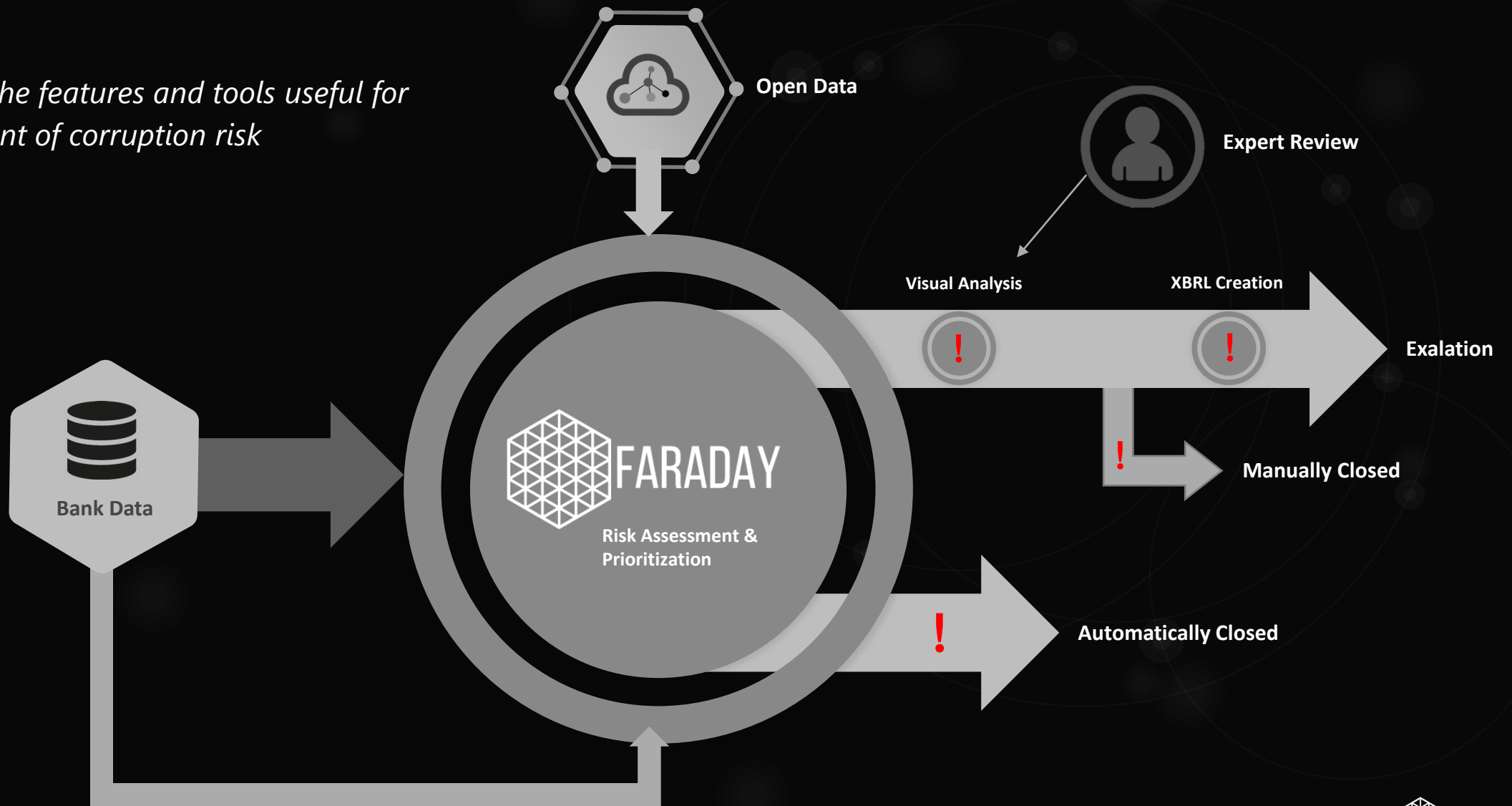## SANCTIONS/WATCHLIST SCREENING

Regulatory requirements need new and existing customers to be checked against sanctions/watchlists, e.g., to identify criminals and terrorists. Politically exposed persons (PEPs) have to be identified and treated with care.

The WATCHLIST SCREENING module allows you to query the world's leading info providers (including World Check, World Compliance (Lexis Nexis, SGR) and integrate other lists if requested by the Bank.
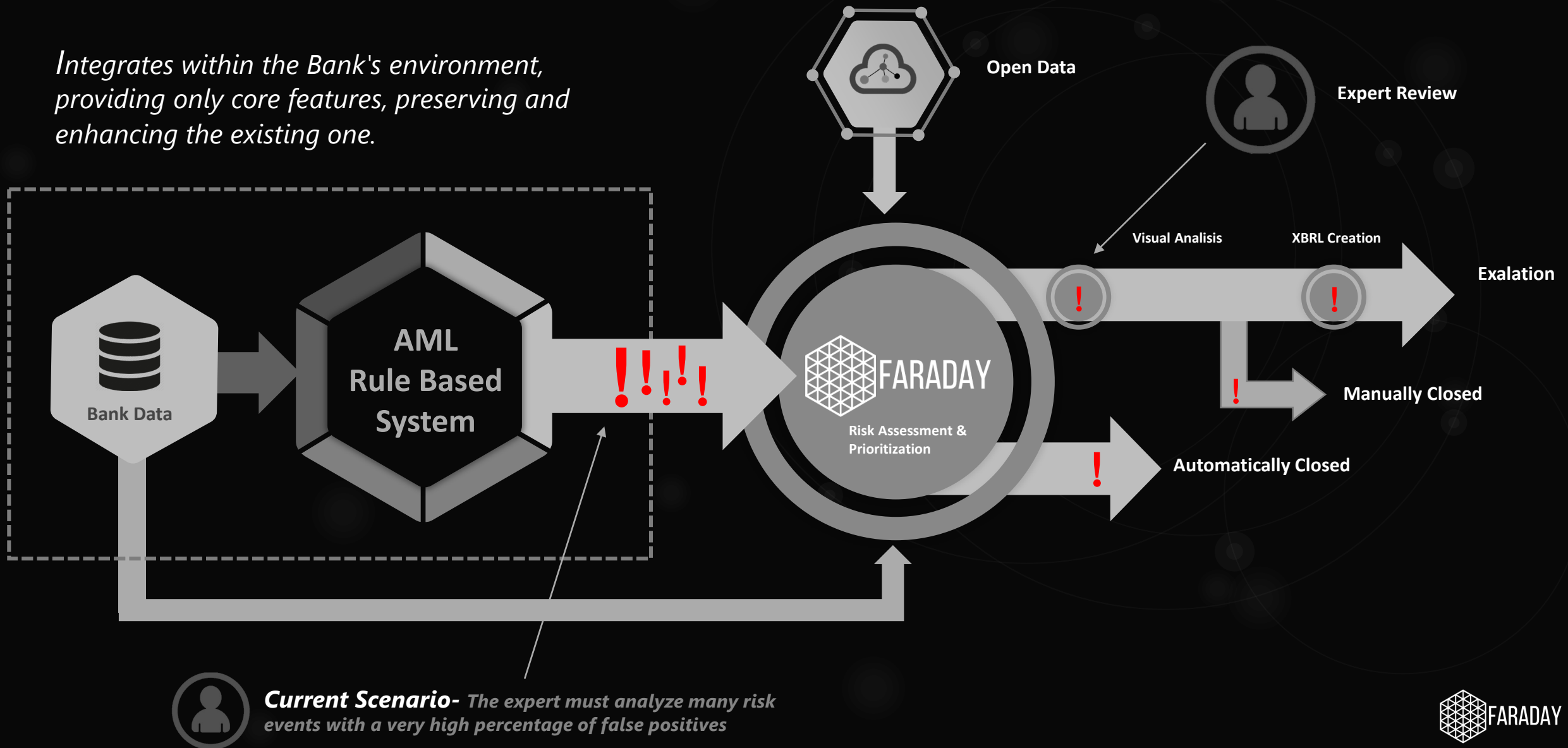
Key Features

WATCHLIST SCREENING

Applying match methods differentiated by type of list.

Application of fuzziness methodologies for so-called uncertain matches

The match with the lists is a step in the possible process of the PAV – KYC module

Assessment of the subjects in order to incorporate the risk into the risk calculation engines.

Easily integrated with new lists

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Faraday Operational modes – Plug-in

Integrates within the Bank's environment, providing only core features, preserving and enhancing the existing one.

Open Data

Expert Review

Visual Analisis

XBRL Creation

Bank Data

AML Rule Based System

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Risk Assessment & Prioritization

Exalation

Manually Closed

Automatically Closed

Current Scenario- *The expert must analyze many risk events with a very high percentage of false positives*

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Faraday BUSINESS MODEL

Annual fee

An annual Recursive Fee is applicable to all modules within the Faraday solution, including the Service & Maintenance service.

"Start-up" fee

The start-up fee includes all activities necessary for the standard installation and integration of the Faraday solution:

- ✓ Assessment
- ✓ Banking Integration
- ✓ Project Management
- ✓ Setup
- ✓ Configuration
- ✓ Test
- ✓ Training

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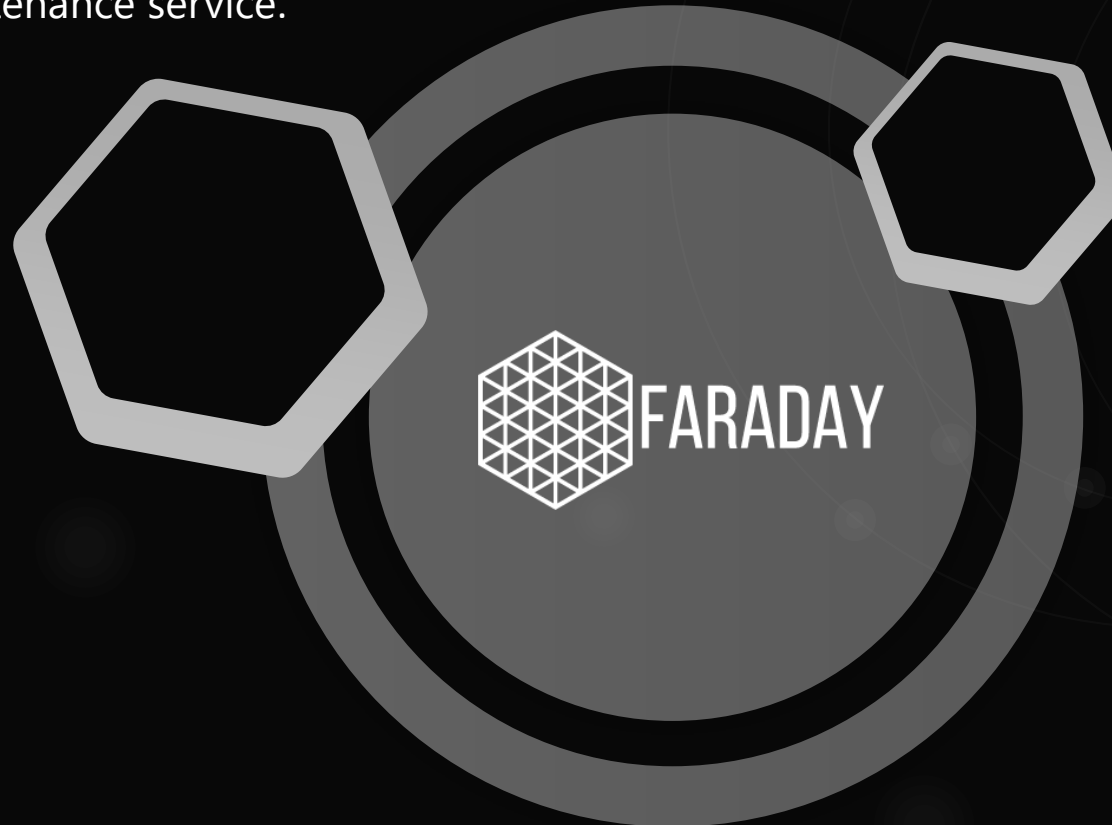
Understanding the present to predict the future.

Mario Turla

TXT Risk Solutions Co-founder & CEO

Over the last 20 years he has contributed to the innovation of financial compliance and more specifically in the anti-money laundering sector, designing digital solutions that have now become market standards.

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TXT
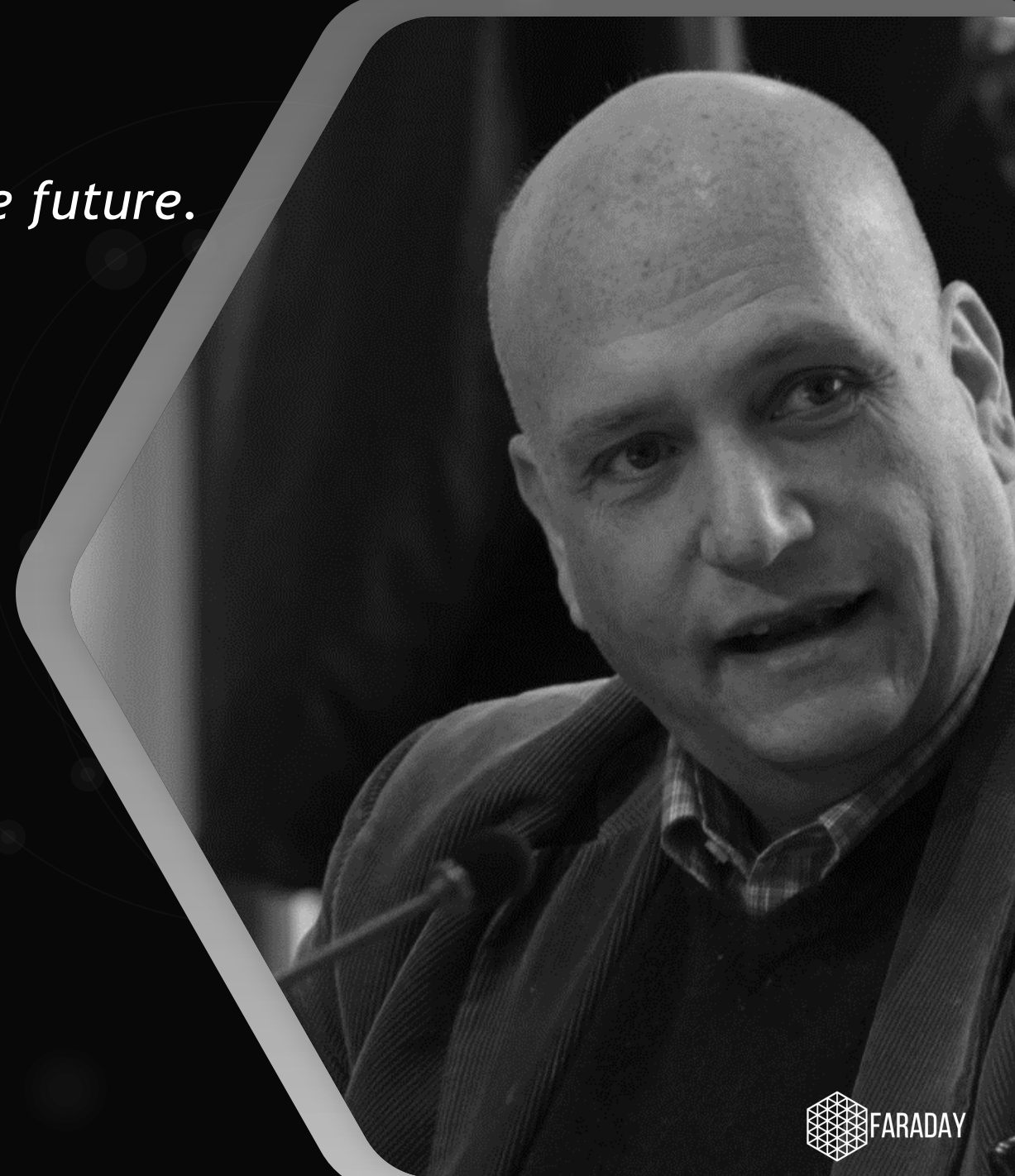
TXT Group is an international leader in consultancy in software development and IT services, supporting the digital transformation of customers' core products and processes. With a portfolio of proprietary software products and deep experience in vertical domains, TXT Group operates in several markets, with a growing footprint in aerospace, aeronautics, automotive, industrial, government and fintech.

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