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# The 2024 Impact Awards in AML

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# Introduction

Datos Insights' 2024 Impact Awards in AML aim to identify and recognize those financial organizations and vendors leading the industry with new and disruptive financial crime products and capabilities. As financial crimes become increasingly sophisticated and regulatory scrutiny intensifies, the need for innovative solutions to combat money laundering, fraud, and other illicit activities has never been greater.

The financial crime landscape continues to evolve rapidly, with criminals employing increasingly sophisticated techniques to evade detection. Traditional approaches to AML and fraud prevention are often insufficient to keep pace with these evolving threats. Financial institutions face mounting pressure to enhance their financial crime detection and prevention capabilities while simultaneously improving operational efficiency and customer experience.

In response to these challenges, technology providers are developing innovative tools, capabilities, and solutions that leverage advanced technologies such as data analytics, machine learning, and generative AI. These solutions aim to streamline processes, reduce false positives, uncover hidden risks, and provide more comprehensive and accurate risk assessments.

Datos Insights designated the following five individual categories for its 2024 Impact Awards in AML:

- **Best KYC/KYB Innovation:** This category features new solutions, innovations, or data sets streamlining and enriching the KYC/KYB processes underlying the onboarding, servicing, ongoing risk profiling, and due diligence of individual and corporate customers.
- **Best Sanctions/Watchlist Screening Innovation:** These are new solutions, innovations, or data sets that optimize the risk-based checking of individuals, entities, and incoming and outgoing payments and transactions against sanctions, politically exposed persons, and adverse media lists, as well as other risk-relevant information.
- **Best AML Transaction Monitoring Innovation:** These are solutions, innovations, or data sets that elevate ongoing risk-based AML transaction monitoring to detect suspicious or unusual activity indicating potential money laundering, terrorist financing, or other illicit activity.

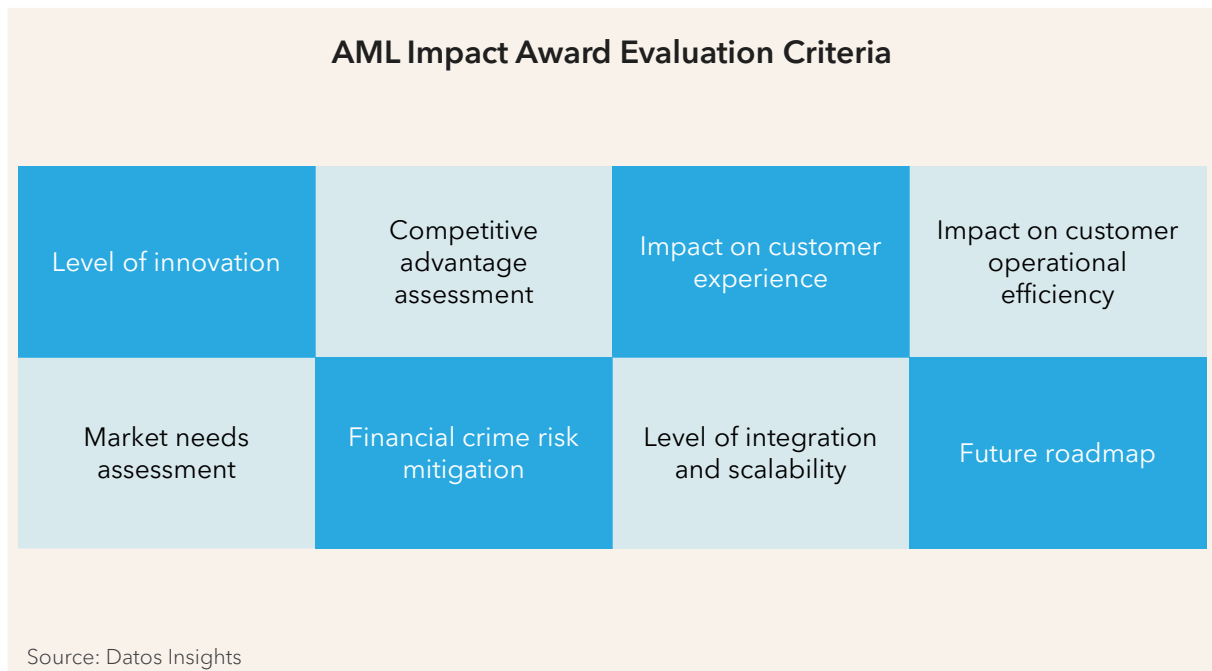
- Best Financial Crime Investigation and Reporting Innovation:** This category features new solutions, innovations, or data sets that transform and modernize the tasks and processes that support prioritizing, decisioning, and documenting suspicious activity and watchlist filtering alert investigations, and develop and submit necessary reporting to senior management and regulatory authorities.
- Best Joint AML and Fraud Transaction Monitoring Innovation:** These are solutions, innovations, or data sets that facilitate increased collaboration or detection across fraud and AML domains by streamlining or optimizing information and data sharing or mining, case management, detection, or investigation.

## Methodology

In April 2024, Datas Insights solicited nominations for its 2024 Impact Awards in AML. All nominated initiatives were required to be in production and must have been implemented within the last two years. Strategic Advisors from Datas Insights’ Fraud & AML practice, along with an external panel of subject matter experts and industry thought leaders, evaluated the submissions and determined the individual category winners.

Each AML nomination was evaluated across several criteria (Figure 1).

**Figure 1: Evaluation Criteria for AML Impact Awards**



# The AML Market: Challenges and Opportunities

Sustaining effective financial crime risk management continues to be extremely challenging and complex. The breadth of AML technology solutions must go beyond traditional capabilities to take on new market forces, combat expanding financial crime, and achieve regulatory compliance while elevating the customer experience and uplifting operational efficiency. Table A identifies several key AML challenges that financial organizations and technology solution providers seek to address with innovative tools and approaches.

**Table A: AML Market Challenges and Opportunities**

AML challenge	Impact
<p>Increasing complexity of KYC and onboarding processes</p>	<p>FIs face growing challenges in implementing and sustaining effective yet efficient customer onboarding.</p> <p>Advanced technologies can automate document-heavy and time-consuming work aligned to specific financial crime compliance analyst job roles. It can review and disposition alerts, conduct third-party enrichment searches, gather data, and record evidence and supporting documentation in near real time.</p>
<p>Rising sanctions and watchlist screening demands</p>	<p>FIs are expected to appropriately identify and assess the risk of each transaction before processing it. Without comprehensive knowledge of all parties involved in a transaction, it is difficult to assess risk and act appropriately. Reliable and rigorous systems and processes are required to meet ever-changing regulatory environments and the increasing complexity of global sanctions regimes.</p> <p>New technologies are enabling more comprehensive and efficient screening of transactions and parties, improving risk assessment and regulatory compliance. These solutions often incorporate AI and machine learning to reduce false positives and provide more accurate risk assessments.</p>

AML challenge	Impact
<p>Time-consuming and complicated financial crime investigations</p>	<p>Analysts and investigators face the daunting task of grappling with a substantial volume of information from numerous data sources and applications. This leads to delays and inefficiencies in performing critical analysis and making informed decisions. The increasing sophistication of financial crimes also requires more complex and time-intensive investigations.</p> <p>Innovative platforms are using new technologies to streamline data access and ingestion, facilitate context development, cultivate risk-relevant insights, and optimize analytical processes for financial crime investigations. These tools aim to reduce investigation time and improve the quality and consistency of regulatory reporting.</p>
<p>Growing need for integrated AML and fraud monitoring</p>	<p>As financial crimes become increasingly complex, there is a growing need for solutions that can address both AML and fraud concerns in a more integrated manner. Traditional approaches often rely on separate, siloed systems for critical fraud and AML processes, leading to inefficiencies and increased costs. The widespread adoption of real-time payment systems is increasing the urgency for more real-time detection and transaction monitoring across fraud and AML contexts.</p> <p>Solutions that combine fraud prevention and AML capabilities are emerging, leveraging AI and machine learning to provide more real-time detection and monitoring across both domains. These platforms aim to provide a more holistic view of financial crime risks and improve operational efficiency.</p>
<p>Challenges in detecting and preventing trade-based money laundering</p>	<p>Trade-based money laundering continues to challenge FIs. The complexity of international trade transactions, coupled with the volume of global trade, makes it difficult to identify suspicious activities. Institutions struggle to effectively monitor and analyze trade-finance documents, identify price anomalies, and track the movement of goods across borders.</p> <p>Solutions that combine AI, machine learning, and data analytics can monitor trade-finance activities more effectively. These offerings often incorporate document digitization, vessel tracking, and price anomaly detection capabilities.</p>

Source: Datos Insights

# Eastnets: AML Transaction Monitoring Innovation Silver Medalist

By Charles Subrt

Eastnets’ SafeTrade solution has earned the 2024 silver medal award in the Best AML Transaction Monitoring Innovation category. SafeTrade is an all-in-one platform designed to help FIs combat trade-based financial crime.

Eastnets, a global leader in compliance and payment solutions, specializes in keeping the world safe from financial crime. They support FIs in managing risk through comprehensive screening, monitoring, analysis, and reporting. Its expertise extends to over 800 FIs worldwide, including 22 central banks and 11 of the top 50 banks.

Table B lists key information about Eastnets and its award-winning innovation.

**Table B: Eastnets and the Eastnets SafeTrade Solution**

Category	Details
Organization	Eastnets
Date founded	1984
Headquarters	Dubai, United Arab Emirates
Innovation	SafeTrade
Brief description	SafeTrade is an all-in-one platform for tackling trade-based financial crime
Value proposition	SafeTrade delivers continuous monitoring, real-time alerts, and comprehensive compliance
Key benefits	Unified platform, 24/7 monitoring, and generative AI-driven analysis
Website	eastnets.com

Source: Eastnets, DatoS Insights

## Innovation: SafeTrade

SafeTrade combines AI, machine learning, continuous screening, document digitization, and vessel tracking. It continuously monitors trade-finance activities, helping institutions meet international compliance standards, reduce manual work, and improve the detection of illicit activities. SafeTrade offers full visibility of trade-finance deals and provides immediate alerts for suspicious activities. It integrates watchlists, vessel tracking, and document digitization with AI-driven risk analysis through its generative-AI-powered model.

### Market Challenges and Needs

The industry is wrestling with significant challenges in managing trade-based financial crime. Much of trade-based money laundering over the past decade can be tied to inaccurate, misleading, or false invoices that may include falsified information about the value, country of origin, or ownership of goods being shipped. Multiple invoices for the same products may be issued; in cases of “phantom shipments,” the goods may not exist at all. Traditional methods, often conducted in silos and spreadsheets, can leave FIs exposed and struggling to comply with AML and counterterrorism financing regulations. Key operational trade-based risk management pain points include the following:

- **Disconnected systems:** The use of multiple, disconnected tools for different aspects of trade finance creates inefficiencies and potential security gaps.
- **Manual processes:** Heavy reliance on manual document processing and risk assessment increases the potential for human error and slows down operations.
- **Compliance complexity:** Existing systems often lack the holistic risk monitoring needed to keep up with evolving regulations.
- **Data integration:** Integrating diverse data sources like marine data and real-time vessel tracking into a cohesive risk assessment framework is challenging with traditional systems.
- **Evolving criminal tactics:** As criminals become more sophisticated, FIs need advanced tools to detect and prevent illicit activities effectively.

SafeTrade unifies trade-based financial crime workstreams into one platform, providing full visibility and ongoing monitoring of trade-finance activities. SafeTrade can seamlessly



integrate watchlists, vessel tracking, and document digitization, combining traditional methods with advanced risk analysis.

### How It Works

SafeTrade is a cloud-based solution that uses advanced machine-learning technology to process data, inform algorithms, and support real-time model learning on a large scale. SafeTrade automates customer onboarding and continuous monitoring of trade-finance activities. SafeTrade’s predictive analytics platform extracts valuable insights from traditional and nontraditional data sources, enhancing identity verification and risk assessment (Figure 2).

**Figure 2: SafeTrade Workflow and Engine**

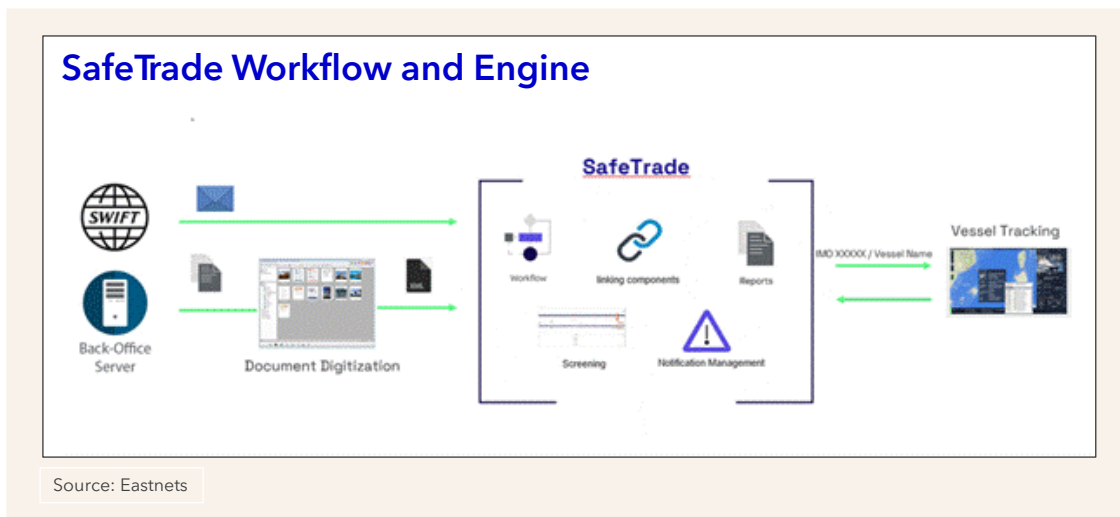


Table C highlights many of SafeTrade’s key features.

**Table C: SafeTrade’s Key Features**

Key feature	Description
Unified platform	SafeTrade integrates all trade-finance compliance workstreams into a single interface, providing a comprehensive view of operations.
Continuous screening	24/7 monitoring with live delta screening can ensure risk assessments are always current.

Key feature	Description
AI-driven analysis	Machine-learning models and real-time data integration enhance the detection and management of illicit activities.
Document digitization	Automated digitization and monitoring of trade-finance documents through generative AI, optical character recognition, natural language processing, and natural language understanding technologies reduce human error and save time.
Vessel tracking	Real-time monitoring of vessels and their details helps mitigate compliance risks associated with maritime trade.
Generative AI Power Model	Goods and services pricing consultation enhances the detection of pricing anomalies.
360-view investigation	Suspicious element group delivers easier management and investigation of trade-finance deals.

Source: Eastnets, Datos Insights

### Key Quantitative and Qualitative Results

SafeTrade provides a comprehensive and integrated solution, addressing the security gaps and inefficiencies that may be left by fragmented and disconnected systems and delivering a timelier and more complete picture of risk. Its advanced capabilities are designed to streamline operations, elevate risk management, and help ensure robust regulatory compliance:

- **Efficiency gains:** Automation of document digitization and 24/7 monitoring reduce manual processing time, lower operational costs, and minimize human error.
- **Improved detection accuracy:** Advanced AI and machine-learning models tailored for trade finance increase the accuracy of detecting suspicious activities.
- **Reduced false positives:** Continuous screening and real-time data integration reduce false positives, allowing compliance teams to focus on genuine threats and enhancing overall operational efficiency.
- **Faster risk identification:** Real-time alerts and live delta screening accelerate the identification and mitigation of risks.

- **Enhanced compliance:** Consolidating all trade-based financial crime workstreams into a single platform helps institutions achieve more effective compliance with relevant regulations, reducing the risk of fines and penalties for noncompliance.

## Datos Insights' Take

FIs are navigating a complex landscape of evolving criminal tactics and heightened regulatory scrutiny. Traditional methods for managing trade-based financial crime are often insufficient, fragmented, and labor-intensive. The demand for innovative, integrated solutions that enhance security while also streamlining operations is quickly magnifying.

SafeTrade by Eastnets addresses these critical challenges. Designed for FIs and trade finance departments, SafeTrade offers a unified platform for comprehensive monitoring and detection of illicit activities. It leverages advanced AI and machine-learning technologies for continuous, real-time screening and risk analysis.

By consolidating multiple critical functions into one platform, SafeTrade enhances visibility, operational efficiency, and regulatory compliance. The platform's continuous screening capabilities and real-time data integration enable institutions to identify and mitigate risks quickly, reducing the incidence of false positives and allowing compliance teams to focus on genuine threats. SafeTrade's AI-driven document digitization and generative AI-powered model for pricing analysis reduce manual workloads, minimize human error, and provide accurate and timely risk assessments. This comprehensive approach can streamline compliance processes, lower operational costs, and enhance overall security.

By integrating advanced technologies and methodologies, SafeTrade offers an innovative approach to the fight against trade-based financial crime. Its end-to-end solution makes Eastnets a deserving recipient of this year's silver medal in the Best AML Transaction Monitoring Innovation category.

## Conclusion

The AML market is at a critical juncture. As the financial crime landscape continues to evolve, the development and adoption of advanced technologies play a crucial role in combating illicit activities and protecting the integrity of the global financial system. The innovations recognized in the 2024 Datos Insights Impact Awards in AML demonstrate the potential for technology to transform AML practices and contribute to a safer, more secure financial system.

Effective AML programs will require robust governance structures, well-trained personnel, and a strong culture of compliance. FIs must continue to invest in these areas alongside their technology investments to build comprehensive and successful AML programs. Moreover, as these technologies become more sophisticated, FIs and regulators must also grapple with new challenges, such as ensuring the explainability of AI-driven decisions, managing data privacy concerns, and maintaining human oversight of automated systems. Addressing these challenges will be crucial to the long-term success and acceptance of these innovative AML solutions.

While adopting new technologies can bring its own challenges, those FIs that lean into innovation are likely to see significant improvements in their ability to detect and prevent financial crimes while also enhancing operational efficiency and customer experience.

# About Datos Insights

Datos Insights is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms—as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base, leveraging deep insights developed via our extensive network of clients and other industry contacts.

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