3. EMPOWER A LEADING, POSITIVE APPROACH

VORTEX RISK®

When the Risk-Based Approach (RBA) is not practically achievable, banks are left with no choice but to adhere strictly to the rule-based process, even though they harbour serious doubts about its effectiveness. Despite banks' continuous efforts to improve the AML regime to align with their real-world experiences of money laundering, their initiatives often yield limited positive outcomes.

Challenging the prevailing status quo can be highly disruptive and time-consuming, especially when regulators must adapt to changing governmental priorities, budget constraints, and a persistent lack of clear strategy for effectively combatting money laundering. Additionally, frequent staff turnover within regulatory bodies — often involving personnel rotations every two to three years — can introduce new agendas and viewpoints that prioritise current hot topics over consistent progress toward positive social outcomes.

Given these challenges, it may seem prudent to keep your head down, stay silent, follow the script, and adhere to the rules while hoping that an innovative approach will emerge to reduce high volumes of false positives and remind you of your original goal in your AML career: to combat crime.

Currently, the lack of tangible results causes AML practitioners to experience major job dissatisfaction, fatigue, and disillusionment, which further reduces their effectiveness in combating financial crime. This defeated disposition inevitably discourages those considering AML careers thus negatively impacting the future talent pool.

Vortex Risk refocuses your job on combating crime by empowering individuals and regulated institutions with understanding of how criminals can launder money through their organisations. Such evidence based knowledge can subsequently be used to make informed risk based decisions, rather than blindly following the rule-based compliance approach and red flags.

Vortex Risks unique Risk Analysis Merging Platform (RAMP) methodology helps banks proactively spot money laundering vulnerabilities and enablers beyond those contained in the regulatory guidelines. RAMP, in the simplest terms, can be compared to a constantly expanding roadmap of money laundering choices that criminals make to distance themselves from the dirty money. The map highlights steps, actions, tools, services, and parties that criminals might utilise depending on their money laundering needs. It also explains the criminal reasoning behind their choices, the risks to those involved, and the warning signs beyond what 'red flags' are ever likely to capture.

For RAMP users, this translates to fewer tick-box processes and more meaningful outcomes. The result: AML practitioners gain deeper knowledge about money laundering, rather than engaging in futile compliance measures. This positions their banks as leaders in safeguarding the financial ecosystem from criminal activity.

Published by Vortex Risk - All Rights Reserved