7. CORRECTS CUSTOMER RISK ASSESSMENTS

VORTEX RISK®

Despite extensive efforts by both public and private policing bodies to protect our economies from the detrimental effects of illicit funds, the reality often contradicts these intentions. Criminal operations persist unchecked, while Small and Medium Enterprises (SMEs) bear the brunt of de-risking or even de-banking due to frequent triggering of regulatory anti-money laundering (AML) measures. This phenomenon, colloquially termed 'conditional sanctions,' involves imposing stringent controls on customers, business sectors, geographic regions, and industries deemed too costly or risky to monitor effectively.

While banks may view de-risking and de-banking as necessary steps to mitigate regulatory risks, such actions underscore the deficiencies of the AML framework. Institutions resorting to these measures inadvertently neglect their societal obligation of financial inclusion and fail to adequately monitor customers for suspicious activities. Consequently, this undermines the fundamental objective of the AML regime: to furnish law enforcement with the financial intelligence necessary for combatting money laundering and related economic crimes.

It might be assumed that banks have ample research and data to inform their risk decisions regarding money laundering. However, the reality is quite different. The information provided, including typologies, risk indicators, and threat assessments, is often derived from case studies dating back to ancient times, figuratively speaking, and frequently arrives at premature conclusions. Upon closer examination, it becomes evident that the selection of cases within these reports is swayed more by political considerations than by genuine threats to societies.

The flood of excessive and irrelevant threat reports overwhelms law enforcement agencies, hindering their ability to discern and respond to genuine criminal cases effectively. Consequently, if no preventative measures are taken and criminals retain their ill-gotten gains, it essentially renders the efforts futile. The alarming implication is that crime becomes a lucrative and low-risk pursuit, incentivizing further participation in the illicit economy.

Vortex Risk focuses on disrupting criminal operations and not legitimate businesses by empowering individuals and regulated institutions with understanding of how criminals can launder dirty money through their organisations. This practical knowledge is necessary to combat money laundering effectively while fostering a safe and more inclusive global economy.

Vortex Risks unique Risk Analysis Merging Platform (RAMP) methodology is designed to alert on true money laundering actors who make risk-based decision on how to best distance themselves from their dirty money. RAMP 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.

RAMP users effectively mitigate and report on criminals while maintaining and nurturing business relationships with legitimate customers who might otherwise be subjected to de-risking due to costly regulatory demands.