



Financial crime country risk

plenitudeconsulting.com



Plenitude overview

Plenitude provides market-leading Financial Crime Compliance (FCC) advisory, transformation, technology, data analytics, and managed services. We are committed to building a secure financial system, safeguarding society, and empowering our clients to meet their regulatory obligations.

Appointed to the FCA's Skilled Person Panel for Financial Crime, we enable our clients to stay ahead of emerging risks and evolving regulations by optimising systems and controls, leveraging the latest AI-powered technology and data analytics, in order to drive greater effectiveness, efficiency and sustainability, reducing the overall cost of compliance.

Our best-in-class team come from a variety of backgrounds and disciplines. This breadth and depth of industry and deep subject matter expertise, alongside our scalable, full-service offering and tech-enabled delivery, enables us to meet all of our clients' needs, inspiring confidence and delivering excellence.

We work with a broad range of retail, commercial and investment banks, insurers, asset managers, as well as payment service firms, electronic money issuers, FinTechs and crypto firms across the world, ranging from startups to global financial institutions. We have a proven delivery track record and have provided advisory and transformation services on some of the most challenging projects in the industry.

Our depth of expertise and quality of service, combined with our commercial integrity, competitive rates and innovation, is second to none. Discover more about our services and see why our integrity, passion and delivery excellence have been praised by so many clients.

Challenges for financial institutions

A robust and effective country risk assessment is crucial for financial crime risk management in financial institutions. Country risk significantly influences critical controls, such as customer risk assessment, business-wide risk evaluation and transaction monitoring, often carrying substantial weight.

Maintaining a robust and reliable country risk index is a challenging and time-consuming task for most organisations. However:

Country risk factors

Country risk factors can be complex – a compliant and defensible approach demands careful consideration of numerous risk types and diverse data sources.

In-depth analysis

Conducting in-depth analysis by financial crime first or second line teams is often impractical at the required scale, encompassing up to 250 countries.



Off-the-shelf solutions

Off-the-shelf solutions often require significant work to set up and maintain. Moreover, these solutions are typically not tailored for financial crime services and may fall short in covering the critical risk faced by financial institutions.

In-house models

While in-house models can reduce manual analysis, they often come with high design and maintenance costs. Furthermore, this approach can result in a lack of transparency to stakeholders and difficulty in providing assurance to senior management and regulators.

Key features

Plenitude Compass is specifically designed for FCC teams, blending the best features of existing solutions with unique enhancements that set it apart from other vendor offerings:



Country risk calculation

Provides a transparent and procedural approach to country risk calculation – fully documented and aligned to financial crime regulations and guidance.



Addresses the complex financial crime risk landscape

Addresses the complex financial crime risk landscape and provides distinct coverage of six key financial crime risk types facing financial institutions: money laundering, sanctions violations, terrorist financing, bribery and corruption, tax offences, and proliferation financing.



Maintenance-free solution

Ensures a maintenance-free solution for our clients, with updates to data sources and risk categorisations performed at least every three months, and changes analysed and documented in detail.



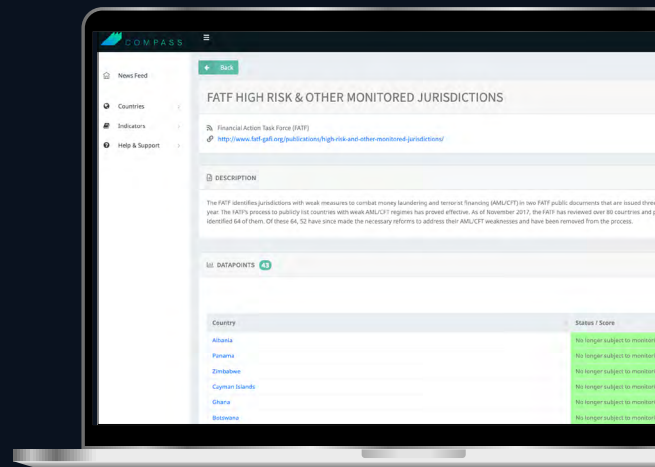
Extensive customisation

Delivers extensive customisation options as needed, including the ability to: add and remove data sources, re-configure numerical thresholds, apply overrides to risk categories, and export custom data feeds for use in internal tools and systems.



Dedicated cloud platform

Hosted on our dedicated cloud platform that provides interactive web access to individual country risk dashboards for all 249 ISO-3166 countries, each providing an in-depth analysis of the financial crime risks present. The Index is exportable into PDF and Excel for integration with financial crime controls. There are individual country dashboards presenting an in-depth analysis of the financial crime risks present and the calculation of the risk category; and an explanation of the specific underlying risk exposures to assist in risk assessments (both client and enterprise).



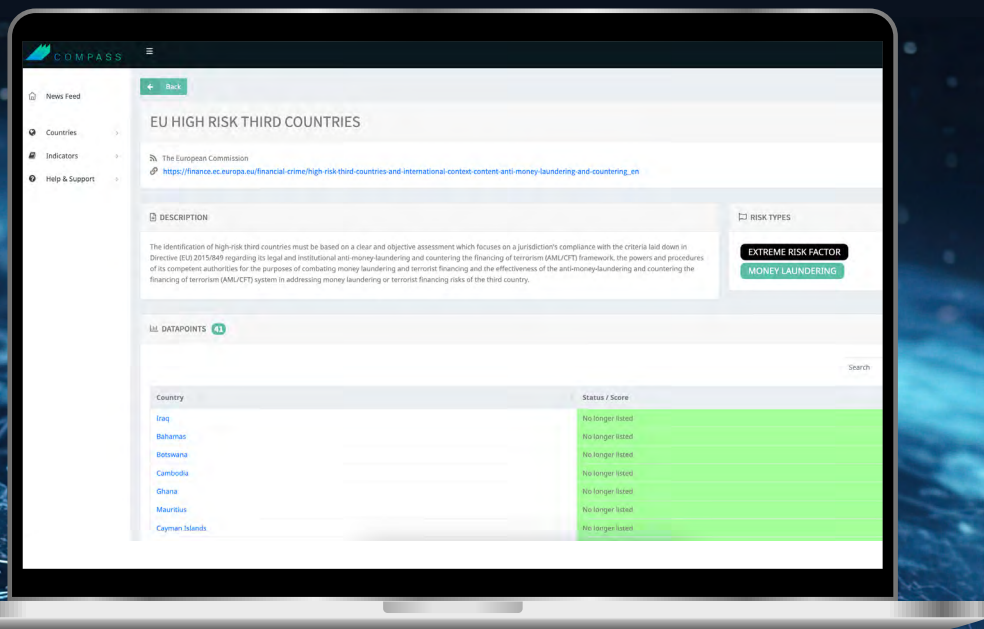
Data sources

To ensure a robust approach to country risk, Compass uses 30 high-quality, publicly available data sources in our standard methodology. This approach assesses country risk across six critical financial crime risk types facing financial institutions.¹

Example data sources

- FATF Mutual Evaluation Reports, with recommendations assessed and translated into single combined technical compliance and effectiveness scores for ML and TF ease comparison;
- FATF High Risk and Other Monitored Jurisdictions list;
- EU High Risk Third Country List;
- US State Department International Narcotics Strategy Control Report (INCSR);
- Transparency International Corruption Perceptions Index;
- OECD Tax Transparency ratings and implementation status of the OECD Common Reporting Standard.

As part of the customisation options available to you, data sources may be added or removed, as needed.



1. Money laundering, sanctions violations, terrorist financing, bribery and corruption, tax offences, and proliferation financing.

Risk categorisation algorithm

Compass operates on a fully documented, transparent and procedural methodology. Unlike many vendor solutions that depend on obscure or proprietary statistical models, Compass ensures that risk categorisations are clear, understandable and easily communicated.

1 Fact-based
Data and evidence is at the heart of our approach.

2 Repeatable
Our calculation can be repeated and will always yield the same result for the same input data.

3 Transparent
Our dedicated cloud platform provides you with access to all underlying data and helps you understand the overall risk categorisation and individual financial crime risk types present.

Algorithm and approach



Compass benefits and outcomes



Seamless regulatory alignment

Our procedural methodology seamlessly aligns with all relevant regulations and guidance, having proven its resilience under rigorous regulatory scrutiny.



Effective financial crime risk management

Our comprehensive country risk categorisation enhances the effectiveness of financial crime risk management within your institution.



Synced regulatory lists

We ensure your country risk index remains current and in sync with regulatory lists, including those from the UK, EU and FATF.



Training and education

Our online tool serves as an invaluable resource for training and educating first- and second-line staff on country risk and its underlying drivers, empowering more effective decision-making.



Cost-effective

Compass significantly reduces the costs associated with developing and maintaining an in-house country risk methodology.



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