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Financial Services

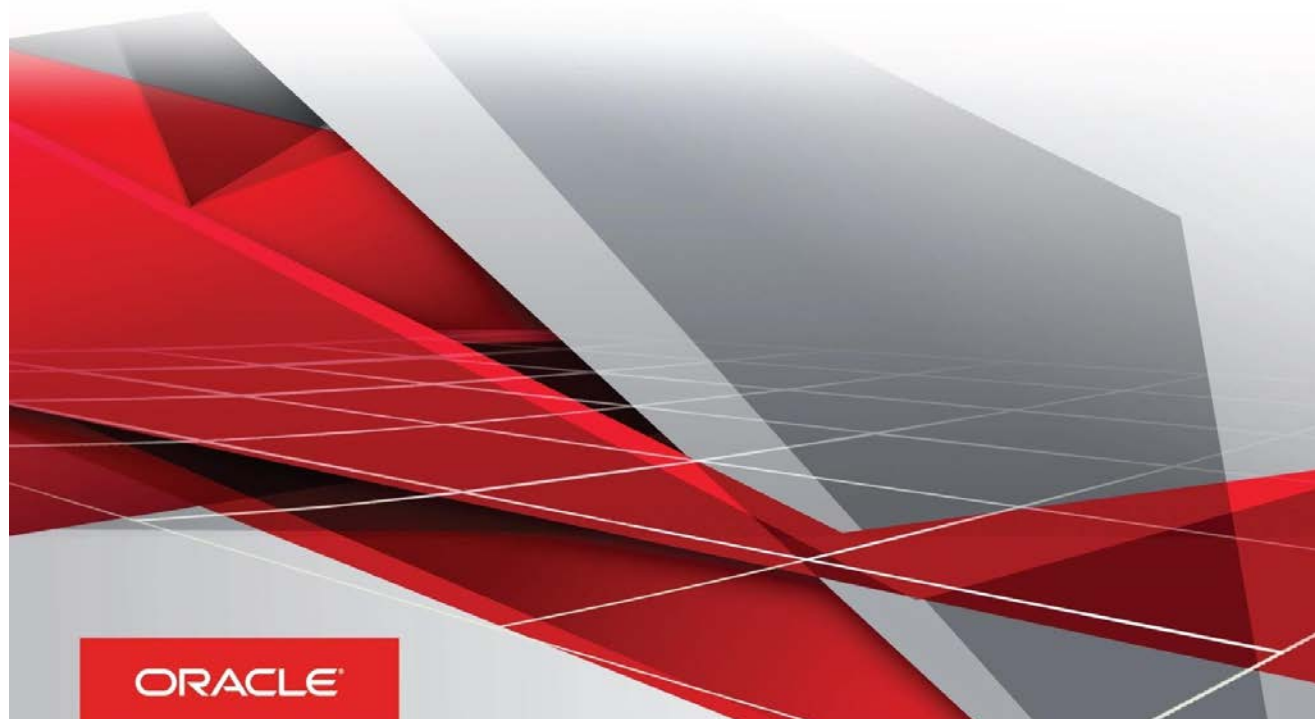
# Financial Crimes and Compliance Management

## Behavior Detection Application Pack

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Release **8.0.7.0.0**

*December 2018*





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## Preface

This Preface provides supporting information for the Oracle Financial Services Behavior Detection Application Pack Release Notes and includes the following topics:

- ◆ [Overview of OFSAA](#)
- ◆ [Purpose of This Document](#)
- ◆ [Intended Audience](#)
- ◆ [Documentation Accessibility](#)
- ◆ [Related Documents](#)

## Overview of OFSAA

In today's turbulent markets, financial institutions require a better understanding of their risk-return, while strengthening competitive advantage and enhancing long-term customer value. Oracle Financial Services Analytical Applications (OFSAA) enable financial institutions to measure and meet risk adjusted performance objectives, cultivate a risk management culture through transparency, lower the costs of compliance and regulation, and improve insight into customer behavior.

OFSAA uses industry-leading analytical methods, shared data model and applications architecture to enable integrated risk management, performance management, customer insight, and compliance management. OFSAA actively incorporates risk into decision making, enables to achieve a consistent view of performance, promote a transparent risk management culture, and provide pervasive intelligence.

Oracle Financial Services Analytical Applications delivers a comprehensive, integrated suite of financial services analytical applications for both banking and insurance domain.

## Purpose of this Document

This document contains release information for the Oracle Financial Services Behavior Detection Application Pack (OFSBD) which includes the following Oracle solution sets:

- Oracle Financial Services Alert Management
- Oracle Financial Services FCCM Analytics
- Oracle Financial Services Anti Money Laundering
- Oracle Financial Services Behavior Detection
- Oracle Financial Services Broker Compliance
- Oracle Financial Services Common Reporting Standards
- Oracle Financial Services Currency Transaction Reporting
- Oracle Financial Services FATCA Management
- Oracle Financial Services Enterprise Fraud Management
- Oracle Financial Services Know Your Customer
- Oracle Financial Services Trading Compliance

- Oracle Financial Services Trade Blotter

## Intended Audience

This document is intended for users of the Oracle Financial Services Behavior Detection Application Pack, specifically those interested in a broad overview of the new features in this release. Additionally, this document is provided for those who want to know specifically which issues or change requests from the previous release have been resolved, which scenarios have been impacted by any changes, and which issues remain

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## Related Documents

This section identifies additional documents related to OFS BD Application 8.0.7.0.0. You can access Oracle documentation online from the Documentation Library ([OHC](#)).

- *Oracle Financial Services Behavior Detection Applications Pack Installation Guide*
- *Administration Tools User Guide*
- *Alert Management User Guide*
- *Analytics User Guide*
- *Anti-Money Laundering Technical Scenario Description*
- *Behavior Detection Administration Guide*
- *Behavior Detection Configuration Guide*
- *Behavior Detection Data Interface Specification*
- *Broker Compliance Technical Scenario Description*
- *Common Reporting Standard Administration and Configuration Guide*
- *Common Reporting Standard User Guide*
- *Currency Transaction Reporting Administration and Configuration Guide*
- *Currency Transaction Reporting Technical Scenario Description*
- *Currency Transaction Reporting User Guide*
- *FATCA Management Administration and Configuration Guide*
- *FATCA Management Assessment Guide*
- *FATCA Management Data Model Reference Guide*
- *FATCA Regulatory Reporting Administration and Configuration Guide*
- *FATCA Regulatory Reporting User Guide*

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- *Financial Services Data Model Reference Guide Volume 1: Business Data*
  - *Financial Services Data Model Reference Guide Volume 2: Oracle Financial Services Data*
  - *Fraud Technical Scenario Description*
  - *Glossary of Financial Crimes and Compliance Management Products*
  - *Know Your Customer Administration Guide*
  - *Know Your Customer Data Model Reference Guide*
  - *Know Your Customer Risk Assessment Guide*
  - *Know Your Customer Service Guide*
  - *Scenario Manager User Guide*
  - *Scenario Wizard Configuration Guide*
  - *Security Guide*
  - *Services Guide*
  - *Trading Compliance Technical Scenario Description*
  - [Oracle Financial Services Analytical Applications Technology Matrix](#)

## Introduction to Oracle Financial Services Behavior Detection

In terms of regulatory reporting, financial institutions feel increasingly boxed in. On one hand, the number, frequency, and complexity of reports continues to spiral, especially for global financial institutions. At the same time, regulators are strongly encouraging firms to spend more time on analysis and review, such as the U.S. Federal Reserve's guidance that financial institutions spend 80% of the time allocated for regulatory reporting on analytics/reviews and 20% on data compilation. Financial institutions also continue to struggle with data aggregation and quality and, in many cases, the last stages of reporting are often a largely manual process.

While facing growing regulatory costs and complexity, financial services organizations are struggling to realize the positive impact of more rigorous reporting requirements. They are compiling significantly more data for reporting purposes, but do not have adequate time and resources to fully analyze and gain new insight from this data – translating to a missed opportunity.


The Oracle Financial Services Behavior Detection Applications Pack includes the following applications:

- **Financial Services Analytical Applications Infrastructure:** This application streamlines analysis using a set of tools for data management and security administration and creates a single, consistent, enterprise-wide source of all relevant customer and financial data.
- **Financial Services Behavior Detection:** The multiple applications within the Financial Services Behavior Detection platform enable financial institutions to meet their regulatory reporting requirements as part of integrated financial crime and compliance management approach and helps reduce compliance costs and manage potential exposures.
- Oracle Financial Services Behavior Detection (BD) provides automated, comprehensive, and consistent surveillance of all accounts, customers, correspondents, and third parties in transactions, trades, orders across all business lines. The application allows organizations such as banks, brokerage firms, and insurance companies to monitor customer transactions daily, using customer historical information and account profiles to provide a holistic view of all transactions, trades, orders and other activities. It also allows organizations to comply with national and international regulatory mandates using an enhanced level of internal controls and governance. Behavior Detection is a common platform that supports the following OFSAA products:
  - **Anti-Money Laundering Enterprise Edition (AML EE)** monitors transactions to identify possible money-laundering activities. These scenarios consider whether the geographical location or entities involved warrant enhanced scrutiny; monitor activity between accounts, customers, correspondents, and other entities to reveal relationships that could indicate efforts to launder funds; address sudden, significant changes in transaction activity that could indicate money laundering or fraud; and detect other types of activities that are considered potentially suspicious or indicative of money laundering.
  - **Know Your Customer (KYC)** assesses the risk associated with a customer by considering different attributes of the customer and enables financial institutions to perform Due Diligence, Enhanced Due Diligence, and continuous monitoring of customers. Cases generated in Know Your Customer can be managed within Enterprise Case Management to track investigations until they have been resolved or reported to the appropriate regulatory authorities.

- **Enterprise Fraud Management (EFM)** detects behaviors and patterns that evolve over time and are indicative of sophisticated, complex fraud activity. These scenarios monitor check and deposit / withdrawal activity, electronic payments, such as funds transfer and payments completed through clearing house (ACH) mechanisms, and ATM and Bank Card to identify patterns of activities that could be indicate fraud, counterfeiting or kiting schemes, identity theft or account takeover schemes. Fraud scenarios also monitor employee transactions to identify situations in which employees, acting as insiders, take advantage of access to proprietary customer and account information to defraud the financial institution's customers.
- **Currency Transaction Reporting (CTR)** analyzes transaction data from the organization and identifies any suspicious activities within the institution that may lead to fraud or money laundering and must be reported to the regulatory authorities. Currency Transaction Reports (CTRs) are created either at the branches or through the end of day files, where the CTR application aggregates multiple transactions performed at the branch, ATMs and Vaults. Oracle Financial Services Currency Transaction Reporting then helps the organization file the CTR online with the U.S. Financial Crimes Enforcement Network (FinCEN) using a discreet form or uploaded in a batch form in a specific text file format. Unlike alerts for other Oracle Financial Services products such as Anti-Money Laundering, Fraud, Trading Compliance, Broker Compliance, or Energy and Commodity Trading Compliance which appear in an Alert Management user interface, CTR alerts are automatically processed and converted into CTR reports or Monetary Instrument Log reports which can be worked through the CTR user interface.

**NOTE:** Oracle Financial Services Currency Transaction Reporting product is applicable to North America regulations only, specifically US regulatory requirements.

- **Foreign Account Tax Compliance Act (FATCA) Management** allows financial institutions to comply with FATCA regulations from the Internal Revenue Service and the US Treasury Department which prevent US taxpayers who hold financial assets in non-US financial institutions and other offshore vehicles from avoiding their US tax obligations. The FATCA Management solution integrates with Enterprise Case Management to track investigations until they have been resolved or reported to the appropriate regulatory authorities.
- **Trading Compliance (TC)** examines prices and timing of orders and executions by comparing them to market conditions and detect behaviors or situations that violate exchange, market center, and individual broker or dealer policies and procedures, including behaviors that violate the Chinese Wall policies and procedures established by the Firm or those with confidential information held by the Firm about a security.
- **Trade Blotter (TB)** allows trades to be viewed and reviewed, primarily for suitability issues within the wealth management sector, by compliance analysts and business supervisors after a trade has been executed. The Trade Blotter is a list of trades returned after a search based on specified criteria. Users can view trade details, view related trade documents, enter a comment on a specific trade, and then mark the trade as reviewed or requiring follow-up.
- **Broker Compliance (BC)** identifies activities or situations in customer accounts that involve either a significant amount of risk-and therefore may be unsuitable for the customer-or may



violate trading rules set by the exchanges or regulators; trades in mutual fund securities that may violate regulatory trading guidelines, Commission policies, or are unsuitable for a particular customer; and activities performed by employees that may violate regulatory conduct rules or may be prohibited by firm policies. These scenarios also detect instances in which an investment advisor may be managing client accounts in a manner that is unsuitable for their customers, giving preferential treatment to particular customers, or manipulating transactions between accounts; and instances in which a portfolio manager may be placing orders on material, non-public information, misrepresenting portfolio performance, or unfairly allocating orders to accounts they manage.

- **Common Reporting Standard (CRS)** enables financial institutions to create reports containing tax data on reportable accounts for their respective jurisdiction, which in turn will exchange it with other participating jurisdictions on an annual basis.



## Oracle Financial Services Behavior Detection

Oracle Financial Services Behavior Detection is a separately licensed product.

Release 8.0.7.0.0 is cumulative of all enhancements and bug fixes done since the 8.0.6.0.0 release.

This chapter includes the following topics:

- ◆ [New Features](#)
- ◆ [Prerequisites](#)
- ◆ [Bugs Fixed in This Release](#)
- ◆ [Known Issues](#)

### New Features

This release of the Oracle Financial Services Behavior Detection Application Pack contains enhancements across many of the products which make up Oracle's Financial Crime and Compliance (FCCM) solution. FCCM provides an end-to-end solution that leverages a comprehensive data model and robust dashboard functionality. The framework facilitates a transparent and holistic view of all FCCM-related activities across the enterprise, creating an enhanced level of visibility that allows senior management to identify and mitigate any operational inefficiency that might potentially increase noncompliance risks or the overall cost of compliance.

**Note:** Release 8.0.7.0.0 of the Oracle Financial Services Behavior Detection Application Pack is not fully backward compatible with earlier versions of FCCM applications. You must upgrade all of your FCCM applications from existing 8.0.x versions to 8.0.7.0.0 version and cannot choose to upgrade only selective application packs to v8.0.7.0.0.

Highlights of this release include:

1. Oracle Financial Services FCCM Analytics has been enhanced in the following ways:
  - The Pre-case report has been introduced.
2. Oracle Financial Services Know Your Customer has been upgraded in the following ways:
  - KYC Compliance Onboarding Service developed to enable quick decisions when onboarding.
  - Coverage of multiple sub-processes in one API integration.
  - Enabled CDD/EDD of Onboarding Prospect applications.
  - KYC Customer Dashboard created to enable users to view the history of all risk scoring with the network graph.
  - Pre-integrated with Oracle Financial Services Customer Screening for both Real time and for batch process.
3. Oracle Financial Services FATCA Management has been upgraded in the following ways:
  - Integration with Oracle Financial Services Enterprise Case Management (ECM).
  - Support for batch report creation from Behavior Detection.

4. Oracle Financial Services Common Reporting Standard (CRS) application has been upgraded in the following ways:
  - E-file report creation performance issues have been corrected.
5. Oracle Financial Services Currency Transaction Reporting has been updated in the following ways:
  - The following existing scenarios have been modified in 8.0.7 to resolve issues or implement enhancements:
    - Bank Secrecy Act Currency Transaction Report
    - Bank Secrecy Act Monetary Instrument Log
6. Oracle Financial Services Anti Money Laundering/ Institutional Anti Money Laundering has been updated in the following ways:
  - The following existing scenarios have been modified in 8.0.7 to resolve issues or implement enhancements:
    - Deposits/Withdrawals in Same or Similar Amounts
    - Patterns of Funds Transfers Between Internal Accounts and Customers
    - Patterns of Recurring Originators/Beneficiaries in Funds Transfers
    - Structuring: Potential Structuring in Cash and Equivalents

For detailed information on installation, configuration, and usage of features, see [Oracle Financial Services Behavior Detection Applications Pack Installation Guide](#) from the [OHC](#) Documentation Library.

For more information on the OFS AAI requirements, see [OFS Advanced Analytical Applications Infrastructure Application Pack](#) in the [OHC](#) Documentation Library.

## Prerequisites

There are no prerequisites required for this release.

## Known Issues / Limitations

The known issues / limitations in OFS BD Release 8.0.7.0.0 are as follows.

Component	Bug ID	Description
CTR	27010253	When Expand All action is taken in the Transaction tab, the Include Shared Branching checkbox gets un-checked.
	27979365	Home page does not display correctly. It is not utilizing all available space.
	22595644	Clients using OFSDF CSA and implementing the Currency Transaction Reporting (CTR) application may experience a failure during batch load of the

		Currency Transaction table if the data is being sourced from the STG_CARDS_PAYMENT_TXNS table.
Common Processing	20668259	<p>When Ingestion is run, the following warning messages related to batch and calendar maintenance may display in some logs:</p> <p>WARN CALENDAR_MANAGER - Message 265050: The Calendar name 'SYSCAL' has no Holidays specified.</p> <p>FATAL BATCH_CONTROL - Message 265032: Some Batch Processes are already running.</p> <p>WARN FDT - Message 30102: Date 20091213 out of bounds for calendar SYSCA</p> <p>These messages can be ignored as there is no functional impact.</p>
FATCA	28967708	FATCA Report Context is not getting refreshed when an action is taken on a report.
KYC	25482263	Customer Submitted Documents unable to view in the UI due to documents not being moved from file system to KYC system. The documents can be referred outside KYC system.
	28000097	The Online Help guide is not displaying.
	29113013	Value for the Prior Case in the KYC Customer Dashboard displays incorrect count of open cases.
	25563976	For KYC Case Assignment to occur, it is expected to have a Mantas batch to be open, although KYC is independent of Mantas batch.
Scenario	22545134	An error message may be displayed when a user tries to review and save a scenario created using the scenario wizard tool.
	22586745	For some security focus scenarios, the Focal Entity Display ID may not be populated due to an incorrect mapping of the underlying scenario data to the resulting alert review record. This will result in the Focus column on the UI displaying as null.
	29114115 27557961	When monthly scenarios are executed on non-business days, they consider the previous month rather than the expected month. For example, if November 1 is a non-business day, the scenario generates alerts based on trades occurring in September, rather than October.
User Interface	22231998	When searching for a specific link on the Network Graph using the highlight tool, sometimes invalid links show up in the list for selection.
	22267893	For clients using KYC application, after the risk assessments are promoted to case, under Customer tab in case management only 'Risk Information' and 'Details' options will have data and other options will not have data.

## Resolved Issues

The following issues have been resolved in OFS BD Release 8.0.7.0.0.

Component	Bug ID	Description
Alert Management	28019750	Performance issues with Alert Management when using Internet Explorer.
CTR	27983892	The Export to Excel, Email, and Download E-File actions are not functioning from the E-File List Page.
	28040040	The copyright footer, on entry to a page, may appear inappropriately in the middle of the page. On refresh of page it displays correctly.
CRS	27938246	The CRS UK template revised report is not getting generated with all data. Users will not be able to submit any amended/void reports using the application.
Data Model	27992814	Hive H2Ts and T2H files are failing.



## Oracle Financial Services Analytical Applications Infrastructure

For more information on new features, resolved issues, or the known issues/limitations of Oracle Financial Services Analytical Applications Infrastructure, see the [Oracle Financial Services Analytical Applications Infrastructure ReadMe](#).



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