

ORACLE®

Financial Services

**Financial Crimes and Compliance
Management**

Behavior Detection Application Pack

Release **8.0.8.0.0**

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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 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

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc>.


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Related Documents

This section identifies additional documents related to OFS BD Application 8.0.8.0.0. You can access Oracle documentation online from the Documentation Library ([OHC](#)).

- *Oracle Financial Services Behavior Detection Applications Pack Installation Guide*
- *Administration Tools User Guide*
- *Analytics User Guide*
- *Anti-Money Laundering Technical Scenario Description*
- *Behavior Detection Administration Guide*
- *Behavior Detection Configuration Guide*
- *Behavior Detection Data Interface Specification*
- *Behavior Detection User Guide*
- *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*
- *Financial Services Data Model Reference Guide Volume 1: Business Data*
- *Financial Services Data Model Reference Guide Volume 2: Oracle Financial Services Data*

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- *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.

Oracle Financial Services Behavior Detection

Oracle Financial Services Behavior Detection is a separately licensed product.

Release 8.0.8.0.0 is cumulative of all enhancements and bug fixes done since the 8.0.7.0.0 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 8.0.8.0.0 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 8.0.8.0.0 version and cannot choose to upgrade only selective application packs to v8.0.8.0.0.

Highlights of this release include:

1. Oracle Financial Services Know Your Customer has been upgraded in the following ways:
 - Data structures created to capture internal and external regulatory reports being filed for KYC review as a part of EOD process.
 - Adhoc adverse media request from UI - Arachnys Integration
 - Display of questionnaire responses for onboarding assessment and cases
 - Extension of KYC and CS real time integration
 - Response of KYC onboarding captures the case ID's of CS as well
 - CS ECM rest service being called
 - Extended the pre-filtering rule for KYC
 - Capturing the delta CS customers for KYC review
 - Option for recalculation from the user interface
 - The recalculation happens when EOD batch is executed



2. 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 8.0.8 to resolve issues or implement enhancements:
 - Rapid Movements of Funds All Activity
 - High Risk Transactions: High Risk Counter Party
 - Anticipatory Profile: Expected Activity
 - Escalation in Inactive Account
 - Transactions in Round Amounts
 - Large Reportable Transactions
 - Single or Multiple Cash Transactions: Large Significant Transactions
 - Change in Behavior: Previous Average Activity
 - Patterns of Funds Transfers Between Internal Accounts and Customers
 - Hub and Spoke
 - Early Payoff or Paydown of a Credit Product
 - Anomalies in ATM, Bank Card: Excessive Withdrawals
 - High Risk Transactions: Focal High Risk Entity

3. Oracle Financial Services Trade-Based Anti Money Laundering has been updated in the following ways:

- A new scenario, Anticipatory Profile Expected Goods/Services, has been added.
- The following existing scenarios have been modified in 8.0.8 to resolve issues or implement enhancements:
 - Customer Involved with Parties in High Risk Geography
 - Significant Number of Amendments
 - Deviation From Peer Group – Commodity Price Change
 - Inconsistent Shipping
 - Change in Behavior: Significant Change in Commodity Price
 - Change in Behavior: Commodity Shift
 - Change in Behavior: High Risk Country Shift
 - Change in Behavior: Region Shift
- TBAML integration with Oracle Enterprise Case Management has been updated to implement the following enhancements:
 - Third-party lending area for external events
 - Custom goods screening for dual use goods, prohibited, restricted
 - Updated the ECM user interface to include:
 - Transactions grid
 - Screening events- match highlight feature
 - Show multiple SWIFT messages
- With the release of Behavior Detection Framework (BDF) 8.0.5, dispositioning alerts through Alert Management (AM) is no longer supported. AM is only applicable to Trading Compliance and Broker Compliance. For AML and Fraud alerts, the Event Correlation module in Enterprise Case Management

(ECM) should be used to correlate events from the FCCM Behavior Detection engine or those ingested from external applications. AM can be used as read-only for viewing historical alerts but it is not to be used for investigating alerts, taking action on alerts, editing alerts and/or promoting alerts to a case. The manual Promote to Case functionality is no longer supported. Customers are to use ECM for reviewing and investigating alerts. A restricted use license of ECM is provided with the BDF license which replicates the functionality available in AM to the best that is currently available within ECM. Implementations should use event correlation to move Alerts from BDF into ECM and then use alert correlation/promote to a case where all levels of investigation can occur. If this updated process is not clear to your implementation team it is advised that you contact Oracle Partner Network or Oracle Consulting to be trained.

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 8.0.8.0.0 are as follows.

Component	Bug ID	Description
CTR	27979365	Home page does not display correctly. It is not utilizing all available space.
Common Processing	20668259	When Ingestion is run, the following warning messages related to batch and calendar maintenance may display in some logs: WARN CALENDAR_MANAGER - Message 265050: The Calendar name 'SYSCAL' has no Holidays specified. FATAL BATCH_CONTROL - Message 265032: Some Batch Processes are already running. WARN FDT - Message 30102: Date 20091213 out of bounds for calendar SYSCA These messages can be ignored as there is no functional impact.
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.
	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 8.0.8.0.0.

Component	Bug ID	Description
CTR	29113013	Value for the Prior Case in the KYC Customer Dashboard displays incorrect count of open cases.



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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