Oracle Financial Services

Behavior Detection Application Pack

Release Notes

Release 8.1.2.4.0

March 2023

ORACLE
Financial Services

OFS BEHAVIOR DETECTION RELEASE NOTES

Document Control

Table 1 lists the document control.

Table 1: Revision History

Revision Number	Revision Date	Change Log
1.0	March 2023	The initial release of this document.

Table of Contents

1   Preface

This preface provides supporting information for the Oracle Financial Services Behavior Detection Application Pack Release Notes.

Topics:

- Purpose of This Document
- Intended Audience
- Related Documents
- Documentation Accessibility

1.1   Purpose of This Document

This document contains release information for the following products:

- Oracle Financial Services Anti Money Laundering
- Oracle Financial Services Common Reporting Standards
- Oracle Financial Services Currency Transaction Reporting
- Oracle Financial Services Enterprise Fraud Management
- Oracle Financial Services Know Your Customer
- Oracle Financial Services Crime and Compliance Management Analytics

1.2   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.

1.3   Related Documents

This section identifies additional documents related to OFS BD Application Pack. You can access the following documents from the OHC library:

- OFS Behavior Detection Application Pack Installation Guide
- OFS Behavior Detection Application Pack User Guide

This release includes the following additional related documents:

- Administration Tools 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
- 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
- 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
- Oracle Financial Services Analytical Applications Technology Matrix

1.4   Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website.

2   Introduction

In terms of regulatory reporting, financial institutions feel increasingly boxed in. The number, frequency, and complexity of reports continue to spiral, especially for global financial institutions. At the same time, regulators strongly encourage firms to spend more time on analysis and review, such as the US 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 struggle to realize the positive impact of more rigorous reporting requirements. As a result, they are compiling significantly more data for reporting purposes. Still, they 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 an integrated financial crime and compliance management approach. It 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, and 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 customer attributes 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 may indicate 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 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 helps the organization file the CTR online with the US Financial Crimes Enforcement Network (FinCEN) using a discreet form or uploaded in a batch form in a specific text file format.

    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 only applies to North American regulations, specifically US regulatory requirements.

3   Oracle Financial Services Behavior Detection

This chapter describes the new features, bugs addressed, and known issues in this release of OFS Behavior Detection.

Topics:

- New Features in This Release
- Bugs Fixed in This Release
- Limitations and Known Issues

ATTENTION	If you are upgrading from a prior release to 8.1.1 or later, please note that the dispositioning of alerts through Alert Management (AM) is no longer supported. AM can be used only to verify the output of Behavior Detection scenarios and is no longer used for alert review. By using AM for dispositioning alerts, customers will be out of compliance with their support contract.
	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. Customers are required 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 the available batch processes to automatically move Alerts from BDF into ECM, where correlation rules will promote them to a case. From the case, all levels of investigation can occur. If this updated process is not clear to your implementation team, you should contact Oracle Partner Network or Oracle Consulting to be trained.
	As of June 8th, 2021, the following Financial Crimes and Compliance Applications are no longer offered by Oracle Financial Services. These products are not supported on release 8.1.1.1 and later versions:
	- Oracle Financial Services Trading Compliance - Oracle Financial Services Trading Compliance Enterprise Edition - Oracle Financial Services Broker Compliance - Oracle Financial Services Broker Compliance Enterprise Edition - Oracle Financial Services Trade Blotter

3.1   New Features in This Release

The following are the new features/enhancements for OFS Behavior Detection Release 8.1.2.4.0:

1. The scenarios listed below have been modified to support Functional Currency:

   - Deviation from Peer Group – Total Activity – Correspondent Banking Focus
   - Change In Behavior: Significant Change from Previous Average Activity – Correspondent Banking Focus.

2. The following scenarios as shown in Table 1 were redesigned from Sequence algorithms to Rule algorithms for better performance:

- Deposits/Withdrawals in Same or Similar Amounts (AC and EN focus)
- Structuring: Avoidance of Reporting Thresholds (AC and CU focus).

Table 1: Sequence Algorithms to Rule Algorithms

Old Scenario	New Scenario
ML-DepWDSameAmts.115000003.xml– AC focus	ML-DepWDSameAmts.118860013.xml– AC focus
ML-DepWDSameAmts.115000007.xml– EN focus	ML-DepWDSameAmts.118860020.xml– EN focus
ML-StructuringAvoidReportThreshold.116000046.xml-CU focus	ML-StructuringAvoidReportThreshold.118860028.xml-CU focus
ML-StructuringAvoidReportThreshold.116000063.xml-AC focus	ML-StructuringAvoidReportThreshold.118860029.xml-AC focus

> **NOTE** The old scenario file has been replaced by the new one listed above, for scenario technical performance optimization purposes. There is no change in alert generation, filters, data streams of interest, parameters, scenario configuration, building blocks, highlights, Frequency, and lookback period.

3. To allow banks to ingest multiple relations between 2 parties through CSA, STG_PARTY_PARTY_RELATIONSHIP table in CSA is modified to include V_RELATIONSHIP_TYPE_CODE as new primary key. The default value for this field is MSG.

4. The following forms can now be accessed directly from the AML Hamburger Menu:

- Security Management System (Behavior Detection → Administration → User Administration)
- Security Attribute Administration (Behavior Detection → Administration → User Administration)
- Manage Common Parameters (Behavior Detection → Administration)
- Alert Management Configuration (Behavior Detection → Administration)
- Manage Watch Lists (Behavior Detection → Watch List Management)
- Manage Watch List Members (Behavior Detection → Watch List Management).

5. Risk Inheritance Capability for KYC batch - As part of Risk Inheritance, both primary customer and interested parties are risk assessed. The Primary customer will inherit the risk posed by any of the interested parties. Interested party will now go either through "Full KYC" or "Name and Address Screening" assessment, based on their relationship type with the primary customer.

6. KYC Onboarding API User Authorization - Only users who are mapped to specific role privileges will be able to invoke KYC Real-time API for onboarding risk assessment.

7. Accelerated Re-review trigger evidence in KYC Batch Risk Assessment UI - Evidence details related to accelerated re-review based KYC batch trigger (for example: Change log based trigger) is now displayed under KYC Batch risk assessment UI.

8. Overridden Review Date displayed in KYC Risk Assessment dashboard main page:

- If next review date is overridden, the same is displayed under field "Next Review Date" in KYC risk assessment dashboard page.

- ■ If risk score is overridden, the same is displayed under field "Risk Score" in KYC risk assessment dashboard page. Next review date & Risk Score can be overridden by KYC investigator as part of KYC batch case investigation in ECM application.

9. Configuration of "Case Priority" logic for KYC Onboarding case supported.

10. Restrict old Risk Assessment promotion to case - When there is more than one risk assessment for a customer, the application allows only the most recent risk assessment to be manually promoted to a case.

11. Excel Upload option provided for the following history tables:

- ■ H$APPLN_RB_PROCESSING
- ■ H$APPLN_REREVIEW_PARAMS
- ■ H$APPLN_RISK_RATING_PARAMS
- ■ H$DIM_RISK_CATEGORY
- ■ H$DIM_RAORRISK_CATEGORY
- ■ H$DIM_ACCT_CUST_ROLE_TYPE
- ■ H$PARAM_RISK_SCORE_JRSDN

12. ECM integration for wire and card transactions has been added for OFS Real Time Fraud. This update allows level 2 analysts to complete holistic customer reviews within ECM after a transaction has been blocked.

13. OFS Real Time Fraud UI for wire transactions has been enhanced to allow additional data to be viewed in a more intuitive way. This includes facilitating improved decision making by allowing analysts to see other recent wires from the customer.

14. To improve process flexibility, new options have been added for the assignment of wire transaction alerts in OFS Real Time Fraud, This includes manual assignment, 'get next', and assignment from alert search list.

15. In OFS Real Time Fraud, permissions for card and wire transactions have been split, allowing each to be set differently.

16. In OFS Real Time Fraud, updated data model including SWIFT MX support has been added for wire transaction, allowing rich structured data to be used in scenario design and UI visibility.

3.2 Bugs Fixed in This Release

Table 2 lists the bugs that have been fixed in OFS Behavior Detection Release 8.1.2.4.0.

Table 2: Resolved Issues

Component	Bug ID	Resolution
RTF	33672293	RTF Wire attachments added in comment section.
KYC UI	34184419	After a new rule is added to "Rule Based Risk Assessment" it is displayed in history table.
RTF	34923254	Transactions with block/release status are displayed on UI.
BD	34934258	Converting scenario ML-STRUCTURINGAVOIDTHRESHOLD- CU from SEQ pattern to RULE pattern.

Table 2: Resolved Issues

Component	Bug ID	Resolution
BD	34989454	Converting scenario ML-STRUCTURINGAVOIDTHRESHOLD- AC from SEQ pattern to RULE pattern.
BD	35130565	TC and BC sections removed from the threshold analyzer/Scenario Tuning (OBIEE Report)

3.3 Limitations and Known Issues

Table 3 lists the known issues/limitations in OFS Behavior Detection Release 8.1.2.4.0.

Table 3: Limitations and Known Issues

Component	Bug ID	Resolution
OJET	35149788	Issue in loading KYC UI menus.
AML	33367665	Previously, the Threshold Editor (Admin Tools UI) could not run the Sequence Matcher scenario with custom threshold for TEST run. This issue has been fixed. Now, users can run the Sequence Matcher scenario with custom threshold for TEST run. Existing issues are as follows: ● The fix does not work for an existing custom threshold set of Sequence Matcher scenarios. In this case, the user would have to create new set of custom thresholds post patch application. ● Pattern name for Sequence Matcher scenario appears as 'null' in 'Scenario Test Execution' window. ● Pattern name appears as '-' in 'Review Test Scenario Results' window for Sequence Matcher scenarios.
AML	33410918	Existing issues in Review Test Scenario Result Screen (Admin Tools UI) are as follows: ● Match information icon (downloadable Excel) should be in grey color and disabled till the job is in 'Running' Batch status. However, this icon is enabled irrespective of Batch status. Do not download an excel report for jobs having Batch status other than 'Finished'. ● The Threshold values pop-up window for job entries in 'Running' Batch Status is blank. ● The Review Test Scenario Result page may incorrectly display for some scenarios when multiple jobs are assigned to a single template ID. One job will be completed with 'Finished' status and will display the count of matches. Other jobs will be in 'Running' Status and the count displayed will be '0'. When executed with a single job mapped with the template group ID, the result will display correctly.

4   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 (OFSAA) documentation.

5 Hardware and Software Tech Stack Details

The hardware and software combinations required for OFS BD 8.1.2.4.0. are available in the OHC Tech Stack.

6   Licensing Information

For details on any third-party software tools used, see the *OFSAA Licensing Information User Manual Release 8.1.2.0.0,* available in the OFSAA Generic Documentation Library.

OFSAA Support Contact Details

Raise a Service Request (SR) in My Oracle Support (MOS) for queries related to OFSAA applications.

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- Is the information clearly presented?

- Do you need more information? If so, where?

- Are the examples correct? Do you need more examples?

- What features did you like most about this manual?

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