**NetGuardians**

# Press Release

## NETGUARDIANS PUBLISHES AML TRANSACTION MONITORING WHITE PAPER TO DRIVE IMPROVEMENTS IN MONEY LAUNDERING DETECTION AT BANKS

**Yverdon-les-Bains, 25 April 2023:** Many of the Anti Money Laundering (AML) systems within banks are no longer fit for purpose according to a white paper published by NetGuardians, the Swiss anti-financial crime FinTech. Machine learning-based solutions for AML can monitor the ever-growing number of instant payment transactions far more effectively.

The paper, titled 'The Future of Transaction Monitoring for AML', exposes the weaknesses of traditional rules-based AML monitoring systems to accurately detect suspicious transactions in the digital age. But even if existing AML monitoring systems were effective, according to NetGuardians, the spread of instant electronic payments means banks' current systems would come under impossible strain.

Without effective safeguards, instant payments can enable industrial-scale money laundering to occur without banks being aware, despite their legal obligations to prevent it. NetGuardians cites findings from global management consulting firm McKinsey, "For most banks, more than 90% of transaction-monitoring alerts turn out to be false positives. Of those alerts that do result in a suspicious activity report filing, 80% to 90% are not acted upon." However, transaction monitoring systems based on machine learning result in greater accuracy and fewer false positives, leading to more efficient use of compliance resources.

According to the UN Office on Drugs and Crime, approximately USD$1.6tn, equating to around 3.6% of global GDP, is laundered every year. Alarmingly, however, less than 1% of the proceeds of crime are successfully confiscated each year, according to Europol, suggesting that when AML monitoring systems fail to correctly identify money laundering transactions, the criminals will likely profit from the funds.

NetGuardians predicts that the threat posed by ineffective AML systems to the credibility of national financial regulators will ultimately drive uptake in new technologies that can improve oversight and increase detection and recovery rates.

Thierry Divenot, NetGuardians' Global Head of Sales & Marketing, said: "Machine learning solutions for AML transaction monitoring are capable of drastically reducing the instance of money laundering and improving compliance. However, this transformative technology can only reach its full potential if banks and regulators are willing to embrace the future, which requires acceptance and determination across the banking industry. NetGuardians hopes this white paper will serve as a wake-up call and highlight the possibilities that can be achieved by a shift toward modern technology."

For more information on how banks can make the transition to machine learning-based AML transaction monitoring, read 'The Future of Transaction Monitoring for AML' white paper online at the following link (also available for download): https://www.netguardians.ch/all-about-aml-transaction-monitoring/

**- End -**

-------------------------------------------------------------------------

## NETGUARDIANS

NetGuardians is an award-winning Swiss FinTech helping financial institutions in over 30 countries to fight fraud. More than 100 banks and wealth managers, including 40 per cent of all Swiss state-owned commercial banks and three of the top 10 private banks as ranked by Euromoney, rely on NetGuardians' 3D artificial intelligence (3D AI) solution to prevent fraudulent payments in real-time. Banks using NetGuardians' software have achieved an 85 per cent reduction in customer friction, enjoy more than 75 per cent lower operating costs and have detected new fraud cases.

NetGuardians is the fraud-prevention partner of major banking software companies, including Finastra, Avaloq, Mambu and Finacle. It was listed as a representative vendor in Gartner's 2020 Market Guide for Online Fraud Detection and as a global leader in the 2021 Aite-Novarica report on Fraud and AML Machine Learning Platforms. Headquartered in Switzerland, NetGuardians has offices in Singapore, Kenya and Poland.

More information: www.netguardians.ch

-------------------------------------------------------------------------

**NetGuardians Headquarters**
NetGuardians SA
Y-Parc - Av. des Sciences 13
1400 Yverdon, Suisse
+41 24 425 97 60

**NetGuardians Africa**
Fraudguardian Africa Ltd.
The Mirage Tower 1, 12th Floor
P.O. Box 574, 00606 Sarit, Nairobi
+254 796 616 263

**NetGuardians Asia**
WeWork | NetGuardians
71, Robinson Rd, #14-01
Singapore 068895
+65 6224 0987

www.netguardians.ch | info@netguardians.ch

CONTACT:

**Mine Fornerod**
Director of Marketing Communications, NetGuardians
communications@netguardians.ch
T. +41 24 425 97 60