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 **TETA®**

SART 2

TRANSACTION ANALYSIS AND RECORDING SYSTEM

THE OPTIMAL SOLUTION FOR MONEY LAUNDERING MONITORING AND DETECTION

TETA SA

al. Wiśniowa 1
53-137 Wrocław
www.teta.com.pl

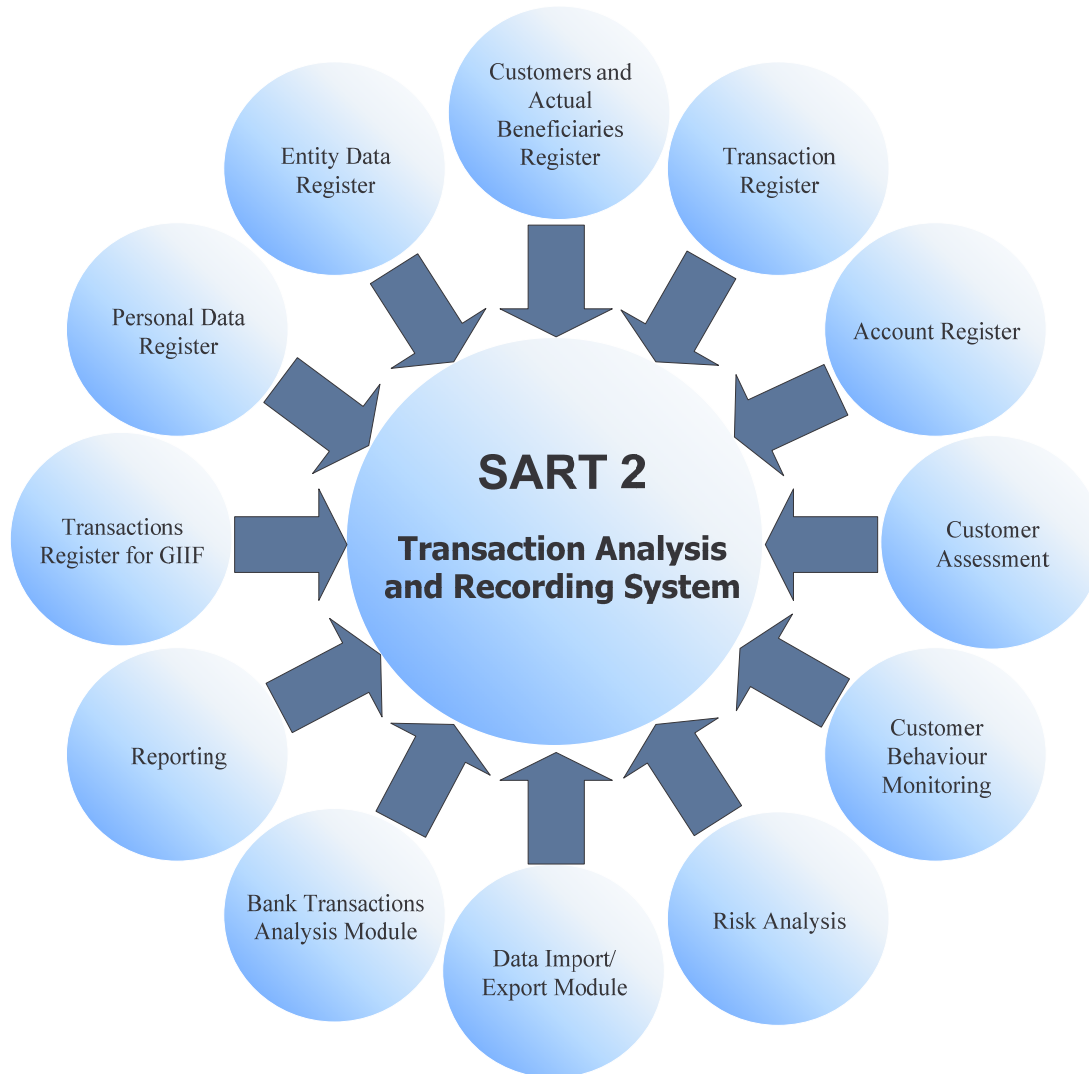
Infoline:

tel. +48 71 323 40 43
fax: +48 71 323 40 01
e-mail: sart@teta.com.pl

Legal requirements

The new regulations on anti-money laundering and terrorism financing prevention, articulated in the Draft Act dated the 27th of July 2007, demand that new IT tools be used in the financial sector.

In order to meet the banking sector’s expectations TETA SA presents a new version of the **SART 2 system (Transaction Analysis and Recording System)**, a complete and integrated analytical suite that is fully compliant with the Draft Act’s requirements.



Data Import and Export modules

The data import and export modules of SART2 provide an interface for uploading or saving data from different sources (SQL database, MS Office/Open Office files, text files, XML, Webservice etc.). This functionality of SART 2 meets the Draft Act requirements with regard to providing immediate information at the General Inspector’s request.

It should be noted that SART 2 fully supports data import from the **DefBank** system in relation to banking transactions (transaction details), chart of accounts and customers.

Data registers in SART 2

In line with the Draft Act requirements SART 2 features a basic set of registers:

Personal Data Register	A register of personal data of individuals involved in financial transactions with the Responsible Institution.
Entity Data Register	A register of basic data of entities involved in financial transactions with the Responsible Institution.
Customers Register and Actual Beneficiaries Register	Registers supporting identification of customers and actual beneficiaries in the context of the Transaction Register and banking transactions analysis. The two registers are closely connected with the Personal Data Register and the Entity Data Register.
Bank Account Register	A register of bank accounts connected with the Customers Register and the Actual Beneficiaries Register of the Responsible Institution.
Transaction Register	A register (data warehouse) of all transactions processed by the Responsible Institution, together with FX rates chart.

The data registers of SART 2 have two main functions:

- support identification of properties required by the Draft Act and connected with the Responsible Institution's business (customer's properties, actual beneficiary's properties, business entity's properties etc.);
- enable categorisation of transaction-related events and are used for money flow monitoring, customer and actual beneficiary behaviour analysis, money laundering and terrorism financing risk analysis.

Object Group Management

SART 2 System features a comprehensive model for creating and managing groups of objects. The standard version of SART2 has got the following group management models:

- Black and white list of customers and individual customer groups;
- Black and white list of bank accounts and individual account groups;
- Customers, actual beneficiaries and high-profile individuals.

Depending on client's requirements the group model can be modified according to individual needs. The system can be upgraded with new group models (e.g. business customer groups, bank product groups etc.).

Reporting Module

SART 2 also features an extensive reporting module allowing the user to present data in almost any way they choose. This functionality has been achieved through ASQL Business Classes – an innovative solution enabling to convert intricate SQL database attribute classes to user friendly and clear business classes (e.g. customer, account, beneficiary) and analytical rules (appropriately prepared analyses with graphic and intuitional user interfaces, operating on business classes).

The SART 2 reporting module also features a unique ability to save generated reports in a repository isolated in SART2 for that purpose and then use the reports in analysis as an extra data source. Thanks to ASQL Business Classes all reports are automatically labelled on the basis of the context they are used in. Thus when looking through archived reports we have access to full information on origination of every single report. This functionality meets the requirements specified in the Draft Act in relation to verification and archiving of analysis results.

■ Analysis Module in SART 2

Apart from the existing requirements re bank transactions analysis, the Draft Act introduces new requirements concerning customer behaviour monitoring and customer assessment based on risk analysis. Currently SART 2 provides the following analysis categories:

Bank Transactions Analysis Module	A bank transactions analysis module enabling detection of suspicious and linked transactions as well as money flow analysis.
Customer Behaviour Monitoring	A set of customer behaviour analyses. The module can also be used for "Know Your Client" programmes.
Risk Analysis	A module for analysis and management of risks attached to customers, actual beneficiaries and bank transactions.
Customer Assessment	A module for development of multi-level and multi-context customer assessment on the basis of scoring models.

As in its previous version, the **Bank Transactions Analysis Module** in SART2 is based on analytical rules grouped into the four categories: Selection, Aggregation, Grouping and transactions chains (CFCA). It is worthwhile to mention that SART 2 as the only system on the market features an advanced analysis of linked transactions (regulatory requirement). The Bank Transactions Analysis Module can also save the analysis results and then use them as data sources in scenario analyses.

The **Customer Behaviour Monitoring** analyses have been based on the data warehouse of bank transactions stored in the Transactions Register. The analysis produces qualitative and quantitative data on bank transactions in the context of the customer, actual beneficiary and linked transactions (in relation to accounts, customers and actual beneficiaries). The bank transactions analyses are performed in the context of the bank's general ledger chart of accounts hence there is no need to categorise transactions in the SART system again (the categorisation is dictated by the Chart of Accounts).

The **Risk Analysis Module** provides tools for modelling of risks connected with suspicious and linked transactions in relation to customers and actual beneficiaries.

The Customer Assessment Module is designed to facilitate decisions regarding customer assessment in the context of various bank operations and on the basis of risk analysis. The module operates on the basis of the scoring sheet model.

■ Transactions Register for GIIF (General Inspector for Financial Information)

The Transactions Register in SART 2 is compliant with the Minister of Finance Ordinance dated the 21st of September 2001 re the transactions register model, methodology for its maintenance and transfer of data from the register to the General Inspector for Financial Information.

■ Additional benefits from implementation of the SART 2 system

From the system perspective the SART 2 solution is a complete and integrated analytical suite comprising the following elements:

- Analytical SQL Server (SQL database server with analytical extensions);
- SART 2 application (database and client layer).

In the standard configuration the SART2 system does not need any extra components, application licences or dedicated server licences (e.g. ORACLE server, MS SQL Server or extra Windows server licences etc.).

It should also be noted that SART 2 has been designed in line with guidelines on banking analysis determined in the UE Capital Requirements Directive (CRD) or BASEL II Accord. Hence the data warehouse and the suite of data registers in SART are prepared for development in the direction of advanced banking analysis and management of **market, credit and operational risk**.

Therefore users who implement the SART system do not have to incur any extra costs associated with implementation of data warehouse of bank transactions or additional specialised data analysis tools.