



WAVESTONE

EIFR

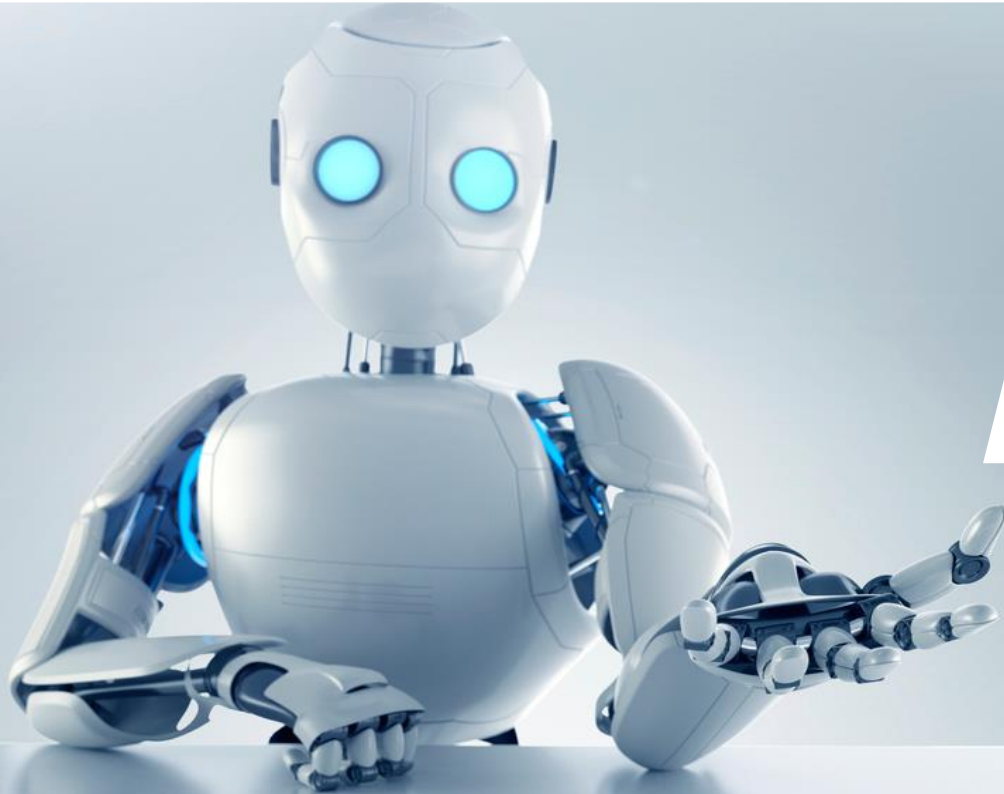
CompliTech : pourquoi et comment « outiller » la compliance ?

10/12/2018

AI covers automated treatment allowing to perceive, think, act & learn

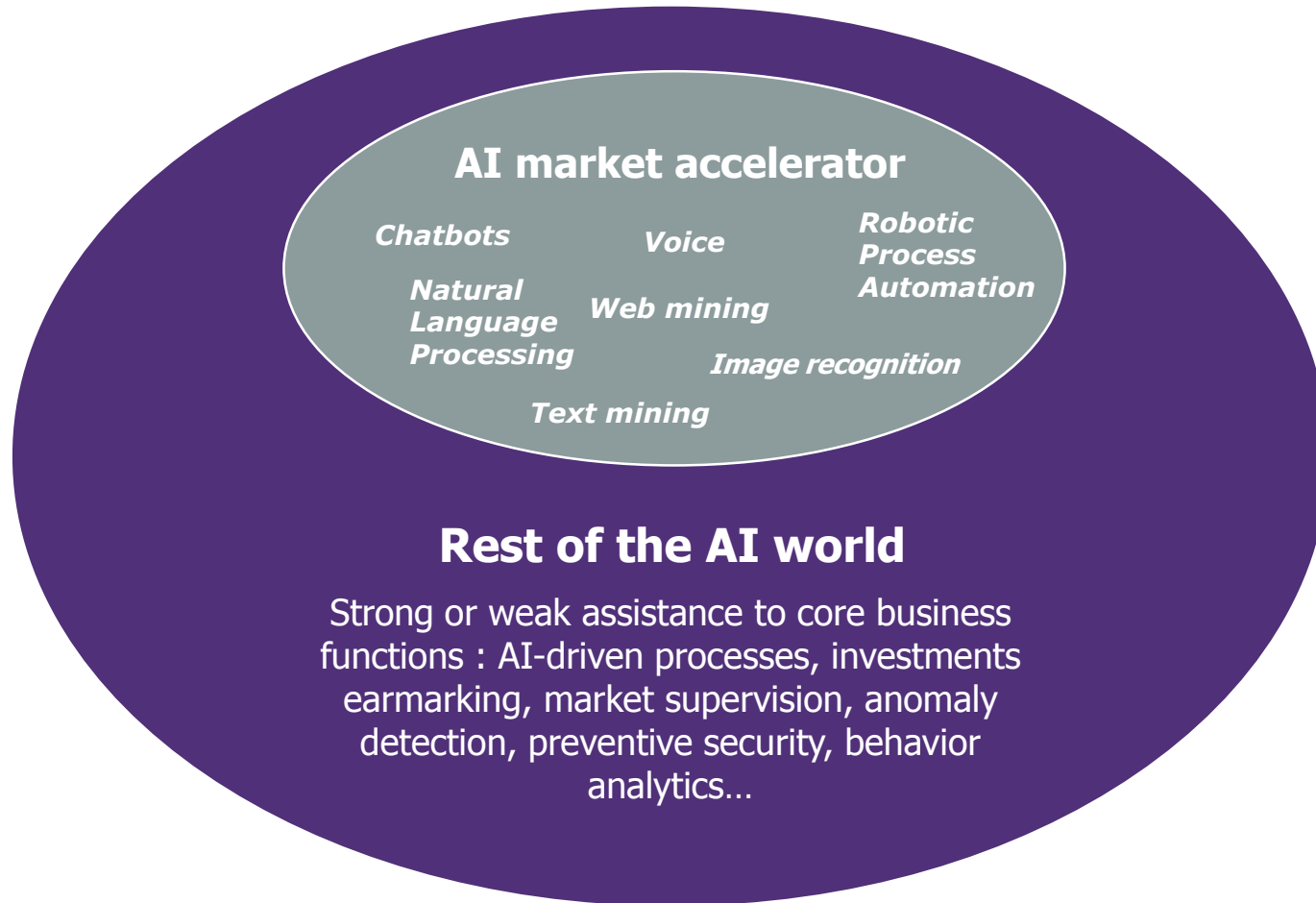
***AI is the planet** we're headed to.
Machine learning is the rocket that's going to get us there. And **Big Data is the fuel.***

Pedro Domingos – Professeur à l'université de Washington



AI recently knew dramatic progresses thanks to calculation power, data volume burst and some progresses in algorithms (Machine Learning theories...)

The hottest and loudest AI topics are only a small fraction of the potential Use Cases



Compliance is undergoing heavy challenges



Increasing regulation



Increasing workload to cope with « old tools »



Paradigm change: from « Alerts » to « Indices »

Today
ALERTES












- Business Rules built by experts
- Quite steady rules
- Lots of false negatives (lots of undetected incidents)
- Workload and budgets higher & higher
- Attacks evolve faster than rules
- Lots of False Positive (image impact or time lost)

Machine Learning
INDICES



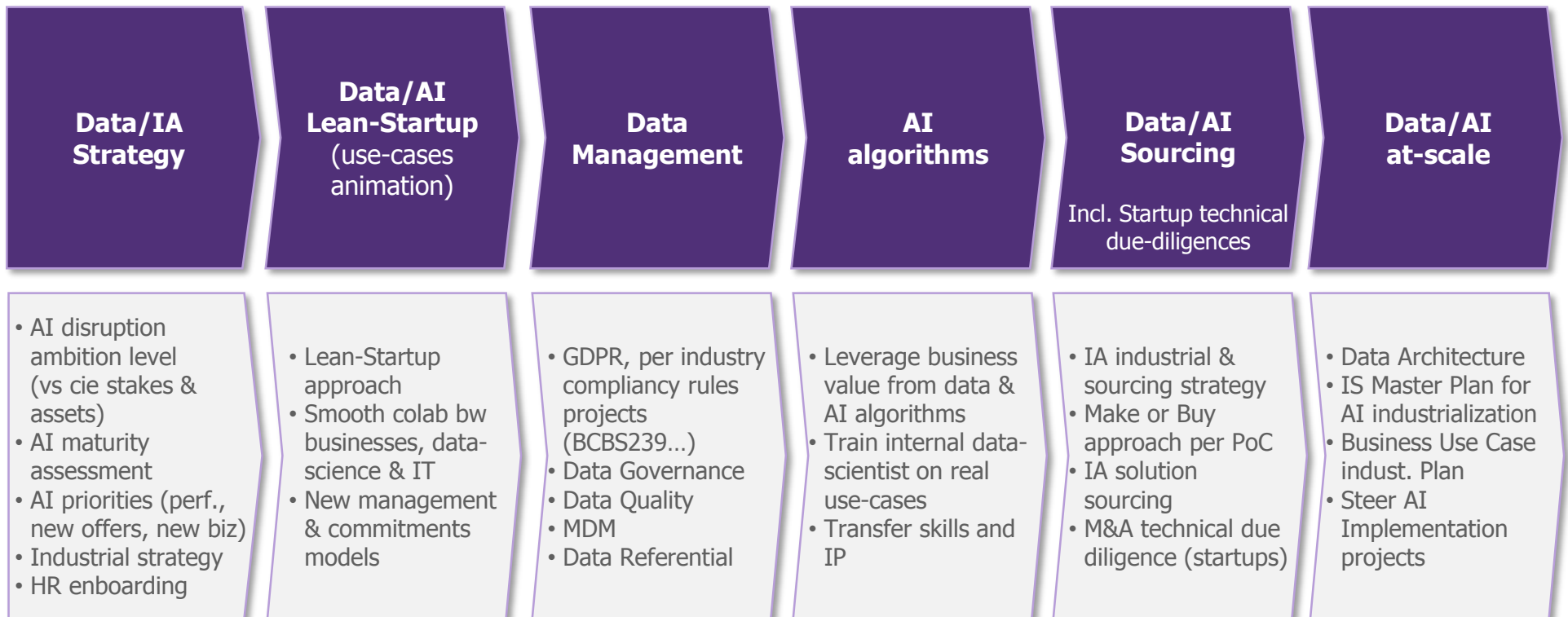
- No prejudgement on data analysis
- Analysis only reflecting datas
- Business experts solicited after first analysis to improve the model
- Drop down of False Negative & Positive
- Wider, Faster & Cheaper detection

Every domain of compliance potentially helped by AI; some examples

<p>LCB-FT & Fraud prevention</p>	 <p>PEP (Politically exposed Person) détection by Web-scraping to prevent monay laundering and terrorism funding</p>
<p>KYC</p>	 <p>Vocal monitoring tool for market room optimisation and implementation (speech to text)</p>
<p>Customer protection</p>	 <p>Fraud Detection (unsupervised learning) for individual savings. > 2 M€ of real Fraud detected as anomalies.</p>
<p>Market Abuse</p>	 <p>OCR & Machine Learning for coupling IS and contractual datas Technical opportunity study</p>
<p>Control</p>	 <p>Fraud Dectection and ML opportunity radar (focus on customer protection)</p>
<p>Operational Risks</p>	 <p>New tools, facilitate access to datas for market supervision, Alerting</p>
<p>Business Continuity</p>	 <p>Login Anomalies control (post Kerviel measures)</p>
<p>Business Continuity</p>	 <p>Identification of Sensitive Data at Rest Data Transfert Detection</p>
<p>Business Continuity</p>	 <p>Automated reactions in case of network incident (Recommandation engine for Dispatcher)</p>

The AI-driven transformation lifecycle

To benefit fully from AI, companies need to consider all stages of the AI & Data transformation



Make or Buy...Key question for compliance use-cases



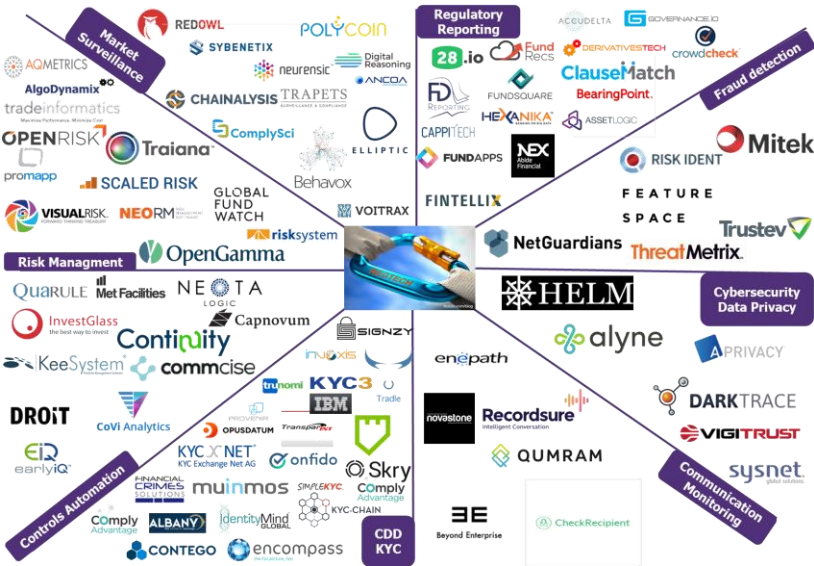
Burst of Reg Tech offers offering « plug&play » solutions



AI open-source libraries available everywhere !



Companies Need to master and capitalize on developed solutions



Key question (not so simple) is:
is Compliance a « must have » or a « differentiator » to me ?

Good practices to land AI in your firm

Do's



Think big, start small, and deliver real business-driven use-case in a rhythmmed way with an agile Smart Lab.



Capitalize & grew up internally.



Think you can (startups are not allways that much ahead).



Mary your legacy assets with new technology assets to find your own AI path.



Build Feature Teams (Datascience+Business+IT) for every use-case... "from idea to at-scale !"



Use real use-cases to feed Data-quality program with real reasons to act – and avoid costs.

Don'ts



« PoC Factory », disconnected with real world (business, IT)



Source AI black-box solutions for TTM-Guarantee.



Believe that datascience is alpha & omega of AI transformation.



Believe that nothing can be done before having run a huge data-quality program.



Work without IT Teams to go faster !



Try & save time by poorly defining the real business question to address !



WAVESTONE

Ghislain de PIERREFEU
Partner

M +33 (0)6 11 87 11 95
Ghislain.depierrefeu@wavestone.com

wavestone.com

@wavestone_

PARIS

LONDON

NEW YORK

HONG KONG

SINGAPORE *

DUBAI *

SAO PAULO *

LUXEMBOURG

MADRID *

MILANO *

BRUSSELS

GENEVA

CASABLANCA

ISTANBUL *

LYON

MARSEILLE

NANTES

* Partners

WAVESTONE

