



# **Bank Gospodarstwa Krajowego: Fraud resistant.**

## Client.

Bank Gospodarstwa Krajowego (BGK) is a state-controlled financial institution whose goal is to support the social and economic development of Poland and the public sector. The bank also initiates and participates in the cooperation between business, public sector and financial institutions. It plays a significant role in the implementation of the Strategy for Responsible Development, which is the Polish state's key document for shaping mid- and long-term economic policy. Finally, the bank is responsible for handling governmental financial programs and distributing related funds among others.

Like most banks in Europe, in 2018 BGK was faced with the challenge of introducing the EU IV AML Directive, to which the Polish law was adapted by the Anti-Money Laundering and Terrorist Financing Act. It introduced a number of provisions forcing financial institutions to

change their approach to eliminating events leading to abuse. It was the legislative changes that made BGK decide to implement a solution that would enable it to meet the Act's requirements, including efficient transaction reporting to the Regulator - General Inspector of Financial Information (GIIF). The bank's authorities wanted the new system to ensure not only effective AML prevention, but also to be tailored to the specifics of the institution's activities and internal procedures. Growing time pressure and high dynamics of changes in the new law's provision made BGK decide to cooperate with a proven IT provider. It considered Asseco Poland to be the best to achieve this objective. The company was entrusted with the task to implement the Asseco Anti-Money Laundering system (Asseco AML).

## Implementation.

The project, which began in June 2019, aimed at providing BGK with a modern IT tool for the comprehensive analysis of financial transactions, efficient detection of money laundering events and prevention of other suspicious activities. Asseco AML was also supposed to mitigate internal and external operational risk. To reach that goal, the Company implemented a set of functionalities allowing for:

- reporting transactions to the regulator
- monitoring of transactions
- assessing customer AML risk
- verifying customers and transactions for presence on sanction lists and in the PEP (Politically Exposed Person) database

The project required an adjustment of other BGK systems to the legal changes. This meant that the process of data loading to Asseco AML system from several data sources had to be unified. The combination of all this

information was necessary to carry out comprehensive AML Compliance processes. This stage of the project required strong commitment of both the Asseco team and the bank's employees who verified the correctness of the new functionalities implemented on an ongoing basis.

An undoubted challenge in this project was the short implementation time. It was resulted from the date of entry into force the new method of reporting transactions to the GIIF, which was to take effect on July 13, 2019 - less than a month and a half from the beginning of the project. It was an extremely short period for testing and then launching the tool on production environment.

An additional difficulty was the fact that on June 11, 2019 the Ministry of Finance published new templates of electronic documents which were to be used for reporting transactions to GIIF. Therefore, the project team had to make further modifications to the reporting tool prepared for implementation less than a month before their introduction. The fact that some points in the Polish

AML Acts were unclear did not help in adapting the system to the legal changes either. Therefore, in order to avoid any doubts related to the interpretation of certain definitions, terms and concepts, the Asseco team monitored the regulator's guidelines on an ongoing basis and analyzed all modifications of the provisions in order to verify them thoroughly in terms of possible changes in the system.

Despite time constraints and numerous challenges, the project was carried out at express pace. The system was launched in July 2019 - 2 months after the start of preparatory works related to the implementation. This was thanks to the 13-person Asseco team, which worked closely with BGK's project team.

## Key benefits.

As a result of the project implementation, BGK received a modern tool for effective fraud detection, which ensures the automation of analytical and reporting processes while limiting the involvement of employees in manual work. As a result, the AML team can now focus on the in-depth analysis of cases generated by the system and react efficiently within the time frames resulting from legal requirements

The implementation has made it possible for BGK to streamline and accelerate the transaction reporting process to the GIIF. Each of the registered transactions is validated, which guarantees that the report complies with the requirements imposed by the regulator.

Thanks to equipping the system with a package of business rules, the bank can quickly identify above-threshold and suspicious transactions. It also has the ability to create the pattern of customer behavior in the context of transactions performed by a customer, which enables the detection of abnormal activities.

The implementation of the project has allowed, among other things, to conduct better assessment of customers' vulnerability to money laundering. Thanks to the efficient analysis, the bank can quickly identify suspicious transactions.

*"The implementation of this project has allowed us to improve the effectiveness of process management in the Compliance area, in the meaning of monitoring and ensuring compliance of the bank's operations with the applicable legal regulations. The Asseco AML solution has also significantly reduced the possibility of money laundering and improved prevention of other fraudulent activities"* – said Anna Trytek, Director of the Compliance Department, Bank Gospodarstwa Krajowego.

*"The scale of financial crime and the losses recorded by banks due to fraud have been constantly increasing. Additionally, the legal regulations in the AML area generate new obligations and force institutions to implement further client verification procedures. The selection of an appropriate tool supporting the fight against fraud is a key decision impacting the effectiveness of preventive actions and the level of compliance with legal requirements"* – said Jarosław Bryl, Business Intelligence Division Director, Asseco Poland.

## Project in numbers.



**2**

months of  
implementation  
period



**13**

IT specialists  
participating in  
the project



**>25**

AML risk factors  
supporting in-depth  
customer analysis



**200**

rules supporting  
AML processes



**309**

reports to GILF  
generated by system



**> 31,700**

incidents generated by  
monitoring rules in operation



**< 20 million**

operations monitored  
by system

*“The implementation of the AML system has allowed BGK to prevent fraud more effectively, in particular in the AML area, and to meet the obligations imposed by the regulator. The adaptation of the solution to the specific nature of our business and internal procedures, as well as the automation of analytical and reporting processes, were of great importance in this project. They have allowed to increase the efficiency of operations, while limiting the involvement of employees. As a result, our AML analysts team can focus on the in-depth analysis of the cases generated by the system in the defined time frames, which has recently been significantly shortened by the regulator” – said Jarosław Żółtowski, Director of the Financial Security Office, Bank Gospodarstwa Krajowego.*

*“The Risk&Compliance systems, including Asseco AML, are developed thanks to many years of experience, analyses and cooperation with financial market institutions and law firms. To meet the contemporary market needs, we employ highly competent mathematicians and programmers in our teams, as well as experts with many years of experience in compliance. At the same time, we are constantly cooperating with financial institutions, thanks to which our systems are very well adapted both to the changes taking place in their business environment and to the high dynamics of the regulatory environment as well as internal procedures and processes” – said Marcin Cegliński, Head of the Compliance Systems Team, Asseco Poland.*