Acrux Technologies Compliance Risk Management System

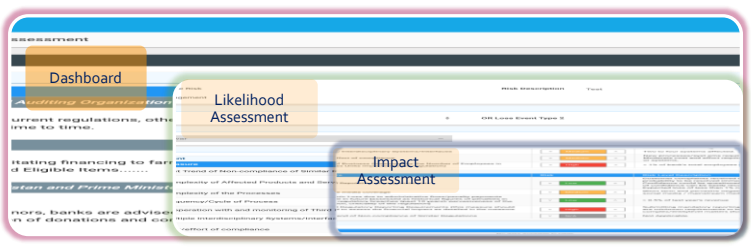
Financial institutions are reeling under the pressure of an increasingly complex and costly regulatory environment. Our Compliance Risk Management System (CRMS) combines technology and domain knowledge to help banks and Financial Institutions effectively achieve regulatory compliance while cutting costs. The Compliance function is now expected to provide practical solutions on how regulations translate into specific actionable items, assessing compliance specific risks and bringing transparency in residual risk process. Acrux CRMS streamlines compliance processes with standardized workflows, comprising of the following modules:

Regulatory Assessment

Regulatory Assessment module captures, assesses and translates the new regulations into specific operational requirements and forward it to the respective stakeholders. These regulations and action items are managed by dashboards. It also maintains up-to-date regulatory repository for all the applicable laws, rules, regulations and instructions which can be search by powerful and easy to use search engine.

Inherent Risk Assessment

Our adopted best practices for compliance management ensures that compliance risk is adequately managed. For this, our CRMS provides the methodology for assessment of inherent risks and the assignment of risk ratings that best describe the level of compliance risk for each applicable regulatory requirement.



EVOLUTION OF FINANCIAL COMPLIANCE

Back in the 1980's doing any business was simple as most of the businesses operated within their national boundaries. Financial automation was also confined to the mainframes and internet was not mature to cater to the commercial requirements. Financial compliances were also relatively simple and one size fit all model was used. In 1988, Basel-I was introduced as a first global banking guideline which mainly focused on the credit risk.

Over the years, digital transformation helped the financial industry to introduce sophisticated products at the global level. These advancements exposed the financial institutions to a greater degree of compliance risks than ever before. The financial crisis of 2008 changed the dynamics of the financial industry. Compliance risk has since become one of the most significant ongoing concerns for the financial-institutions. From 2009 onwards, regulatory fines have dramatically increased relative to the banks' earnings and credit losses. Basel II and III requirements have also placed regulatory reporting and compliance monitoring in the spotlight.

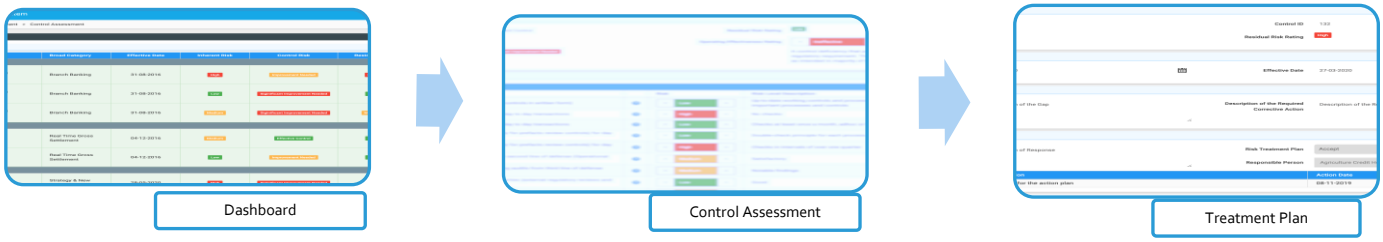
State Bank of Pakistan has also taken initiative and issued a Guidelines on Compliance Risk Management, through BPRD Circular Letter No. 07 of 2017. As per this regulation, Compliance Risk Management (CRM) System is a requirement for all Banks /DFIs operating in Pakistan.

We, at Acrux Technologies have developed CRMS as per SBP Risk Management Guidelines and Pakistan Banks Associations' Business and Functional requirements.

Control and Gap Assessment & Treatment Plan

Once Inherent Risk is identified for the regulatory requirements, our CRMS facilitates the business users to introduce the adequate controls and mitigate the compliance risk. CRMS also maintains the controls inventory which has the flexibility to add new controls.

These modules are key to calculating the level of residual risks and also recommend the corrective plan to reduce unacceptable residual risks to an acceptable level.



Other functionalities for Compliance Risk Monitoring, KRI metrics and reporting are also available in the CRMS.

Acrux CRMS - Business Case and Functionality

1. Fully integrated system for end-to-end compliance workflow as per SBP and PBA requirements
2. Centralized system to capture all compliance related requirements, including:
   - New regulations
   - SBP inspection observations
   - Internal audit observations
   - External audit observations
3. Automated Compliance task management
4. Web-based application accessible to all authorized users from any location
5. Increased transparency of compliance implementation
6. Compliance reporting calendar available within the application
7. Reduced risk of SBP fines and reputation damage
8. Provides precise picture of all compliance activities and raises flag in case of delays
9. Central management of all compliance activities from a single screen with real-time risk status
10. Role-based access control to provide enhanced security
11. Complete audit trail of all activity
12. Electronic archive of all regulations and controls
13. Increased compliance awareness supporting the establishment of compliance culture
14. Automated reminders and emails regarding required compliance actions
15. Ability to integrate with the existing technology of the client
16. Powerful and easy to use search engine to search historical data
17. Strong data analytical capabilities through our data analytics tool - Acrux Insights

Our Key Differentiators

i. Competitive Pricing (Graduated according to size of business and starting at low price thresholds)
ii. Flexible delivery and deployment model (Rental/SaaS model, with multiple hosting options)
iii. Ready to go
iv. Pay and Retain only if you are satisfied (better than money back guarantee, first payment after three months of satisfactory operation)

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