Backtesting
in Anti-Money Laundering

Optimise your compliance risk strategy with a solution that automates your backtesting process

As a financial institution, you are obliged to review the functioning and effectiveness of your internal measures to prevent money laundering. Indicators, rules, thresholds, scores and risk classifications used in monitoring systems need to be checked on a regular and ad hoc basis to ensure that they are appropriate and up to date.

Well-tuned systems generate high quality hits. However, empirical knowledge alone is no longer sufficient to optimise the business configuration. Backtesting simulates the effects of parameter changes and helps to calibrate the monitoring system correctly.

We can help you with backtesting and automate as much of the process as possible – from data selection to data quality checks and backtesting execution.

Your benefits:

Ensure compliance
Avoid findings during audits by providing comprehensible and documented analyses of the thresholds and other risk parameters to be audited.

Better hit quality
Reduce false positive rates and identify new, previously undetected cases with an optimally tuned monitoring system.

Save time with expert backtesting
Benefit from the many years of experience of our experts, who not only have in-depth compliance know-how, but are also very familiar with your monitoring systems – both technically and professionally.

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Validation of empirical knowledge through the analysis of large columns of data

We work with you to create a test plan, specify test cases, and derive the necessary test data. This includes an analysis of your data quality as high quality data is a prerequisite for smooth transaction monitoring. At the end of the backtesting process, you will receive a comprehensive final report with the hit statistics of the risk parameters and the calculated rule dependencies – including a detailed technical evaluation of all results by our experts. All steps in the backtesting process are logged, and the status is documented. In consultation with you, we then adjust the risk parameters based on the backtesting results. This optimises your monitoring system in relation to your specific business model and risk assessment. The appropriateness of the rules set is derived in a way that is comprehensible to an expert third party, and the history of changes is guaranteed.

Proper backtesting – services at a glance

Zudem können Sie weitere Reports ad hoc und unkompliziert auf der Grundlage von benutzerdefinierten Parametern erzeugen. Drop-down-Menüs, Felder für Zahlen- und Texteingaben oder Datumsbereiche helfen Ihnen bei der Erstellung der gewünschten Auswertung. Sie legen hierfür vorab mit uns Pflichteingaben, Standard-, Min- und Max-Werte fest.

1 | Analysing risk parameters

2 | Selecting data and checking data quality

3 | Preparing to backtest

4 | Running the backtesting process

5 | Adjusting and optimising risk parameters

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Contact us for an appointment with one of our experts or to find out more:

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