

Norvik Banka moves from reactive to proactive compliance with Accuity data enhancements

Norvik Banka (established in 1992) is one of the oldest commercial banks in Latvia, with a wide network of branches, finance and accounting groups in the country, available to citizens of 16 Latvian cities. Norvik Banka is part of Norvik Group which also covers Norvik Banka UK.

Norvik Banka provides a variety of different banking services to a vast set of customers – from individual customers to international industrial companies both in Latvia and in other markets. It takes particular pride in providing excellent services.

In late 2013, Norvik Banka experienced an ownership change. From that point on a new stage of development began and Oliver Bramwell, Chairman of the Board, decided to focus the bank on improving the management of AML processes, starting with the non-residents business line.

Latvia bears a different risk profile as a country for financial crime than other jurisdictions meaning Norvik Banka needed to find a way to manage risk more effectively and proactively.

Challenge

Over the years, Latvia has experienced a number of AML challenges and from 2016 onwards, its regulations and laws changed significantly. The Latvian banking regulator, the Financial and Capital Market Commission (FCMC), strengthened customer due diligence guidelines and increased budgetary support. Working in cooperation with the State Revenue Service and foreign regulators, further financial provisions were allocated to expand staff, undertake more training programs and invest in sophisticated risk assessment software.

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‘ My immediate goal was to focus on our non-resident business to ensure it was clean. This was not just based on the requirements by law but proactively ensuring that we weren’t doing anything wrong, from a moral and ethical perspective more than anything else. ’

Oliver Bramwell

Chairman of the Board, Norvik Banka



In 2016 as part of improved efforts from FCMC to tackle money laundering issues in its banks with non-resident customers Norvik Bank, along with 11 other Latvian non-resident banks were mandated to go through an audit with a specialist US consulting firm.

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‘That was a real sea-change for our industry. The level of KYC and monitoring of customers changed. And it is continuing, given some of the reputational issues Latvia continues to face with money laundering and financial crime. One of the recommendations from the regulatory review was to utilise the maximum amount of data available for screening our customers against sanctions and PEP lists to better manage AML risk. Subsequently, we wanted to ensure we were using the best data in the market and maximising that.’

Oliver Bramwell

Chairman of the Board, Norvik Banka

Solution

Norvik Banka looked to Accuity and its Global WatchList® dataset, which contains global AML and KYC caution lists from major sanctioning bodies, law enforcement agencies, and financial regulators worldwide—in one convenient and comprehensive source.

Accuity enhances each major list, continually expanding and adding content to offer the most accurate intelligence available. Enhancements are made to major sanction lists, on ownership data, routing codes such as SWIFT/BIC, other local codes, location data, dual use goods and vessel data. It also offers comprehensive coverage of PEPs, including unique identifiers for entity identification. Additionally, there are adverse media and enforcement profiles compiled from over 1,000 enforcement agencies and 35,000 media sources.

This data is constantly collected, normalised, and validated resulting in enriched information that helps to reduce false positives and enable the highest level of anti-money laundering (AML) compliance. A notification system is then in place for when list updates are made to further ensure accuracy and reliability.

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‘We have a huge team performing analysis on a day to day basis and pulling this information in a way that was easy for us to utilise was incredibly important. In the past, if one of the team was carrying out sanctions screening or the monitoring team had a suspicion there could be a sanctions risk, then there would be a manual review of whether a risk existed. That would happen a couple of times a month. It was quite clear that the cost benefit of us just plugging into the enhanced data from Accuity would be positive.’

Oliver Bramwell

Chairman of the Board, Norvik Banka



Results

Implementing the enhanced data provided by Accuity made a real difference. Norvik Banka now has access to information in advance of potential risks occurring, rather than having to manually search and find out whether a specific company is associated with a sanctioned company, through ownership, affiliations, or through sanctioned persons. The enhanced data has allowed Norvik Banka to move from a reactive to proactive position, a conceptual difference for the bank.

Better data and more efficient AML controls have also helped to maintain and further develop the bank's international and non-resident business, which had previously posed multiple risks.

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‘Enhanced data has allowed Norvik Banka to become smarter, faster, more efficient and has changed our mindset to AML management.’

Oliver Bramwell

Chairman of the Board, Norvik Banka

Norvik Banka has also improved its customers' experience. Historically, requirements for customers in terms of what information they needed to provide to the bank was not clear and often customers would be left waiting while manual checks were performed. Now Norvik Banka's requirements and expectations both internally and externally are clear and transparent, resulting in a much smoother communication process for everyone.

Moving forward, Norvik Banka will continue to improve processes to support its growth and ensure it is abreast of changing regulations and laws. Though having gone through this experience, Norvik Banka is now confident its people and systems will be up to meeting any challenge that lies ahead.

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‘The big irony is that Latvia has gone through a number of scandals and changes to regulation with regards to money laundering and through that, the competencies of the people working in compliance are now up there with the best in Europe, given they have seen all these issues. You can't be the best chess player without playing a grandmaster, and moving forward we are confident our people and processes meet the highest standards and are ready to solve further challenges ahead.’

Oliver Bramwell

Chairman of the Board, Norvik Banka



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Part of RELX Group, a world-leading provider of information and analytics for professional and business customers across industries, Accuity has been delivering solutions to banks and businesses worldwide for 180 years.