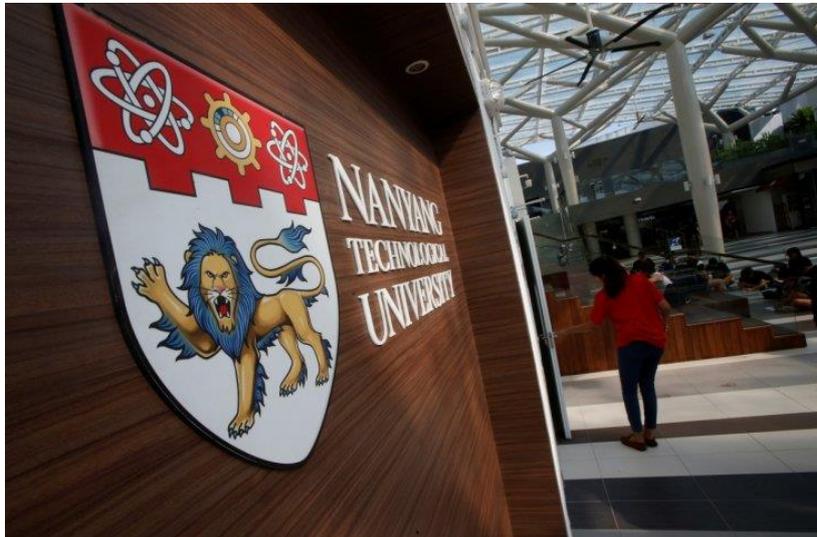## NTU team buckles up for AI and machine learning to combat money laundering

By *Bhaswati Guha Majumder*

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Reuters

A multi-disciplinary team from Nanyang Technological University (NTU) has taken up a research project to develop new capabilities to enable the wealth management industry to combat money laundering practices by using artificial intelligence (AI) and machine learning.

The project, which is supported by Monetary Authority of Singapore's (MAS) Artificial Intelligence and Data Analytics Grant under the Financial Sector Development Fund, seeks to develop an advanced paradigm on the interrelationship between money laundering and the variable factors around potential perpetrators and their transactions. The experts believe that it will enable institutions to detect unusual money flows or transactions that might be signs of money laundering.

The multi-disciplinary team includes experts from NTU's Wealth Management Institute (WMI), School of Computer Science and Engineering (SCSE) and Data Science and Artificial Intelligence Research Centre (DSAIR). The team of researchers is also looking forward to creating an innovative technological prototype to facilitate real-time intelligence sharing among institutions.

It should be noted that as per Capgemini's 2018 Asia-Pacific Wealth Report, Asia-Pacific's wealth management industry is projected to have a record US$42 trillion worth of high net

worth individuals (HNWIs) by 2025 and such deployment of state-of-the-art technologies and data analytics capabilities are believed to help to address the corresponding rise in money laundering risks for the region.

The research also received support from investment banking company USB, headquartered in Zürich, Switzerland, and this financial service firm is pioneering the research with WMI in finding new and practical ways for wealth management institutions to fight against anti-money laundering (AML) risks by applying AI and machine learning techniques.

The study follows the introduction of the WMI AML Risk Management Online Training Series, an accredited AML online programme launched in April 2018 with sponsorship from UBS. The online programme is open to all industry practitioners and individuals interested to gain proficiency in AML and Countering the Financing of Terrorism issues.

Mabel Ha, the Managing Director and Regional Head of Financial Crime Prevention APAC, Compliance & Operational Risk Control of UBS AG, said: "Within this project, we want to seek new and practical ways for wealth management institutions to apply AI and machine learning techniques to achieve superior results. With our distinguished panel of experts, the project will have access to deep knowhow of customer and transactional data maintained by banks, and AML risks faced in the banking industry."

The CEO of WMI, Foo Me Har said that by using new technologies and paradigms, the tools available to money laundering perpetrators may disrupt the financial institutions' existing AML mechanisms.

She also added that this collaboration with NTU researchers and experts presents a win-win solution for everyone involved and since the support from MAS and the industry "I am confident that we will be able to enhance the industry's AML capabilities and knowledge."

WMI will organise forums and dialogues from the third quarter of 2019 to share the research findings in phases.

Source: https://www.ibtimes.sg/ntu-team-buckles-ai-machine-learning-combat-money-laundering-32165