SOLUTION BRIEF

QUANTIFIND

Travel Rule Compliance

What is the Travel Rule and what are its primary challenges?

Bank Secrecy Act (BSA) rule [31 CFR 103.33(g)], often called the "travel" rule, requires financial institutions to pass on certain information with funds transmittals involving more than one financial institution when the value is greater than or equal to $3,000 (or its foreign equivalent). The initial introduction of this rule in 1996 applied to financial institutions. The updated guidance in 2021 extends the application to virtual asset service providers (VASPs) when the transaction is greater than or equal to $1,000 (or its foreign equivalent).

Many financial institutions use broad rulesets to detect when mandatory information is missing from specific fields. However, these basic rules struggle to account for the institution's role, the type of transaction message, and whether the transaction is domestic or cross-border. This lack of accuracy leads to a high number of false positives as well as significant operational risk for the first line of defense.

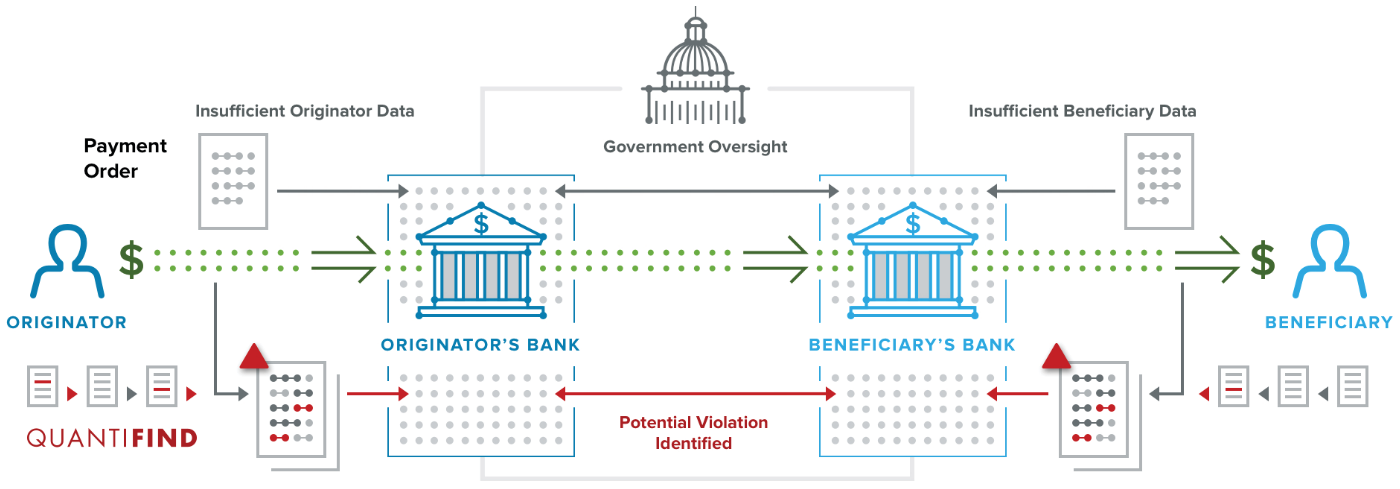
Additionally, this approach usually requires substantial investment in technical integration and increasing compliance staff to review potential violations manually. The result is often a costly but inefficient solution.

The Impact

Consequences of ineffective controls can include:

- Operational waste
- Loss of confidence in downstream monitoring and surveillance accuracy
- Regulatory fines
- Substantial remediation costs
- Hindering law enforcement investigations
- Reputational risk

Money Moves - Quantifind Helps You Ensure it's Followed



The Quantifind Difference

Quantifind's solution tackles these challenges through a model that offers precision by focusing on the details of each transaction while optimizing for both speed and scale. This is made possible by Quantifind's proprietary AI-powered infrastructure, which is capable of screening tens of millions of transactions in each batch run.

Developed by top-tier data scientists and industry experts, the Monitoring Model integrates automated algorithms with business intelligence. It effectively identifies incomplete or insufficient data transmissions that may breach the Travel Rule.

The solution is designed to handle the complexities of in-scope transactions, using tailored logic to address a variety of scenarios:

- **Transmission type** = wires, electronic transfers, convertible virtual currency, etc.
- **Message type** = MT103, MT202, MT202Cov, CHIPs, FEDWIRE, etc.
- **Role** = originator, intermediary, or beneficiary (when the exception does not apply)
- **Jurisdiction** = domestic and cross-border

The triggering logic for these scenarios is then applied to the data components in scope for the Travel Rule:

- **Transmitter** = name, account number, address, transmitting FI, amount, execution date, receiving FI
- **Recipient** = name, address, account number, other identifiers

Best of all, the model can be configured to tailor a version that fits your bank's unique requirements. Whether it's fine-tuning for specific types of transmissions or messages, or managing Virtual Asset Service Providers, Quantifind's model is customized to align with your business portfolio and risk tolerance.

Quantifind is the proven leader in AI-driven risk intelligence, specializing in detecting and mitigating financial crime risks at scale. Serving top organizations across both public and private sectors, Quantifind delivers unmatched accuracy, speed, and scalability.