From On-Premise to Cloud: A Compliance Leader’s Guide to Oracle FCCM Cloud Service

eBook

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The Shifting Landscape of Financial Crime and Compliance

Compliance leaders today face a delicate balancing act

A compliance leader today faces a multifaceted challenge. You are required to maintain robust compliance frameworks and meet customer expectations for instant gratification, all while ensuring thorough due diligence of evolving financial crime typologies.

Internal obstacles further compound this complexity. Legacy systems, disjointed operational frameworks, and outdated controls often falter against sophisticated criminal activities. Traditional monitoring technologies generate excessive false positives and struggle to focus on critical areas.

Compliance leaders frequently find themselves constrained by older, on-premise versions of a software. The high costs and time-consuming nature of upgrades mean that the ability to adapt to new capabilities and evolve your programs often falls short of what you would ideally want to implement.

Also, rapidly changing financial crime and regulatory landscape demands a comprehensive update of surveillance capabilities, compliance standards, and internal policies. Only institutions leveraging data intelligence and advanced technology can deliver seamless customer experience while preventing complex financial crime and meeting regulatory obligations.

Focus is on effectiveness; not just fulfilling formalities

Regulatory bodies, such as the *Financial Crimes Enforcement Network (FinCEN)*, now expect financial institutions to adopt a more personalized and targeted approach to counter money laundering and other illicit financial activities.

The rising costs of compliance have only intensified the urgency of finding a balance between satisfying regulatory requirements and delivering an optimal customer experience.
Instead of relying on existing processes geared towards just complying with regulatory formalities, you are now expected to proactively identify and address specific risks associated with your customers and products.

The consequences of non-compliance can be severe, as evidenced by the substantial fines levied against global banks for failing to strengthen their anti-money laundering measures. These penalties underscore the critical importance of robust compliance practices in safeguarding both financial stability and institutional reputation.

Compliance leaders today need a solution that is holistic, updated, easy-to-use and empowers their team to become more efficient and effective in battling financial crime

Only 5%

AML executives currently consider **ability to move to cloud** as a priority while adopting/investing in a new AML technology.

Every top priority such as **machine learning, money laundering risk identification, and investigation optimization** requires access to the latest, cutting-edge capabilities as soon as they become available. This is possible only on SaaS.

**Source: Datos-insights*

Understanding SaaS: The Future of Software Delivery

SaaS in a nutshell

Software as a Service (SaaS) is a cloud-based model where software is delivered over the internet on a subscription basis.

Unlike traditional On-Premise software, SaaS eliminates the need for installation and maintenance of the software by the customer.

In other words, we handle all technical aspects, allowing you and your team to access applications and data anytime, anywhere!

This flexible and cost-effective approach, combined with the increasing reliance on cloud technology, has made SaaS the preferred choice for many of our enterprise customers.

3 reasons why our SaaS solutions are beneficial for compliance leaders:

- FCCM SaaS provides the ability to **react to financial crimes and regulatory changes quickly** with access to new features and technology.
- FCCM SaaS **reduces resources** required to install, manage, and upgrade software.
- FCCM SaaS is the fastest way for **compliance leaders to realize true time to value** with new AI/ML capabilities automatically rolled out with updates as they become available

Impact of migrating to FCCM SaaS

↑	**ROI** *(Cloud Applications)*	**2x**[1]
↓	**TCO** *(Savings from OnPrem)*	**34%**[2]
↓	**Spend** *(Consulting Support)*	**40%**
↓	**Touch Time** *(Investigations)*	**50%**

1. *Assumptions based on results from Oracle's relevant global banking client engagements and implementation results*
2. *Representative TCO comparison, which demonstrates cumulative impact over 4 years. Based on On-premise to SaaS migration of a banking client with US$ 50-100B in assets, <2M customers, and <30M # accounts/contracts/policies*

SaaS is not IaaS or PaaS

	On-Premise	IaaS	PaaS	SaaS
Data & User access				
Scaling				
Security & Patching				
Operating System				
Hardware				
Ease of upgradability	Lowest	Low	Low	Highest
Time to Market	Slow	Slow	Faster	Fastest

IaaS (Infrastructure as a service): Provides access to fundamental computing resources like servers, storage, and networking.

PaaS (Platform as a service): Offers a platform for developing, testing, deploying, and managing applications.

SaaS (Software as a service): *Delivers ready-to-use software applications over the internet on a subscription basis.*

: You Manage

: Solution provider Manages

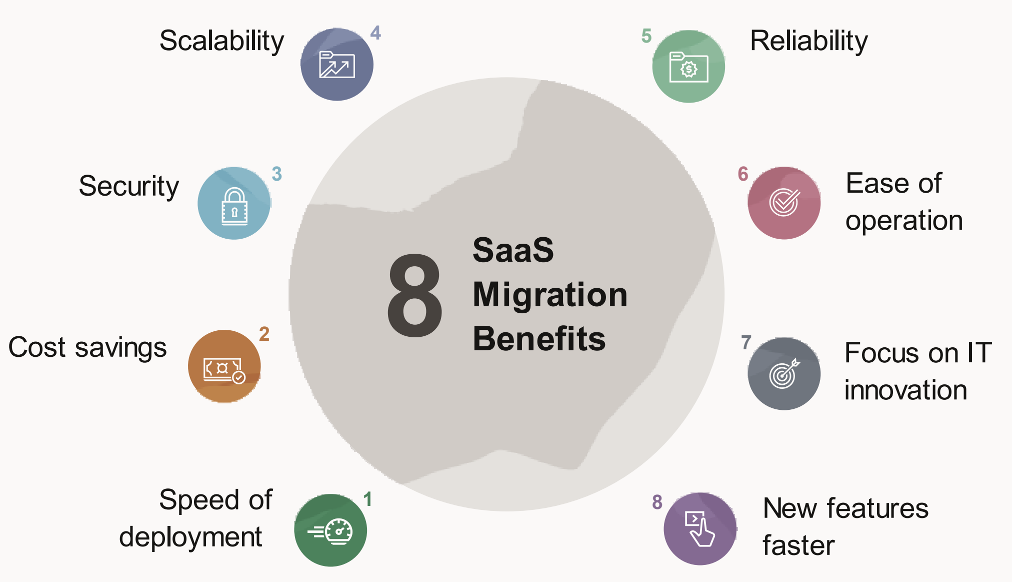
Why you should consider migrating to SaaS

Your SaaS solution automatically updates, eliminating need for costly & time-consuming software and hardware upgrades.

Scale easily and as needed based on your business needs and growth. Pay only for what you need, preventing wasted resources.

Enjoy increased security with regular security patches following best practices. Ensure data redundancy with built-in data backup and disaster recovery features.

SaaS supports business continuity, even in times of crisis. Well-defined disaster recovery plans minimize downtime and facilitate quick recovery from disruptions.



Oracle FCCM cloud service: A New Era in Compliance Management

With a rich history of over 25 years of fighting financial crime, our mission has always been to **empower institutions with advanced tools to protect them from illicit actors and regulatory fines, while also significantly reducing their compliance costs.**

Here's how Oracle FCCM cloud service addresses current industry challenges:

1 **Truly SaaS**

Our On-Prem and SaaS approaches are completely different and tailored to the unique demands of each deployment type.

2 **Modular**

Every Oracle FCCM cloud service application is modular and can be seamlessly added to your existing workflow. Use only what you need.

3 **Integrated**

Oracle FCCM cloud service has a unified data model, common processes and a common case manager, creating a robust and holistic solution.

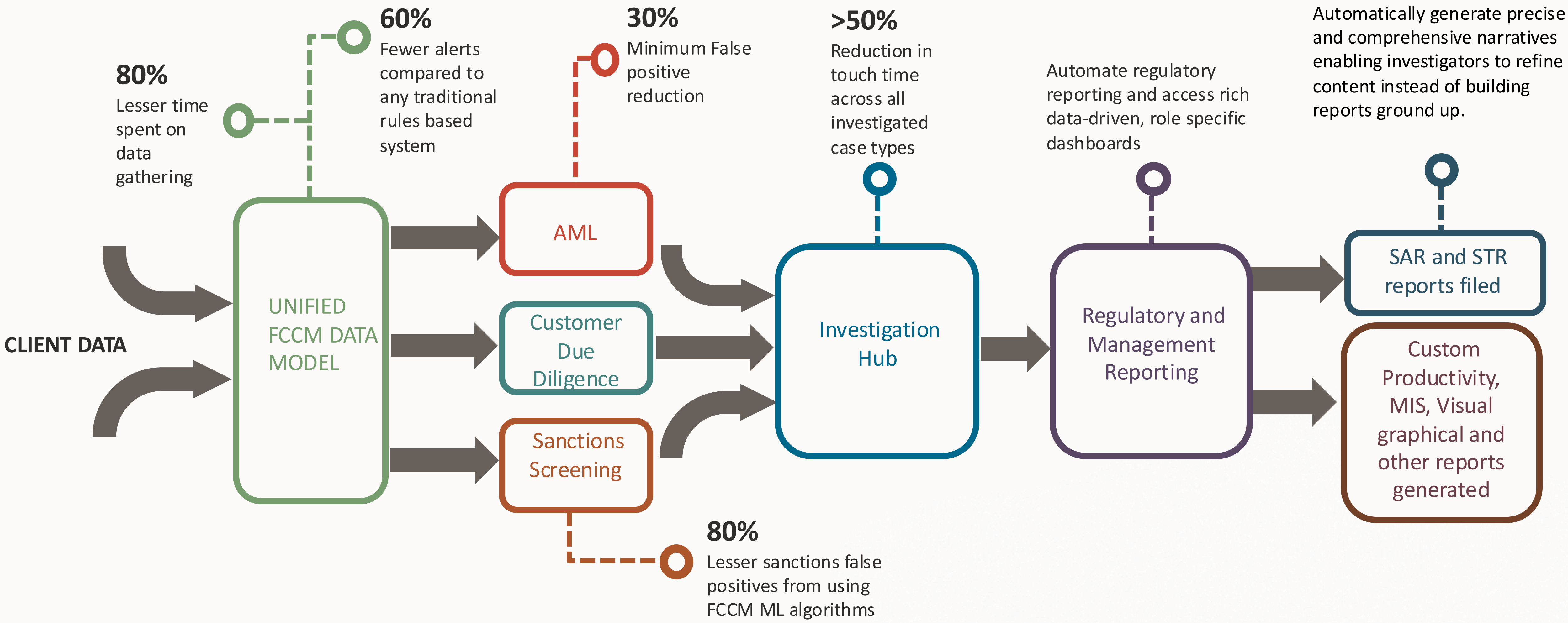
4 **Form Follows Function**

Oracle FCCM cloud service has an intuitive user experience with emphasis on a clean interface that allows users to access information and complete tasks with ease.

5 **Technology no longer a barrier**

With a no-code/low-code approach, Oracle FCCM cloud service is easy to set up and use.

FCCM solution suite: Value-driven at every stage



Product Spotlight: Investigation Hub

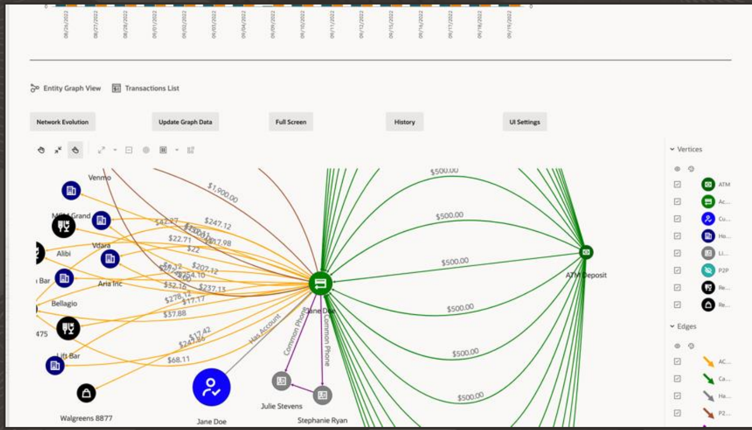
Case management. Simplified.

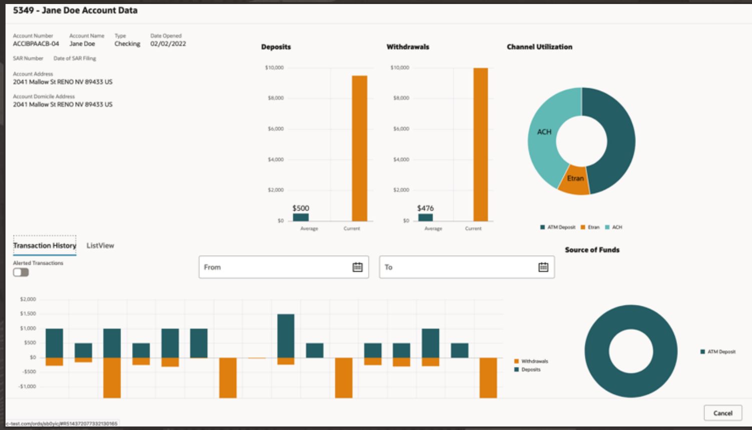
Investigation Hub empowers financial institutions to **streamline and accelerate their investigation processes.**

By providing an intuitive user experience tailored to the needs of various stakeholders, Investigation Hub enables users accomplish tasks pertinent to them with ease.

How Investigation Hub reimagines case management:

- **Streamlined Investigations:** Investigation Hub significantly reduces the time investigators spend on casework, **saving up to 50% of their touch time across various case types**.
- **Data-Driven Insights:** Investigation Hub empowers investigators with **seamless integration of third-party data sources**, providing crucial insights directly within the platform. This enables a more comprehensive and precise case analysis.
- **Enhanced Efficiency:** Investigation Hub also reimagines the investigative process by automating data collection and synthesis. Investigators can now dedicate majority of their time to analysing rich insights, exploring graph visualizations, and reviewing auto-generated narratives derived from key data points. This shift from manual data gathering to focused analysis significantly enhances speed and accuracy of investigations.
- **Adaptable to Your Needs:** Investigation Hub offers a customizable user interface that caters to the specific roles and responsibilities of different stakeholders, ensuring a personalized and efficient experience. It eliminates the need for complex fields and tabs, streamlining the investigation process and reducing complexity and redundancy.





Investigation Hub: A Sneak Peek

Case Details & Description

Case CA71001 contains 3 event(s) which cover the time period of 10/09/2022 and 01/10/2022. Total amount of alerted activity is $19,500.

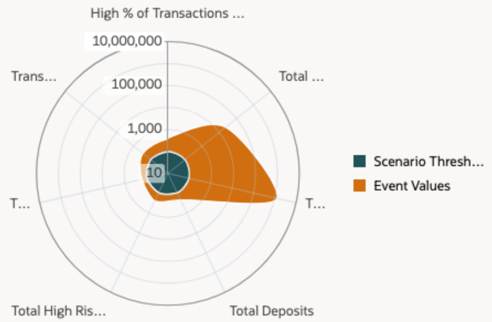
Jane Doe (DOB: 25/07/1999) has a listed profession of "Babysitter" and uses "ACH,ATM Deposit,Etran" transaction types within their subject account ACCIBPAACB-04.

Event Details

☑ Mark as Relevant

Score	Event ID	Event Reason	Scenario Name	Evented Date
99	269001	Transactions between 6pm – 6am, High % of Transactions Thursday to Sunday, ATM Location Use, Low Operating Balance, P2P Sequence	Potential Human Trafficking	01/10/2022

Threshold Breach



Primary Entity

Entity ID
ABCD

Entity Type
CUSTOMER

Risk Score: 60

SAR: 0

Entity Name
Jane Doe

Business Domain
General

Involvement
Suspect

Age
25

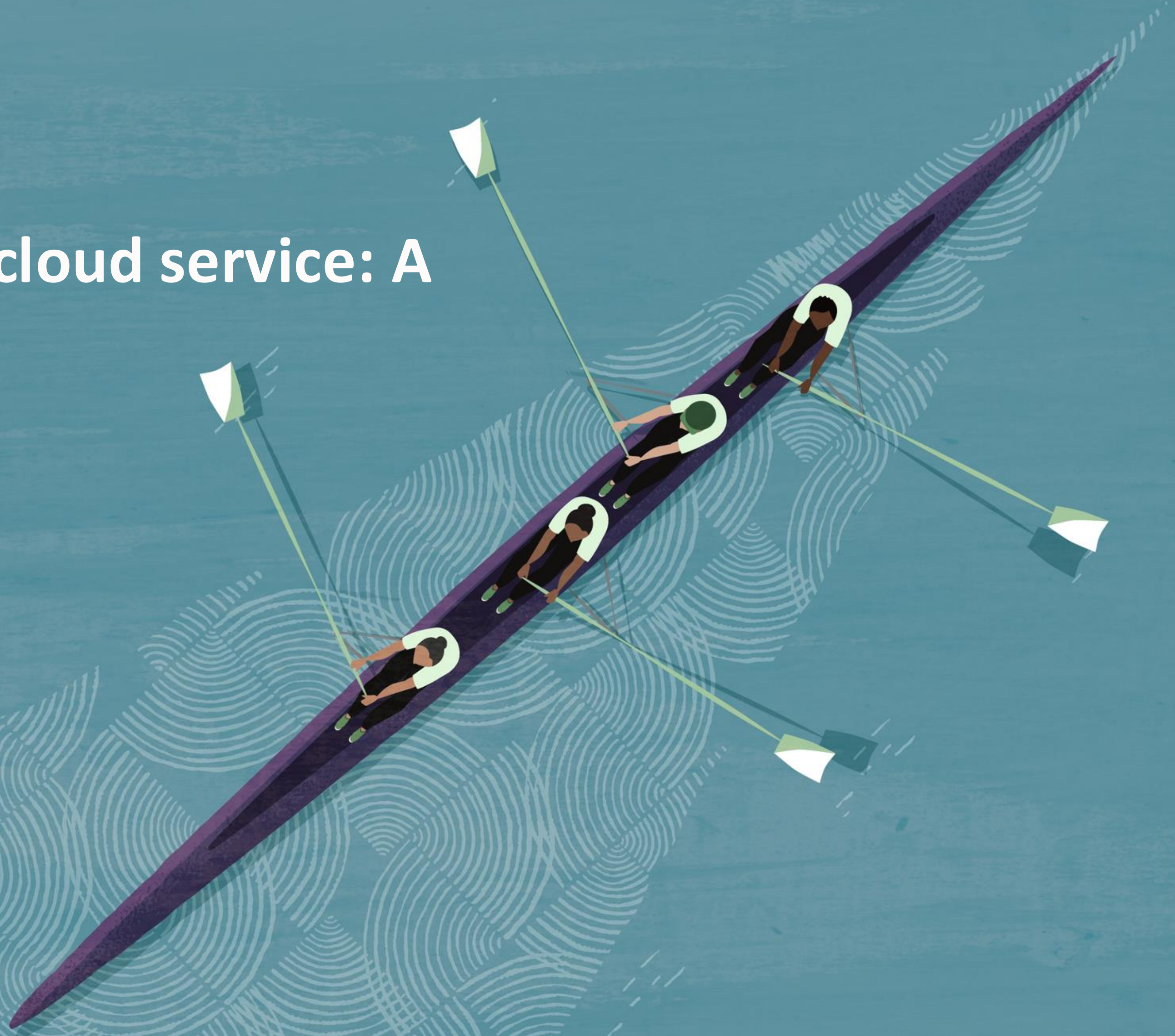
Accounts
1

Primary Location
2041 Mallow St RENO NV 89433 US

Tax ID
001-01-0011

Top 3 Risk Factors
Cash Intensive Profession(20)
New Customer (15)
Address (HIFCA/HIDTA) (8.5)

Your Journey to Oracle FCCM cloud service: A Roadmap



Assessing your readiness for SaaS

Not everyone is ready to migrate to SaaS.

Here is a quick checklist that can help you assess whether you and your organization are ready to make making a successful migration from an On-premise to a SaaS deployment.!

- ✓ **You want to access the latest capabilities and features of FCCM:** With Oracle FCCM SaaS, you have access to an intuitive user experience with the latest capabilities and features built into the applications. This means your team may need to make subtle changes to their work routines to familiarize to a more robust and intuitive software. This will be unlike your older software model, which would likely be customized to overcome inherent UI/UX limitations.
- ✓ **You no longer want to be responsible for infra, application upgrades and maintenance:** With Oracle FCCM Cloud Service , we will be managing your upgrades with new features every quarter. This will free up time for you and your team to focus on other areas of your business. We guarantee access to the latest and greatest Oracle FCCM has to offer.
- ✓ **You are looking at options for easy scalability**: Another clear benefit of Oracle FCCM cloud service is the ability to augment resources for a growing business with minimal friction. While on-premise applications often accumulate significant restructuring costs as performance and functional demands grow, under the Cloud software model, additional licenses and functionality can be easily added with minimal lead time.
- ✓ **You want to reduce ongoing annual expenditure:** With Oracle FCCM cloud service you no longer incur typical on-premise expenses such as annual hardware support cost, application support cost, DB license and support cost and more. Your investment is now on future-proofing your solutions and realizing your vision of an up-to-date, resilient and robust anti-financial crime program.

92%

Businesses have strategically started adopting AI powered software to navigate the ever evolving and dynamic technological landscape.

**Source: Gartner Global Software Buying Trends Survey 2024*

Reasons why Oracle FCCM cloud service is hosted on OCI(Oracle Cloud Infrastructure)

Oracle Cloud Infrastructure (OCI)

Oracle FCCM Cloud service is hosted on our very own OCI (Oracle cloud infrastructure) and delivered to you as an out of the box solution that is ready to use.

Unlike other solutions, you need not to worry about choosing the right cloud deployment infrastructure, we have that covered.

Other than the reliability of using OCI, here are three vital reasons for this decision:

1. **Far easier to migrate critical enterprise workloads:** Many enterprise applications are challenging to move to the cloud, as most hyperscale cloud providers were architected on a virtual machine model with resources shared through the compute hypervisor and oversubscribed networks. This older cloud computing architecture makes it difficult for enterprise applications to run at the expected levels of performance and availability without typically significant modification, which adds complexity and risk. Enterprise applications were designed to run best on: scale-up architectures for resource scaling (not scale-out); ultra-low latency networks; persistent connections to relational databases; and clustering of resources for availability. OCI was designed with key cloud technologies to address the requirements of enterprise applications.

2. **Our approach to security—built in, on by default, at no extra charge:** When building the next-generation cloud, we didn't just improve the architecture, but also improved key attributes such as security. In most public clouds, apps are built, then as they become larger and more functional, security is bolted on to the application and the services that run it. By hosting Oracle FCCM on OCI, we've designed security into the core experience from the start of the application build or migration, and we've made most of our security tooling free as part of your environment.

3. **Autonomous services automatically secure, tune, and scale Oracle FCCM:** Autonomous services are designed to automate the patching and performance tuning of the operating system and the database. Misconfiguration and poor optimization can rob an application of its performance, and misapplied security patches can introduce vulnerabilities into the system.

The future is a place where…

you have the right tool (advanced or basic) for the job at your disposal. You can deploy this tool easily without big tech projects. You can easily defend your decisions and program. You can do more with less and you can optimize/reduce costs on data science and investigations

Risks are monitored holistically in a mutable engine. Business knowledge blends with science to create actionable intelligence that is emblematic of the actual crimes we are trying to disrupt, not just red flags in isolation. Relevant facts are surfaced to humans in the loop, who make the final decision.

Start your SaaS journey today!

About Oracle Financial Services

Oracle Financial Services provides solutions for retail banking, corporate banking, payments, asset management, life insurance, annuities and healthcare payers. With our comprehensive set of integrated digital and data platforms, banks and insurers are empowered to deliver next generation financial services. Our intelligent and open digital solutions enable customer- centric transformation, support collaborative innovation and drive efficiency. Our data and analytical platforms help financial institutions drive customer insight, integrate risk and finance, fight financial crime and comply with regulations.

Learn more about Oracle Financial Crime and Compliance Management

https://www.oracle.com/in/financial-services/aml-financial-crime-compliance/