

A data-driven, risk-based approach to strengthen the fight against money laundering

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Abstract:

The paper assesses the potential of intensifying the usage of granular transaction data to strengthen the fight against economic crime. We show that an innovative risk-based approach based on multiple data sources not only improves the identification of suspicious activities, but also identifies them faster and more efficiently. The realisation of the full potential of a risk-based approach however requires combining data across banks and public institutions. This combination would require a revised legal framework.

Keywords:

Money laundering; Transaction data; AML; Machine learning; Network