

Central Anti-Money Laundering Control System Using Agents Technology

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Abstract— The criminal individuals and organizations in today's world including terrorists have taken advantage of the available financial systems, to launder money from illegal proceeds and for their illegal activities. India is particularly under threat from terrorists and it also has been difficult to track down the finance of criminal elements. There have been some proposals in the past for Anti Money Laundering [AML] solutions. However none of them were able to be very effective in India, as our country's vastness, and lack of AML compliance by banks was not taken to consideration.

In our approach, after considering the fact that the government in India plays a significant role in regulating the economy and financial practices, we propose a system in which there is central monitoring system, controlled by an independent central agency, which in turn is connected to many regional centres throughout the country, using agents technology. Each of these regional centres will be connected to banks within their given areas. The regional centres will monitor the transactions of all the different banks in a given area and report the suspicious customers back to the central monitoring system. Then central monitoring system reports to the officials concerned and it is investigated into. This is novel agent based approach for a national framework, which is India specific, will ensure the enforcement of AML laws in our country, as every bank will be required to register themselves with a regional monitoring system.

I. INTRODUCTION

The central monitoring system has several regional centres under it. The regional centres monitor real time transactions of the banks, with reference to constantly updated databases. The banks of a given region are grouped under a single regional monitoring system. For

example, Southern Kerala can be considered a regional centre, with many banks like local branches of SBT, SBI, ICICI coming under it. The suspicious customer list retrieved from one regional centre can be passed on to other regional centres to examine the activities of the customer concerned in their given regions, and further information (if found) is returned to the central monitoring system. The high risk customers are directly reported to the concerned authorities and action will be taken against the customer, after careful investigations.

II. REGIONAL MONITORING SYSTEM

Then as soon as suspicious transactions or customer activity is monitored it is processed by the regional centers by referring to databases and by identifying certain suspicious behavior.

III. ARCHITECTURE OF THE PROPOSED SYSTEM

These are the individual banks who constantly update their systems with the latest customer transactions and behavior. This information is directly fed to the regional monitoring system within a very short time. Fig 1 shows the architecture of the Central monitoring system.

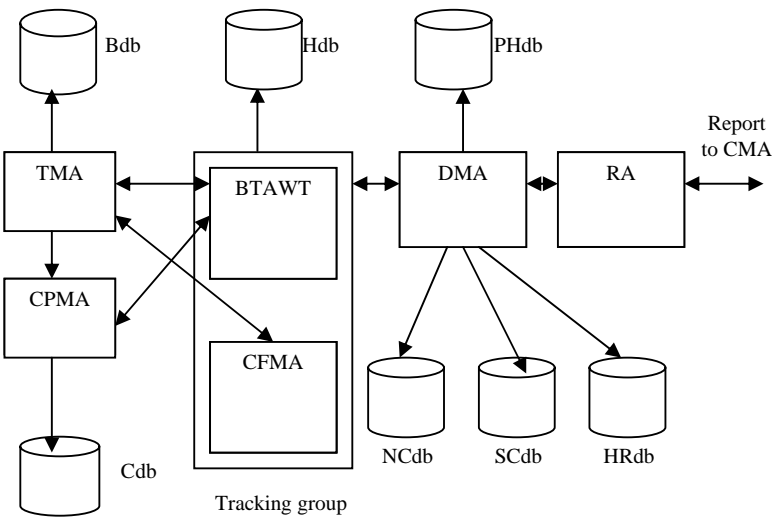


Fig1. Architecture of Central Monitoring System

Key-

TMA-Transaction Monitoring Agent
CPMA-Client Profile Monitoring Agent
BTAWT-Backtracking Agent for Wired Transfer
CFMA-Cash Flow Monitoring Agent
DMA-Decision Making Agent
RA-Reporting Agent
Bdb-Bank Database
Cdb-Criminal Database

Hdb-High Risk Countries Database
PHdb-Past History Database
NCdb-Normal Customers Database
SCdb-Suspicious Customer Database
HRdb-High Risk customer Database
CMA-Central Monitoring Agent
HRdb-High Risk customer Database
CMA-Central Monitoring Agent

