



## For nearly 35 years, CIBanco has played an important role in Mexico's financial system.

## CIBanco adopts Compliance Analytics to set the gold standard for compliance and risk management in Latin America

### Facing the challenges of a complex regulatory landscape

In recent years, financial institutions have faced mounting pressure from regulators to combat money laundering, terrorist financing and other criminal financial activities. In response, SWIFT has developed a suite of financial crime compliance services to help banks meet their regulatory obligations.

SWIFT's Compliance Analytics helps banks of all sizes monitor risky transactions and entities and identify unusual behavior or potential policy breaches. The tool analyses an institution's SWIFT payments traffic and delivers a global view of branch and correspondent activity across all entities.

### Setting higher standards for Mexico and Latin America

The trend of de-risking – whereby banks partially or fully exit certain jurisdictions and currencies by discontinuing their foreign correspondent banking relationships – has hit Latin America particularly hard. For financial institutions in this region, tools like Compliance Analytics demonstrate to banking regulators both at home and abroad that they are taking serious steps to combat money laundering and terrorist financing. Banks like CIBanco are able to improve transparency and build greater trust with the international financial community and remain connected with their foreign counterparts.

CIBanco's compliance program stands as an example for similar banks facing these challenges. "Our compliance structure includes divisions for AML, regional compliance, as well as metrics and key performance indicators. We have dedicated team members who lead our financial intelligence unit and actively search for new compliance technologies," says Daniel Del Rosal, Managing Director of Compliance, CIBanco. "Regulators see us a bank that invests in leading compliance solutions, and other institutions have started acquiring tools in order to catch up with the standards that we are setting," he adds.

Through its commitment to risk and compliance management, CIBanco hopes to encourage its peer institutions to raise the standards and improve the reputation of Mexican banking, as well as the perception of banking in Latin America as a whole.

### CIBanco takes its compliance program to the next level

CIBanco adopted Compliance Analytics in December 2016 as part of its ongoing mission to ramp up its compliance and anti-money laundering program. The bank was looking for a solution to strengthen its existing processes and help mitigate the threat of being "de-risked." Since its launch in 2008, CIBanco's top revenue generator has been foreign currency and, as a result, correspondent banking relationships in the United States and Europe are critically important.

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"Given the success we have had using Compliance Analytics, we are actively looking to expand our compliance program with more solutions from SWIFT's portfolio. We just adopted the Sanctions Screening and KYC Registry tools from SWIFT to further bolster our compliance operations."

**Felipe Iturbide Morales**  
Chief Compliance Officer, CIBanco

“At this point in the bank’s development, it is important for us to implement advanced data analysis solutions like Compliance Analytics because we want to demonstrate to both local and international regulators, and our correspondent banks around the world, that we have the highest standards for financial crime compliance in Mexico,” says Luis Felipe Iturbide Morales, Chief Compliance Officer, CIBanco. “Compliance Analytics is helping us set the gold standard in Latin America by giving us the ability to efficiently and effectively conduct world-class risk and compliance management. And as a secure, internet-based solution, it was easy to implement with no set-up or maintenance costs.”

CIBanco uses Compliance Analytics to gain insight into and manage its SWIFT payments traffic, and to conduct a global overview of branch and correspondent activity across all group entities. The tool allows the compliance team to see the full view of the wire transfers that come from other countries, jurisdictions or entities, and to easily identify the ordering and beneficiary parties for each transaction. “Using Compliance Analytics, CIBanco has a full understanding of where money comes from and where it’s going. We’re able to see the flow of transactions from entities located in high-risk countries and establish their financial crime risk profiles. On the other hand, we can also show correspondent banks which flows come from entities or countries that they know and trust,” explains Del Rosal.

Though Mexico’s current financial regulations do not require mandatory risk assessment, CIBanco has been working towards achieving compliance standards on a par with institutions in larger markets. Iturbide says, “Our choice of SWIFT’s Compliance Analytics demonstrates our commitment to investing in technology to address the financial industry’s most pressing challenges, such as mitigating the risk of money laundering.”

In addition to Compliance Analytics, CIBanco adopted SWIFT’s Sanctions Screening and KYC Registry, thus taking its compliance program to a whole new level. It is the first financial institution in Latin America to adopt all three products.

### Fast, efficient and accurate analysis

A key feature of the Compliance Analytics service is its ability to compare the bank’s aggregated SWIFT message traffic against total SWIFT traffic for countries, transaction types and peer groups. This enables CIBanco to track unusual behavior, patterns and trends, as well as uncover previously unknown relationships.

Instead of relying on many partial local reports to build up a group-wide picture, Compliance Analytics provides a single source for the information that institutions need. As a result, it saves significant time compared to older, more manual processes. Iturbide explains, “The most important factor is that this tool is automated. We work with correspondent banks whose data files are in PDF format, making it difficult to access and review information in order to pinpoint unusual activities. Compliance Analytics leverages standardized SWIFT data to help solve this challenge.”

Ultimately, CIBanco found that Compliance Analytics saves them valuable time and allows them to extract and analyze data in a way that was not possible with manual, labour-intensive processes. The solution’s capacity for in-depth, far-reaching analysis helps the bank identify potential vulnerabilities quickly and efficiently. “Simply put, there’s no other tool that makes life so easy for us day-to-day,” he added.

Compliance Analytics is truly unique in that its dataset includes an institution’s global SWIFT message traffic placed in the context of all message traffic over SWIFT. As such, it provides CIBanco unparalleled detail in analyzing all of its transactions with correspondents, as well as its activity share in high-risk countries and jurisdictions. “We regularly meet with our correspondent banking partners, and they feel confident working with us because they know that we have actionable information about the payment flows that come through our network,” Del Rosal says.

SWIFT’s broader suite of financial crime compliance tools helps banks address other regulatory challenges. Sanctions Screening is a hosted utility service that screens financial transactions in real-time against sanctions lists from all major regulatory bodies, and complements the capabilities of Compliance Analytics.

Juan Martínez, Managing Director, Latin America and the Caribbean adds: “As compliance and cybersecurity challenges become increasingly sophisticated, we are committed to making sure payments are secure and compliant as well as faster and more transparent. Through our growing financial crime compliance portfolio combined with SWIFT’s Customer Security Programme, and global payments innovation initiative, we are addressing these dimensions together in order to take correspondent banking to the next level.”

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“With Compliance Analytics, our financial intelligence unit can quickly find an entity involved in an unusual transaction using its name and the name of the beneficiary. We can also delve deeper into the SWIFT message data and find out if this entity has any hidden relationships or additional wire transfers with other entities.”

**Daniel Del Rosal**  
Managing Director of Compliance,  
CIBanco

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