

Post-trade risk and custody specialists

Thomas Murray Cash Correspondent Bank Monitoring

The regulatory momentum driving Cash Correspondent Bank Monitoring is beginning to build with growing pressure from CFTC, OCC, CASS and Client Asset Protection rules, and which is only likely to increase with the number of scandals around Anti-Money Laundering

(AML) and sanction-busting in recent times. It is recognised that regulators are increasingly expecting higher levels of monitoring and due diligence of service providers including contingency plans.

Other factors driving demand for Correspondent Bank Monitoring included (i) Internal third party oversight requirements, (ii) Reluctance of respondents to respond to avalanche of very different questionnaires, (iii) Lack of standardisation e.g. of technology platform, approach, methodology and (iv) Duplication of effort and resources in a non-competitive area. It was also widely recognised that monitoring of cash correspondent providers is far less developed than in the securities world.

Thomas Murray, together with an initial group of 25 banks is creating a mutualised industry Cash Correspondent Monitoring solution. A Working Group has confirmed the service components, which at its core will be a largely closed ended questionnaire focusing on operational risk.

Thomas Murray will provide participants with a “managed service” solution. This will deliver a validated questionnaire response against agreed KPIs, along with benchmark analytics by market, region and currency, and will develop towards providing a full correspondent bank risk assessment along with (optional) on-site operational reviews.



More Information

If you are interested in Cash Correspondent Bank Monitoring, please contact:

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