

Fiat & Crypto AML



- Advanced KYC function
- FATF Preparation
- Support for cryptocurrency transactions

CRYPTO
Currency

FIAT
Currency

About DTS Group

Integrated approach ranging from application development to construction of infrastructure, using top-of-the-industry operational know-how and proven track record.

Creating New Value
MADE BY DTS Group

Since our establishment, we have accrued 40 years of achievements in system development and maintenance for all types of financial businesses including banks, trust banks, and securities companies, and have received the highest satisfaction ratings from our customers. We have accumulated top-of-the-industry operational know-how for large-scale system integrations and SOA system (service-oriented architecture) constructions and have nurtured a team of experts to support these efforts. We have mobilization capacity to pursue not only solution developments, but also large-scale projects, such as large banks consolidation and in-depth IT implementation support for our customers' overseas business development. Moreover, we have a Financial System Development Center ready for domestic large-scale projects that require high-level security. We take full advantage of these resources to offer the optimum solutions for our customers.

DTS Group Locations

- **DTS CORPORATION (Japan)**
Headquartered in Tokyo. (8 other offices in Japan)
- **DTS (Shanghai) CORPORATION**
System integration services for Japanese companies in China.
- **DTS America Corporation**
System integration services offered in both Japanese and English.
- **DTS SOFTWARE VIETNAM CO., LTD.**
Offshore development, Housing CAD input, BPO service.
- **Nelito Systems Limited (India)**
System integration service for financial institutions in North America and Asia.



About CipherTrace

CipherTrace is a Silicon Valley startup founded security industry veterans and funded by the US DHS and top venture capitalists. The CipherTrace Cryptocurrency Anti-Money Laundering solution, Crypto AML, enables exchanges to grow revenue by safely engaging in cryptocurrency transactions while maintaining a low risk profile. It helps cryptocurrency businesses easily and effectively comply with AML regulations around the globe. Investors, Hedge Funds, and Trading Desks use CipherTrace Crypto AML to verify the source of funds. The platform's attribution information and high-speed API automates risk scoring of transactions. For regulators and compliance officers, the solution provides an easy-to-use graphic interface that allows non-technical users to search addresses, receive risk scores and produce reports on risky transactions.



*AMLion is a patent-pending product.

*All other product and service names mentioned are the trademarks or the registered trademarks of their respective companies.

*The specifications of the products may be changed without notice.



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Fiat & Crypto AML

Fiat Currency

FATF*¹ compliant
(4th round of mutual evaluations)

- Risk-based approach solution
- Robust customer management
- Accumulate transaction information
- Reliable FIU*² reports



SWIFT Filtering

- Real-time screening of suspicious messages
- Collaborate with KYC watch lists



KYC (Know Your Customer)

- Continuous reassessment of customer risk
- Screen using industry standard lists and original lists

API

Screening
account op



Suspicious Transaction Monitoring

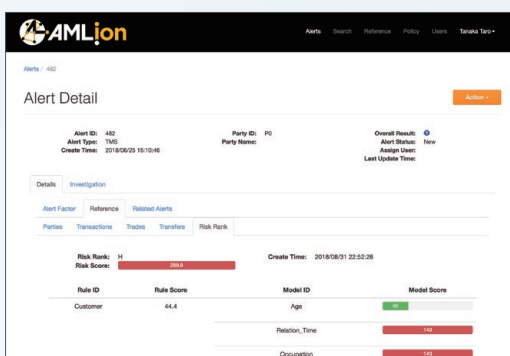
- Evaluate risk for each transaction factoring in
- Monitoring rules are highly customizable to original requirements
- Customers are profiled based on characteristics



CDD Customer Due Diligence

Evaluate customer risks based on customizable rules constructed around customer attributes (occupation, industry, assets, and etc.)

- Allows connect from core bank system via API for real time customer on-boarding check.
- Continuous updating of existing customer's risk scores.



WLS Watch List Screening

Sophisticated screening using watch list of choice such as anti-social, PEPs, OFAC and etc.

■ Screening using up to date external lists

- In addition to anti-social information provided by authorities, lists such as Dow Jones, World-Check, and etc. can also be used.

■ High precision negative news search using AI

- Evaluate customer risks based on negative news articles. Articles are searched using predefined negative phrases and used to assess risk based on degree of negativity of the article.
- *Separate contracts are needed for news articles search.

■ Fuzzy character matching

- The function support Alphabets as well as Kanji, Kanji-variant, Romaji characters. (*Fuzzy character matching examples)
- **Kanji-variant** 渡邊 = 渡辺、東京 = 東京、
张 = 張、大學 = 大学
- **Romaji** Shimada Yu = Simada Yuu
- **Similarity** Frank = Franky = Branky
- **Modifier** DTS Co.,Ltd =
DTS CORPORATION

Example : [田]



KYC (Know Your Customer)

Suspicious Transaction

*1. FATF (Financial Action Task Force)

Is an intergovernmental organization founded to develop policies to combat money laundering.

*2. FIU (Financial Intelligence Unit)

Is a government agency responsible for accepting and analyzing information on suspicious transactions related to money laundering and terrorist funding to be provided to law enforcement agencies.



CipherTrace services
provide risk
assessment of
blockchain's sender
and receiver addresses

1

Attribution identifies a variety of Ris

- The CipherTrace platform integrates both open and closed-source intelligence including Blockchain Intelligence Network, Crypto Asset Threat Labs and Open Source Intelligence. CipherTrace analysts add over 1.5 million attributions each week.

Cryptocurrency

Incorporated blockchain analysis and address risk scoring by CipherTrace for crypto AML measures.

- Reduce exposure to legal liability
- Comply with Crypto AML regulations
- Automate transaction risk scoring and reporting
- Trace illegal sources of funds
- Monitor potentially risky wallets



Measures against Cryptocurrency money laundering and identifies risky funds

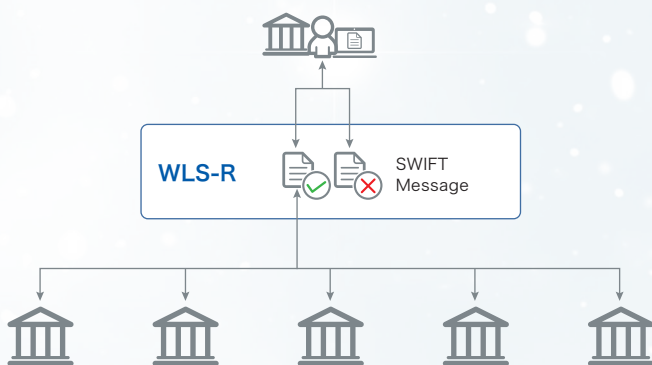


WLS-R Watch List Screening-Real time

Conduct real-time screening of SWIFT messages and stop suspicious activities.

■ Filtering and blocking of SWIFT messages

- Suspicious inbound and outbound SWIFT messages are blocked by the screening.
- Screen messages by type and field (configurable).



Filtering



TMS Transaction Monitoring Service

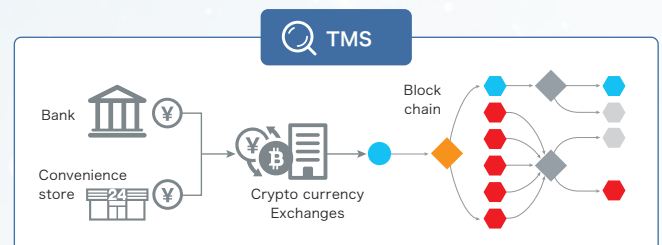
Provides risk-based approach detection of suspicious transactions using user defined rules and profiled customer risks.

■ Rule customization

- Rules can be customized to fit any financial institution. Rules can be fine tuned in a separate environment without disrupting production system.

■ Profiling of Transaction

- Transaction trend analysis within customer group with similar attributes (occupation, age, company size, type of industry, etc.). Detects transaction which deviates from rules and trends.



Transaction Monitoring

2

Algorithms Calculate Risk Levels

- CipherTrace algorithms and machine learning calculates risk levels based on associations with suspicious addresses and wallets. It leverages machine-learning algorithms to rapidly aggregate and correlate a variety of indicators, and then provides users with actionable intelligence for AML investigations and compliance.

3

High-Speed API and Visual Tracing

- The CipherTrace Application Programming Interface automatically returns a risk score for addresses or wallets and produces compliance reports for suspicious transactions.
- CipherTrace's visual user interface allows users to visually trace cryptocurrency flow of funds over time and through the blockchain. This is also used to vet new customers and their sources of funds.