



How can we utilize technology to tackle Financial crimes?

Description

The advent of technology has been a boon for mankind in many different ways. Improved healthcare, connectivity, communication and what not. Technology can be found in every sphere of life, it is all-pervasive. It has made our lives much easier. But, it has also made committing crimes easier. While the good guys have been working hard, the bad guys have been working even harder. Nevertheless, a pro-active approach towards constant development and utilization of technology to outsmart the bad guys can help create a safer environment for the common people.

Talking specifically of financial crimes, according to studies they rose by almost 10% in the year 2018. Money laundering, corporate fraud, Identity theft, bribery, and corruption have been on the rise. This calls for a rigorous overhaul of the system.

Across the world, Artificial Intelligence (AI), Machine Learning (ML) and Data Analytics are seen as the next stage of evolution of technology. These technologies can also be applied to safety infrastructure. AI, ML and DA can be used to distinguish fraudulent transactions from real transactions. To demonstrate it with a simple example: Recent smartphones are equipped with functions to identify their owners by gauging the pressure they apply to unlock the phone, the way they hold their phones, their gestures, etc. If the phone gets stolen, even if the thief may know the unlocking PIN, the phone would deny access based on its assessment of movement, pressure, gestures, etc. A similar concept can be used in the case of Financial Crimes. Identity theft can be reduced greatly through this. There are several similar ways in which these technologies can be used to prevent Financial Crimes.

Talking about India, the first thing that comes to anyone's mind would be wilful defaulters. Taking the case of PNB and Nirav Modi scam, it exposed a huge flaw in the banking system and the lackadaisical approach with which banks have behaved so far. The linking of SWIFT and the CBS (Core Banking System) had not been done. Had it been done beforehand, the scam would not have happened and RS14000 crore could have been saved. Though late, India has awakened to the use of technology to curb Financial crimes. Linking of Aadhaar with bank accounts, Government services through online form filling and payments have all brought



transparency in the Financial sector.

Conclusion:

In conclusion, there are several undiscovered ways in which Technology can help in decreasing financial crimes. But the key to it lies on pro-activeness of the financial sector as well as the successful implementation of it. India is on the right track but needs to speed up the process and implementation.

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