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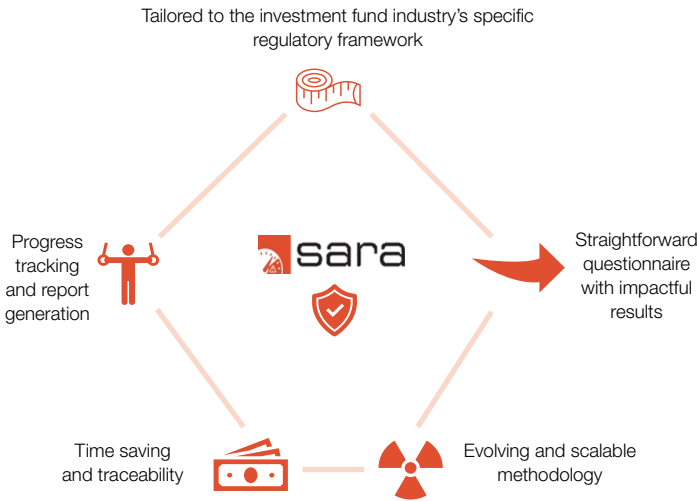
Streamlining and enhancing your ML/TF/PF risk assessment process with SARA*

With regulators and international bodies, such as the Financial Action Task Force (FATF), placing greater emphasis on a risk-based approach, gaining a deeper understanding of key risk exposures, and implementing the necessary mitigating measures is no longer optional—it's now essential.

In Luxembourg's complex and evolving financial environment, professionals are expected to proactively identify, assess, and manage risk. Meeting these expectations demands more than compliance—it requires a strong risk-aware culture and an agile, data-driven approach to risk assessment that can adapt quickly to evolving regulatory requirements.

That's why Arendt Regulatory & Consulting developed SARA—a smart, automated solution designed to streamline and enhance your annual ML/TF/PF risk assessment process.

SARA: a smart tool for automated risk evaluation

Tailored to the investment fund industry's specific regulatory framework

Progress tracking and report generation

Straightforward questionnaire with impactful results

Time saving and traceability

Evolving and scalable methodology

1. Tailored to the investment fund industry's specific regulatory framework

SARA is a software service solution designed to support Luxembourg investment fund managers (IFM), CSSF-regulated funds and AED-supervised alternative investment funds (AIF), which compiles business-wide risk indicators in compliance with evolving AML/CFT regulations and market practices.

2. Intuitive interface, actionable insights

SARA simplifies the risk assessment process through a streamlined questionnaire, combining data inputs and targeted questions. By leveraging both qualitative and quantitative information, SARA enables you to accurately determine your inherent risks and the robustness of your control environment and justify your residual risk scoring. In addition, it helps you to define if the overall risk profile of your business remains within the stated risk appetite of your organisation.

3. Evolving and scalable methodology

Arendt Regulatory & Consulting continuously monitors changes in risks within the investment fund industry, in AML/CFT regulations and expectations and in market practices and constraints in order to update the risk and control catalogue accordingly. In addition, SARA provides recommended weightings for the different risk factors and guidance to support you in completing the risk assessment and better documenting your decision-making.

4. Time saving and traceability

SARA is a reliable and user-friendly automated tool designed to help its users, mainly compliance officers (RC), save time typically spent on traditional risk assessment solutions, while ensuring there is still a proper audit trail.

5. Progress tracking and report generation

A comprehensive tool designed to monitor the status of your risk assessment in real time via a user-friendly dashboard, while also automating the generation of detailed reports in just one click to formalise your assessment and facilitate your reporting obligations, either to the Board or the regulatory authorities/bodies.

*Solution for Annual Risk Assessment

arendt.com

SARA: empowering a smarter, more efficient ML/TF/PF risk assessment

How does SARA help?

In designing SARA, our AML/CFT experts adopted a structured and comprehensive 3-level approach to risk assessment. SARA provides you with a user-friendly interface that can be implemented quickly, optimises your costs effectively and minimises your workload. Based on our predefined questionnaires, the tool can help you to focus on more strategic and decision-making tasks.

Our risk assessment approach involves a 3-level process

Level 1: Inherent risk

The inherent risk assessment is based on a combination of quantitative and qualitative information.

Our experts were meticulous in ensuring that all relevant risk categories are incorporated into the tool. As a result, SARA offers 8 distinct and relevant categories of risk. The assessment of these categories will be used to calculate the following three risks: money laundering (ML), terrorism financing (TF) and proliferation financing (PF).
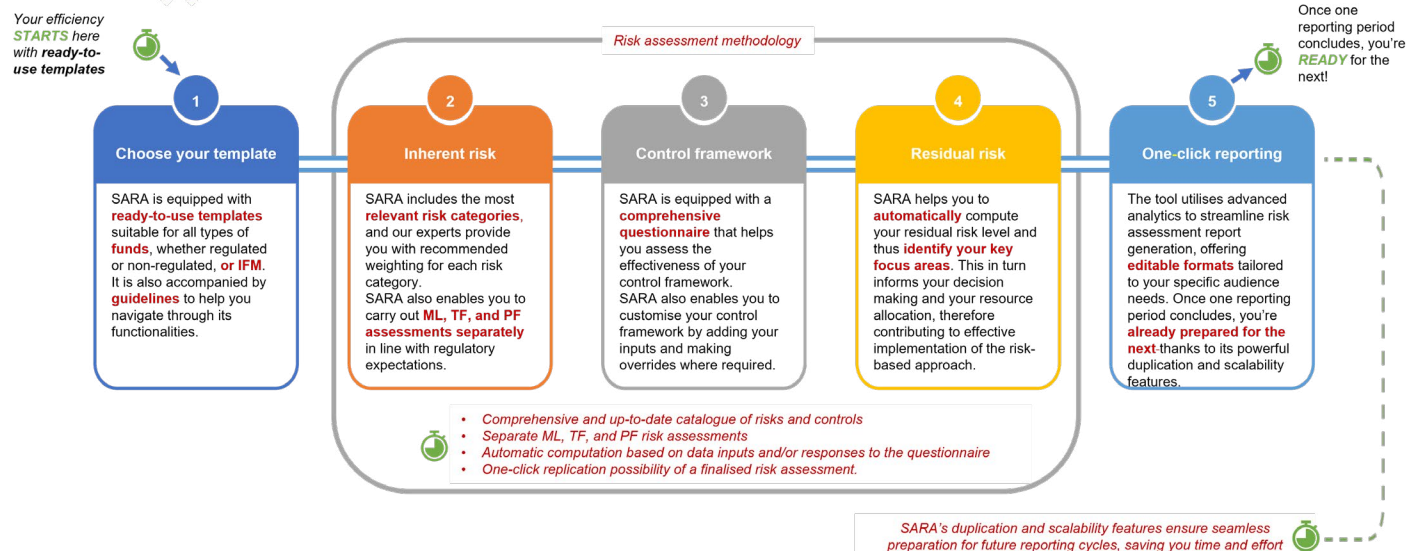
Level 2: Control framework

The control framework assessment is a self-assessment based on qualitative information, with the option to provide additional context. It focuses on the design and effectiveness of the mitigating measures in place, which are organised into 10 distinct and relevant groups. This approach also ensures an intuitive user experience, offering guidance and alerting you to potential shortcomings in the control model.

Level 3: Residual risk

Residual risk scores are derived from a comparison of inherent risk and control effectiveness. Results for each risk (ML/TF & PF) are clearly visualised via an interactive dashboard, highlighting priority areas requiring attention or remediation.

A smart tool for automated risk assessment

Your efficiency STARTS here with ready-to-use templates

Risk assessment methodology

Once one reporting period concludes, you're READY for the next!

1 Choose your template

SARA is equipped with **ready-to-use templates** suitable for all types of **funds**, whether regulated or non-regulated, **or IFM**. It is also accompanied by **guidelines** to help you navigate through its functionalities.

2 Inherent risk

SARA includes the most **relevant risk categories**, and our experts provide you with recommended weighting for each risk category.
SARA also enables you to carry out **ML, TF, and PF assessments separately** in line with regulatory expectations.

3 Control framework

SARA is equipped with a **comprehensive questionnaire** that helps you assess the effectiveness of your control framework.
SARA also enables you to customise your control framework by adding your inputs and making overrides where required.

4 Residual risk

SARA helps you to **automatically** compute your residual risk level and thus **identify your key focus areas**. This in turn informs your decision making and your resource allocation, therefore contributing to effective implementation of the risk-based approach.

5 One-click reporting

The tool utilises advanced analytics to streamline risk assessment report generation, offering **editable formats** tailored to your specific audience needs. Once one reporting period concludes, you're **already prepared for the next** thanks to its powerful duplication and scalability features.

- Comprehensive and up-to-date catalogue of risks and controls
- Separate ML, TF, and PF risk assessments
- Automatic computation based on data inputs and/or responses to the questionnaire
- One-click replication possibility of a finalised risk assessment.

SARA's duplication and scalability features ensure seamless preparation for future reporting cycles, saving you time and effort

Contact Arendt Regulatory & Consulting today to learn how SARA can transform your approach to risk.

arendt is by your side

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Read more about
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