

Big Data and Artificial Intelligence - A Combined Approach to the Identification of Dual-Use Goods

Many of the enforcement fines and actions issued in recent years by the Office of Foreign Asset Control (OFAC) have been a consequence of poor proprietary software or screening anomalies.

A lack of oversight in screening for export compliance has led to major penalties for those operating within the global supply chain. One of these fines in 2019, for a major bank, resulted in a \$650million action.

As trade-based regulation continues to grow and new guidelines and advisories are published it has become imperative for banks and financial institutions to ensure they have the best software and datasets to hand in order to remain compliant.

The advanced IHS Markit Trade Compliance Secure solution addresses the growing and difficult challenge in the identification of dual-use goods.

Key Features:

- Applies AI and Machine Learning to dual-use goods identification
- Utilises a content set of over 500,000 datapoints covering nuclear, electronics, engineering, chemicals, military and other items
- Ability to scan a complete 'goods description' from a trade document
- Training algorithms are tested and evaluated against two million 'real-life' bills of lading per year
- Algorithms that learn from previously ingested goods descriptions to offer greater accuracy
- Content coverage of the U.S. Commerce Control List, European Union Dual-Use Goods List, Japan METI List and China Export Control Law

Key Benefits:

- Clear reduction in the number of false positives
- Market-leading, non-banking datasets that offer the full scope of dual-use items across many industry segments
- Easy to install product available through web dashboard and API
- Strengthen trade operations expertise in compliance through the deployment of big data sets.

Mind the Compliance Gap - Incomplete, Inconsistent, Ineffective

A major weakness in dual-use goods identification is knowing the potential items on the market that meet such criteria.

Many current dual-use goods identification solutions provide a data-list of possible product names, keywords, synonyms and acronyms with which to use as a foundational search engine. These data-lists are limited in scope, generate false positives and even when implemented alongside AI tech-solutions still contain many gaps and weaknesses that leave a bank vulnerable.

IHS Markit's Trade Compliance Secure product offers a radically new solution for the market.

Based on industry leading datasets across the nuclear, chemical, engineering, electronics and military industries, IHS Markit ensures that over 500,000 datapoints referencing dual-use goods in these markets can be used by banks to offer a complete, more consistent and more accurate representation of potential dual-use goods that are available and traded.

Data Examples:

Aerospace, Defence, Nuclear & Security – A defence parts and logistics management system covering; **125k+** world armed forces inventories, **40,000+** equipment profiles, **4,000+** ammunition and weapons types

Chemicals & Special Materials – IHS Markit covers **400+** chemical and petrochemical specialities including Chemical Abstract Service (CAS) numbers

Electronics and Computer Parts – **120k+** dual-use mapped electronic and computer items and materials

Standards, Codes and Specifications – Nearly **500** organisations and publishers with data and information across various industries such as nuclear and engineering including aluminium, titanium and other materials

Goods of material for industry specific content sets can provide banks and financial institutions with the certainty and expertise to make precise and accurate decisions on the nature of products being financed. Data is the key ingredient to the identification and understanding of dual-use goods. Goods

For more information www.ihsmarkit.com/tradecompliancesecure

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