



“By failing to prepare,
you are preparing to fail.”
—Benjamin Franklin.

Bowtie Risk Analysis

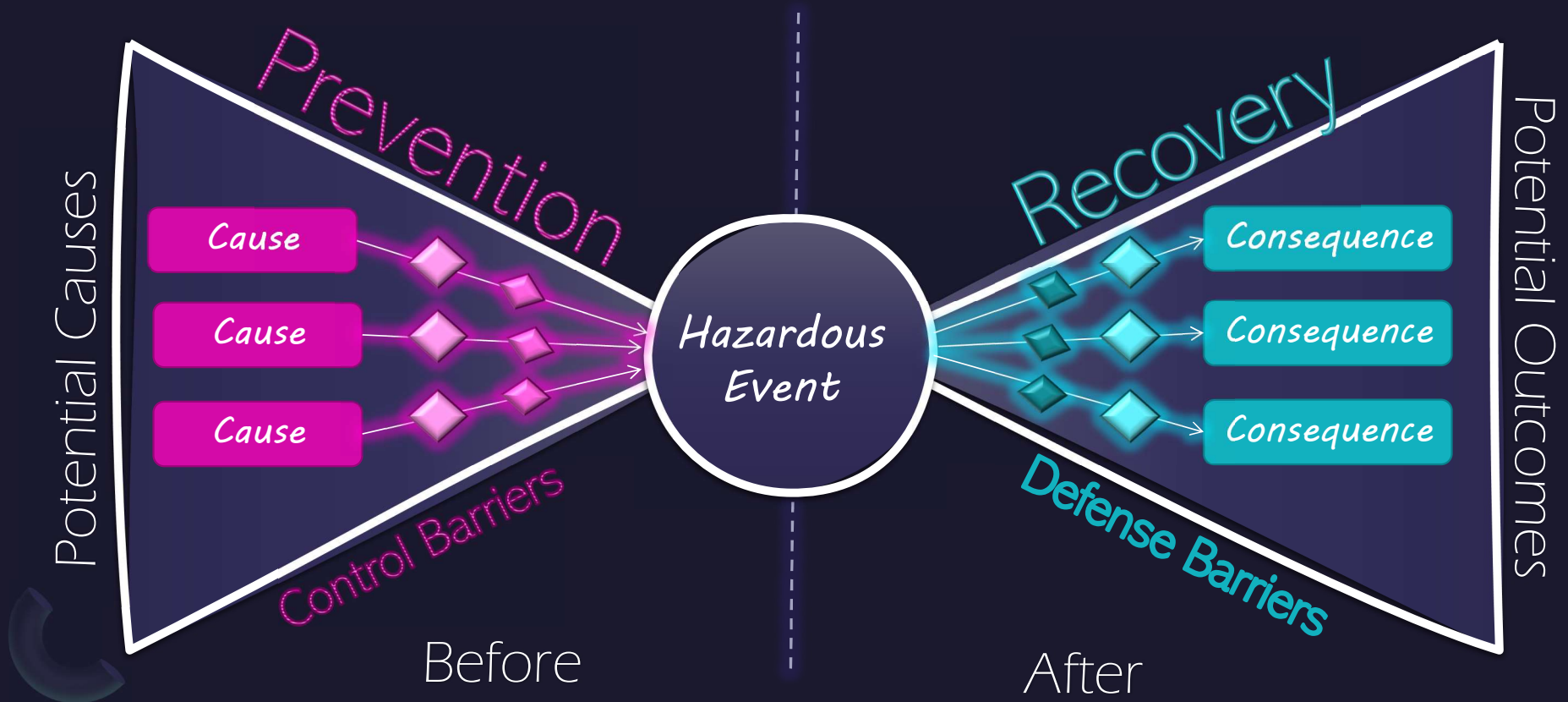
Noe Compliance
Crystal Noe



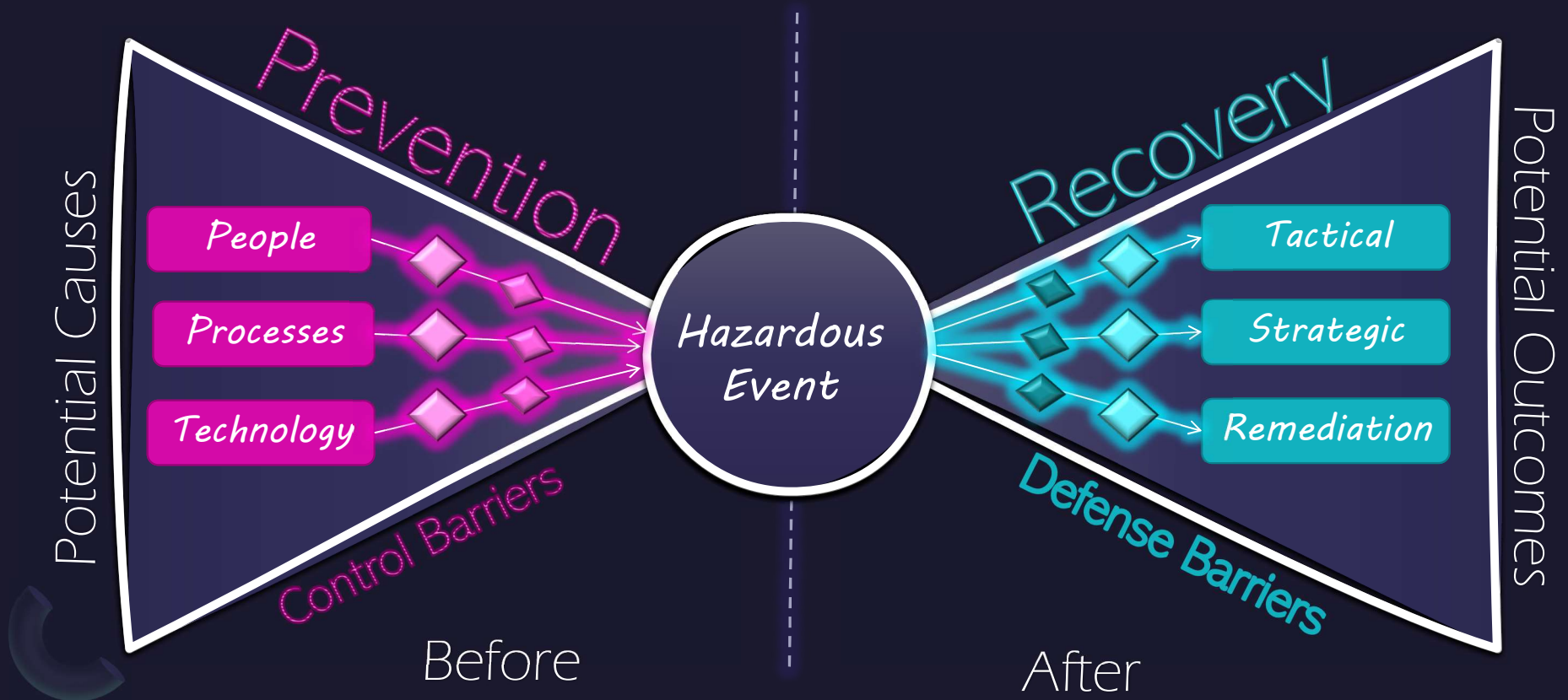
Fiat & Crypto Share many things in common, one of those being Risk Management.

Risk Management is the identification, evaluation, and prioritization of risks, followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities.

Risk Bowtie



Risk Bowtie



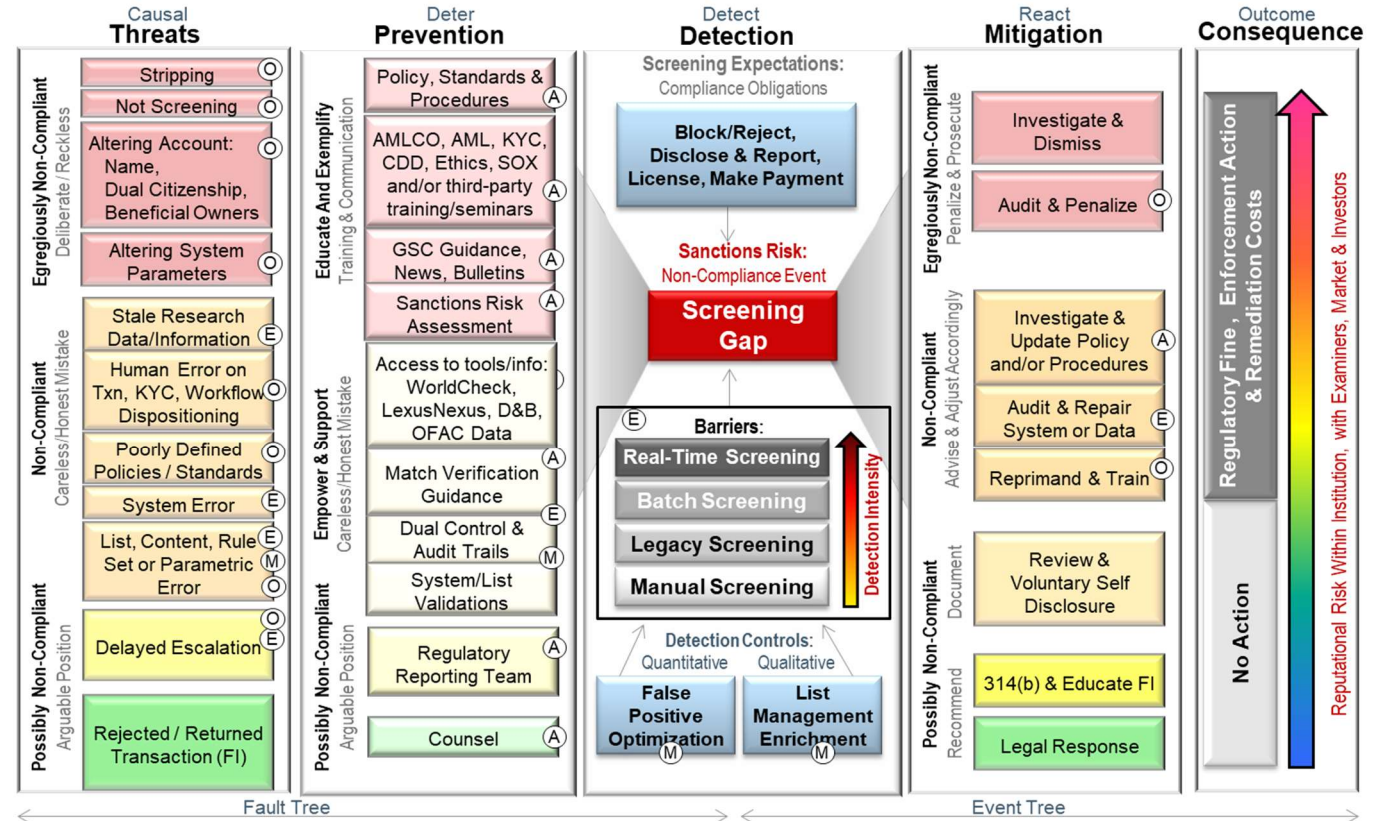
Sample focused on Sanctions Screening

Here is an example of a Risk Bowtie analysis focused on the causes and consequences of a Sanctions Screening gap

This same bowtie can be updated to address Screening Risk for Cryptos as there are many similarities.

By introducing factors such as Mixers, Vendor Limitations (eg New/Historical chain data), L2 Protocols, MultiSigs, etc we are able to account for Crypto Causes and Consequences

Sanctions Screening Risk – Bowtie Analysis



Threats, prevention detection, mitigation & consequences are typically associated to:

- (E) **Engineering** : Technical processes relating to access, data, reconciliation, dual controls, & reporting.
- (M) **Maintenance** : Process to remain current.
- (A) **Advisory** : Guidance, policy or procedures provided.
- (O) **Operational** : Manual/Business Processes

Mapping Out Causes & Consequences

1.) Identify the “Hazardous Event”, examples:

- sanctions non-detection / failure,
- defective IP Blocking / Geo-Fencing
- defective Transaction Monitoring
- Etc.

2.) Identify Causes / Threats

- As a starting point, consider brainstorming sessions that focus on People, Processes, & Technology

3.) Map Consequences

For each cause/threat:

- identify a preventative control,
- detection method(s),
- mitigation efforts to reduce exposure, and
- consequences.





If you don't own your risk,
It will own you.

<https://noecompliance.com>