TRACE

TRAVEL RULE
ANALYTICS

INDEPENDENT · EVIDENCE BASED · REGULATOR READY

Travel Rule Analytics Compliance Engine (TRACE)

Test and validate your Travel Rule controls

VERSION 1.0

AMLA®
AML ANALYTICS

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Introduction

INTRODUCTION

Travel Rule Analytics Compliance Engine

TRACE is a new Travel Rule test from AMLA®, a leading provider of testing and validation for financial crime compliance systems, used by financial institutions, regulators and governments worldwide.

TRACE tests the IVMS101 Travel Rule messages exchanged between VASPs/CASPs, on both the originator and beneficiary side, against the requirements of FATF Recommendation 16 and the EU Transfer of Funds Regulation. It applies to any institution that sends or receives virtual asset transfers, including banks, payment firms and fintechs.

You receive detailed, evidence-based results showing where your Travel Rule process performs well and where it falls short. The result is an independent view of your controls, bringing transparency and assurance to how you handle Travel Rule data.

Independent

Vendor neutral, free from the conflict of interest vendors face when validating their own products.

Evidence based

Every test message has a known answer, and every result is recorded and explorable.

Regulator ready

Reporting built to withstand regulatory scrutiny, benchmarked against FATF standards.

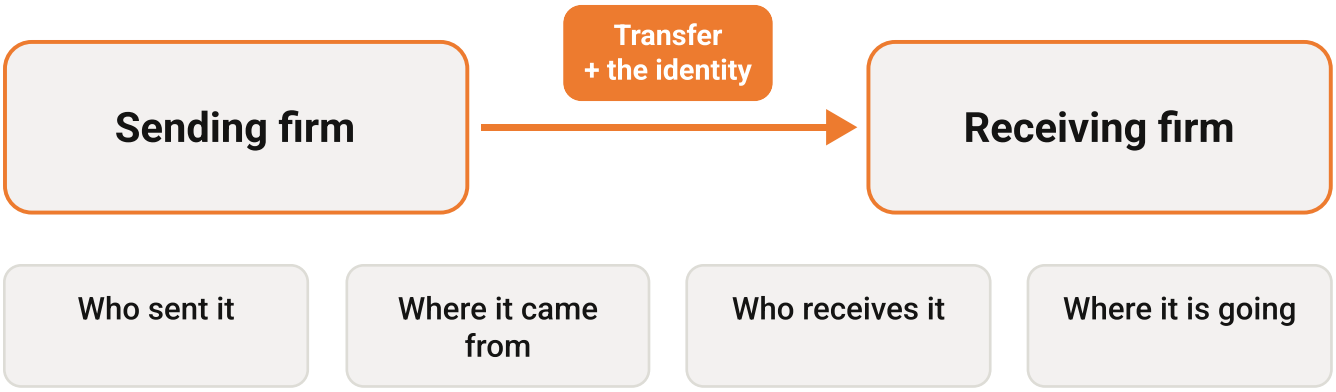
- Uses synthetic data, not customer data
- No access to your systems needed
- No data protection issues
- Evaluates real-world system performance
- Actionable results through an intuitive analysis tool
- You own your data and control disclosure

The Travel Rule

THE TRAVEL RULE

Send a transfer. Send the identity too.

When one firm sends money or crypto to another, information about who sent it and who receives it must travel with the transfer. That is the Travel Rule. It is set by the FATF in Recommendation 16 and enforced by law across the US, EU, UK, UAE, Singapore and many other jurisdictions.



In technical terms: originator and beneficiary information, sent as IVMS101 messages.

WHO MUST COMPLY?

TRACE tests the Travel Rule messaging (IVMS101) between VASPs/CASPs. Banks, payment firms and fintechs are in scope where they send or receive virtual asset transfers.

Banks and financial institutions

Moving funds on behalf of customers.

VASPs and crypto exchanges

Transferring virtual assets between firms.

Payment firms and fintechs

Including digital payment providers.

Firms that fail to collect, format and transmit the required data face **licence revocation, financial penalties and reputational damage.**

ONE RULE. DIFFERENT THRESHOLDS.

The regulatory landscape

The Travel Rule is one standard, but the threshold at which it applies depends on where you operate. Firms sending or receiving transfers across jurisdictions need to know which threshold applies to each corridor, and to test against it.

Regulators across every major jurisdiction are intensifying Travel Rule enforcement. Documented, independent testing is increasingly expected and, in some frameworks, is moving towards being required.



US$1,000

FATF Recommendation 16

Recommended threshold for virtual asset transfers.



US$3,000

United States

FinCEN threshold for fund transfers under the Bank Secrecy Act.



Every transfer

European Union

No minimum under the EU Transfer of Funds Regulation.



€1,000

United Kingdom

Sample corridor: GB→GB



S$1,500

Singapore

Sample corridor: GB→SG



AED 3,500

Dubai

Sample corridor: GB→AE



Global relevance

The FATF Travel Rule is enforced by law across the US, EU, UK, UAE, Singapore and many other jurisdictions.



Strict requirements

Entities must collect, format and transmit identity data on qualifying transactions, or face licence revocation, financial penalties and reputational damage.



Growing risk

As regulatory expectations evolve, organisations need confidence that their controls operate effectively and can withstand scrutiny.

One rule. Different thresholds depending on where you operate. Are you testing against the right one?

TRACE tests the Travel Rule messaging (IVMS101) between VASPs/CASPs. Banks, payment firms and fintechs are in scope where they send or receive virtual asset transfers.

WHY INDEPENDENT TESTING?

A firm can claim Travel Rule compliance and have confidence in its controls, yet still fail a regulatory review

The market offers solutions to implement the Travel Rule. It has had no standard way to test them.

By combining control and manipulated test scenarios with governance oversight and re-testing, you can optimise your system configuration, improve detection capability, and demonstrate ongoing control effectiveness.

01

Independent verification

Vendors have an inherent conflict of interest when validating their own products, and internal testing often lacks regulatory credibility.

02

Industry gaps

The FATF's own Targeted Update found that, even among firms claiming compliance, deficiencies in compliance tools, limited interoperability testing and weak supervision remain widespread.

03

Lack of validation

There is no standardised way to test whether a firm is Travel Rule compliant. TRACE provides one.

VALIDATE BEFORE REGULATORS DO

TRACE delivers evidence that your system performs as regulators expect, before they look. Weaknesses are highlighted, understood and remediated, so your controls improve with every test.

An independent certification, not a regulatory obligation

You own your data and control disclosure of your results. AMLA® acts as auditor only, benchmarking your controls against FATF standards.

Travel Rule Analytics Compliance Engine (TRACE)

HOW TRACE WORKS

Four steps from test to evidence

TRACE tests the Travel Rule messaging (IVMS101) between VASPs/CASPs. Banks, payment firms and fintechs are in scope where they send or receive virtual asset transfers.

STEP 1. A designed test set
A mix of valid and invalid Travel Rule messages, built around FATF Recommendation 16 and the thresholds that apply in each jurisdiction.

STEP 2. Synthetic data through your solution
TRACE sends the data to your system. Nothing from production is touched and no customer data is used.

STEP 3. Every response scored
Each message has a known answer. TRACE compares what your system did with what it should have done and records one of four outcomes.

STEP 4. Analysis and certification report
Explore the results, drill to the exact failure, then take away a certification report you can share with your supervisor, auditor or board.

Valid payloads

Correctly formed test data containing all required originator and beneficiary information, enabling the originator system to construct an IVMS101 message or equivalent supported format.

Invalid payloads

Messages with known, planted errors, such as missing addresses or incorrectly formatted dates, to check that your system catches each one and gives the correct reason for rejection.

WHAT TRACE COVERS

Testing where misconfigurations are most likely to surface

TRACE tests the Travel Rule messaging (IVMS101) between VASPs/CASPs. Banks, payment firms and fintechs are in scope where they send or receive virtual asset transfers.

Threshold boundary testing

Transactions are tested across bands from well below to well above the threshold, because that is where misconfigurations and missing data are most likely to surface.

Testing what breaks and why

Negative test messages check that your system catches each error and identifies the correct reason for rejection.

Cross-jurisdiction testing

When sender and receiver sit in different jurisdictions, the lower of the two thresholds governs. TRACE tests three cases.

1

Same-jurisdiction transfers

2

Cross-jurisdiction transfers with matching thresholds

3

Cross-jurisdiction transfers with different thresholds

Violation categories tested

Invalid messages are grouped by the kind of fault planted, so you can see exactly which part of the message your system gets wrong.

Address	Formats & charset	Natural person name	VASP Identity Block
Legal person	Date of birth	Account & wallet	Tier-2 data

Categories shown are those in the sample run.

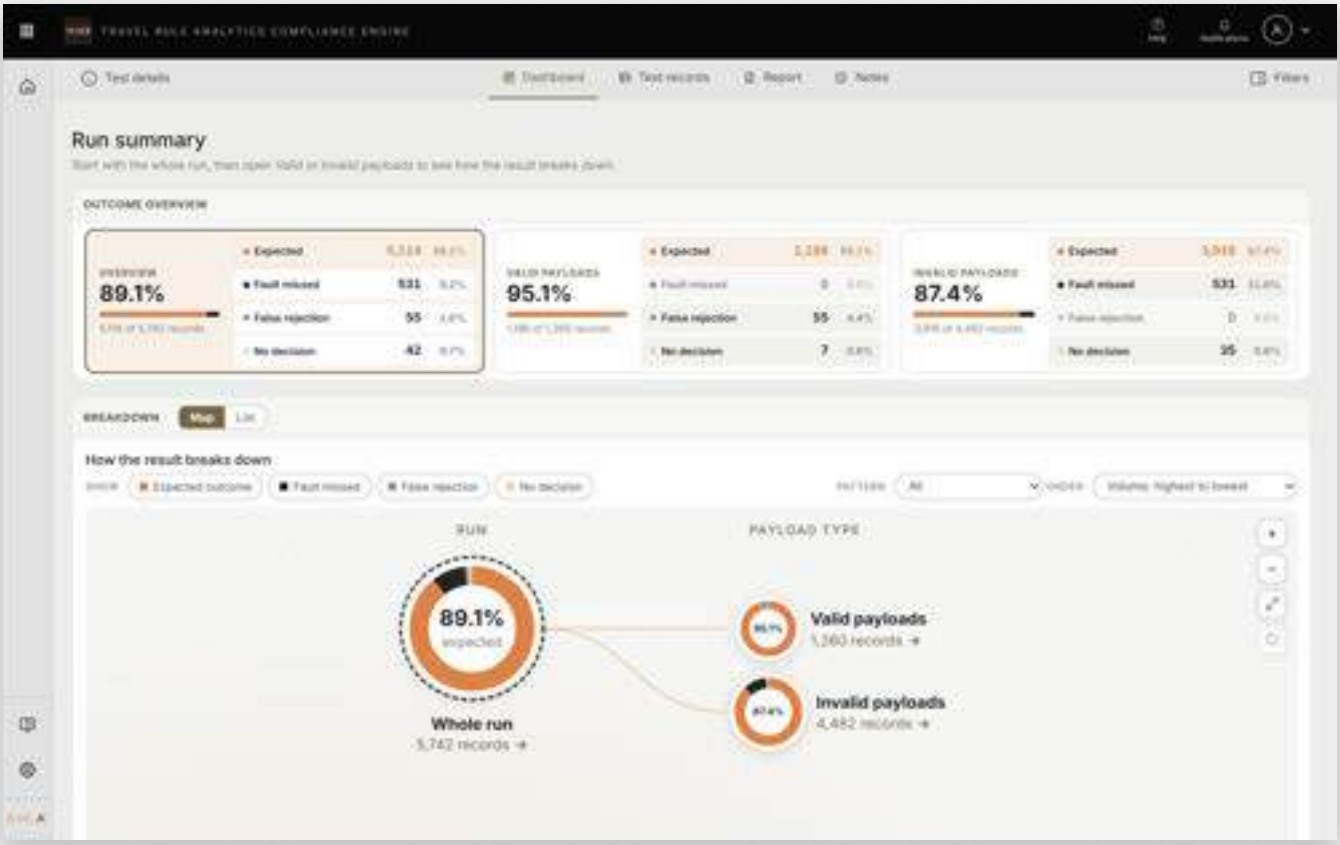
How every test is scored

Each test starts from a clean, compliant message and changes one thing: it removes a field, breaks a format or adds a harmless variation. Every test is repeated across corridors, amount bands and person types. Valid messages should be accepted. Invalid messages carry a fault your system should catch.

RESULTS & ANALYSIS

See at a glance where your controls behaved as they should

TRACE customers get an intuitive analysis tool, with overview dashboards showing how their system performed across every test. Each message sent is classed as valid or invalid, and every result is scored as an expected or unexpected outcome.



SAMPLE DATA. Follow the result from the whole run, to payload type, down to the exact failure.

Expected outcome
The solution did what it should.

Fault missed
A faulty message went through.

False rejection
A correct message was stopped.

No decision
No usable reply was returned.

89.1%

Expected rate: 5,114 of 5,742 sample records

3 levels

Whole run, payload type, then violation category

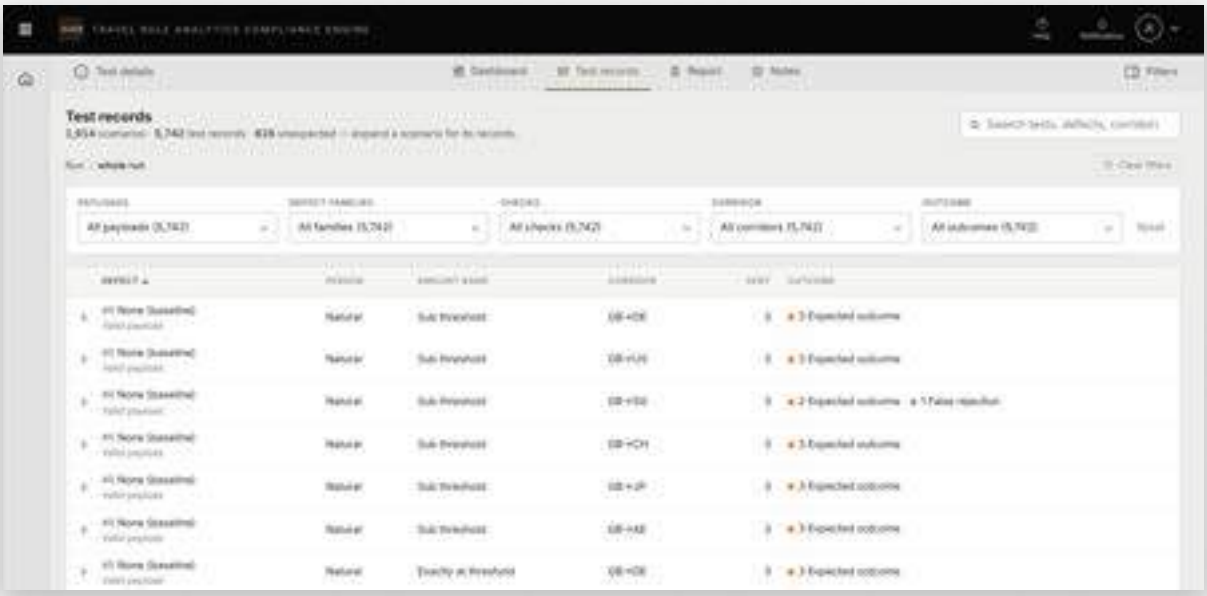
Every

message has its own test record: what was sent, what came back and why

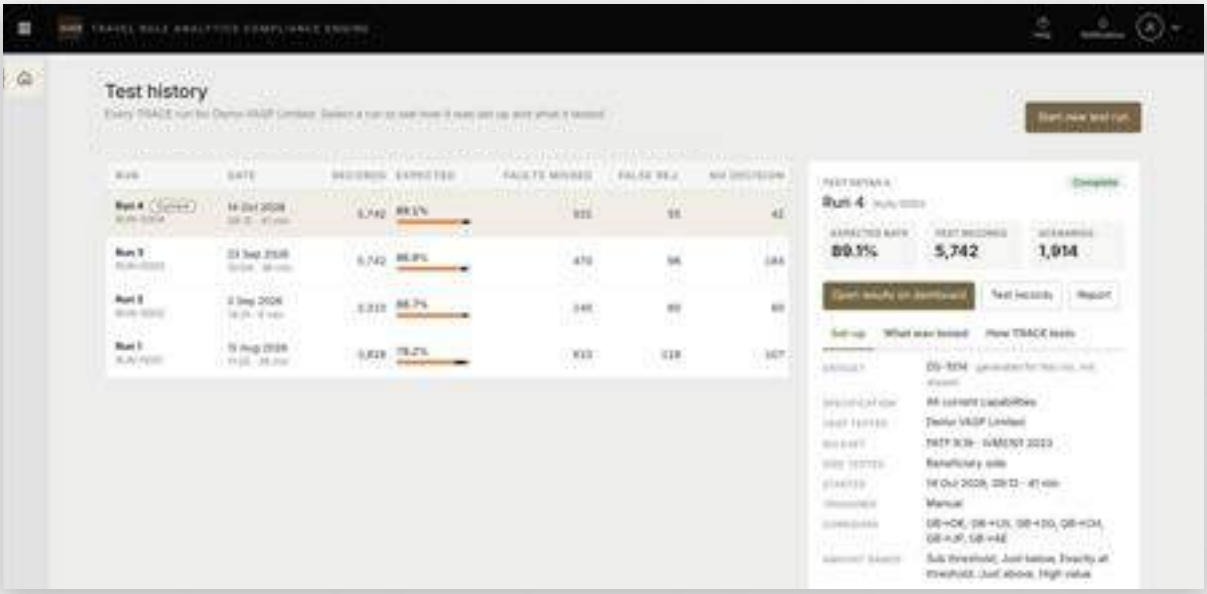
TEST DETAILS

From the headline score to each individual message

Results can be analysed in granular detail, drilling down from the headline score to each alerted and not-alerted message.



Test records
Filter by payload, violation category, check, corridor and outcome. Expand a scenario to see the raw payload sent and the raw response returned.



Test history
Every run in one place, with the expected rate and outcomes side by side, so you can test again after changes and compare. Sample data shown.

TRACE REPORT

Every test, summarised in a report you can hand over

Each completed TRACE test produces a Certification Report. This sample uses a fictional firm and generated data. It shows the structure and content of a real report.



About the test and the four outcomes
What TRACE does, how every record is scored and what the report does not say.



Summary and where it went wrong
The expected rate, the four outcomes and the defects with the most unexpected outcomes.

> **The expected rate**
> The number of expected outcomes divided by the number of test records. In the sample, 5,114 of 5,742 records had an expected outcome, which is 89.1%. One score. Four outcomes behind it.

TRACE REPORT

See exactly where to look first

The report breaks results down by the dimensions that matter to a supervisor, so weak areas stand out.



By corridor, amount band and person tested
See whether results hold across routes, amounts and natural or legal persons.



By violation category, with scope and limitations
Address, date of birth, VASP identity and more, plus what the test did and did not cover.

Evidence
Every test record behind a result can be explored in Analyser Online.

Transparent scope
Corridors, jurisdictions and checks are stated, with limitations.

Repeatable
Test again after changes and compare results in Test History.

TRACE

Frequently asked questions

TRACE tests the Travel Rule messaging (IVMS101) between VASPs/CASPs. Banks, payment firms and fintechs are in scope where they send or receive virtual asset transfers.

ABOUT TRACE

What does TRACE test?

TRACE tests IVMS101 controls against FATF Recommendation 16, using synthetic messages with known expected outcomes. Each response is marked against the answer key.

Does TRACE need access to our systems or customer data?

No. TRACE uses synthetic records only. No integration and no live customer data are required.

Does TRACE look at the blockchain?

No. TRACE tests IVMS101 messaging between VASPs/CASPs. Blockchain analytics determines hosted or unhosted wallet status upstream.

Are self-hosted wallets in scope?

No. Transfers directly to or from self-hosted wallets are outside TRACE's VASP/CASP messaging scope.

Who sees our results?

You do. You own your data and control disclosure of your results.

Is TRACE a regulatory obligation?

No. It is an independent certification. AMLA® acts as auditor only, benchmarking your controls against FATF standards.

TEST DESIGN

What is a valid payload?

A correctly formed record that should pass without alerting. If your solution stops one, that is a false rejection.

What is an invalid payload?

A record with a known, planted fault that should be caught. If your solution lets one through, that is a fault missed.

What is a violation category?

A group of related checks, such as Address or Formats & Charset, used to show where expected and unexpected outcomes occur across the test.

What is a scenario?

One combination of defect, person type, amount band, jurisdiction scenario and origin. Each scenario is sent as five records by default.

How are corridors chosen?

Corridors and jurisdictions are scoped with you for each test.

TRACE

Frequently asked questions

TRACE tests the Travel Rule messaging (IVMS101) between VASPs/CASPs. Banks, payment firms and fintechs are in scope where they send or receive virtual asset transfers.

RESULTS

Where do I find TRACE results?

In Analyser Online. TRACE tests appear in Test History with the Travel Rule Analytics Compliance Engine tag.

What is the difference between a fault missed and a false rejection?

A fault missed is an invalid record your solution let through. A false rejection is a valid record your solution stopped.

What is an expected outcome?

A record your solution handled as TRACE expected: a valid record that was accepted, or an invalid record where the expected alert or control was triggered.

Can I see the individual records?

Yes. Open the Test records tab, expand a scenario and select a record to see the raw payload sent and the raw response returned.

REPORTS

What is the TRACE Certification Report?

A PDF report for each completed test, available from the Reports tab. It covers the test overview, valid payloads, each violation category and the scenarios behind them.

Can we test again after making changes?

Yes. Speak to the AML Analytics team about a new test with the same scope, then compare the results in Test History.

Does the report confirm that we are compliant?

No. The report describes how your solution behaved on the test date against the checks exercised. It is evidence for your compliance programme and supervisory conversations, and the AML Analytics team supports you in interpreting it.

What support do we get?

A user guide, FAQs and a knowledge base explain how tests are scored, where to find each result and how to read the report.

STANDARDS

What is IVMS101?

The InterVASP Messaging Standard, a common data model for the originator and beneficiary information exchanged between VASPs/CASPs under the Travel Rule.

What is FATF Recommendation 16?

The FATF standard on payment transparency, known as the Travel Rule. It requires originator and beneficiary information to travel with transfers, including virtual asset transfers between VASPs/CASPs.

WHAT ARE THE BENEFITS?

Continuous improvement, backed by evidence

TRACE testing drives continuous improvement as weaknesses in your Travel Rule controls are highlighted, understood and remediated.

Independent and vendor neutral

Free from the conflict of interest vendors face when validating their own products.

Independent certification

Not a regulatory obligation, with evidence-based reporting built to withstand regulatory scrutiny.

Validates IVMS101 handling

Across originator and beneficiary controls.

Tests where it matters

Threshold boundaries and cross-jurisdiction transfers, where misconfigurations are most likely to surface.

Drill into the detail

See which messages alerted and why.

Fewer false alerts

Drives a reduction in false alerts and manual investigation, reducing operational costs.

Protect your licence

Find and fix weaknesses before a regulator does, protecting your licence and reputation.

No data protection issues

No system access, IT integration or customer data is required.

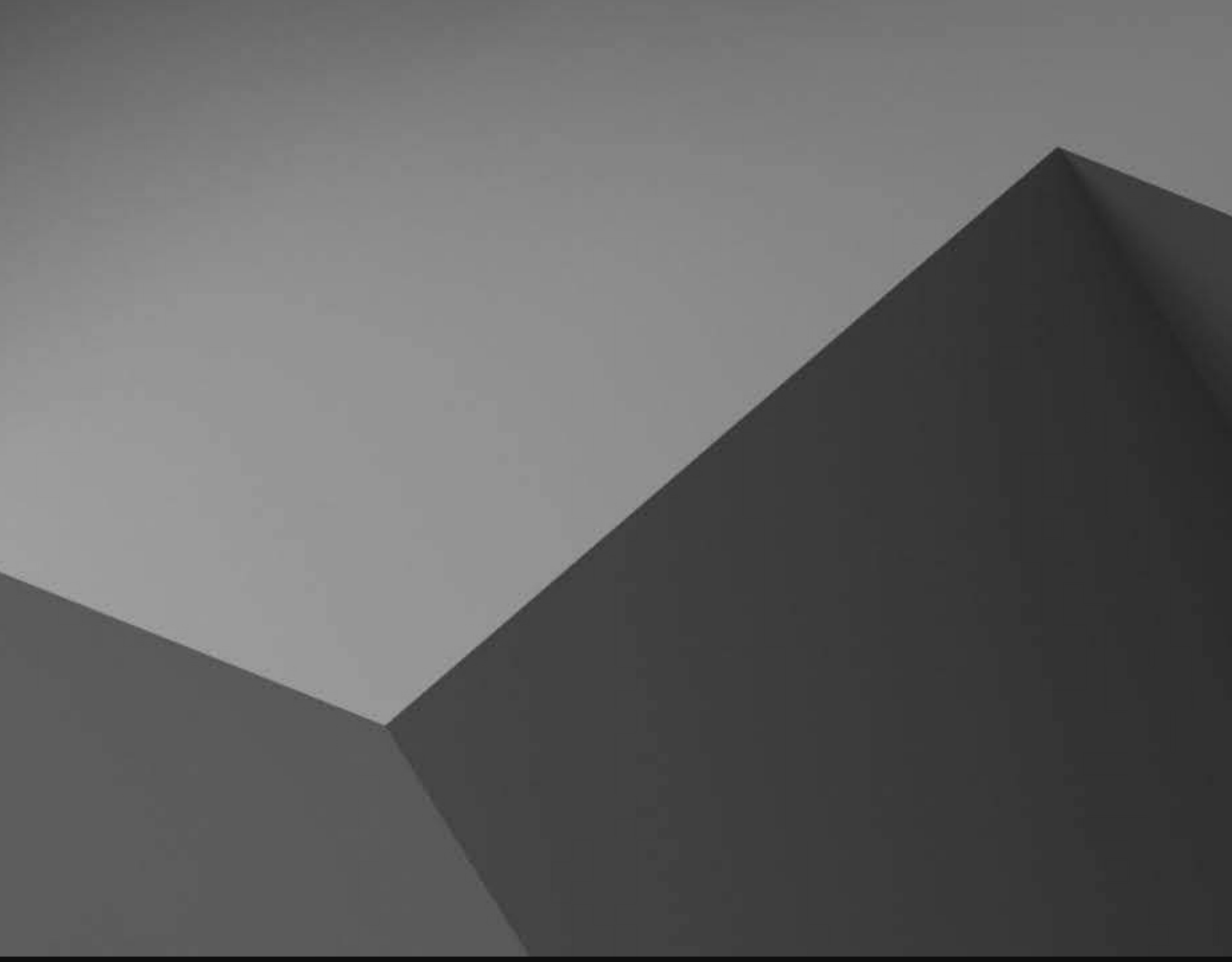
FIND OUT MORE

Talk to the team

Test and validate your Travel Rule controls with TRACE.

Contact info@aml-analytics.com or visit www.aml-analytics.com

TRACE evidences how your Travel Rule controls performed in testing. It does not confirm regulatory compliance.



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