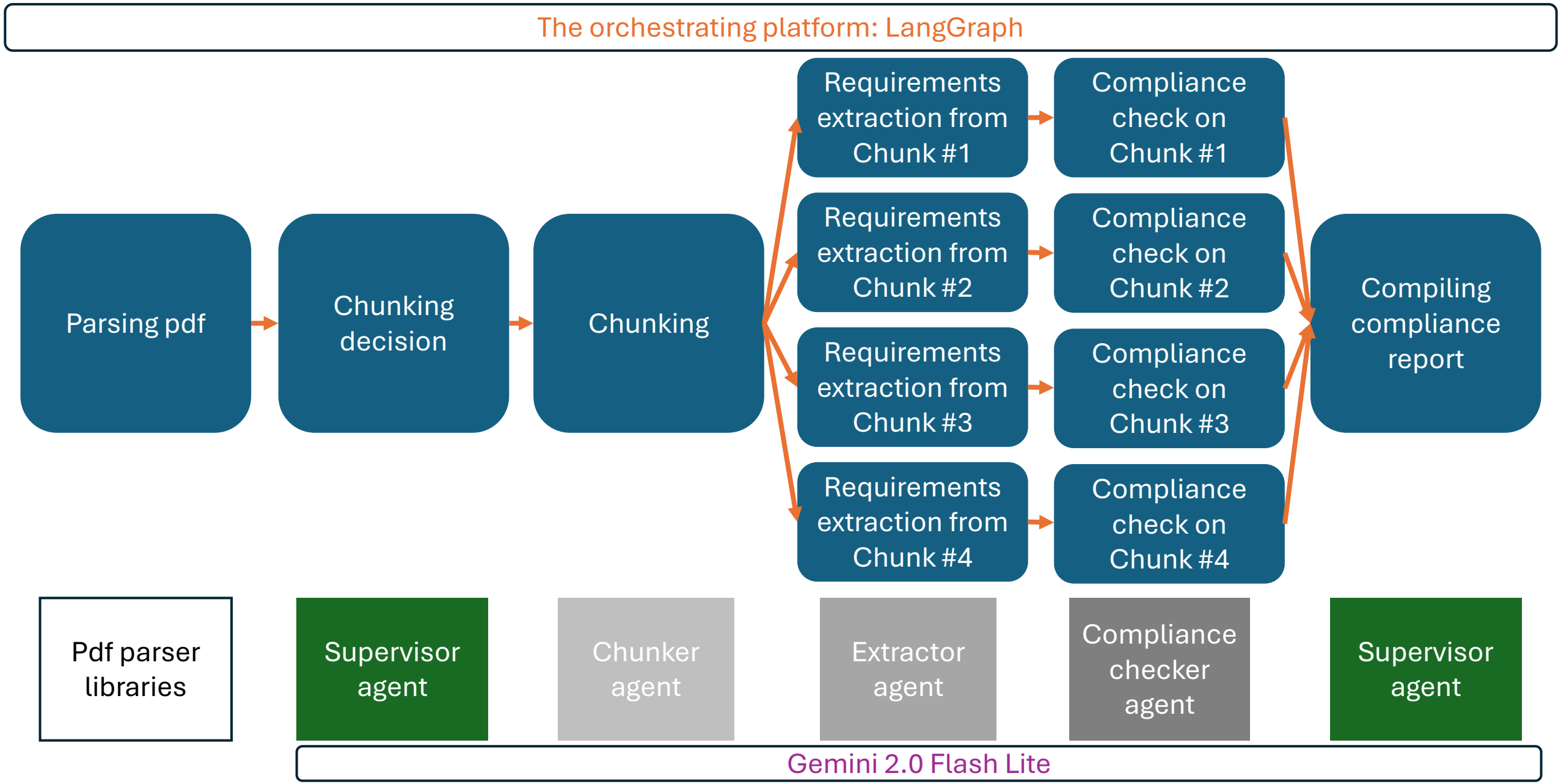
# Policy compliance checker agents


AI agent architecture for dealing with long documents to check compliance with extracted regulatory requirements.

# Agentic workflow – dealing with long documents



# Snippets from generated compliance report example

## Executive Summary

## Executive Summary: Compliance Assessment Report

This report summarizes the findings of a comprehensive compliance assessment conducted on [**Bank Name/Department**]. The assessment evaluated the bank's adherence to relevant regulatory requirements across a defined scope, encompassing a total of **530** individual requirements.

**Overall Compliance Posture:**

The assessment revealed a generally satisfactory compliance posture. The bank demonstrated a strong commitment to regulatory compliance, with a significant portion of requirements met. However, areas for improvement were identified, requiring attention and remediation.

**Key Findings:**

* **Overall Compliance:** The assessment results indicate the following compliance breakdown:
  * **Fully Compliant:** 78 requirements (14.7%)
  * **Satisfactory:** 303 requirements (57.2%)
  * **Major Gaps:** 20 requirements (3.8%)
  * **Non-Compliant:** 79 requirements (14.9%)
  * **Missing Requirement:** 50 requirements (9.4%)

### Requirement: REQ007

Description: In order to comply with the requirement of the representativeness of data used in the PD and LGD models specified in Articles 174(c), 179(1)(d) and 179(2)(b) of Regulation (EU) No 575/2013 as well as in Articles 40 and 45 of the RTS on IRB assessment methodology, institutions should have sound policies, processes and methods for assessing the representativeness of data used for the purpose of estimation of risk parameters. Institutions should specify in their internal policies the statistical tests and metrics to be used for the purpose of assessing the representativeness of data used for risk differentiation and, separately, for data underlying the risk quantification. Institutions should also specify methods for qualitative assessment of data for the cases, defined in their policies, where the application of statistical tests is not possible.

Reference: 4.2.2 Governance for data representativeness, paragraph 17

Status: Satisfactory

Recommendations: 1. **Specify Statistical Tests and Metrics:** The policy should include a list of specific statistical tests and metrics that will be used to assess data

### Requirement: REQ002

Description: It is important that institutions duly analyse potential risk drivers and choose those that meaningfully differentiate risk of transactions.

Reference: Risk drivers

Status: Satisfactory

Recommendations: 1. **Enhance Specificity:** Provide concrete examples of the statistical methods used to analyze risk drivers and assess their ability to differentiate risk within the residential mortgage portfolio. 2. **Discriminatory Power Assessment:** Explicitly mention the use of statistical tests (e.g., Kolmogorov-Smirnov test, Gini coefficient) to assess the discriminatory power of the chosen risk drivers and rating criteria. 3. **Documentation:** Ensure that the analysis of risk drivers and the assessment of their discriminatory power are thoroughly documented, including the methodology, data sources, and results.