

Oracle Financial Services Sanctions Screening

Sanctions screening powered by advanced analytics to achieve global compliance, precision matching across the customer lifecycle, and efficient, high-quality investigations

The purview of global sanctions is continuously broadening and evolving as the sanctions landscape continues to be more dynamic than ever. Banks and financial institutions (FIs) must screen their customers, counterparties, and transactions against an increasing number of global data sources, including watchlists, sanctions, and politically exposed person (PEP) lists. Failure to have an effective screening process in place can result in significant fines for sanctions violations and the resultant reputational damage.

Most FIs typically deploy a two-pronged approach to screening:

- **Customer Screening** to identify targeted high-risk and sanctioned individuals or entities during onboarding or through the customer relationship lifecycle with the FIs.
- **Transaction Filtering** to identify real-time transactions involving targeted sanctioned individuals or entities (could include individuals, organizations, and countries, amongst others).

Sanctions screening is integral to the entire customer lifecycle, from onboarding to periodic reviews to screening financial transactions such as international wires or domestic payments. Therefore, customer and transaction screening, together should deliver a robust set of controls aligned with jurisdictions, geography, customers, risk profiles, the volume of transactions and distribution channels. However, existing screening solutions remain siloed, inefficient, and produce high volumes of false positives. This deceptively simple approach to sanctions screening creates a huge regulatory risk, increases customer friction, and leads to increased operational costs.

A comprehensive and integrated approach to global sanctions screening

Oracle provides a comprehensive and integrated coverage of global sanctions screening capabilities using Oracle Financial Services Customer Screening (OFS CS) and Oracle Financial Services Transaction Filtering (OFS TF).

It combines applications in a single screening platform with a built-in, robust data quality engine and integrated case management functionality.

Industry Challenges

- Constantly evolving sanctions landscape – an exponential increase in transactions and business activity due to technology proliferation and digitalization, coupled with frequent changes in global data sources (sanctions, watchlists, PEPs, etc.), primarily due to changes in jurisdiction, geography, political landscape, amongst others
- Operational challenges such as unification of lists and data sources, different writing systems, regional naming conventions, poor data management, manual data processes, and siloed systems
- Lack of screening precision risks slipping of false negatives through the net (under-screening), while causing high number of false positives (over-screening)

Why Oracle?

- 25+ years of fighting financial crime for 175+ Tier-1 global FIs
- Recognized as Category Leader in Chartis RiskTech100 for 2019, 2020, 2021, 2022
- Recognized as Leader in Quadrant SPARK Matrix for AML & KYC/CDD, 2021
- Received the “Highly Commended” Solution distinction for PEPs and Sanctions Screening by Regulation Asia Awards 2021
- Comprehensive integration with most of the global data sources such as sanctions, watchlists, PEPs, adverse media, and other heightened risk sources
- Leverages advanced technologies like AI/ML/Graph/NLP

Using proprietary, robust and industry-leading data quality and data matching technologies, OFS Sanctions Screening application helps organizations minimize false positives and reduce the risk of missing true hits.

The application enables institutions to effectively and efficiently screen customers, vendors, beneficial owners, etc., for onboarding and ongoing screening, against watchlists lists, including individual sanctions, PEPs, country, adverse media and internal lists, while also screening and blocking of suspicious transactions in real-time.

Effectively mitigate risks while optimizing the efficiency of compliance teams

Oracle's Sanctions Screening application helps identify and mitigate risks through precision-based screening that helps FIs cost-effectively comply with increasingly complex domestic and international sanctions landscape and regulatory compliance.

Key Highlights:

- Strong parsing logic to extract accurate data from different message types for screening
- Pre-configured to receive data from most of the major international sanctions lists, including the Office of Foreign Assets Control (OFAC), Her Majesty's Treasury (HM Treasury), European Union (EU), and United Nations (UN) lists, etc.
- Multi-jurisdictional capability makes it easy to screen customer data from multiple countries or multiple lines of business using different match rules and watch lists
- Payment and trade screening with different types of matching name & addresses, BIC, country, city, ports, goods, vessels, stop keywords etc.
- Helps prioritize alerts by assigning risk and match scores which reduces case workload for compliance teams

Delivering speed, accuracy, and efficiency in investigations of suspicious transactions

The application delivers increased accuracy in matching and screening which helps in rapid alert disposition. This precision also gives high-quality result sets when investigating suspicious transactions in real-time. Thus, enabling institutions to manage risk more effectively with fewer false positives. All relevant information is available in a single-page view, giving instant access to the blocked transaction, message, matches, and list information.

Key Highlights:

- Utilizes sophisticated information exchange formats to easily maintain and share data across existing systems, enabling FIs to

Key Features

- Multi-jurisdictional, real-time and on-demand screening capability
- Horizontal scalability of application achieved through architectural enhancements that allows screening of 100 million+ customers and transactions daily.
- Supports various message types including SEPA, SWIFT MT, SWIFT MX, ISO20022, Fedwire, US NACHA, and many more, that ensures granular and accurate matching – screening of individual tags in each message
- Enhanced screening via automatic event prioritization and scoring, powered by advanced analytics for investigations
- Provides a user interface for Level 1 investigators that allows for rapid dispositioning of the events, while Level 2 investigators are provided with full case management functionality including the ability to use graph analytics to view context of customer screening events.
- Ability to download and standardize watchlist data to ensure necessary records are included in screening and categorized appropriately (as Sanctions, PEPs, etc.
- Leverages techniques such as fuzzy logic, transliteration, transcription, identifier and variant matching in batches and real-time, which enhances the matching capabilities and screening accuracy significantly
- Leverages “allow list” feature that helps reduce false positives and the case workload as the system allows whitelist entities to scan through and investigates only the unknown parties

perform real-time checks against their new customer and identify risk exposures of the customer without compromising customer experience.

- Includes a risk scoring engine that gives firms the insight needed to make faster and more informed decisions about transaction validity when combined with match scoring capabilities.
- Deploys proprietary algorithms and automated learning that minimize false positives without compromising screening accuracy
- Integration with Oracle's Enterprise Case Management (ECM) – an intuitive case management application – allows customers to clear matches faster, reduce investigation time and manage all their financial crime cases centrally and leverage AML, KYC and other related case information for decision making

Maximizing your ROI with Oracle's Sanctions Screening application

Oracle's Sanctions Screening application is an end-to-end offering delivering accurate, enterprise-wide watchlist processing, multi-jurisdictional screening, and integrated high-quality investigations that maximize your returns on investment. The key benefits include:

Global sanctions screening for entire customer lifecycle:

The application offers real-time and batch screening capabilities against most of the global data sources, sanctions, PEPs, regulatory watch lists, UBOs, adverse media, and internally-managed lists, not just during onboarding or periodic reviews but across multiple touchpoints during the entire customer lifecycle.

Optimize screening quality and accuracy with extensive matching capabilities:

The application delivers best-in-class data quality and matching capability. It can handle typos, misspelling, nicknames, titles, prefix, suffix, qualifiers, concatenations, transliteration limitations and cultural differences for accurate detection. The matching and screening component provides sophisticated fuzzy logic combined with advanced data optimization techniques to ensure highly accurate screening. A differentiating factor is that the matching engine for this application is not a black-box and in fact offers tuning flexibility for further optimization based on specific requirements of the FIs.

Reduce false positive and case workload of investigators:

Powered with an enterprise data quality driven matching engine, the application leverages a combination of advanced data preparation techniques and a unique matching process to arrive at accurate match results even when dealing with partial, inconsistent or erroneous data. Thus, this precision helps reduce false positives significantly and ensures time and resources optimization during investigations.

Key Benefits

- Comprehensive and consolidated approach to global sanctions screening and integration with most of the global data sources (local and international)
- An integrated approach to customer screening and transaction filtering helps deliver a unified user interface and experience, offers shared functionalities, reduces documentation redundancies, optimizes resources allocation and reduces training burden for the resources
- Achieve regulatory compliance and mitigate any potential reputational risk due to violations
- Lower false positives and reduce investigation times
- Streamlined screening process increases operational efficiencies and reduced costs
- Highly Configurable and scalable application that can be tailored to specific requirements (business, regulatory, risk profiles, existing systems) of banks and FIs

Achieve faster and high-quality investigations with best operational capabilities:

The application offers a queue system that allows users to define criteria of the queues, sort and prioritize them, and, assign the generated alerts in respective queues to analysts and investigators basis their skillset. It also offers an integrated operational view via our level 1 UI interface that allows quick dispositioning of the alerts while maintaining quality standouts. Thus, helping you to achieve streamlined, faster, accurate and high-quality investigations.

About Oracle Financial Crime and Compliance Management (FCCM) Product Suite

Oracle Financial Services Financial Crime and Compliance Management (FCCM) is a comprehensive product suite designed to address the most demanding compliance needs of large, global financial institutions. Oracle FCCM covers transaction monitoring (AML, fraud), KYC, sanctions products, transaction filtering and customer screening, enterprise case management and regulatory reporting across different jurisdictions. These offerings incorporate advanced technologies – some of which have come directly from Oracle Labs - such as ML, Graph Analytics, NLP, etc. Oracle continues to expand the use of these technologies across applications to enhance multi-dimensional risk scoring, money laundering detection, and investigations with a pragmatic lens of enterprise adoption and scale.

Gleaning experience from over 25 years of providing crime and compliance management products to over 175 global banks, Oracle FCCM enables FIs to effectively eliminate financial crime while still ensuring operational efficiency.

About Oracle Financial Services Analytical Applications

Oracle Financial Services Analytical Applications bring financial institutions best-of-breed capabilities to proactively manage Financial Crime, Compliance, Risk, Treasury, Finance and the Front Office. The applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data model, analytical computations, a Metadata driven “R” modelling platform, and the industry-leading Oracle Business Intelligence platform.

A single, unified data model and infrastructure provides one version of the analytical “truth” to business users throughout the entire enterprise. This enables financial services institutions to confidently manage performance, governance, risk and compliance. Shared data, metadata, computations and business rules enable institutions to meet emerging business and regulatory requirements with reduced expenses and the unified platform helps financial institutions to leverage existing investments.

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