



**Financial Crime
Compliance Services**

Set the
standard in
financial crime
compliance

SWIFT Financial Crime Compliance Services

Financial crime compliance is imperative to every institution operating in today's increasingly regulated financial markets. However, intensified scrutiny around sanctions, counter terrorist financing (CTF), anti-money laundering (AML) and know your customer (KYC) obligations has created a complex combination of technological, financial and operational challenges.

Leveraging more than 40 years of innovation and expertise, SWIFT's comprehensive suite of financial crime compliance products enables you to set the standard in operational insight, transparency and regulatory compliance.

Our evolving compliance portfolio helps customers in over 200 countries tackle financial crime compliance head-on, leveraging industry-defined standards, a common infrastructure, a unique level of data access and shared costs to deliver innovative solutions to industry-wide challenges.

As a member-owned, not-for-profit cooperative, SWIFT delivers community-based pricing, standardisation and economies of scale to benefit all users, regardless of organisational size or geographical location.

76%

of institutions are increasing their compliance spending as they recognise its importance in driving business growth

1 in 5

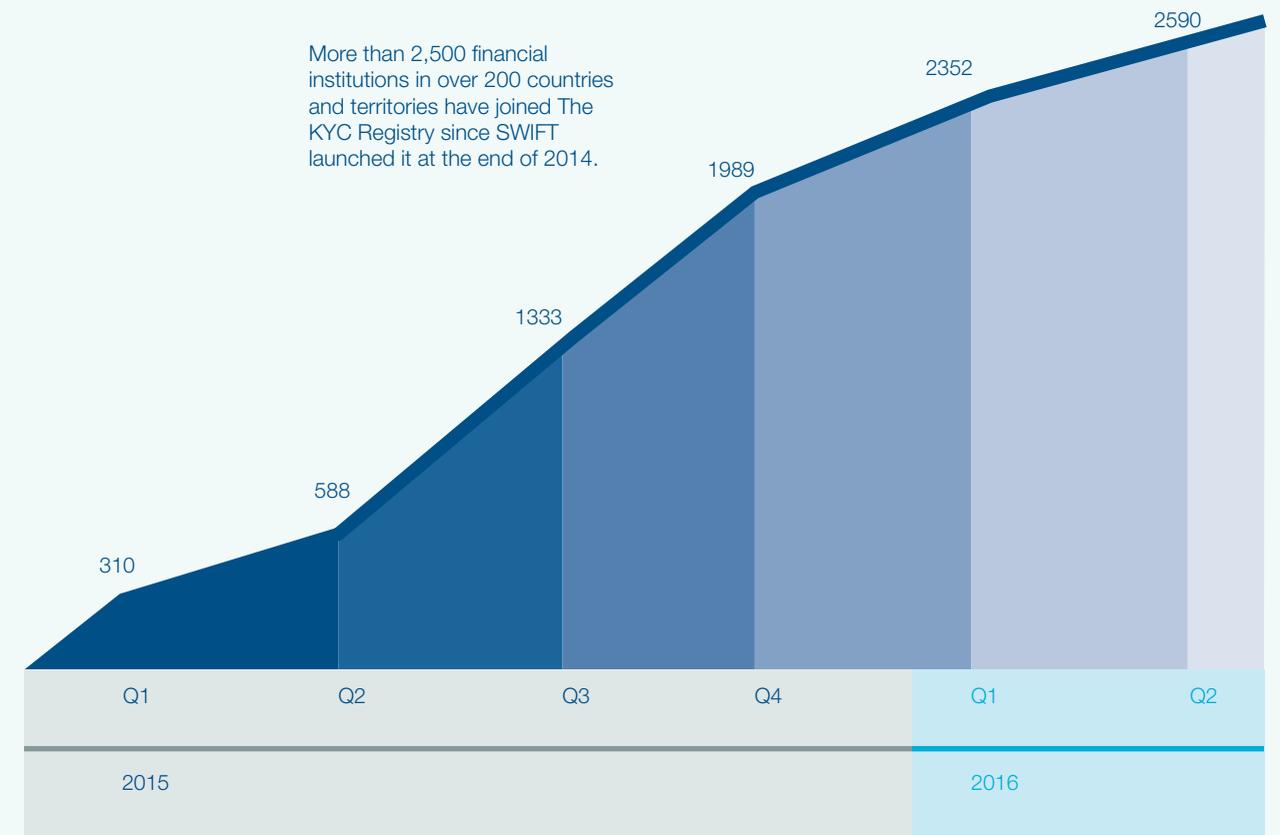
banks have experienced financial crime enforcement actions by a regulator

78%

of global CEOs see regulatory compliance as the greatest threat to growth

43%

of financial institutions cited expanded sanctions programmes and complexity of sanctions requirements as driving cost increases



Banks and other financial institutions are expected to:

Demonstrate acute understanding of customers' risk profiles, location and source of funds

Pro-actively prevent facilitation of money laundering across international borders

Reduce ability of terrorists to finance operations through banking networks

Eliminate illicit flows to sanctioned countries, individuals and organisations

Benefit from SWIFT's Financial Crime Compliance services

Unique insight

Access information based on the unique global SWIFT dataset

Industry standard

Industry standard utility built with the SWIFT community, for the SWIFT community

Ease of use

Intuitive workflow with flexible set-up options and rich functionalities

Enhanced efficiency

Reduce reliance on time-consuming and inefficient manual processes

Fewer unnecessary hits

Quality data combined with an optimised sanctions filter reduces false positives

Reduced costs

SWIFT-hosted solutions help reduce costs

Secure

Highest levels of security and privacy

Scalable solution

Modular technology enables seamless addition of new services and upgrades

SWIFT Financial Crime Compliance services – at a glance

Sanctions

Sanctions Screening

Transaction screening with automatic list updates

Sanctions Testing

Test, fine-tune and optimise filters and lists with third-party assurance

Name Screening Service

Screen individual names and customer, supplier and employee databases

Sanctions List Distribution

Download standardised public sanctions lists

List Management Service

Manage, customise and automate list data feeds

KYC

The KYC Registry

Global depository of due diligence documents and data

SWIFT Traffic Profile

Aggregated view of transaction activity with high-risk jurisdictions

KYC Adverse Media

Access to news and regulatory notices about (potential) correspondents

Compliance Analytics

Compliance Analytics

Global view of your organisation's SWIFT message traffic

Payments Data Quality

Assess quality of originator and beneficiary information to comply with FATF Recommendation 16*

*Part of the International Standards on the Combatting of Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations, February 2012.

Sanctions

Optimise sanctions compliance with pinpoint precision

The focus on countering terrorist groups and increasing sanctions against countries, individuals and organisations has led to a complex challenge for compliance departments.

Firms are faced with the task of checking a wide variety of available information against rapidly growing, unaggregated and unstandardised lists of sanctioned individuals and organisations. All too often automated filtering tools generate false positives and false negatives, and so follow-up searching must be conducted manually – a time consuming and operationally risky process.

SWIFT provides a modular set of services that empowers compliance teams to take control of the sanctions compliance process with maximum accuracy, efficiency and cost-effectiveness.

Our unique shared services approach can help your organisation standardise its screening processes in line with market practice and optimise them accordingly.

Sanctions Screening

Best-in-class filter with automatic list updates

Sanctions Screening is an innovative SWIFT-hosted transaction screening solution that combines a best-in-class filter with a comprehensive database of automatically-updated sanctions lists to deliver a highly effective “plug-and-play” solution.

Sanctions Screening is easy to integrate into your compliance processes for real-time message screening and checks incoming and outgoing messages against more than 30 of the most commonly used public sanctions lists, as well as research-based lists. It can be used to screen all structured message formats, including messages sent over networks other than SWIFT.

SWIFT manages list updates, including quality checks, so you know they are always up-to-date. Sanctions Screening also lets you add and manage your own private and white lists, for greater efficiency.

Advanced fuzzy matching capabilities detect possible matches using logical tests to highlight intentional and unintentional errors such as anagrams, letter inversions, missing letters, misspellings, abbreviations and phonetic similarities.

For added reassurance, SWIFT commissions regular independent reviews of the effectiveness of Sanctions Screening, providing transparency around filter capabilities and generic and user-specific filter configuration settings. The independent reports are available to users.

Benefits

Peace of mind

Third party quality assurance

Ease of implementation

Reduced cost of compliance

Enhanced efficiency

1 Day

average interval between sanctions list updates for banks active globally

+100%

increase in alerts every 4 years due to increase in SDNs and transaction numbers

\$16.2 Billion

finest levied on financial institutions for violation of sanctions regulations



SWIFT's Sanctions Screening is an easy-to-implement, user-friendly and cost-effective service that gives our anti-money laundering programme added assurance. SWIFT provides the tool that enables us to mitigate potential risks in our day-to-day business.

Jorge Osvaldo López García,
Deputy Compliance Director,
Grupo Financiero Banorte

Sanctions Testing

Test, fine tune and optimise your sanctions filter

In addition to having a sanctions screening system in place, regulators require institutions to demonstrate that their systems are effective as well as showing an understanding of how they work and in-depth knowledge of their ability to prevent flows to and from sanctioned entities.

Sanctions Testing is a secure SWIFT-hosted service that leverages our compliance expertise to test, fine-tune and optimise transaction, customer and PEP filters, delivering independent verification of screening processes that can be used as proof with overseers.

The service can assess list coverage and content, evaluate fuzzy matching performance, and use iterative testing and tuning to increase filter efficiency. Its peer assessment feature compares the performance of your sanctions compliance systems and practices with equivalent institutions having similar business and risk profiles, enabling you to identify ways to optimise effectiveness and efficiency.

Sanctions Testing can also be delivered on a consultancy basis.

Benefits

Assurance of watchlist filter effectiveness

Comprehensive understanding of filters and lists

Complete testing of all lists and entities

Identify efficiency opportunities

SWIFT-hosted solution - no installation required

Ability to test fuzzy performance

Full operational integration

Captures and tracks bank risk appetite

Automates, simplifies and streamlines filter test cycles



With the help of SWIFT and our filter supplier, we've reduced our customer screening filter alerts by 40 percent, and alerts for our main payment screening filter by 60 percent.

Richard Moore, Managing Director and Group Head of Financial Crime & Security Services, DBS

33

customer institutions

3 of the top 4

US banks

8 of the top 10

European banks, as well as major securities and insurance firms

Nearly 2,000

changes to OFAC SDN list during 12-month period ending 30 June 2016

NEW

Name Screening Service

Name Screening is a new SWIFT-hosted solution that will combine a web-based screening application, automatic sanctions list updates, alerts and case management.

SWIFT will offer online screening of single names, as well as batch screening for recurring/automated screening of databases and lists.

Name Screening is being purpose-built by SWIFT to address its members' need to screen names and databases against sanctions, PEP and private lists. As a fully managed solution, it provides peace of mind and cost certainty. Sanctions lists are always up to date, there is no maintenance and no hidden fees, and SWIFT ensures data security and confidentiality in line with its stringent standards and EU privacy laws.

Sanctions List Distribution

Sanctions List Distribution will provide public sanctions lists for download in a standardised format, increasing efficiency and mitigating cost and risk. SWIFT will refresh the lists when updates are published by regulators, giving you continuous access to the latest list data.

List Management Service

Our List Management Service will help institutions with multiple filter installations to manage their lists and updates to their screening systems. By providing a global overview of all lists being used, it allows management and customisation of list data to fit the needs of each individual system.

The service enables automation of updates to screening systems, wherever they are located, and delivers an audit trail of which lists are being used and where, preventing duplicated costs as a result of multiple purchases of the same lists by different branches.

Know Your Customer (KYC)

Establish and strengthen correspondent banking relationships

Following the financial crisis of 2008 and the growing fight against terrorist organisations in recent years, a wave of regulation and compliance requirements has introduced onerous KYC obligations that have major cost and efficiency implications on correspondent banking relationships. KYC data collection is not an easy task – if handled internally it requires a dedicated team of specialist data experts, transformation of processes and sourcing and verifying massive amounts of unstandardised data and documentation.

For global banks, the effort required to source and access accurate, up-to-date data on all counterparties creates major cost and time pressures when combined with the additional need to undertake qualitative assessment of relationships. As a result, many banks are forced to exit certain relationships because of the high cost of the compliance process. This can have a damaging effect on smaller banks in developing markets.

SWIFT's KYC solutions enable you to implement best practice in KYC standards and access the most complete datasets, allowing you to spend less time on data collection and instead focus on evaluating the risk associated with every new client or existing relationship.

For smaller banks, contributing data to our KYC Registry demonstrates good business practice, enabling you to demonstrate transparency and compliance.

The KYC Registry

Monitor, manage and grow your correspondent banking network

The KYC Registry is a global depository of up-to-date due diligence documents and data for correspondent banks and funds players, enabling you to monitor, manage and grow your network quickly and cost-effectively.

It leverages SWIFT's existing community of over 7,500 financial institutions with correspondent networks to deliver a single, central repository of information, which SWIFT validates and checks for completeness and accuracy.

Correspondents benefit from the ability to add their own data to The KYC Registry so that others can access it, replacing the need to respond individually to each incoming KYC request. Larger banks benefit from the ability to access and analyse the information that these correspondents have contributed to the Registry.

Each institution retains ownership of and responsibility for its own KYC information, and control over who can access it. Banks are not charged for contributing their own information. An annual fee provides access to counterparty information without any cost limits in terms of how often the data is accessed or by how many users.

Benefits

Strengthened, more transparent relationships

Increased business opportunities

Enhanced operational efficiency

Cost-effectiveness

Access to high-quality KYC data, verified by SWIFT

2,500+
member institutions

200+
countries and territories

1,350+
in EMEA

450+
in the Americas

700+
in APAC

SWIFT Traffic Profile

Aggregated view of transactions with high-risk jurisdictions

As regulatory expectations continue to grow, know your customer's customer (KYCC) is becoming the new industry standard. The SWIFT Traffic Profile addresses this by providing a single, aggregated view of a bank's transaction activity with high-risk jurisdictions.

This set of comprehensive, fact-based reports can help you understand potential risk in your network and respond more efficiently to compliance-related inquiries from your counterparties.

Sharing your SWIFT Traffic Profile with your clearing banks for their KYC risk assessments improves transparency and reduces the need for time-consuming data collection. You can also request your counterparty's profile for your own due diligence activities.



By providing a global summary of an institution's SWIFT traffic activities, the SWIFT Traffic Profile can help banks to focus due diligence efforts and improve effectiveness and efficiency

David Fleet, Managing Director, CDD and Middle Office, Standard Chartered Bank

Benefits

Comprehensive view of activity

Deep understanding of risk

Improved operational efficiency

Cost-effectiveness

NEW

KYC Adverse Media

KYC Adverse Media offers instant access to a global database of business-critical news articles and regulatory notices about potential counterparties and correspondents.

This new service can help you streamline your customer due diligence and KYC processes. Unique features include links between articles and relevant legal entities using The KYC Registry, and we will soon be enabling banks to attach their official responses to articles that reference them.

Accessing this standardised set of high-quality information provides a cost-effective alternative to laborious searches for online content of questionable quality.

KYC Adverse Media is available for a low annual subscription fee.

Compliance Analytics

Unique data, world class analytics

The complexity of regulatory requirements to combat money laundering techniques used by criminal and terrorist individuals and organisations is growing. At the same time, data volumes are increasing exponentially, with unstandardised data sets often spread across multiple IT systems and subsidiaries and delivered in multiple formats.

As the international banking community unites its efforts against money laundering and terrorist financing, reactive-only approaches to financial crime are no longer acceptable and can lead to financial losses and reputational damage.

SWIFT's Compliance Analytics solutions support compliance with global regulatory standards by enabling you to utilise a comprehensive dataset comprised of your institution's SWIFT message traffic to identify, monitor, analyse and address the risk of unknowingly violating sanctions and facilitating money laundering.

Compliance Analytics

Analyse and monitor your organisation's SWIFT transactions

Compliance Analytics leverages SWIFT message data to provide an unparalleled level of insight into your institution's banking flows, enabling you to monitor and address financial crime risk with pinpoint precision.

By giving you a truly global view of your organisation's message traffic, the platform enables you to identify possible anomalies in behaviour, unusual patterns or trends, hidden relationships, or consistently high levels of activity with high-risk countries and entities.

Built around a secure, state-of-the-art and user-friendly data mining platform, Compliance Analytics provides advanced data visualisation to aid analysis and generates alerts when detecting spikes, outliers or policy breaches.

Compliance Analytics also enables you to compare your traffic with global aggregated traffic over SWIFT, highlighting, for example, what your share of payments traffic is in a particularly high-risk country.

For smaller institutions we offer our Compliance Analytics Reporting Service, which provides the same benefits as Compliance Analytics on a consultancy basis. Based on your institution's aggregated SWIFT message traffic data, we deliver a quarterly report that provides a global, consolidated view of your cross-border payments traffic with clear visuals and easy-to-understand explanations to help you quickly spot potential risks.

Benefits

Operational excellence

Risk mitigation

Comprehensive insight

Enhanced efficiency

Reduced costs

Ease of implementation

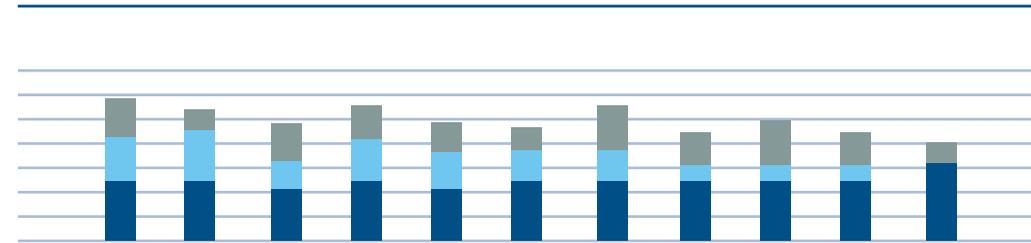
Peer group comparison



Data analysis plays an important role in our financial crime compliance strategy. Compliance Analytics provides global oversight and detailed analysis, enabling us to act rapidly and appropriately to address areas of potential concern. As a secure shared service, Compliance Analytics is easy to implement and provides another valuable tool within our financial crime compliance programme.

Takanori Sasaki, Executive Officer & General Manager, Global Compliance Division, Mitsubishi UFJ

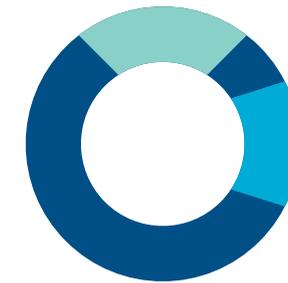
Monitor and address financial crime risk with pinpoint precision



New inbound RMAs by month



Geographical distribution of new inbound relationships in 2016



Risk indication using FATF country risk classification

75%

of international banks have reduced their correspondent banking network as the cost and complexity of compliance increases

47%

of financial institutions terminated relationships with customers and markets deemed higher risk

*Part of the International Standards on the Combating of Money Laundering and the Financing of Terrorism & Proliferation: The FATF Recommendations, February 2012.

NEW

Payments Data Quality

Payments Data Quality is a new SWIFT service that enables banks to determine the quality of originator and beneficiary information in the payments messages they send and receive. It addresses the need for correspondent banking institutions to comply with Financial Action Task Force (FATF) Recommendation 16* and related regulation about originator and beneficiary information in payments messages.

Advanced reporting and data analytics help you determine whether the requisite originator and beneficiary information is included in the payment messages your institution sends and receives. You can also drill down to investigate specific data quality issues. For example, you can find message reference numbers for financial institutions that consistently provide poor quality data in their payments messages.

Payments Data Quality is a secure, web-based service hosted by SWIFT. It is easy to subscribe to and use, and provides a global overview of your institution's payments flows over SWIFT.



About SWIFT

For more than 40 years, SWIFT has helped the industry address many of its biggest challenges. As a global member-owned cooperative and the world's leading provider of secure financial messaging services, we enable more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories to communicate securely and exchange standardised financial messages in a reliable way.

As their trusted provider, we facilitate global and local financial flows, relentlessly pursue operational excellence, and continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies. We also bring the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

SWIFT users face unprecedented pressure to comply with regulatory obligations, particularly in relation to the detection and prevention of financial crime. In response, we have developed community-based solutions that address effectiveness and efficiency and reduce the effort and cost of compliance activities. Our Compliance Services unit manages a growing portfolio of financial crime compliance services in the areas of Sanctions, KYC and CTF/AML.

Financial crime compliance is also a major theme at Sibos, the world's premier financial services event, organised by SWIFT for the financial industry.

www.swift.com/complianceservices

