



SWIFT Compliance

Sanctions Lists

Client

Societe Generale

How Societe Generale reduced the time and complexity of sanctions lists through SWIFT's List Distribution Service

For Societe Generale, efficient sanctions screenings and compliance starts with accurate sanctions list data. They achieve this with SWIFT's Sanctions List Distribution solution.

To meet their sanctions requirements, Societe Generale had been using multiple list providers and regulatory websites to source up-to-date regulatory lists. This process was time consuming and difficult to automate. The bank chose SWIFT's Sanctions List Distribution Service for a single source of sanctions list data which was constantly updated in line with changing global sanctions. The data is structured to help Societe Generale drive greater automation into the process and reduce manual operations and time.

As ever, data is king. Efficient sanctions screening and compliance heavily relies on using accurate, up-to-date sanctions list data.

This was the conundrum that Societe Generale recently faced – a bank with a huge global transaction business, screening and processing numerous transactions every day, across multiple jurisdictions around the world.

“We were looking to simultaneously have a single, trusted provider to automate the list management process and increase screening efficiencies, whilst maintaining a consistent risk appetite. We knew that sourcing the right sanctions data would influence whether or not we could do this. It was a massive decision for us,” said Ronan Gogé, Global Head of sanctions screening at Societe Generale.

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Efficiently complying with the multitude of complex sanctions requirements is among the biggest challenges facing banks today. On the one hand, sanctions violations have led to institutions suffering reputational damage and hefty fines. On the other, inefficient screening processes cost firms huge sums every day they are in operation.



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The Options

A number of routes were open to the bank. A seemingly natural choice would have been to source the data from where it originates: the regulators.

Yet downloading lists from regulatory websites is an unwieldy task, involving accessing multiple sources in various formats. This makes slow, manual entry inevitable. And given that sanctions lists are often updated on a daily basis, any input delays can lead to significant operational risk.

“We would have had to build a dedicated team to input and manage the data manually. Given our transactions span the world, this would have been a substantial overhead,” said Gogé. “It was a non-starter. Ultimately the objective was to have a single vendor for list and for that vendor to be close to what is published by the regulators.”

The benefit of using third-parties is that they are a ‘one-stop shop’ to manage the data and deliver a complete sanctions list file each day, providing consistency and convenience, as well as offering support.

But finding the right sanctions list is the challenge. Firms need to fully assess the differences between the provider lists available and understand the possible pitfalls.

“Once we had drawn up the shortlist, we assessed each provider against a range of criteria. Was the company a good fit for our risk appetite? Did their data formatting meet our needs? Are the lists edited before we get the file?” said Gogé.

“Third-parties often enrich sanctions lists with missing data – such as BICs, AKAs, addresses, etc. – aimed at supporting the screening process. But enrichment is a double-edged sword. While it can add useful information to a file, many false positives are the result of vendors adding entities and aliases to lists, or failing to remove previously deleted entities.

Dealing with high false positive rates is a major ongoing challenge for firms and high quality sanctions data is crucial to contain this costly burden.”

The Decision

After weighing in on all the options available, Societe Generale decided to go with SWIFT and deploy its Sanctions List Distribution solution. “SWIFT provided 100% transparency on the lists they provide. We got what we wanted: clear, unaltered sanctions lists, as close to the regulators published lists as possible,” Gogé says.

The bank wanted a provider that could help bring efficiencies and cost reductions to their compliance business. “SWIFT is a true partner, not a vendor”, Gogé says. “As a community cooperative, we know SWIFT will keep abreast of changing regulatory requirements and provide flexible data sets that are fully adapted to our risk appetite and system capabilities.”

Gogé says. “It has accelerated and automated our list management process with a high level of confidence in the data from SWIFT – as they reflect exactly what is published by regulators. This enabled us to redeploy screening operatives into true investigation roles related to sanctions.”

He adds: “Ultimately it comes down to trust. We know we can rely on SWIFT to deliver public sanctions lists’ standardised data format, updated on a daily basis without fail. This collaboration enables us to mitigate operational risk, increase efficiency, and reduce costs.”

SWIFT is a member-owned cooperative, providing secure financial messaging services to more than 11,000 organisations, across the financial ecosystem, in almost every country in the world. For nearly five decades we have delivered certainty, continuity and excellence by constantly evolving in an everchanging landscape. In today’s fast moving, increasingly connected and challenging world, this approach has never been more relevant.

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