



The global provider of secure financial messaging services

Compliance Services Newsletter

The latest news about community-inspired financial crime compliance solutions

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Welcome to the first edition of our Financial Crime Compliance services newsletter

We are pleased to share highlights from the Compliance Forum at Sibos 2015, as well as the latest news about our compliance services portfolio.

Financial crime compliance is one of SWIFT's top three strategic priorities for the next five years. We will continue to invest heavily and move rapidly to roll out and enhance our compliance offering, in close collaboration with our community. Stay tuned to our [website](#), watch for compliance presentations at SWIFT events, and be ready for updates in future editions of this newsletter.

We would welcome [your feedback](#) and would be happy to set up a meeting to understand how we can address your needs.



Compliance Forum 2015

Financial crime compliance was top of mind at Sibos 2015 during the [fourth edition of the Compliance Forum](#). Distinguished panellists - including regulators, senior compliance practitioners, and academics - debated the current state of affairs, the progress of industry initiatives such as The KYC Registry, the advantages of the utility model, and the need for additional standardisation around compliance processes.

Participants stressed that the Compliance Forum is the only event of its type where senior compliance and business participants can meet to discuss topics of mutual interest and make decisions that enable forward progress. We hope that you will make plans to join us at [Sibos 2016 in Geneva](#) as we prepare for an even bigger Compliance Forum!

Tell us what topics you would like to see on the compliance agenda at Sibos 2016. Email us your ideas at compliance.services@swift.com

[Watch Forum video >](#)
[Read Sibos Issues >](#)
[Read SWIFT at Sibos >](#)

The KYC Registry

Know Your Customer compliance was one of the recurring themes during the Compliance Forum at Sibos. Multiple speakers from major banks lauded the SWIFT-led work the industry has done to standardise KYC processes and data using [The KYC Registry](#).

One senior compliance officer at Sibos noted that the Registry - in addition to reducing cost - eliminates the 'hygiene factor' around data connection, enabling compliance teams to focus on higher value work such as risk assessment.

Launched by SWIFT in late 2014 and now covering over 1,800 institutions in almost 200 countries, The KYC Registry provides a single source of validated KYC documentation and data. Banks are never charged to contribute or share their information with their counterparties.

[The KYC Registry has been awarded 'Project of the Year' in The Banker's prestigious Technology Projects of the Year awards competition. The Registry was also named the 'Compliance Project of the Year' by the publication.](#)

The SWIFT Traffic Profile, available only through The KYC Registry, addresses the increasing focus on Know Your Customer's Customer (KYCC) compliance. It enables institutions to provide transparency around their own correspondent activities, as well as assess possible risks related to correspondent activity.

Industry participation has been key to the Registry's development, and these user-driven updates are set for release in December 2015. These will ease data contribution and make the interface even more intuitive and user friendly. Additional service enhancements will be delivered in 2016.

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1,800+
 entities onboard

187
 countries

Sanctions Screening

[Sanctions Screening](#) continues to grow as the transaction screening solution of choice for small to mid-size financial institutions. This SWIFT-managed service simplifies sanctions compliance by combining a world-class screening engine with case management and automatic list updates.

The compliance landscape is constantly evolving, and we are continuously enhancing the service to address these changes. For example, two new 'OFAC Ukraine-related Enrichments' and 'Europe Ukraine-related Enrichments' lists will complement the OFAC and EU lists for Ukraine-related programmes. Sourced from Dow Jones at no additional charge to our customers, these lists contain corporate entities that are majority owned/controlled by sanctioned individuals or entities. They will help mitigate some of the burden related to meeting Ukraine-related sanctions requirements.

In September, we also added new 'hit-reducing' rules that enable users to fine-tune their Sanctions Screening settings to reduce the number of false positive alerts. The catalogue of hit-reducing rules will grow over time as users express needs for tuning and suggest hit reducing rules.

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400
 institutions

123
 countries

16
 central banks

Sanctions Testing

Sanctions compliance was a hot topic at Sibos, with participants noting the increasing sophistication of (territorial) sanctions regimes. Regulators are increasingly demanding that institutions provide evidence that sanctions controls are effective and understood.

[Sanctions Testing](#) provides transparency into sanctions environments and assurance that controls are working properly. It enables issues to be fixed quickly, validates fuzzy matching algorithms and allows institutions to characterise and capture their risk appetite. It provides operational teams with a platform to tune and improve sanctions controls, reducing match rates and unwanted false positives in order to reduce compliance costs. A recent success at DBS bank in Singapore provided match rate reductions of between 40% and 60% for customer and payment filters.

New Sanctions Testing service features allow institutions to automate testing for ongoing assurance, validate sanctions lists and test securities message formats. Our new Peer Assessment service lets you anonymously compare your filter's performance with other peer institutions. A partnership with Dow Jones extends the number of lists supported by Sanctions Testing to over 60 and allows filter testing across all key jurisdictions, including Japan, Singapore and Hong Kong.

Our growing team of financial crime consulting experts provide onboarding, training and assessment services to help your in-house teams get the most value from Sanctions Testing.

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30+
 top 50 financial institutions

Compliance Analytics

Compliance officers are confronted by an exploding amount of data - an overload of unstandardized information coming from multiple channels and business lines. [Compliance Analytics](#) helps banks monitor and address financial crime risk by leveraging standardised, global SWIFT message traffic data. It helps you identify anomalies in behaviour, unusual patterns or trends, hidden relationships, and consistently high levels of activity with high-risk countries and entities.

Compliance Analytics was recently updated to include the originator and beneficiary institutions of payment messages. These are the institutions where the originator and beneficiary hold their account. This allows banks to better investigate nesting of their counterparties and to have higher visibility about their customer's customers. The transaction reference of individual messages is also available through Compliance Analytics. This reference allows institutions to retrieve full transaction details in their internal systems since not all details are available through the tool.

While Compliance Analytics is already used by many of the world's largest banks, a new reporting service now provides its benefits to smaller institutions on a consultancy basis. A new payments data quality service in 2016 will help banks address FATF16 data-quality recommendations for originator and ultimate beneficiary information in payments messages. New training services are also under development.

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[Watch demo videos >](#)
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18
 major institutions

350
 end-users



Looking ahead

2016 will be upon us shortly. Plans for Sibos 2016 are already underway, as are our coverage of compliance at numerous ACAMS and SWIFT regional events. We look forward to engaging with you there. In the meantime, [tell us](#) what topics you would like to see on the compliance agenda at Sibos 2016.

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,800 banking organisations, securities institutions and corporate customers in 200 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest. Visit www.swift.com to learn more about SWIFT.