

Sanctions Monitoring

Before processing a transaction, it is important to determine whether or not it violates a sanctions list. e²gen's Sanctions Monitoring (SM) enables the automatic checking of all electronic messages against its 'sanctions database' that can be loaded from single or multiple sources. This can also extend to information feeds between internal systems and any other data exchanged between your institution, external entities and third parties.

SM provides global monitoring for a branch network with centralised messaging services or alternatively it can provide an excellent solution for individual branches using their own messaging services.

Functionality

SM allows for the incorporation of any "Sanctions Lists" including those of Office of Foreign Asset Control (OFAC), the Bank of England (BOE), Accuity, Dow Jones and World-Check. Additionally, your own internal black and white lists can be automatically imported or manually entered.

Any sanctions lists created by regulatory organisations can be imported into e²gen simply by defining its structure within e²gen's business data dictionary.

Sanctions list information can be updated by means of either:

- a full file update
- a 'delta' file update containing changes since the last full update or delta

Configurable Sanction Management

SM determines the fields within a message that need to be checked. This way spurious details such as dates, amounts, exchange rates or fields containing reserved code words can be ignored thereby reducing needless processing and the possibility of false hits.

Sanction Blocks, User Alerts and Notifications

When a potential sanction breach is detected the message containing the blocked information is immediately removed from normal processing. Typically the message is isolated in a compliance department with access restricted to only those staff members responsible for sanction monitoring.

The data source for the match (e.g. OFAC and BOE) is provided showing the full sanction details. As each occurrence is investigated users decide if the breach is valid and take appropriate action. In the event that the sanction hit is false the message can be approved and will automatically be returned for normal processing.

The sanctions lists provided by the main sources are simply a collection of words and data in a range of formats. In order to provide meaningful and efficient sanction checking e²gen takes the imported data as the basis for creating an enriched database that evolves over time with new information and user augmentation.

The incidence of potential false hits drops dramatically as the system fine-tunes itself to your operational environment. SM offers configurable escalation

procedures that ensures breaches are managed in a timely manner.

Client & Account Checking

e²gen can be configured to monitor new client or account opening events in your back office system, in real time. As new details are opened the solution will extract the relevant information and check it against the sanctions data.

Sanction lists are dynamic and this requires institutions to continually review existing client data held in the Back Office system. e²gen provides the ability to automatically extract selected data from specific files for sanction monitoring. Data extraction can be scheduled to suit the institutions own operational requirements.

All checks for potential sanction breaches are performed in real time, significantly reducing the risk of seizure of funds or inadvertent booking of non-compliant funds.

Audit & Compliance

All of the restricted words (sanctions) identified during processing are logged against the message and the field identifiers together with the reason for the match. Matches must be individually authorised by at least one officer before any further message processing is allowed.

The list of sanction hits is held permanently with an audit log of subsequent activities, for example those authorised for further processing. The officer(s) and each activity is then date and time stamped.

Group Words, Ignore Words and Multiple Words

e²gen allows grouping of words with common meanings, for example translations such as 'Banco', 'Banca', 'Banque' and 'Bank' or abbreviations such as 'Company' and 'Co.' allow for linguistic variations and abbreviations.

In order to simplify this classification process an intelligent database is provided allowing the easy identification of the words that are most commonly used. This way words such as 'the' or 'and' can be ignored. Similarly, certain words may only be relevant if they

are associated with another word to make a multiple hit. These views provide an easy method of classifying commonly used words; helping to dramatically reduce potential false matches being identified.

Phonetic Search Capabilities

The Sanction Monitor also provides algorithms for translating text phonetically ensuring that incorrectly spelt words, words in the wrong order and compound words are checked against the sanction lists.

BIC & Clearing Code Checking

Countries can also be marked as sanctioned - e²gen will automatically flag all related principal cities and all related SWIFT bank identifiers.

BIC codes are checked to see if the country of residence has been sanctioned. The institution name and the city of the BIC code are also checked against the database. National clearing codes can also be checked in a similar way to the BIC codes by cross-referencing data maintained automatically from the BIC+ database supplied by SWIFT.

Database Access & Efficiency

The e²gen Sanction Monitor module shares the central database and messaging infrastructure providing system wide processing efficiencies. Other key features include:

- Scanning of any electronic messages
- Scanning of client accounts in back office system
- Allows manual input of sanctions
- Internal and external escalation

Building on a foundation of over 30 years global experience in financial messaging, Aqua Global's e²gen modular suite simplifies operational procedures allowing the user to rapidly deploy new message architecture. e²gen has proved itself again and again by optimising resources, processes and costs.

e²gen - optimising resources and reduces cost.

If you would like to arrange an obligation free consultation or for further information please contact Aqua Global on +44 (0)20 8544 3200 or [e-mail sales@aquaglobal.com](mailto:sales@aquaglobal.com)