NICE Actimize

eBook

Will Your AML Program Pass Regulatory Scrutiny?

Have Confidence in Your Program
Once More with Proven AML Solutions

NICE Actimize
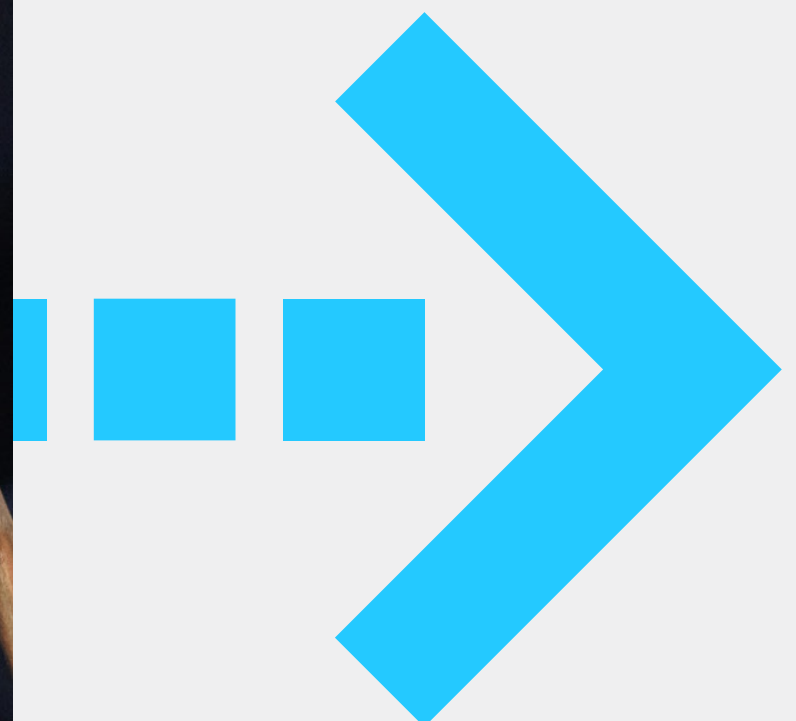
The Growing Regulatory Scrutiny in FinTech

The financial crime landscape has never been more dynamic. Increasing regulatory scrutiny of fintechs and subsequent fines for non-compliance have left little room for error.

Key challenges fintechs face in ensuring effective AML compliance include:

- Restrained funding within compliance programs against rapid growth, including in customers and expanse of products offered
- Adapting at pace with evolving AML regulatory landscape
- Identifying and implementing suitable technology to meet the compliance needs of the organisation
- Ensuring continued review and optimization of implemented technology to test for effectiveness

Fintech organisations must at a minimum complete an annual risk assessment and ensure their control frameworks and systems address identified financial crime risks and meet regulatory demands from bodies such as the Financial Conduct Authority (FCA). Failure to comply with AML regulations can lead to severe repercussions, including reputational damage, hefty fines, and legal actions.

NICE Actimize

The Essential Elements of a Compliant AML Program for Fintechs

Regulations, such as The Money Laundering, Terrorist Financing, and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) in the UK, require fintechs to implement robust internal controls and conduct thorough risk assessments to detect and prevent money laundering and terrorist financing activities.

A comprehensive AML program encompasses the following components:

Risk-based Approach: Develop robust controls and procedures, tailored to the specific risk profile of each entity

Know Your Customer (KYC): Thorough and continuous checks on clients, including verifying the identity of customers, ultimate beneficial ownership, and assessing risk profile

Screening: Implementing screening not only for sanctioned parties and payments, but also higher-risk customers such as those who are Politically Exposed Persons (PEPs), identified in adverse media, or appear in other risk data

Transaction Monitoring: Monitor transactions for suspicious activity with appropriate risk-aligned models to detect unusual transactions or patterns and effective investigations to determine suspicion

Reporting: Build and report suspicious activity to the authorities in a detailed Suspicious Activity Report (SAR), maintaining appropriate governance and processes

By implementing these essential components, fintech organisations can build a strong AML program that ensures compliance, effectively mitigates financial crime risks, meets regulatory expectations, and maintains customer trust.

Streamline Effective Onboarding and Ongoing Monitoring

Efficient client onboarding and Know Your Customer (KYC) is a critical process for fintech organisations to verify the identity of customers and assess the risks associated with the customer and their activity. With appropriate and effective KYC, fintechs meet regulatory expectations, and understand customer risks, while streamlining end-to-end customer KYC. NICE Actimize offers a robust process to streamline onboarding and ongoing monitoring of customers, identifying and alerting on any changes that impact customer risk.

Actimize's solution helps:

➡ Accelerate the onboarding process with an automated, dynamic, and compliant process which accurately assesses risk

➡ Verify and validate customer information to ensure it is legitimate and accurate

➡ Continually monitor internal and external information for material changes, reassessing the customer risk where appropriate

➡ Leverage automation and machine learning to reduce manual reviews and human error. Increasing speed, consistency, and accuracy in KYC

➡ Accurately determine customer risk based on multidimensional risk factors including personal/corporate information, relationships, and behaviour

➡ Deduplicate entity profiles to ensure richer profiles and accurate risk assessment

With NICE Actimize's KYC capabilities, fintech organisations can achieve comprehensive, perpetual customer monitoring that starts at onboarding and continues throughout the relationship, supporting both regulatory compliance and operational efficiency.

NICE Actimize

Crucial Tools for Effective and Compliant Screening

Fintechs must implement efficient and scalable screening processes, for both customers and transactions to comply fully with regulatory demands.

NICE Actimize's screening solution not only helps to identify and manage high-risk individuals or entities with its advanced analytics but also offers:

- **Agnostic and always – updated watchlists** – Ensure you never miss a match with always up-to-date and accurate watchlists. Ingest any global list watchlist with an agnostic watchlist solution

- **Fast payment screening** – Block a positive hit in as little as 200 milliseconds, keeping transactions secure without impacting operations

- **Advanced matching analytics** – Precisely match names while accounting for cultural and linguistic variations, errors or purposeful obfuscation of data, ensuring accurate results

- **Predictive analytics** – Leverage AI to predict whether a hit is a true or false positive, optimizing resource management

- **Hit consolidation** – Consolidate related hits into a single alert with automated hit disposition, streamlining investigations

- **Flexible screening options** – Screen in real-time, batch, or on-demand to suit your operational needs

Stay compliant in an increasingly evolving geopolitical landscape.

Will Your AML Program Pass Regulatory Scrutiny?

NICE Actimize

Pinpoint Suspicious Activity with Ongoing Monitoring

Transaction monitoring is a critical part of an effective compliance program as it is a regulatory requirement to monitor activity on an ongoing basis. Missing suspicious activity can result in a regulatory findings, which can lead to fines, prosecution action or in the worst case scenario the loss of your banking license. Transaction monitoring is not an area to take lightly.

NICE Actimize's Transaction Monitoring system adopts a dynamic, risk-based approach to AML. Utilizing advanced AI and machine learning algorithms, along with a team of experts and deep industry expertise, fintechs can enhance the accuracy and speed of detecting suspicious activities, reduce noise, and remain compliant.

NICE Actimize has a 98% accuracy in predicting truly suspicious activity

NICE Actimize's transaction monitoring key benefits include:

Extensive Coverage: Out-of-the-box models to cover all money laundering typologies.

Detection accuracy: AI-powered detection that accurately identifies suspicious activity

Minimize noise: Proven AI reduces false positives by up to 75% to focus your valuable resources on truly suspicious activity

Intelligent data enrichment: Enrich profiles and investigations with relevant intelligence from internal and external sources to drive accurate detection and decision-making

Continuous Optimization: AI-driven insights continually assess system performance and recommend optimizations to maintain an effective and efficient monitoring system

Seamless investigations: Automation, AI, and enhancements like network analytics and generative AI provide accurate information to investigators, ensuring faster and more consistent investigations

Will Your AML Program Pass Regulatory Scrutiny?

NICE Actimize

Report Suspicious Activity with Ease

Timely and accurate reporting is essential for effective AML compliance. Fintech companies must report suspicious activities and maintain thorough records for audit purposes. Fintechs must ensure law enforcement and regulatory bodies have the information needed to investigate and prevent financial crimes.

Speed up SAR creation by 70% with generative AI-crafted narratives

NICE Actimize reporting solution increases reporting accuracy and minimizes the time between detecting a suspicious transaction and filing a Suspicious Activity Report (SAR) through the following:

- Auto-population: Relevant fields are auto-populated and validated without the need for human input, reducing error

- Generative AI Narratives: Accurate, concise, and compliant SAR narratives from investigation data, reducing narrative time, increasing consistency, and reducing the need to rework

- Global Coverage: Out-of-the-box SAR forms for multiple jurisdictions

- Automated Reporting: Easy SAR filing through e-filings. Fully audited oversight with delivery confirmations and continuous activity reminders

- Management Oversight: Extensive management reports and dashboards to proactively identify process gaps, risks, and performance issues, ensuring effective program governance and audit control
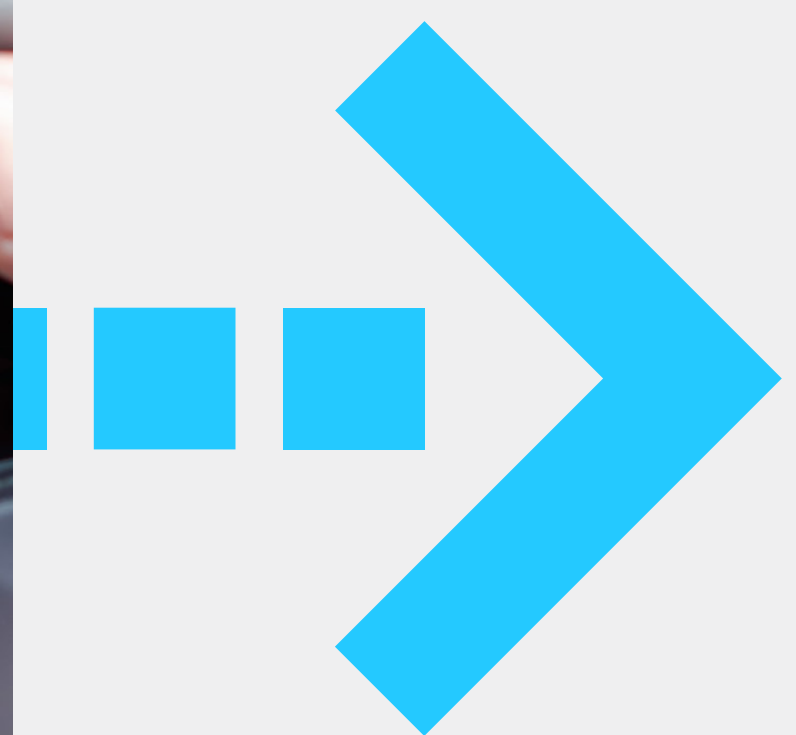
Summary

A compliant program is paramount.

Key considerations when implementing a robust AML solution:

▸ Understand the regulatory landscape and use your risk assessment to identify any residual gaps

▸ Identify technology solutions that can meet your needs and mitigate identified risk exposure in a cost-effective and compliant way

▸ Work with a proven and trusted AML solution partner that can deliver the technology you need. Whether that be automating KYC, screening, transaction monitoring, or regulatory reporting

▸ Provide regular training to staff both investigation users but also staff maintaining and monitoring the solution

▸ Conduct regular reviews of your AML program to ensure an always optimal and compliant program. Make sure your solution adapts to your changing needs and remains compliant.

By following these key considerations, fintechs can:

Mitigate Risk Exposure
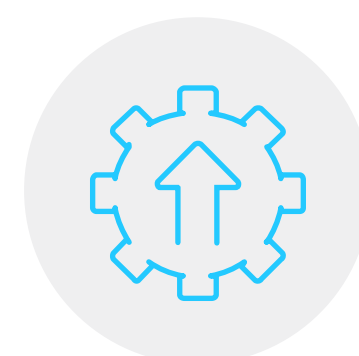
Improve Operational Efficiency

Maximize Regulatory Compliance

Maintain a Positive reputation

NICE Actimize

Avoid Regulatory Scrutiny, Fines, and Reputational Damage with NICE Actimize's End-to-End AML Solutions

Strict regulatory oversight is here to stay and fines will not stop.

The regulator's message is clear: compliance with money laundering regulations and rules is non-negotiable.

- Are you compliant?
- Is your technology offering sufficient?
- Is your AML technology proven and working effectively?
- Are you at risk of being the next organization in the news having been fined for an AML control failing?

NICE Actimize has you covered. With our end-to-end offering of AML solutions, you can be confident that we will partner with you to ensure you have a fully compliant AML solution, exceeding regulatory expectations.

Take The First Steps Today Towards a Fully Compliant AML Solution

→ **Get In Touch**

About NICE Actimize

As a global leader in artificial intelligence, platform services, and cloud solutions, NICE Actimize excels in preventing fraud, detecting financial crime, and supporting regulatory compliance. Over 1,000 organizations across more than 70 countries trust NICE Actimize to protect their institutions and safeguard assets throughout the entire customer lifecycle. With NICE Actimize, customers gain deeper insights and mitigate risks. Learn more at www.niceactimize.com.

NICE Actimize