

FEATURES AT A GLANCE

- State-of-the-art algorithms support superior real-time matching
- Comprehensive filtering supports all accuracy sanctions lists
- Provides superior false positive control and operational management
- Services to integrate with other applications
- Transaction scanning is highly optimized for throughput
- Industrial strength to support high-volume operations

UP[®] REAL-TIME PAYMENTS[™] AND ENHANCED SANCTIONS FILTERING

Filtering payments and related financial messages against Specially Designated Nationals (SDN) lists is a challenge area for today's foreign banks looking to invest in the U.S. In an environment of frequent regulatory change and increasing fines for non-compliance, banks require the highest degree of automated support. The UP[®] Real-Time Payments[™] solution Enhanced Sanctions Filter provides a set of services that position banks to maintain continuous regulatory compliance, avoid fines, process payments for customers within the service-level agreement (SLA) at all times, even when a potential hit is identified, and finally minimize the manual effort required to screen suspicious items.



THE UP[®] REAL-TIME PAYMENTS[™] SOLUTION ENHANCED SANCTIONS FILTER IS DESIGNED TO EASE THE BURDEN OF SANCTIONS FILTERING WHILE ENSURING THE STRICTEST COMPLIANCE.

THE ENHANCED SANCTIONS FILTER SERVICES

The Enhanced Sanctions Filter comprises a set of services providing specific features for filtering, which include:

SDN LIST STORAGE

- SDN lists from an unlimited number of countries can be loaded into the filter.
- Incremental updates can be loaded to the lists, individually or collectively.
- New lists can be loaded on the fly as transactions are filtered.

SDN LIST ENRICHMENT

- The lists as loaded from the government authorities (e.g., U.S. OFAC) can be enriched with local data.
- The “bad guy” list can be augmented with a “good guy” list of entities which might be flagged as suspicious but are in fact not.
- Such updates can be maintained across successive loads of the SDN list.

REAL-TIME SCANNER

- Because the filter is focused at the payments level, the transaction scanning is highly optimized for throughput.
- Very high volumes of messages can be scanned with sub-second responses — ensuring customer SLAs can be met.
- The scanner uses a unique token-based fuzzy logic algorithm for matching, which is not available from any other vendor.

EXCEPTION PROCESSING

If a suspected party is identified, the transaction is passed for manual review. After evaluation by an operator, one of several actions can be taken:

- Override the match and release the transaction
- Override the match, release the transaction and add a “learned override” which will apply to subsequent transactions so they will not stop in the filter
- Override, release, add a learned override and direct the system to rescan the rest of the held item queue and automatically release any held items for the same party

- Seize the transaction; if it is a payment, the filter can generate accounting entries to move the funds to a holding account. When a transaction is seized, a configurable list of notifications will be generated, for example, to the account manager and operations supervisors.

INTEGRATION SERVICES

It is critical for the filter to be easy to integrate with other applications for it to be effective. The Enhanced Sanctions Filter includes a rich set of features to facilitate passing transactions to the filter:

- MQ request/response
- File scanning (and response file generation)
- Legacy support features — including TCP/IP and SNA
- A variety of message formats — including ISO 20022, SWIFT, Fedwire, CHIPS and Free Form



REPORTING

- Statistical reporting on where matches are occurring, how many are overridden, etc.
- “What if” reports for modeling the effects of changes to the SDN lists before they are applied in production usage

PROJECT SERVICES

- ACI's services teams are available to assist in all project phases, including up-front analysis, project management, training, testing and support.

WHY IS THE ENHANCED SANCTIONS FILTER THE BEST CHOICE?

The UP Real-Time Payments Enhanced Sanctions Filter is designed to ease the burden of sanctions filtering while ensuring the strictest compliance. It includes a number of key features which differentiate it from other products:

Ability to refine the matching by field — e.g., do not match a particular SDN name if it only occurs in field :20: or :21: of a SWIFT message

Specify the order and spacing between words to make a match — e.g., if an SDN is detected in field :79: of a SWIFT instruction, only match if the words of the name occur within two adjacent lines

ACI Worldwide®, the Universal Payments® (UP®) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI® to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience.

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OTHER BENEFITS INCLUDE:

- Avoidance of fines due to the ability to provide continuous regulatory compliance
- Reduction of manual effort required to screen suspicious items
- Access to a modern, agile technology at a low cost
- Ability for a low risk, seamless expansion to new real-time payments
- Certainty of payments processed

STATE-OF-THE-ART MATCHING ALGORITHMS, INCLUDING:

- Common misspellings
- Aliases
- Naming variations
- Concatenation
- Typographical errors
- Special characters
- Matching based on transaction scoring

The Enhanced Sanctions Filter addresses requirements of multiple legal entities sharing a single filter. The appropriate lists to scan each transaction can be setup by entity. This means that in the case of an international payment, the lists for the originating, pass-through and beneficiary's countries can all be scanned, but no other lists will apply. The exception workflow and rules for handling seized transactions can also vary by entity.

