



Take Control of your CDD Program with Precise CDD-X Risk Models

Risk Models for Accurate Risk Scoring

Each customer poses a different risk to your organization. Consequently, financial institutions (FIs) cannot apply a static approach to assessing customer risk during the Customer Due Diligence (CDD) process. Taking a risk-based approach that includes ongoing monitoring will ensure risk is fully assessed and customers receive an accurate risk rating.

Risk scoring is the ultimate aim of effective CDD. To effectively risk score customers and perform ongoing monitoring, it's critical that FIs have the correct risk factor models in place to assess their customers' risk in accordance with the organization's risk tolerance. Effective risk models enable FIs to determine their customers' initial risk score and assess their ongoing risk score throughout the customer relationship.

Assess All Risk Attributes

With NICE Actimize CDD-X, an FI has access to over 30 proven, out-of-the-box (OOTB) risk factors, instantly enabling users to assess and detect changes in customer risk. These OOTB risk factors can be enabled and configured to meet an FI's risk profile. Additionally, FIs can configure custom risk factors to meet business requirements.

CDD-X assesses risk across three areas, each providing a comprehensive view for a holistic customer risk assessment. The three areas are:

- 1. Customer identity.** Risk assessment of static customer data that doesn't change often. Risk scoring of customer factors includes elements such as customer name, respective screening results, geographic location, and occupation or business type.
- 2. Relationships.** Customer relationships can have a tangible impact on customer risk. That's why CDD-X incorporates relationship risk into the overall risk assessment of every customer. With CDD-X, FIs can understand the customer relationship network and assess risk based on relationship information, such as high-risk relationships, riskier ownership structures or ultimate beneficial owners (UBOs.)
- 3. Customer behavior.** Ongoing customer behavior should not be ignored in CDD risk assessments. CDD-X considers historic and ongoing customer behavior to assess, and reassess, customer risk. In addition to assessing historic customer behavior, CDD-X can also evaluate and reassess customer risk based on factors including channels and services used, transactional activity—even if the activity is not considered suspicious—and Suspicious Activity Reports (SARs) filed on the customer.

When assessing customer risk across these three risk areas, CDD-X provides a more comprehensive risk understanding and thus customer risk score. It considers multiple customer risk dimensions, going beyond considerations of most CDD risk assessment solutions.



The tight integration between CDD, screening and transaction monitoring solutions enhances accuracy in customer risk assessments. It enables results from transactional activity and screening to be automatically shared between solutions and accounted for in initial and ongoing risk monitoring.

Configurable Risk Models

Risk models need to be flexible to meet the needs of various FIs and provide targeted risk scoring. With CDD-X, not only do FIs get extensive OOTB risk factor models, the solution also provides the tools for an FI to easily configure risk coefficients and combine custom and OOTB risk factors to gain a fuller understanding of risk and enhance ongoing monitoring efforts. Additionally, risk factors can be divided into multiple segments, enabling different scales to be used based on customer segment.

Perpetual CDD

CDD-X perpetually assesses customer risk. CDD-X monitors internal and external data for changes and reassesses the customer risk score when a material event is identified which will have a tangible impact on customer risk.

Perpetual risk models in CDD-X monitor various factors on an ongoing basis, including changes in information provided by the customer or assessment of existing documentation for incomplete or expired information, as well as changes in a customer's transactional activity, watchlist status, or deviation from expected activity.

CDD-X perpetual risk models also include integration with third-party data, automatically and intelligently assessing this data for risk changes that will impact the customer risk score. Material changes monitored by CDD-X include changes in corporate structures, beneficial owners or customer relationships to add newly identified high-risk relationships.

The solution still includes a periodic risk model. This provides a compliance backstop to action a customer risk remediation review if, after a predetermined period, no event-driven changes have occurred.

Full Governance and Reporting for Peace of Mind

NICE Actimize understands the importance of model transparency and governance to ensure internal audit and regulatory compliance.

CDD-X provides comprehensive OOTB model performance dashboards and governance documentation.

Track the performance of the CDD-X risk factor models and overall status of your CDD program with customizable dashboards and reporting capabilities, which can be produced on demand, automatically on a periodic basis, or after specific events.

Changes to risk models and other modifications within CDD-X are fully logged and documented, providing program transparency to internal and external auditors. This governance and audit information can be downloaded in various formats for a fast and comprehensive review as required.

Leverage OOTB and custom risk factors and configurable risk coefficients to achieve a targeted approach for your FI to assess your customers' risk. Take control of your customer risk assessment in a compliant way with CDD-X.