



Brochure

Meeting Capital Adequacy Requirements

Meeting Capital Adequacy Requirements with Accurate Data

LEI, Credit Ratings, Ultimate Parent and more

Financial institutions (FIs) are required to maintain accurate and reliable data on the individuals and entities they do business with to meet modern financial regulations such as Basel IV, MiFID II, Dodd-Frank, and EMIR. And they must balance how much to allocate to comply with regulations. Failure to strike that balance has a steep downside—you risk revenue losses through fines, exposure and incorrect credit ratings that impact capital adequacy.

Current Challenges FIs face



Modern financial regulations, such as Basel IV, MiFID II, Dodd-Frank and EMIR require financial institutions to maintain accurate and reliable data on the entities they are doing business with



Other regulations, including FinCEN CDD rules and FINRA suitability and margin rules, include provisions for exclusions for specific company types. Leveraging the exclusions and avoiding risk and research work requires correctly classifying and tagging companies with full source provenance



Incorrect CREDIT RATINGS impact capital adequacy – either allocating too little to comply with the regulations or too much with the associated financial implications



Verifying Corporate data against authoritative sources – Official Corporate Registries



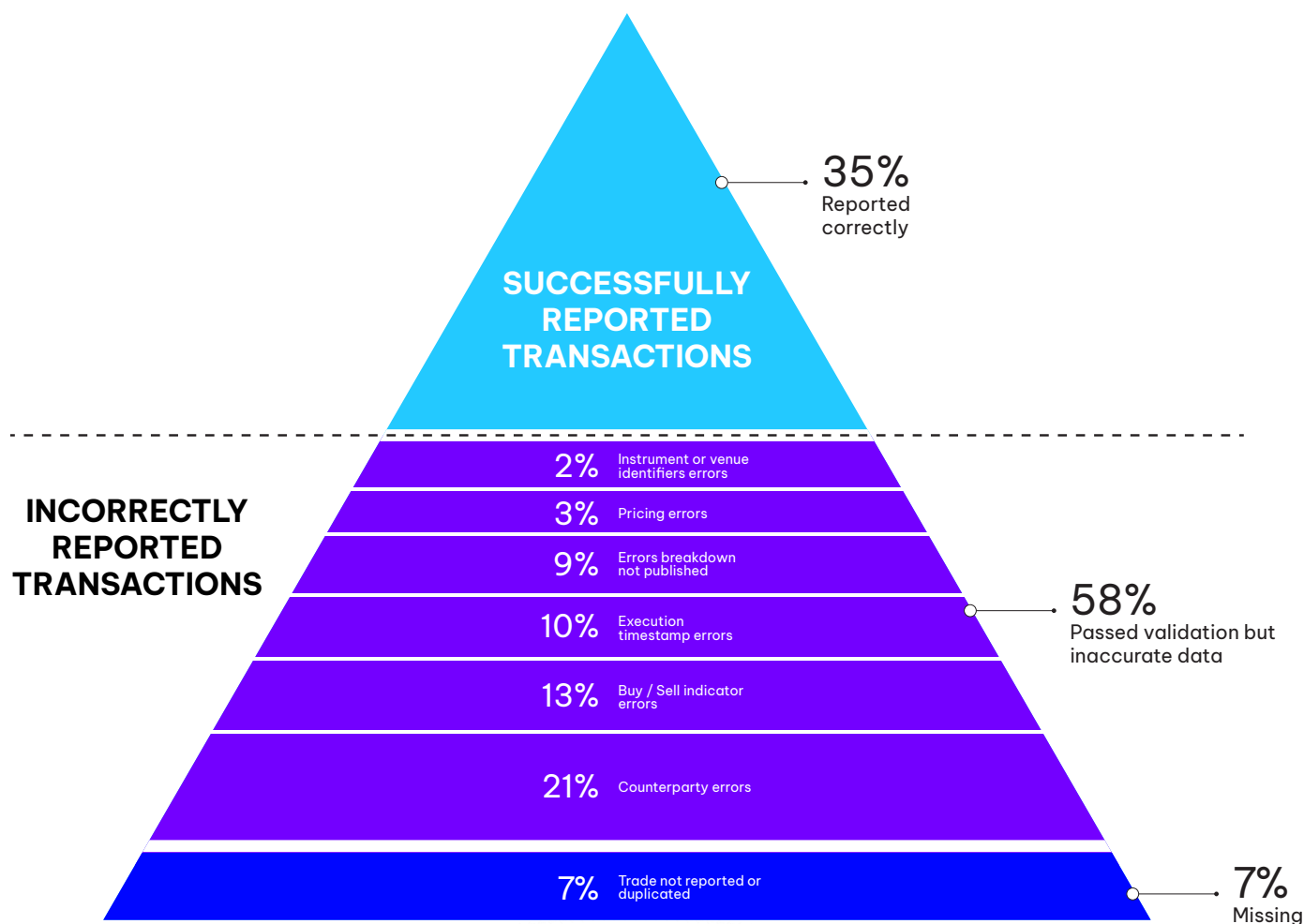
Inaccurate or missing Legal Entity Identifiers (LEI)



Rolling up corporates to the correct Ultimate Parent

How DataIQ Verify overcomes these challenges:

DataIQ Verify enables financial institutions to accurately cross reference their customers to external data sources. It helps with accurately referencing Official Registration Numbers from authoritative sources, Credit Ratings from Fitch, Moodys and S&P, LEI, SWIFT etc.



Based on FCA data from firms fined for incorrect transaction reporting
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LEI – Global Regulations



	AAA/AA-	A+/A-	BBB+/BBB-	BB+/BB-	B+/B-	Below B-	Unrated
Countries	0%	20%	50%	100%	100%	150%	100%
Banks	20%	50%	50%	100%	100%	150%	50%
Corporations	20%	50%	100%	100%	150%	150%	100%

Please notice that these weights are constantly updated by the regulator!

Challenges with Data and Corporate Legal Entities

- Data decays over time due to M&A activity, companies moving, companies are dissolved or suspended, credit rating changes, delisted, unregulated, MSBs or other reasons
- Inaccurate data due to poor data entry
- Data updated in one silo isn't updated in another one
- Identifying and leveraging Ownership data is hard, but it's still required for correctly identifying risk and relations between companies

Companies have complex, multilevel ownership structures. Name changes are common. Many seemingly unrelated companies can have the same parent. Although these changes might be considered minor on the surface, they can indicate a significant change in a company's business.

Why are there so many challenges with data?

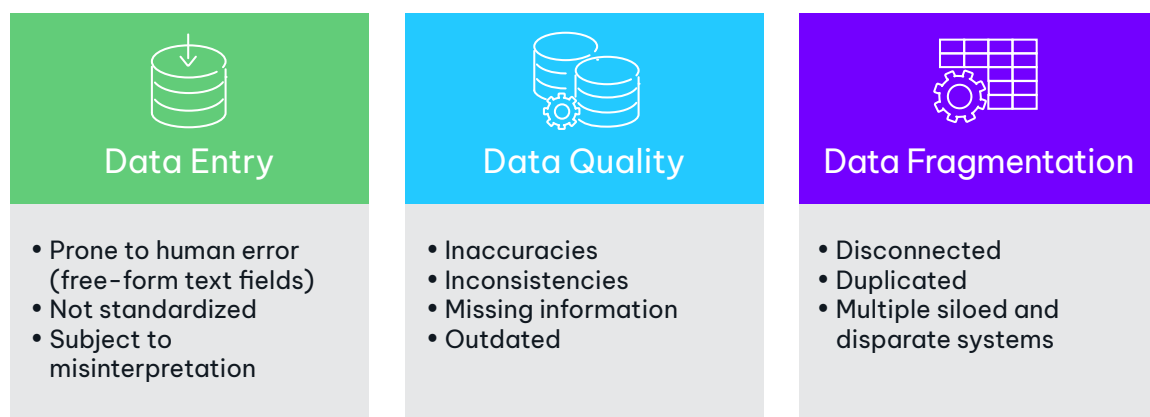
DATA QUALITY CHALLENGES



Data Duplication & Decay Across the Enterprise

How do banks wind up with bad data?

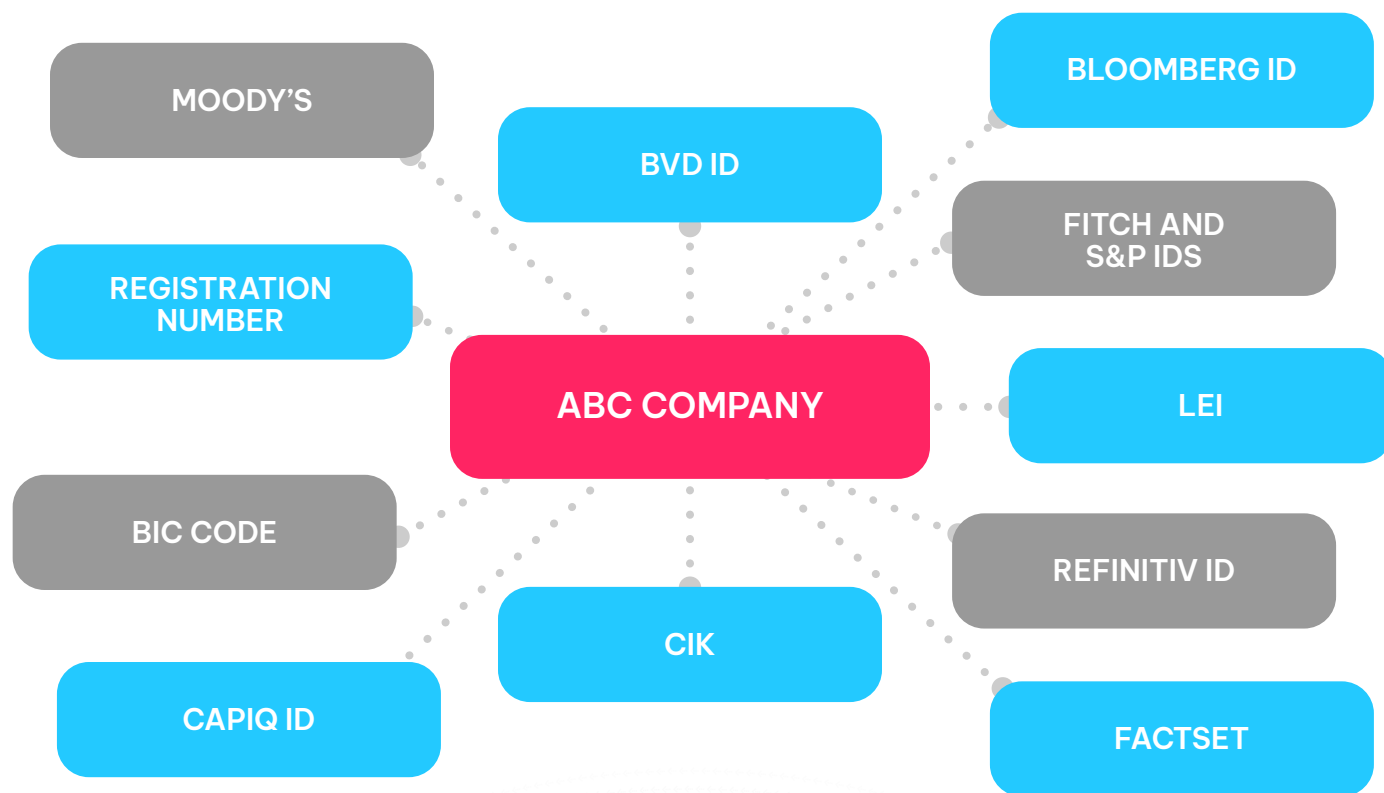
TYPICAL APPROACH TO DATA COLLECTION & MAINTENANCE



DatalQ Verify Improves Data Accuracy

DatalQ Verify creates a single 'golden copy' record from multiple incomplete, inaccurate and non-standardized records. By correctly categorizing and tagging entities, we enable our clients to better comply with regulations while avoiding costly efforts. The solution can:

- Fill gaps with incomplete, missing, inaccurate legal entity data
- Help with the high cost of maintaining data
- Ensure timely updates to your data
- Align records across multiple internal silos and vendor data sets
- Accurately map your customer or vendor data to third-party vendor data sets or to internal data sets



Find risk related changes faster and get:

- Best/only source of authoritative data
- Global coverage of hundreds of millions of businesses

Purpose-built for FIs

DatalQ Verify is a scalable, cloud solution that is based on years of actively monitoring millions of corporate entities for some of the largest financial institutions in the world. The platform features:

- Highly evolved logic for handling variations and evolutions of corporate names
- Cross-referencing logic leveraging multiple leading rating agencies and corporate information sources
- Proprietary matching logic coupled with human QA and resolution processes, combining disparate data to enhance customer identification
- Built-in dispute process for handling entities in doubt

With DatalQ, you have the best and only source of authoritative data. To find risk-related changes faster and have the most comprehensive, accurate view of entities, explore DatalQ Verify.

Reinforce your data management today with a solution that provides the best source of authoritative data, helps you find risk-related changes faster, and offers global coverage millions of businesses.

Know more. Risk less.

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About NICE Actimize

NICE Actimize is the largest and broadest provider of financial crime, risk and compliance solutions for regional and global financial institutions, as well as government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers' and investors' assets by identifying financial crime, preventing fraud and providing regulatory compliance. The company provides real-time, cross-channel fraud prevention, anti-money laundering detection, and trading surveillance solutions that address such concerns as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence and insider trading.

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