# NICE Actimize

**eBook**

# Optimize Party Screening: Overcome Barriers for Greater Accuracy and Efficiency
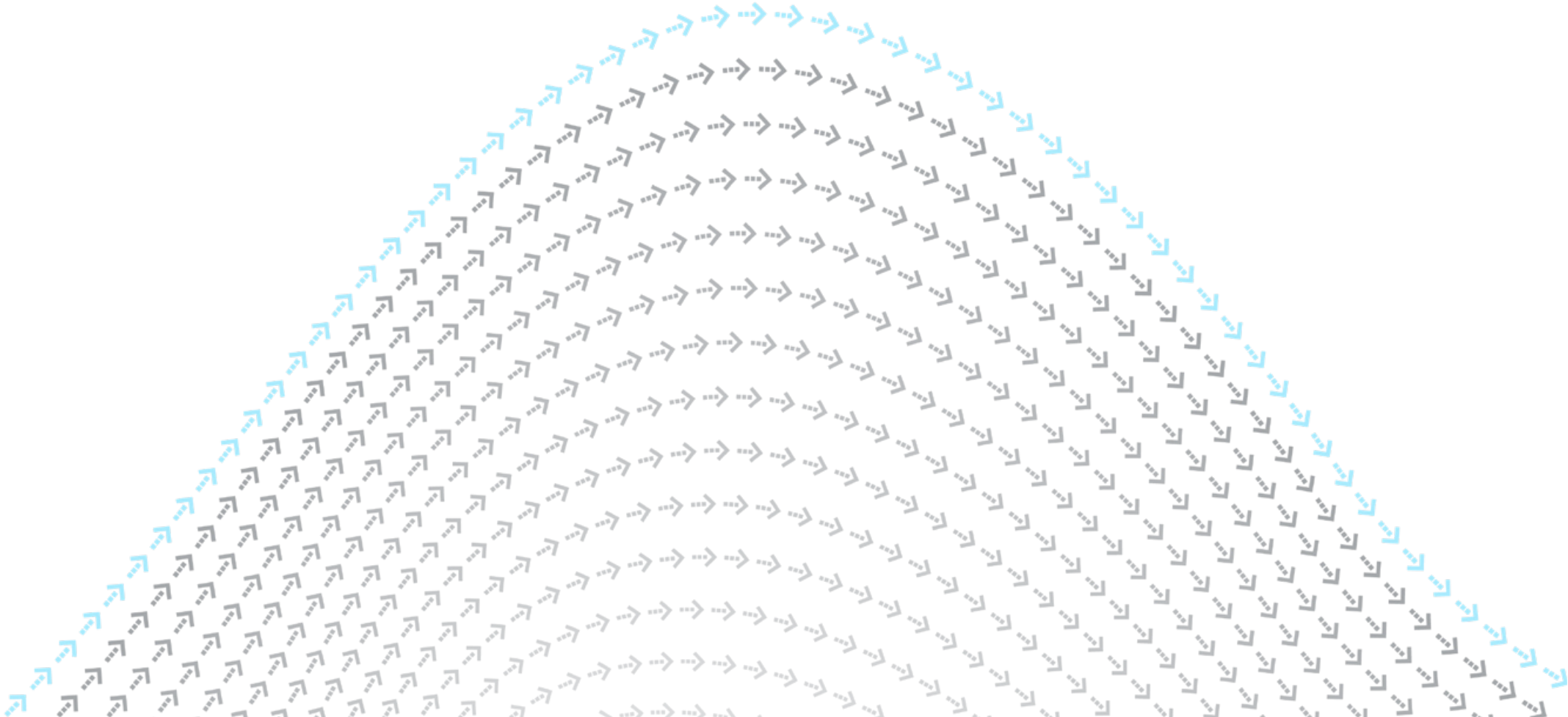
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# Introduction

Party screening is crucial for understanding customer risk during onboarding and throughout the customer lifecycle. It is essential to accurately identify customers who appear on watchlists, including sanctioned individuals, politically exposed persons (PEPs) and parties flagged in adverse media or other watchlists. Financial institutions (FIs) are often challenged with maintaining accurate data and updated watchlists, keeping pace with evolving sanctions changes and screening customers quickly and accurately. These obstacles can result in inefficient and noisy screening programs.

**Overcoming Common Screening Challenges**

Implementing solutions with embedded AI that harness advancements in data management, matching logic and investigation workflows is essential for organizations to keep pace and remain compliant.

Implementing a modern screening solution can transform screening programs, accurately identifying high-risk customers while reducing operational noise.

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# Ensuring High-Quality Data

High-quality data is essential in watchlist screening. Inconsistencies, missing information or fragmented customer profiles can lead to inaccurate screening results. Without accurate customer profiles containing relevant information, screening systems may generate false positives or miss true matches, increasing the risk of non-compliance.

To solve data challenges, it is important to resolve disparate customer profiles. Entity resolution can be used to deduplicate and consolidate customer profiles, identifying disparate profiles for the same customer, based on attribution data such as name variations, mailing or email addresses or phone numbers.

It is also important to use additional solutions to enrich customer profiles with other available data from either internal or external data sources. Data intelligence solutions can enhance understanding of customers, providing additional clarity by gathering additional information not disclosed by the customer.

By improving data resolution, consolidation and enrichment, FIs can improve screening accuracy.
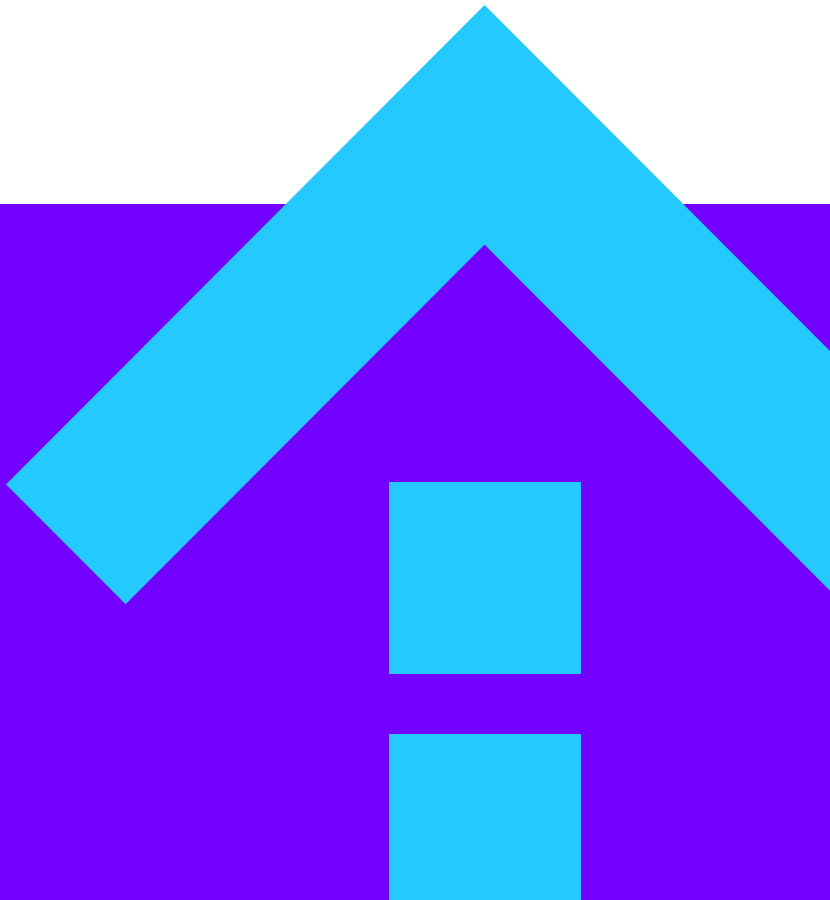
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# Effective Watchlist Management

Effective screening relies on the use of current watchlist data. With extensive watchlist data sources from around the world, as well as the use of internal watchlists, the process of managing watchlist updates can be a daunting and time-consuming task. Failing to update watchlists promptly can result in a missed screening hit and can result in regulatory penalties.

With regulatory pressures and legislative changes, such as the Instant Payment Regulations in the EU, timeliness is key. To keep up with a rapidly evolving industry, an organization's screening technology must be able to update watchlists in real-time.

Organizations must also maintain oversight of their screening program, and all watchlist changes must conform to an organization's policies, procedures and controls. There must be full transparency in the watchlist management process. The process must have built-in and customizable permissions-based access controls. List updates should be versioned and archived, allowing administrators to restore prior versions as needed, as well as a full audit log, audited approval process and controls preventing the tampering of the lists. These controls ensure full compliance, auditability and accountability of the program.

By streamlining watchlist management, organizations can minimize manual errors, ensure timely screening and maintain the flexibility required for tailored risk management.

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# Accurate Watchlist Matching

Multiple variables can impact the accuracy of name matching. Cultural nuances, misspellings and aliases are just a few of the challenges, that if not accounted for in the fuzzy logic, can adversely impact the accuracy of the match. Additionally, screening systems that do not consider additional context such as place of birth, place of residence and national identity information could fail to accurately match customers to the correct watchlist entity.

FIs should implement solutions that embed intelligent fuzzy matching technology to normalize and analyze different name structures, accounting for cultural variations, aliases and data inconsistencies. The latest AI-driven fuzzy matching can assess linguistic and cultural variations, while edit distance algorithms account for common misspellings, unjust spacing and intentional obfuscations, with speed and accuracy.

By optimizing fuzzy matching logic, organizations can strike the right balance between minimizing false positives while ensuring that true positives are not overlooked.

First Name

Last Name

Gender

Country

City

Address

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# Streamlining Hit Management

Even with high-quality data and optimized matching, ineffective hit management can burden compliance teams with unnecessary or prolonged reviews. Screening systems often generate a high volume of hits, with each hit potentially matching multiple watchlists or containing incomplete data. This requires analysts to perform repetitive processes and spend extensive time reviewing potential matches to determine match quality. This can increase errors, due to the repetitive nature of the work, along with a lack of insight and inconsistent data.

Use of predictive scoring can help manage hit workflows. By leveraging AI and machine learning, predictive scoring assesses the likelihood of a match being a true or false positive. The alert is then assigned to the correct analyst in the relevant team in a timely manner, helping to prioritize high-risk alerts and deprioritize low-risk ones.

Automated hit-level disposition and match highlighting not only reduce the manual effort required to manage hits but also allow analysts to easily determine the strength and scope of each match.

Cultural Name Insights adds another layer of clarity to this process by using generative AI to interpret name-based matches. It analyzes cultural nuances, linguistic and regional abbreviations, providing contextual explanation to help analysts quickly understand whether the match is accurate. Automatically generated investigation summaries simplify ambiguous hits into clear insights, reducing analyst effort, clarifying cultural variations and enabling more confident, accurate decision-making.

With AI-driven scoring, workflow automation and investigation summaries, FIs can improve operational efficiency, increase accuracy of hit disposition and enhance the screening program effectiveness.

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# A Flexible, Scalable Screening Solution

NICE Actimize's Party Screening Solution enhances screening program effectiveness, increasing the accuracy in identifying positive watchlist matches while reducing noise. These improvements reduce the cost of the sanctions program through unnecessary or extensive reviews, enhancing screening compliance.

**Optimize Party Screening Today** →