



Examining the True Impact of False Positives on Your Business

Every day your business must comply with an ever-expanding set of BSA/AML regulations. From OFAC rules, MAS Notice 626, HKMA regulations, to the US PATRIOT ACT and beyond, the expectations around knowing your customer have never been higher. So much is staked on getting compliance decisions correct: your business reputation, financial standing and relationships with valued customers and employees. The significant damages that non-compliance can inflict on your business can be insurmountable.

These challenges have caused financial institutions across the APAC market to fortify their processes for watchlist screening, customer onboarding and customer due diligence. It has also created an unwanted consequence for financial institutions to manage: the proliferation of false positives. False positives occur when a person or organization matches an entity on a watchlist, but after the related data is reviewed and investigated, it is determined that the person or organization is not actually the watchlist entity. False positives must be remediated, which creates additional work and drains time and resources away from core business activities. Even more critically, false positives distract employees from stopping legitimate BSA/AML threats.

Eliminate distractions by increasing process efficiency

To stay focused on growing your core business and maintaining compliance with BSA/AML regulations your business needs an effective strategy to reduce false positives. Minimizing false positives starts with maximizing the efficiency of your BSA/AML compliance processes. Initial places to focus include:

Expanding the scope of specific Personally Identifiable Information collected in the initial customer interaction to create a more complete picture of your customer.



- Improving the accuracy of data entry and standardizing the entry of particular elements like abbreviations and titles.



- Facilitating an easy way to exchange customer screening information and outcomes across your organization.



- Prioritizing staff resources to evaluate and review the records or regions that pose the highest risk.



- Communicating expectations and procedures at an enterprise-wide level on a consistent and frequent basis.

Take advantage of intelligent screening tools

False positive reduction also depends on screening software performance. Comprehensively evaluating your software in relationship to your operation parameters and processes is an essential step. Optimal screening software will provide the agility to adapt to meet your specific business needs. Several key features to consider include:



- Advanced workflow configuration capabilities that enable you to create processes specific to risk-based situations



- Industry-proven fuzz logic matching algorithms



- Highly configurable matching rules that adapt to changing compliance demands



- Continual, ongoing monitoring capabilities designed to minimize disruption to business operations



- Proven ability to support custom white lists, black lists and safe lists



- Seamless search automation and integration



- Streamlined interface to enhanced due diligence information to expedite investigations

Selecting screening tools that deliver multiple customization options to support the way your business works creates a strong foundation for reducing false positives and improving compliance.

Concentrate on core business goals

LexisNexis® offers proven solutions to help you navigate compliance challenges, simplify screening and significantly reduce false positives. Let us show you how we can help.

Visit <http://www.lexisnexis.com/risk/intl/en/bridger-insight-xg-compliance.aspx> or email solutionsinquiry@lexisnexis.com for more information.

