

A man with short dark hair, wearing a white and red patterned sweater, is looking down at a laptop. The scene is dimly lit with blue and purple ambient lighting. In the background, there are out-of-focus bokeh lights in red, blue, and white. The overall mood is professional and focused.

FIS

WATCHLIST REPORTER

CONTENTS

FRAUD, RISK AND REGULATORY CONCERNS



Financial institutions in the U.S. and Canada face an increasingly risky landscape. An uncertain economic outlook, rising financial crimes, changing industry regulations and growing pressure to comply with OFFAC sanctions are all contributing factors. Amid these challenges, watchlist screening has become an even more critical component of institutions' risk and regulatory compliance strategies. Penalties for violating OFFAC Sanctions can be costly and damage a company's reputation.

Violating the International Emergency Economic Powers Acts come with penalties of about

\$308,000

per violation

Firms that have paid massive penalties—many over

\$1b

include UniCredit Bank, ZTE Corporation, Standard Chartered, Crédit Agricole, Société Générale and BNP Paribas

Source: Dow Jones





WATCHLIST SCREENING



Watchlists are databases of sanctioned individuals and companies, Politically Exposed Persons (PEP) and other high-risk individuals and organizations. In addition to regulatory mandates from the Office of Foreign Assets Control (OFAC), watchlists include information to meet Know Your Customer (KYC) and Customer Due Diligence requirements.

Financial institutions that fail to comply with sanctions and regulatory mandates will incur hefty fines, prison time up to 30 years and costly reputational damage. The monetary fines for non-compliance alone are daunting, ranging from a few thousand to several million dollars per violation. For example, non-compliance with the Foreign Narcotics Kingpin Designation Act costs about \$1.5 million per instance.

WATCHLIST SCREENING



While the consequences of non-compliance are significant, consistent and accurate watchlist screening is difficult for institutions. Regulations change frequently and names are constantly added and deleted from watchlists, making manual screening more tedious and prone to errors. Additionally, institutions must perform various screening activities throughout the customer life cycle from client onboarding to transaction screening as well as periodic, trigger and ad-hoc reviews to meet regulatory obligations – all of which take time and resources.

Since conducting business with sanctioned individuals or entities poses so many risks, watchlist screening is imperative for financial institutions. A clear, consistent methodology that supports screening for sanctions, due diligence and watchlist programs enables institutions to proactively protect their business and their bottom line.



FIS WATCHLIST REPORTER

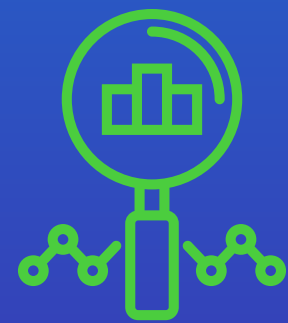


FIS® WatchList Reporter provides a patented, proven and flexible framework for financial institutions to perform automated watchlist screening to meet current and future regulatory and compliance requirements. The solution utilizes advanced filtering methodologies, proprietary match algorithms and configurable forensic analytics for faster detection and decisions.

- Filters against an extensive and updated catalog of watch lists, including 60+ financial crime lists
- Enables current and future compliance with mandated regulations
- Supports requirements for audit and examination review
- Automates watchlist processes to minimize complexities with compliance
- Reduces errors and false positives that are common in manual filtering
- Provides extended filtering for due diligence, fraud detection and compliance with foreign sanctions mandates

THREE PILLARS OF PROTECTION

WatchList Reporter provides the ability for institutions to protect themselves on three primary fronts:



Due diligence

- Politically exposed persons
- Financially exposed persons
- Customer onboarding
- Customer risk analysis



Fraud detection

- Financial fraud in faster payments
- Healthcare, industry, security and criminal fraud



Compliance with foreign mandates

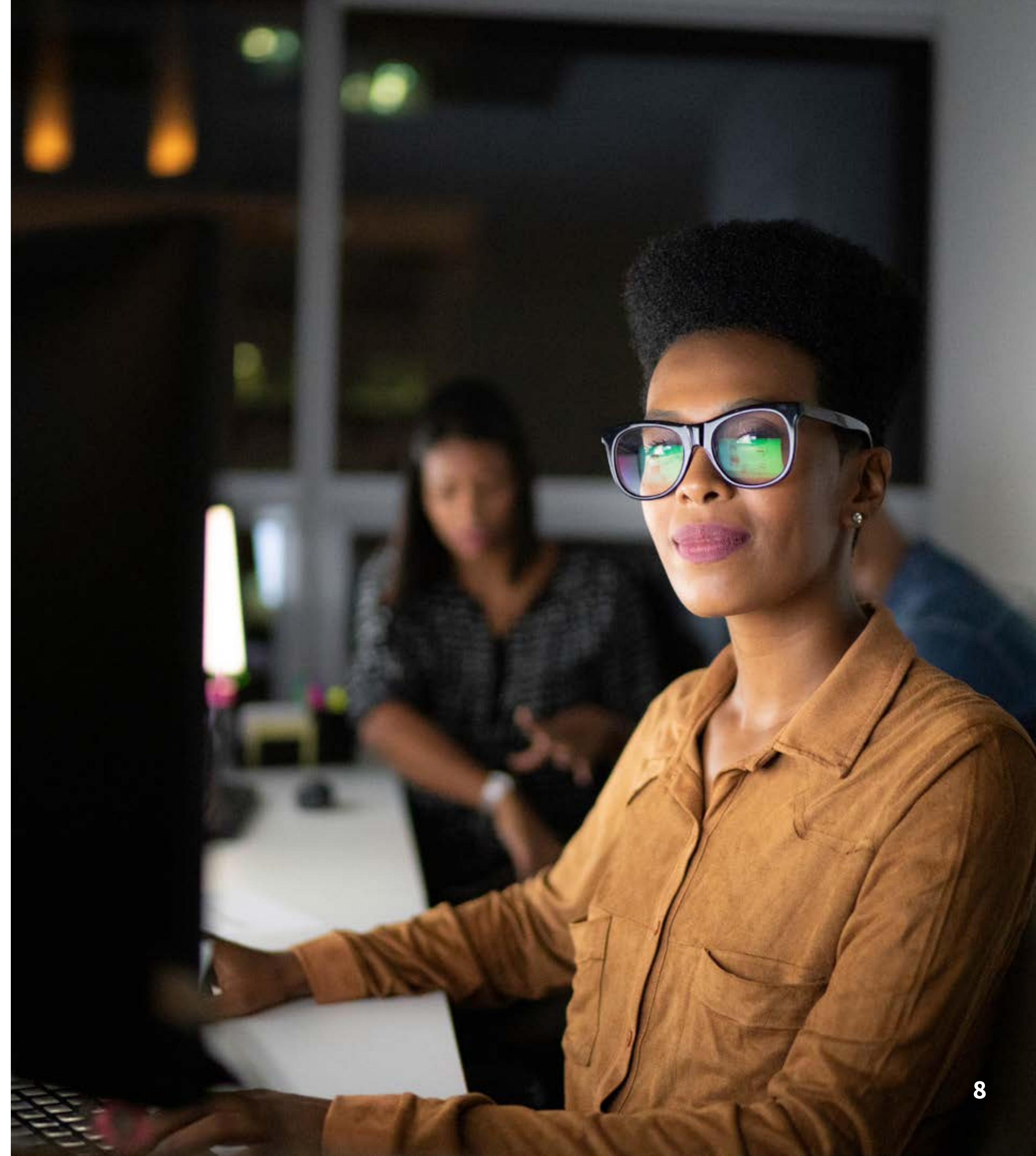
- England, Canada, Australia
- United Nations
- World Bank
- Organization for Economic Co-operation and Development

KEY FEATURES AND BENEFITS



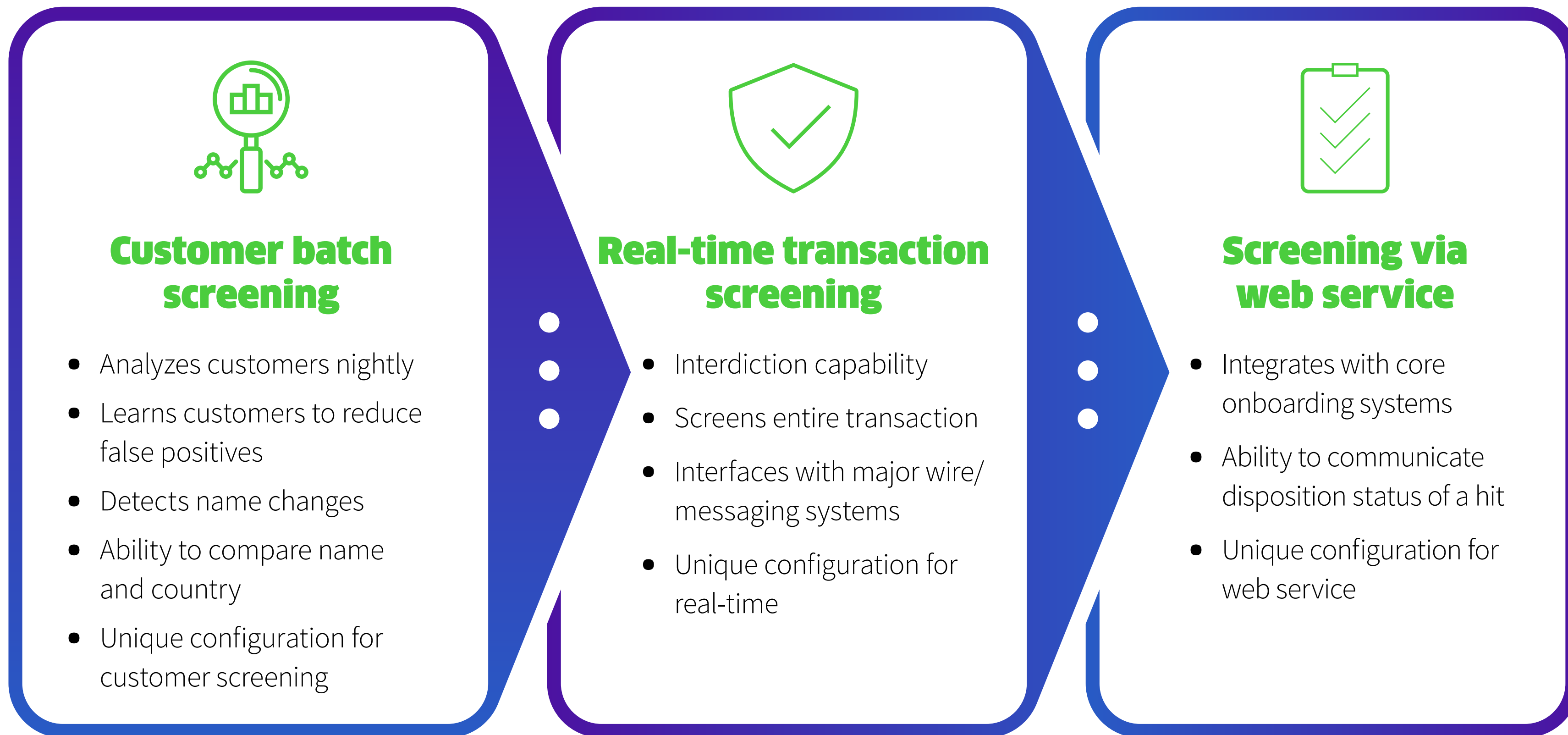
Driven by proprietary match algorithms and forensic analytics, WatchList Reporter is designed to provide better detection for faster decisions, easier compliance and reduced risk.

- Patented scan engine balances risk coverage
- Automated scanning reduces errors and speeds decisions
- Detailed match forensics improves analysis
- Centralized screening of customers and transactions streamlines operations
- Integration of multiple data streams eases audit and examination reviews
- User friendly interface simplifies program interactions
- Flexible deployment as either ASP or licensed software



THREE PILLARS OF SCREENING

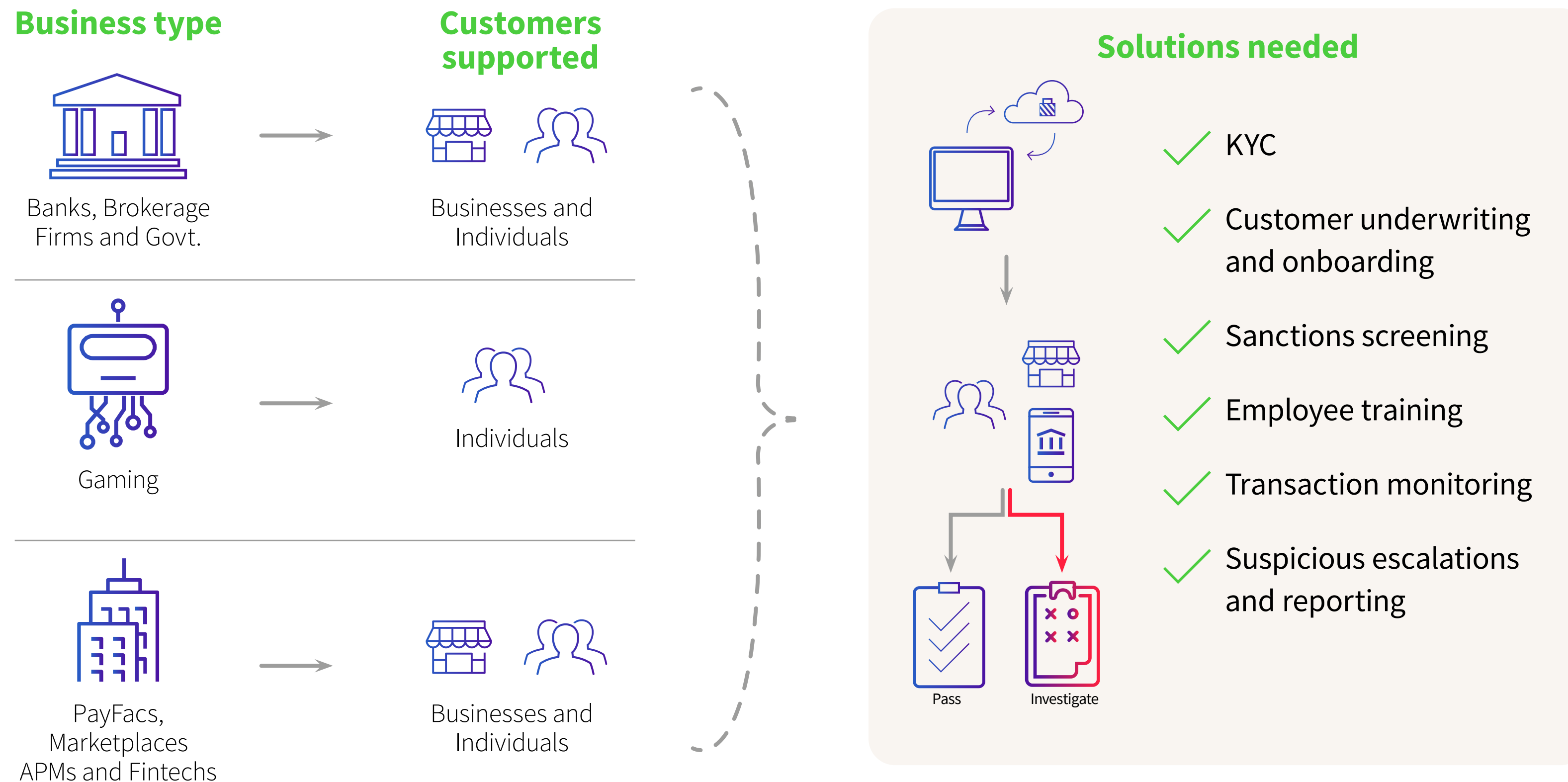
WatchList Reporter provides screening to cover three critical areas related to fraud, risk and regulatory compliance:



BEYOND BANKING



Watchlist Reporter is not limited to the banking industry. By providing thorough and accurate identity verification services, the solution helps businesses of all types with identity verification and account takeover. Whether you are a fintech, gaming enterprise or any other type of corporation, everyone needs to know who they are truly doing business with. For example, Watchlist Reporter can be employed by a property management company as part of their customer due diligence practices to ensure their customer's true identity and avoid substantial consequences.



COMPLEMENTARY SOLUTIONS

The following FIS products help financial institutions meet requirements for AML, KYC, regulatory sanctions, transaction monitoring, training and suspicious reporting.

Regulatory University - The leading online compliance training solution with a comprehensive library of over 350 courses that includes risk-based reporting and tracking.

Global KYC - Single API modular decisioning and case management solution for identity verification and fraud detection during customer onboarding. Features seven modules, including WLR and robust rules for sequencing workflows.

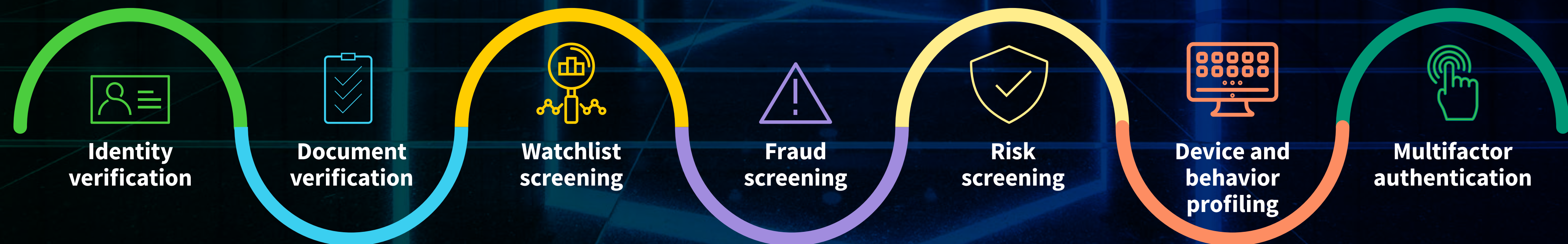
ChexSystems - Various products that address identity verification, DDA acquisition, credit evaluation, fraud and risk management.

FIS AML Compliance Manager - Automated solution to risk-rate, perform enhanced due diligence, detect/analyze transaction activity and report suspicious activity. Provides a unified view of customers, alerts and cases across the customer life cycle.

FIS DDA Fraud Manager - Risk case management system that allows an institution to investigate, visualize and resolve egregious alerts for ACH, wire, check and internal fraud.

FIS Sentient™ - Real-time API access to cross-channel fraud risk intelligence for smarter decisioning and investigations.

Modular decisioning solution for identity verification and fraud detection with robust rules for sequencing workflows





EDUCATIONAL RESOURCES



Solution page:
WatchList Reporter



White paper:
Rising Threats: How Identity Fraud Affects the Digital Channel

Produced by FIS in partnership with Javelin Strategy & Research, this white paper examines how identity fraud affects digital channels and its impact on financial institutions



Webinar:
Rising Threats: How Identity Fraud Affects the Digital Channel

Industry experts from FIS and Javelin Strategy & Research discuss key research findings outlined in the related white paper and take a deeper dive into:

- The most significant fraud trends
- Challenges in KYC program management
- Actionable items to help curtail fraud and compliance issues

FIS WATCHLIST REPORTER

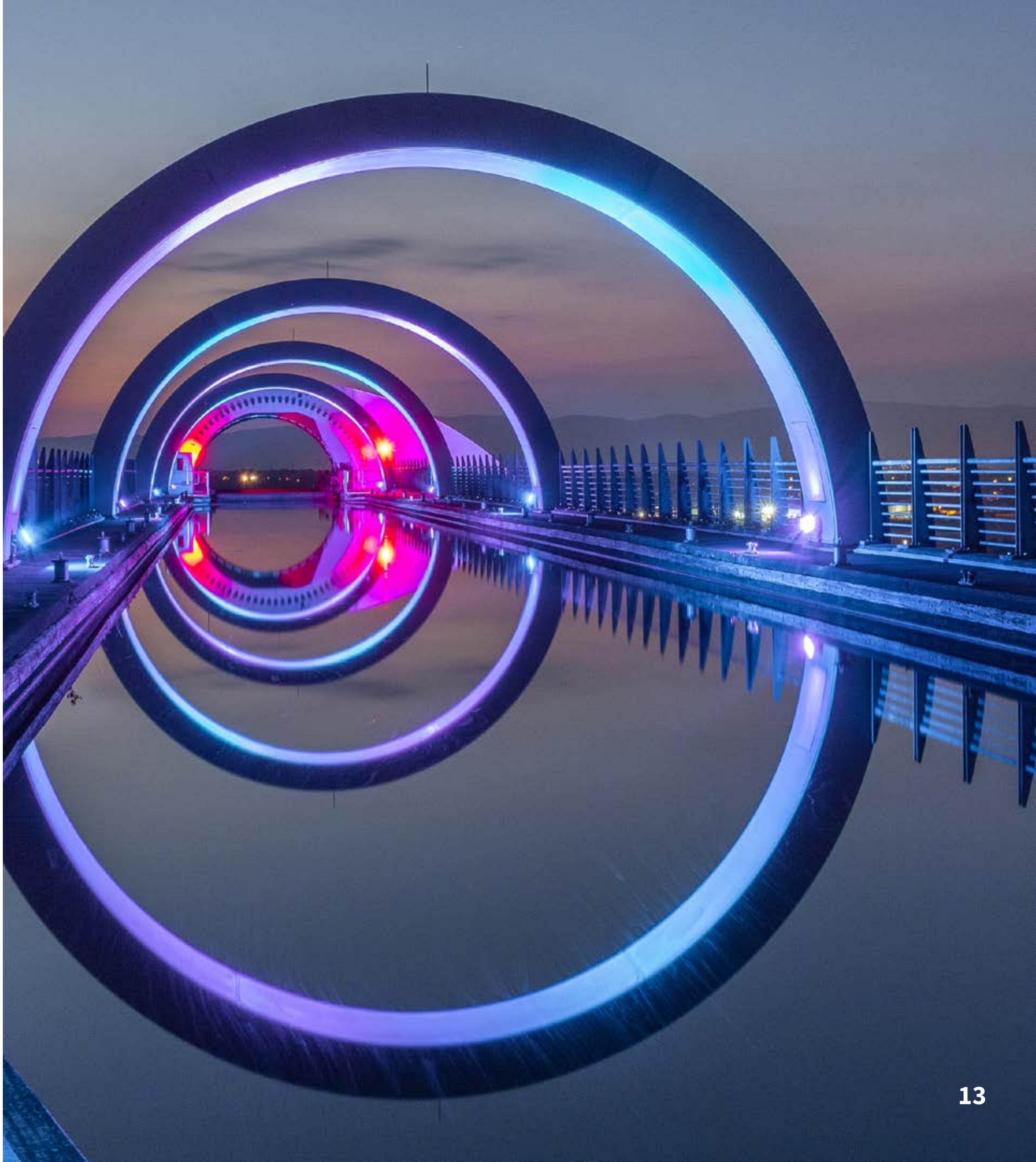


- Improve efficiency in risk, compliance and fraud management
- Reduce risk of fines and reputational damage
- Ease regulatory, compliance and audit processes



Let's talk about how FIS WatchList Reporter can help your organization optimize risk, compliance and fraud management practices for your organization.

Contact your strategic account manager or email us at getinfo@fisglobal.com



About FIS

FIS is a leading provider of technology solutions for financial institutions and businesses of all sizes and across any industry globally. We enable the movement of commerce by unlocking the financial technology that powers the world's economy. Our employees are dedicated to advancing the way the world pays, banks and invests through our trusted innovation, system performance and flexible architecture. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index.

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