

CGI HotScan Watch List Filtering

Reduce risk and stay ahead of the regulatory curve

Money laundering and terrorist payments are threats that must be mitigated. Real-world implications of non-compliance include significant fines, market cap decline and reputational damage. Checking for sanctioned entities and high-risk customers is a resource-intensive process that most financial institutions and corporates manage using electronic tools. Many of these solutions, however, are unable to support the growing numbers of transactions and new regulations.

OUR ANSWER

CGI's HotScan filtering software scales to scan all payments and customer data, provides notifications of matches against watch lists and meets the constantly rising regulatory compliance bar. HotScan's industry-leading false positive reduction minimizes delays to transactions and allows rapid and thorough review of customer data while reducing risk and operational costs. Key features include:

- Scrutinizes cross-border and domestic transactions in real-time and alerts the institution to watch list matches
- Meets all filtering regulations with real-time scanning, batch scanning and lookup
- Filters all watch lists, including: regulator lists and internal lists in XML, Excel and CSV format; good guy lists; and subscription lists such as Dow Jones, World-Check and Accuity
- Scales to scan all payments and is Unicode compliant
- Offers the breadth and depth of algorithms to find the "true positives"
- Can scan both structured and unstructured data
- Can support multiple countries, business groups and host systems through a centralized hub
- Provides online inquiry and batch filtering of names, addresses and other biographical details to support account opening and Know Your Customer (KYC) procedures
- Integrates with different host systems and interfaces with all industry standard banking systems. It is a certified plugin to SWIFT Alliance Access, has Web Services, MQ and C programming interfaces.



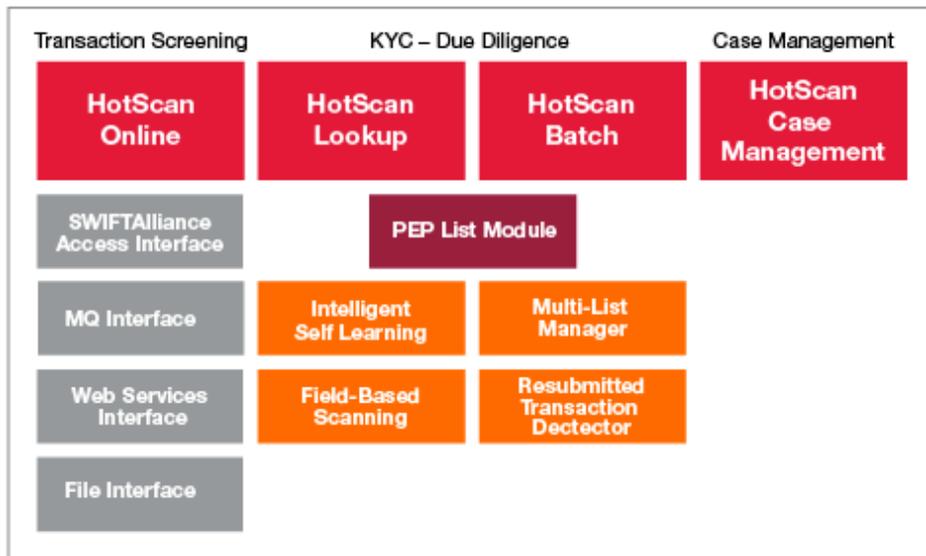
INDUSTRY LEADING ACCURACY AND EFFICIENCY

- Ranked as #1 for Advanced Technology in Celent's report: *EVALUATING THE VENDORS OF WATCHLIST AND SANCTIONS SOLUTIONS*
- Proven in large-scale deployments with millions of real-time messages and tens of millions of customer records. HotScan is installed in 30 countries and filters 64 percent of the world's foreign exchange trades
- Clients include commercial banks, central banks, financial services firms, payments bureaus, market infrastructure organizations and corporates
- Trusted by some of the largest central banks in the world
- Awarded the SWIFT Alliance Add-on Label every year since 2005



HOW IT WORKS

HotScan uses fuzzy matching techniques and data mining to search out and find references to people, companies and other entities which it is illegal to trade with or have sanctions against them, or represent a heightened risk.



Key components include:

- HotScan Online for real-time payments filtering
- HotScan Lookup for ad-hoc screening and KYC due diligence
- HotScan Batch for customer account KYC due diligence
- HotScan advanced case management system covering workflow automation, document management, collaboration and reporting. The module is highly flexible to handle changing business demands. Every process, workflow, business rule and screen is configurable and can be changed to suit the business with ease.

HotScan reduces risk by:

- Enabling financial institutions to conduct risk assessments against sanctioned entities, politically exposed people and other risk groups
- Automatically scanning all types of payment and administrative messages, including SWIFT, interbank payments, SEPA and ACH
- Searching all data to highlight deliberate attempts to disguise matches using advance technology
- Enabling configuration of the parameters and settings for Artificial Intelligence and Fuzzy Matching algorithms so risk levels and false positive rates can be finely tuned
- Providing added security with a complete audit trail on each payment or customer record scanned, together with maker-checker and supervisory approvals.

FINDING THE “TRUE POSITIVES”

The depth and sophistication of HotScan scanning capability finds the “true positives” and does it with high-risk scores, thereby allowing optimum setting of pass/fail thresholds to maximize efficiency.

HotScan’s artificial intelligence and fuzzy matching algorithms handle:

- Word transposition
- Misspellings and alternative spellings
- Special characters
- Concatenated words
- Embedded words
- Broken words
- Synonyms
- Foreign translations
- First names and first name initials
- Abbreviations
- Embedded numbers
- Associated items
- Conditional halting rules
- Automated good guy discovery.

HotScan interfaces with the industry's leading applications, such as:

- ACI® Enterprise Banker for ACH
- IBM® Algo Collateral
- CGI All Payments
- CGI BESS
- CGI LAPS
- CGI Trade360®
- Dovetail Payments System
- Fundtech Global PAYplus®
- Infosys Finacle
- IBM MERV A
- Oracle® PeopleSoft eBill Payment
- Oracle FLEXCUBE
- Fiserv PEP+®
- EBA Clearing STEP2
- SCSK Yen Clearing System
- SunGard MINT
- SWIFT Alliance Access
- TCS BaNCS

ADVANCED FEATURES

- HotScan can detect messages that need to be processed together such as MT103 and MT202 COV. Message association rules allow any message types to be configured as “belonging together” to provide flexibility for different business requirements. This feature reduces risk by allowing consistent decisions to be made.
- HotScan also detects situations where a payment previously has been returned to the ordering institution due to embargo regulation and has been modified and resubmitted. This enables message “stripping” scenarios to be alerted.

REDUCE THE HIT RATE OF FALSE POSITIVES

HotScan's Intelligent Self Learning (ISL) module makes HotScan a learning filter, rather than a static filter, to significantly reduce false positives and increase efficiency gains without narrowing the net. This module can be implemented alongside any scanning solutions to reduce the hit rate by up to 50%, reducing the number of payments requiring manual intervention.

STREAMLINE ALERT MANAGEMENT

The CGI HotScan Case Management module can optimize your alert management function by automating, standardizing and transforming alert processes. Business users can configure the application to your unique business rules and processes.

CGI IN FINANCIAL SERVICES

With more 20 years of experience in delivering financial crime solutions, CGI has a deep understanding of the complex regulatory landscape and expertise in improving cost efficiencies. More than 500 compliance and security experts are supporting organizations around the world to fight financial crime. CGI has shaped the financial services for 40 years. We were behind the original design for the SWIFT interbank network, and today help financial institutions, including most major banks and top insurers, reduce cost, increase efficiency and improve customer service.

ABOUT CGI

Founded in 1976, CGI is one of the largest IT and business process services providers in the world, delivering high-quality business consulting, systems integration and managed services. With a deep commitment to providing innovative services and solutions, CGI has an industry-leading track record of delivering 95% of projects on time and within budget, aligning our teams with clients' business strategies to achieve top-to-bottom line results.