



REFINITIV EXPERT TALK

Screening remains our most effective tool in the fight against financial crime

Some key points from the new Wolfsberg Group Guidance on Sanctions Screening

The Wolfsberg Group published its latest guidance on sanctions screening on 21 January, a day before the world's political and business leaders gathered in Davos for the World Economic Forum Annual Meeting.

The theme for Davos 2019 was 'Globalization 4.0' and the four day event focused on building inclusive societies and working together to protect and uplift the most vulnerable. Finding effective ways to fight financial crime is key to achieving these ideals and Wolfsberg's latest guidance should be seen as an important aid for organizations as they develop effective measures to combat corruption.

According to the report, 'Screening should be undertaken as part of an effective Financial Crime Compliance (FCC) program, to assist with the identification of sanctioned individuals and organizations, as well as the illegal activity to which FIs may be exposed. It helps identify areas of potential sanctions concern and assists in making appropriately compliant risk decisions.'

The views and opinions expressed in this paper are those of the author and do not necessarily reflect the official policy or position of Refinitiv.

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WOLFSBERG GUIDANCE - FOUR KEY TAKEAWAYS

Adopt a risk-based approach

The report is strongly in favor of organizations adopting a risk-based approach. Refinitiv research has revealed that many organizations are struggling to screen and monitor vast global third-party networks and we fully support a risk-based approach as an effective means to concentrate valuable resources in the areas of greatest perceived risk.

Implement a broad-based financial crime compliance program

Furthermore, the Wolfsberg Guidance stresses the importance of sanctions screening not as a stand-alone solution to financial crime, but rather as a critical component of a broader set of financial crime compliance controls, stating that screening 'should be deployed as part of an integrated risk based FCC program.'

Manage lists and data

It is imperative that organizations have access to accurate, up-to-date sanctions lists and data, because no amount of due diligence will reduce financial crime if the data on which it is based is unreliable. The report stresses the importance of list management, explaining that 'Rigorous list management promotes screening which is consistent with the FI's risk appetite, including the identification of potential sanctioned targets'.

World-Check Risk Intelligence delivers accurate and reliable information to help you make informed decisions. Our data is collated by hundreds of specialist researchers and analysts across the globe and is structured, aggregated and de-duplicated.

Invest in the right technology

Technology is specifically called out by the report as a crucial tool for effective crime prevention, stating that 'a robust operating model employs expertise from IT, Operations and FCC working together to ensure appropriate alert generation and adjudication.'

Technology is a key tool as it boosts efficiency and can help compliance professionals to pinpoint risk and identify financial crime risk more quickly and with greater accuracy. For example, machine learning and artificial intelligence (AI) can provide immediate, practical help for compliance teams tasked with analyzing volumes of content, as so often required in the age of Big Data. Technology also enables seamless screening without negatively impacting the customer experience.

To read the new Wolfsberg Sanctions Screening Guidance please [click here](#).

Adopting an intelligent approach

A robust combination of transaction and customer screening is a pre-requisite for effective financial crime mitigation, but adopting an intelligent approach means that organizations can work smarter and harness the power of technology to maximize their efficiency and concentrate valuable resources in the right areas.

Technology has become the key differentiator that sets successful compliance teams apart. Cutting edge solutions are cost-effective and can vastly simplify day-to-day on-boarding and monitoring decisions.

Of course, technology alone is not sufficient and this is why Refinitiv combines leading technology and proven human expertise to help you develop and implement an effective, efficient compliance framework and fight financial crime with efficacy.

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Jorg Schaper moved to Refinitiv (formerly Thomson Reuters Financial & Third Party Risk) following a 20 year career implementing change in tier one financial services companies. Covering a wide portfolio of post trade processes Jorg has focused on improving operational efficiency through process, technology and organizational changes. Most recently Jorg has concentrated on delivering solutions to regulatory requirements that are compliant and efficient. At RBS and Deutsche Bank Jorg held management roles, responsible for the delivery of AML solutions.