



Sanction List Monitoring

Combating the financing of terrorism is no longer exclusively the job of national security authorities, the police and the military, but is becoming increasingly important in the processes of banks, insurance companies and industrial and commercial enterprises. And the responsibilities imposed by the legislators will increase with the ongoing presence of terrorism. No internationally operating financial institution or commercial enterprise can afford to ignore the regulations in force in the fight against terrorism – the damage to their reputation if it got out would be unacceptable.

In the case of embargos, national and international laws restrict or prohibit imports, exports or domestic business relations, the handling of certain products as well as capital and payment transactions. The restrictions and bans can stem from the nature of the goods, their country of origin or of use, or the business partner themselves. In the operating areas of payment transactions, securities, trading, foreign exchange dealings of banks and industrial/commercial enterprises, suitable systems must be implemented to prevent terrorists and terrorist organisations from being provided either directly or indirectly with funds or other financial assets and economic resources. This requires incoming and outgoing transactions to be checked against the current sanction lists and all accounts with a terrorist connection to be stopped. This approach is designed to prevent the economic activity of a global terror network.

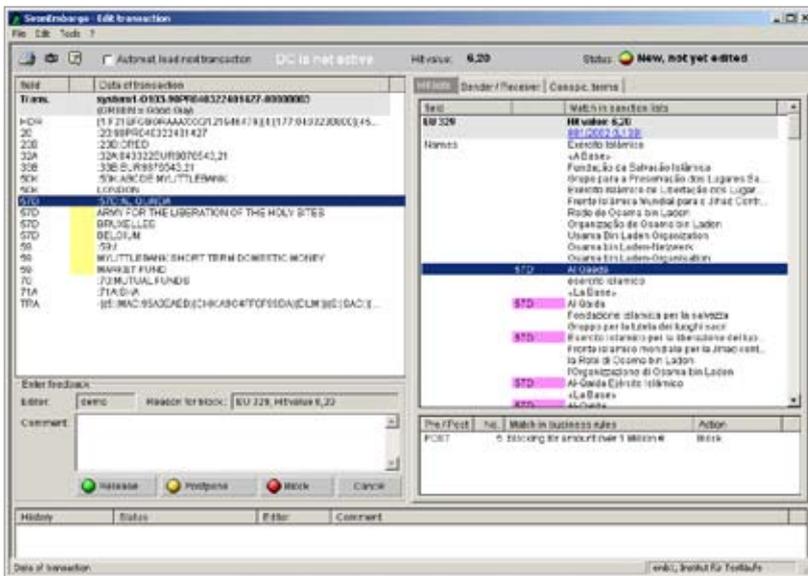
Secure compliance – checking against sanction lists

Siron[®]Embargo is a software for identifying people and organisations who are subject to sanctions. Siron[®]Embargo detects and stops all transactions to/from individuals and organisations named in the sanction lists. The institution's customer holdings can be checked to ensure compliance with national, international and their own sanction lists. The payment transactions are monitored in real time.

Siron[®]Embargo – The Highlights

- Satisfies all legal requirements (e.g. EU Regulations 2580/2001 and 881/2002) for combating international terrorism through the freezing of assets
- Real-time checking of all sender/receiver data of transactions against national and international sanction lists, e.g. of the Office of Foreign Assets Control (OFAC), Common Foreign Security Policy (CFSP), HM Treasury, ...
- Processes SWIFT (SWIFT MX, SWIFT MT), non-SWIFT (Merva, WBI-FN, ...) and SEPA (ISO 20022) payment-transaction formats
- Comprehensive search mechanisms (exact search, fuzzy search) for identifying transactions with a terrorist connection
- Suspicious sender/receiver data of a transaction is displayed with the corresponding sanction-list entries, so cases can be processed quickly and efficiently
- Whitelisting and individual business rules to reduce false positives and minimise checking overhead
- Audit-proof historisation of all system checks, work steps and decisions

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Matches of sender/receiver data with entries in the sanction lists

Integration of national and international sanction lists

To meet the requirements of global counter-terrorism financing, Siron®Embargo offers interfaces for integrating a wide variety of national and international sanction lists, including:

- US Department of the Treasury: Office of Foreign Assets Control (OFAC)
- Common Foreign Security Policy (CFSP) list of persons, groups and entities subject to EU financial sanctions
- Her Majesty's Treasury (HMT)
- Consolidated List of UN 1267 Resolutions
- German Federal Gazette

As well as the official sanction lists, Siron®Embargo can also process lists from commercial database providers such as World-Check, Dow Jones Factiva and World Compliance. Depending on the data source, an automated process can be provided for updating the sanction lists used.

Siron®Embargo stores rules which control the use of sanction lists. For example, for checking a payment transaction in US\$, an institution can automatically use the OFAC list.

Automated monitoring of payment transactions

All transactions must be checked for their possible use in connection with international terrorism and, if applicable, stopped. Siron®Embargo monitors whether the sender/receiver data matches any entries in the sanction lists, (e.g. names or aliases of terrorists, terrorist organisations or criminals).

Transactions which have been identified as suspicious because they match the sanction list are "frozen" by the system, which prevents any form of transfer or change of ownership. Unsuspicious transactions are released immediately and returned to the payment-transaction process.

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Efficient search for true positives

Siron®Embargo not only finds clear matches with entries in the sanction list. With the fuzzy search it can detect inverted parts of names, abbreviations, substitutions, different notations or deletions.

The user specifies in the basic system settings the minimum match they want between the sender/receiver data to be checked and an entry in the sanction list. All transactions that satisfy this minimum match are filtered out by Siron®Embargo.

This can greatly reduce the number of false positives using rules and fine adjustments (using e.g. whitelists to exclude persons and individual terms from the sanction-list check), which leaves compliance managers free to concentrate on dealing with the true positives.

SWIFT, non-SWIFT and SEPA payment transactions

Siron®Embargo allows the processing of different payment-transaction formats: SWIFT MX, SWIFT MT, ISO 20022 (SEPA). Other payment formats, e.g. Merva and WBI-FN, can also be handled, for which the software provides standardised interfaces.

Siron®Embargo has been awarded the SWIFT Ready Application label, which certifies that the solution complies with all SWIFT standards and guarantees connectivity with the SWIFT payment-transaction format.

Audit-proof documentation of all actions and decisions

Siron®Embargo supports the audit-proof recording of all system checks, work steps and decisions of a case. On completion of a case, the result is additionally stored in the form of a pdf report for the reporting process within the institution. This means users can track at any time how and why it was decided to examine a particular case.