

Financial Crime Compliance

Wealth Management and Private Banking



Financial Crime is a top 7 priority of the FCA and, as such, enabling compliance is high on the list of initiatives for financial services firms in the U.K. To complicate matters, firms have two sets of regulations to comply with:

- Money Laundering Regulations 2007, owned by the HM Treasury
- Additional oversight from the FCA in the form of a Financial Crime Guide developed from thematic reviews, the Systematic Anti-Money Laundering Programme (SAMLP) for some banks, and regular AML inspections for all others

These thematic reviews have resulted in fines and restriction of activities for firms who failed to prove the requisite due diligence and actions.

NexJ provides intelligent customer management products to help firms meet financial crime (anti-money laundering) obligations, including proper onboarding processes and controls, establishing source of wealth, vetting PEP/REP/High Risk individuals before taking them on as clients, alerting users of potential red flags, and conducting ongoing review of customer data. NexJ provides:

- Dynamic, configurable workflow and scheduling for onboarding and periodic reviews
- Notifications, alerts, and escalation when issues and red flags are detected
- Integration with banking and monitoring systems to ensure client identifying data is correctly pulled into monitoring activities
- Consolidated and provisioned data sets for analytics projects
- Dashboards to provide at-a-glance views of key data and enable management reporting

Adopt a risk-based approach to due diligence

- Create a comprehensive client view from siloed data sources to fully assess and monitor risk
- Collect and document all necessary client information to understand risk, source of wealth, and source of funds
- Review client data and transactions in a frequency aligned with risk scores
- Alert users of potential issues in banking, risk, and screening systems and launch investigative workflows
- Quickly provision the correct data to support analytics projects for executive oversight

Anti-Money Laundering (AML) Checks

Anti-Money Laundering

Does the client have a substantial (51% or greater) beneficial ownership or controlling interest in a government owned business or entity?

No

Is the client a part of or member of a non-profitable organization?

No

Does the client maintain residences in any other countries?

No

Has the client's ID been verified?

Yes

Type of ID used for verification

Driver's Licence

Country of ID

Canada

NexJ's intelligent customer management software enable firms to meet HM Treasury and the FCA's standards for financial crime for client due diligence during onboarding and on an ongoing basis; source of wealth; source of funds; Politically Exposed Persons (PEP), Reputationally Exposed Persons (REP), and High Risk Individuals; alerts for transaction red flags; and organisation requirements.

Client Due Diligence During Onboarding

Ensure advisers obtain all necessary information to calculate risk ratings and fulfill due diligence requirements with digital onboarding that tailors questions and forms as data is input. NexJ prompts for supporting evidence, stores it in the client record for future reference, synchronizes new and updated data with back office systems, and automatically submits forms for review and approval. NexJ can integrate with screening systems such as World-Check, Lexis-Nexis, Factiva, etc. to provide additional information. The onboarding handles due diligence on complex client and corporate legal structures, walking the user through all required questions relevant to the connected parties and their specific roles.

Ongoing Client Due Diligence

Leverage rules to automatically schedule timely client reviews based on the client's risk rating, notify advisers when a review is due, and escalate overdue reviews. NexJ assigns prescribed tasks for the review, such as checking client interaction history and historic documents. It prefills review forms with existing data and guides advisers through the process of collecting and confirming information such as the purpose of the account and the client's relationships, and then prompts to obtain updated documentation. This information is supplemented through integration with screening systems and submitted to compliance for review. Integration with transaction monitoring systems and rule-based notifications can prompt for ad-hoc reviews when risks are detected.

Source of Wealth

Determine and track beneficial owners by modelling all client relationships, legal structures, and trusts, including their ownership and inter-relationships. NexJ's onboarding and review workflows can ask all relevant questions to model relationships, document ownership, refresh information throughout the client lifecycle, and prompt advisers to obtain supporting evidence. Integration with screening systems can help identify and prove sources of wealth. All supporting documentation is stored in the contact record for future review.

Source of Funds

Identify, document, and confirm the source of funds for a transaction or the relationship. NexJ's onboarding CPM can ask all questions necessary to gather source of funds information. Integration with banking systems can match documented source of funds with actual activity. NexJ can provision data sets for analytics projects to identify differences between expected and actual sources. Rule-based notifications inform relationship managers and senior management of anomalies and launch investigative workflows.

PEP/REP/High Risk Individuals

Implement stringent screening for politically exposed, reputationally exposed, and other individuals to determine if they are high risk and should be taken on as a client. During onboarding and review, NexJ presents users with the relevant information from integrated sources, making it easier to assess and document if an individual is high risk. NexJ can integrate with screening systems to identify issues to address during onboarding. All information is automatically sent to compliance for approval or decline based on calculated risk. NexJ guides users through client relationship modelling and stores documents in the contact record for future reference.

Alerts for Transaction Red Flags

Integrate with transaction monitoring systems and alert users when the system identifies potential out-of-compliance items. NexJ can notify the appropriate users and launch an investigative workflow that assigns tasks and prompts for documentation of findings. Graphical dashboards enable managers to review and report on reviewed transactions.

Organisation Requirements

Enable management oversight of risks with graphical dashboards that report on identified risks as well as rejected clients and transactions. NexJ can quickly provision data sets for use by analytics projects to identify high risk transactions or items for review. Relevant individuals are notified when action needs to be taken, the appropriate workflow is launched to assign and document investigation, and findings are automatically submitted to compliance and management for review.



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About NexJ Systems

NexJ Systems is a provider of Intelligent Customer Management software for the financial services industry. The Intelligent Customer Management suite is comprised of NexJ's award winning-products that use artificial intelligence to optimize customer management and increase advisor productivity, and cognitive applications that use machine learning to recommend the right actions to work smarter and faster.