



# BLACKSWAN TECHNOLOGIES

## ELEMENT OF COMPLIANCE

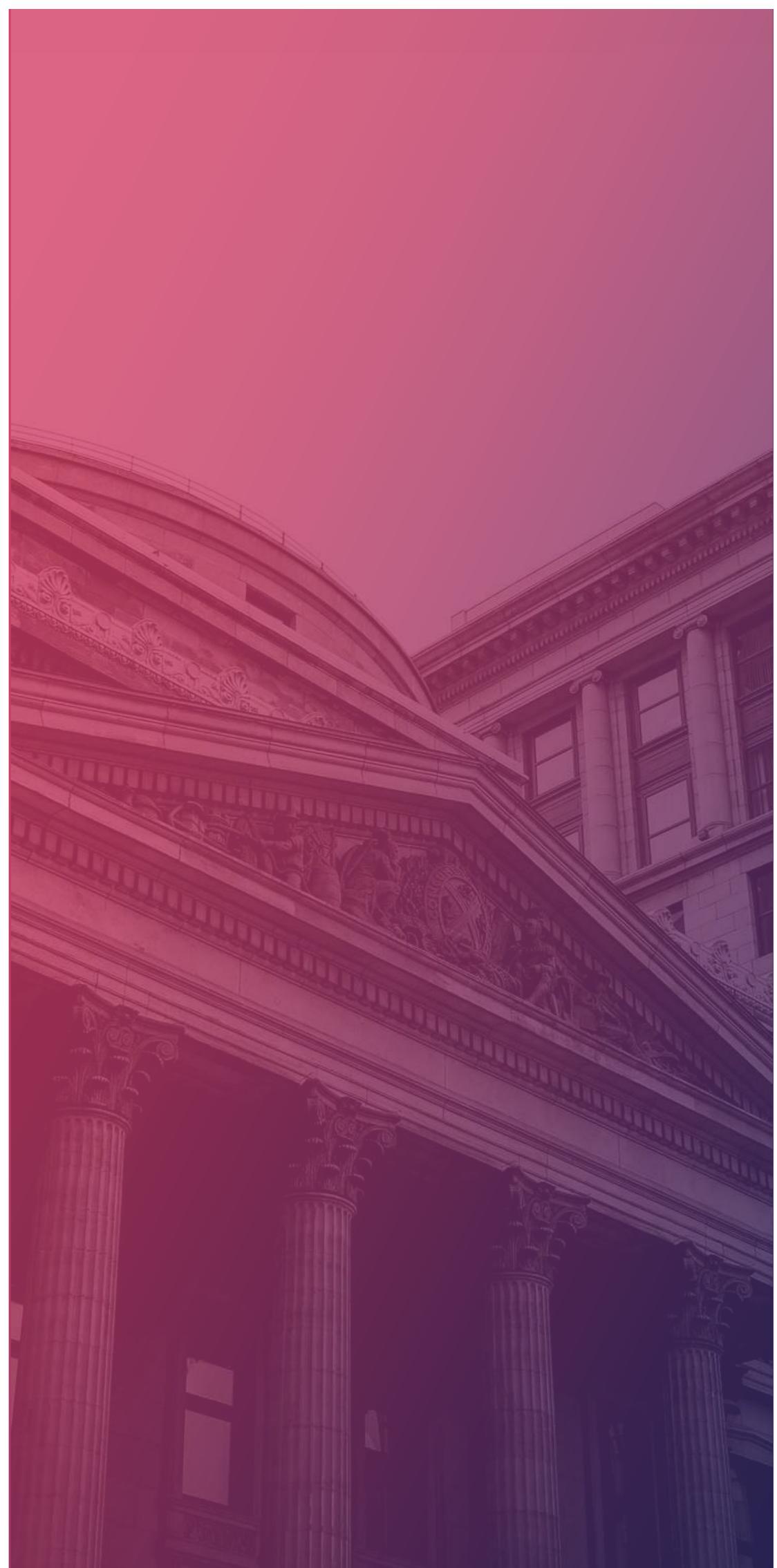
### A MORE INTELLIGENT APPROACH TO ECONOMIC SANCTIONS SCREENING

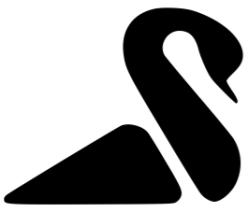
#### THE CHALLENGE

Stringent economic sanctions (ES) regulations imply that a financial institution faces serious fines and reputational risk with every customer they onboard and with every transaction they process. Adding challenge to this paradigm is the fact that the regulations are ever-changing as are the variety of watchlists. Customer data is dynamic as well, reflecting the changing nature of their businesses as well as their locations.

Given the complexity of ES screening and the extreme cost of overlooking a relationship or transaction dealing with a sanctioned entity or jurisdiction, financial institutions have traditionally resorted to a similar but costly approach.

They end up subscribing to expensive watchlist feeds, and then using multiple generically-tuned screening systems for both relationship scanning as well as transactional scanning. Overall, this traditional approach has satisfied regulators, but it places a significant cost and operational burden on the compliance program. Multiple systems are having to be maintained and updated with new regulatory requirements and more resources are constantly required to deal with the growing backlog of false positives. To boot, regulators are beginning to expect financial intuitions incorporate the vast array of available but unstructured information into their screening processes.





## BLACKSWAN'S APPROACH TO ES COMPLIANCE

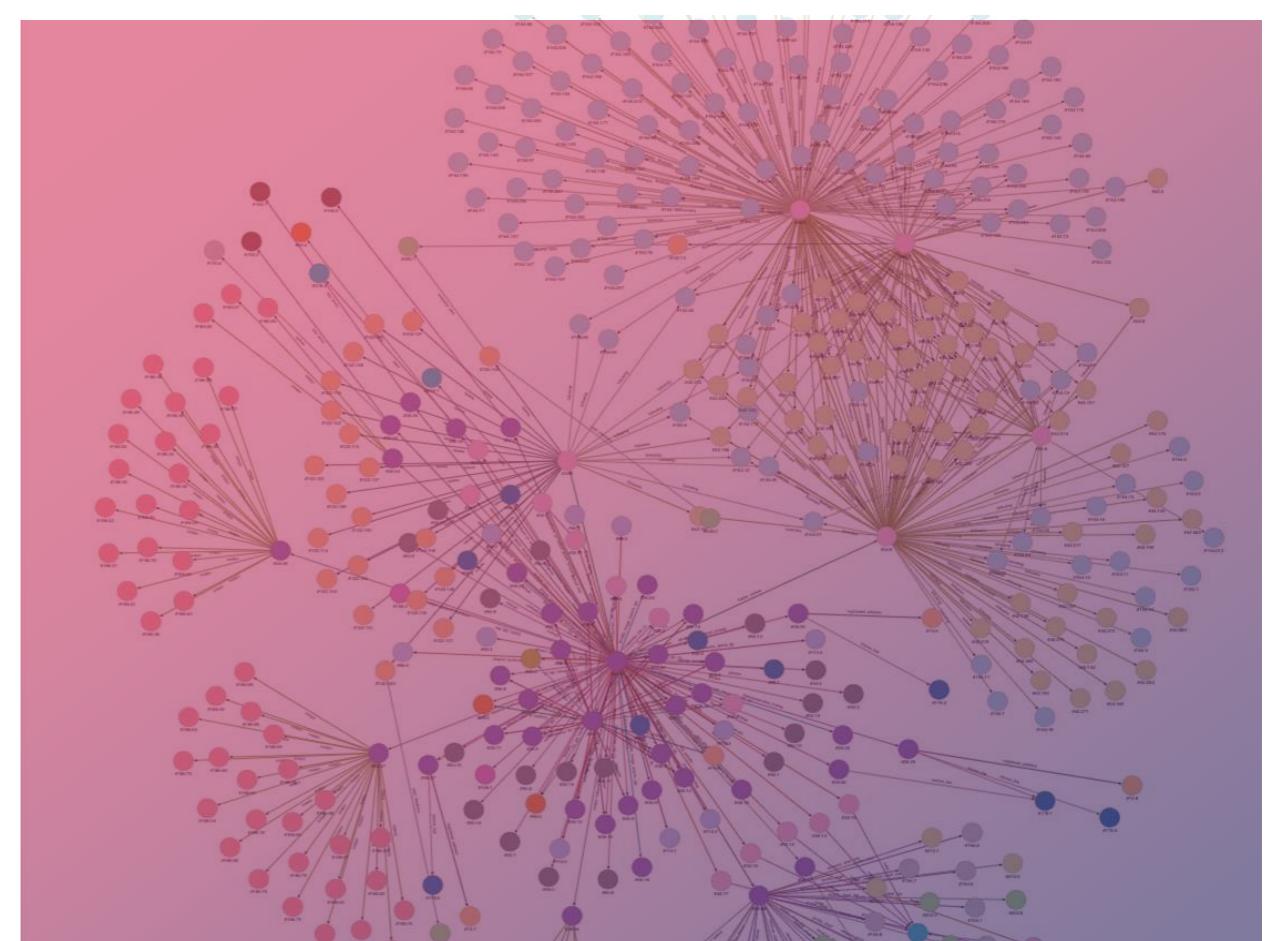
BlackSwan has emerged as a technological leader in the overall compliance space, where their approach is built upon a knowledge graph that creates, in real-time, one of the most comprehensive representations of all entities and the relationships that are relevant for a successful compliance program.

BlackSwan's ES compliance capabilities are made available via **ELEMENT of Compliance**, our software application that sits atop the knowledge graph. Within the application, each customer is onboarded using an enhanced KYC process that creates the customer's representation within the graph.

The variety of watchlists are sourced directly and aggregated to form a consolidated graph-based record for each unique sanctioned entity or jurisdiction using state-of-the-art natural language processing and entity resolution algorithms. Each unique record includes the multiple versions and variations of addresses, aliases, etc., across the various watchlists and over time.

All customer and watchlist records are constantly enriched and enhanced with the universe of available but unstructured information from global news outlets, social media, company profiles, the dark web, and others sources in order to provide the most extensive viewpoint available for each customer and watchlist entity.

As a customer transacts or otherwise evolves, or as new information becomes available (e.g., adverse news), the knowledge graph develops over time. If any linkage is made between a customer and a sanctioned entity, the compliance offer is alerted immediately to potential ES risk.



*BlackSwan provides a richer, more holistic representation of all intelligence that is relevant for compliance.*



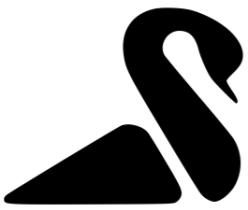
### GRAPH-BASED SCREENING IMPLIES BETTER RISK DETECTION

Each customer and each watchlist entity and jurisdiction are resolved and uniquely embedded within the knowledge graph as nodes, where the variety of potential linkages that are constantly forming within the graph could trigger investigation into potential ES risk.



### CONSTANT ENTITY ENRICHMENT IMPLIES THE MOST ACCURATE DATA

State-of-the-art artificial intelligence (AI) algorithms coupled with multi-level semantic natural language processing (NLP) and deep learning (DL) methods find relevant sources, and process each to extract the actors and context in a way that mimics analyst review.



## ELEMENT OF COMPLIANCE

The ever-changing world of ES compliance and regulatory expectations place one of the most demanding burdens on compliance managers. A single ES miss could upend even the most cautious compliance program.

While other scanning solutions claim to have the most accurate matching available, they overlook the fact that they are not tapping into the available wealth of current but unstructured data that could add a significant lift within the screening process for resolving true hits and reducing false positives.

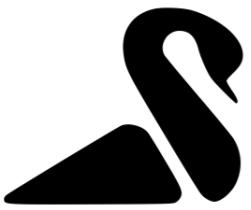
BlackSwan's approach to ES compliance implies screening is always done using the most up-to-date, accurate and comprehensive data available, resulting in more precise entity resolution and less false positives. Graph computation is instantaneous, implying ES related risks are identified in real-time.

A single, comprehensive solution for both relationship and transactional scanning coupled with direct sourcing and archiving of watchlist data provide a streamlined ES screening process.



### A BETTER USER EXPERIENCE

**ELEMENT of Compliance** features a fuzzy lookup capability, which allows instantaneous querying of the relevant watchlist data, and provides the user a dashboard that provides a complete and connected view of all the relevant intelligence. The user can export the data in common formats, or be made available in a format that is most suitable for other business processes.



## ABOUT ELEMENT

**ELEMENT** is Enterprise Artificial Intelligence Operating System to develop Enterprise AI driven applications centered on the concept of augmented human intelligence. Essentially ELEMENT is the foundation that can be used by enterprises across multiple industries to build robust AI applications & tools that would allow to better collect and organize the necessary information, gain competitive intelligence, improve accountability and compliance, drive new business opportunities and increase the predicting power – all while cutting costs, reducing errors and eliminating waste in a minimal time and effort

- The world first enterprise AI Operating System for the manifestation of data intensive enterprise business applications for operational efficiencies and advanced decisioning
- Multipurpose platform that comes at a significantly lower cost of ownership as compared to the alternatives
- Unique IP and competitive advantage in Cognitive Services, UI, Specific Domain Applications, Data / Knowledge Management and Infrastructure Services
- Bridges the massive gap between isolated, sporadic, expensive Data Science projects to business production with limited time, cost and code.

The system design to operationally serve the spine of any data intensive organization including

- DBAs
- Data Engineers
- Knowledge Workers
- Data Scientists
- Business Analysts
- Business Users
- Executives

Also available are business applications built on **ELEMENT**, which are ready-to-deploy in particular industries and business functions. These include **ELEMENT of Insurance** for insurance carriers, with a focus on underwriting and its coordination with other business functions, as well as applications for marketing, talent acquisition, market intelligence and forensic accounting. This pre-built application approach delivers Cognitive Computing Out of the Box™.

## ABOUT BLACKSWAN TECHNOLOGIES

BlackSwan Technologies was founded on the vision that vast, varied data is now accessible to enterprises but is broadly under-utilised. Cognitive computing capabilities can be applied to transform that data into insights that revolutionize your ability to serve customers, improve operations, and redefine market leadership. Introducing the Intelligence of Everything™.

At BlackSwan, a team of more than 40 data science, software development and delivery specialists advances the state of the art in augmented intelligence for businesses – working side-by-side with our clients. Our unique intellectual property spans cognitive services and their industry-specific applications, user interfaces, big data and technology infrastructure management. We have been highlighted in KPMG/H2 Ventures' rankings as a rising star in our field.

BlackSwan serves enterprise-level organisations worldwide, both directly and through an expanding set of blue-chip delivery and consulting partners. The company maintains a primary presence in Europe, the US, Israel and India.