



NICE • ACTIMIZE

SURVEIL-X Conduct

Manage and Mitigate Conduct Risk
Across Your Enterprise

Conduct Risk Is an Ever-Growing Concern

For financial services organizations (FSOs), conduct risk is an ever-growing concern. Conduct breaches can have severe consequences, not just in terms of fines and reputational damage, but also by inviting scrutiny from regulators and damaging public trust. It's no surprise that *Risk.net's* annual Top 10 OpRisk Survey ranks conduct risk among the most pressing issues keeping operational risk professionals awake at night.

FSOs have internal conduct policies, but also face external pressures stemming from regulations. RegBI, Dodd Frank, MAR, MiFID II, FSB, and FX Global Code of Conduct all require firms to have effective controls in place to monitor for different types of conduct risks arising from regulated employee misbehaviours. This can range from market abuse and rogue trading to conflicts of interest, suitability concerns, and improper disclosures and recommendations. Additionally, federal and state statutes protect whistleblowers from retaliation for disclosing misconduct and require firms to establish secure, anonymous mechanisms for submitting complaints.

Regulations like the FCA's SM&CR also require firms to:

1. establish minimum standards of conduct;
2. ensure senior managers are 'fit and proper' to do their jobs;
3. conduct regular assessments and certification of financial services employees.

Executives can be personally liable for their employees' misconduct and even subject to criminal and legal proceedings.

Responsible for Mitigating Conduct Risk, but Lacking the Tools to Do It?

With the potential for employee misconduct rising and new regulations emerging all the time, monitoring for conduct risk has never been more necessary, or more complex. But while senior executives have wide-ranging accountability, they have few tools for visualizing and understanding where conduct risk lies, and how it is trending.

Risk data and alerts are stored in different formats across multiple systems, making it increasingly difficult to get a 'big picture view' of what's happening across the organization, and harder to understand if compliance resources are being focused in the right areas. Executives are limited to scanning reports from different systems and manually piecing clues together.

Another challenge involves coordinating and tracking certification processes and whistleblower complaints, which can be cumbersome. Many current methods for submitting whistleblower complaints also don't ensure data privacy and security.

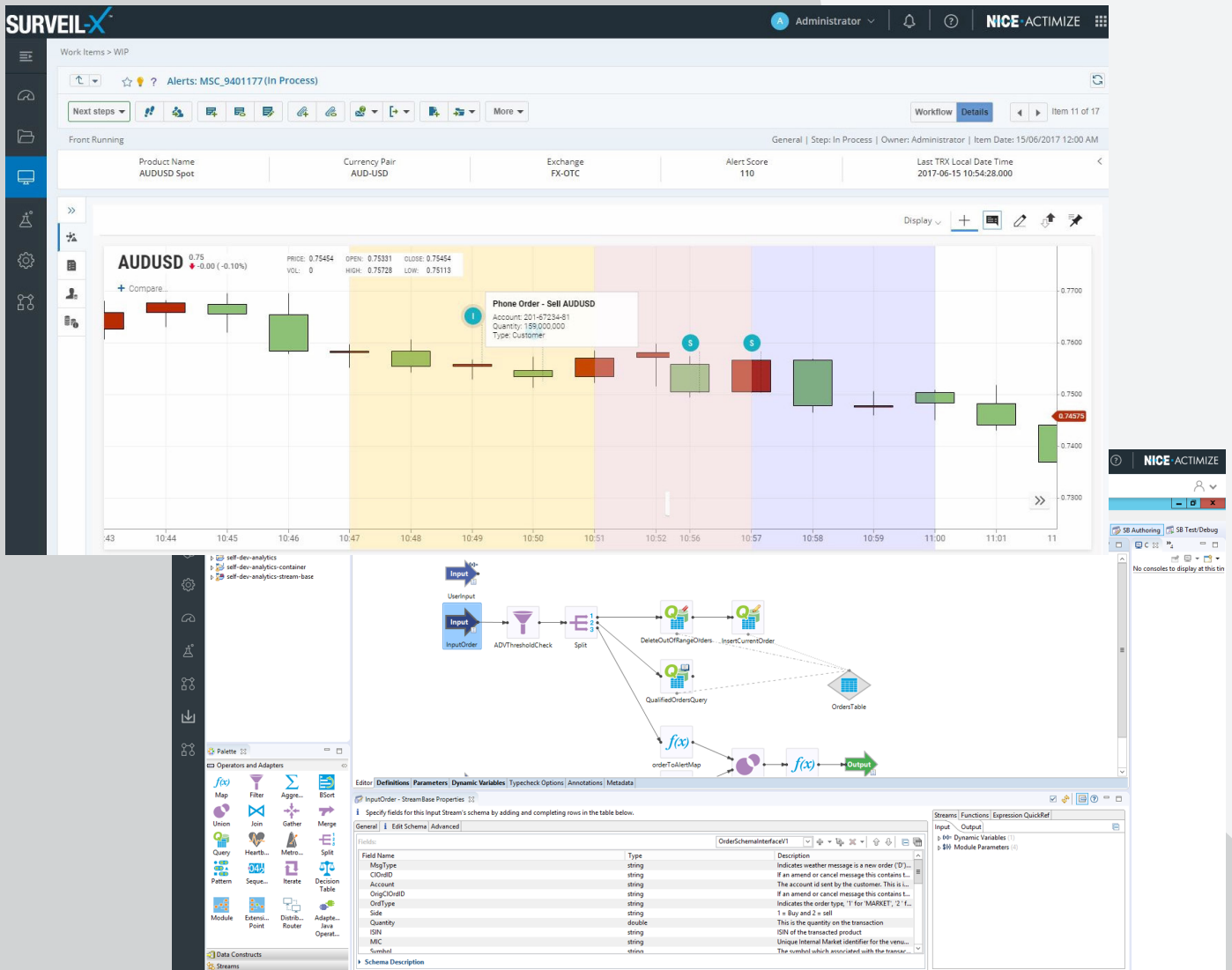
Do these challenges sound familiar to you? You'll be happy to know there is a better way.

SURVEIL-X: Surveillance Revolutionized

SURVEIL-X Conduct is part of SURVEIL-X solution suite. The industry's first AI-powered, cloud-native, true holistic trade-related surveillance solution, SURVEIL-X detects all forms of risky behavior to ensure compliance with key global regulations, including MIFID II, Dodd-Frank, MAR, Regulation Best Interest and others, while also protecting firms from previously undetectable risks that could result in fines and reputational damage.

SURVEIL-X revolutionizes surveillance by providing complete surveillance coverage with both AI-powered and traditional expert rule-based analytics, and advanced visualization tools, all on a cloud-native platform that drives down total cost of ownership.

SURVEIL-X offers unparalleled risk coverage for buy- and sell-side firms, insurance companies, crypto exchanges, regulators and more, by enabling accurate detection and rapid, thorough investigation of market abuse, inappropriate sales practices, conduct risk and otherwise undetectable compliance risks to insulate firms from fines and reputational damage.



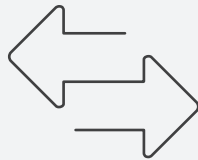
Screenshots of SURVEIL-X

SURVEIL-X Conduct: The Better Way

SURVEIL-X Conduct transforms data into actionable information and puts it in the hands of C-level executives, using powerful visualization dashboards. Executives get 360-degree visibility into conduct issues across different areas of the organization, so they can address them before they get out of hand. SURVEIL-X Conduct also automates compliance processes around conduct risk. It delivers business value via three central capabilities:

1. Connect
2. Visualize
3. Automate

1. Connect



SURVEIL-X Conduct provides a flexible data platform that consolidates conduct risks across your organization. SURVEIL-X Conduct can connect to and ingest data and alerts from a variety of upstream applications. This includes NICE Actimize's best-of-breed solutions for Holistic Surveillance, Markets Surveillance, Communications Surveillance, Sales Practices and Suitability, Regulation Best Interest, Fraud and Anti Money Laundering. It also includes X-Sight Marketplace partners, and many other internal or external third-party data sources. SURVEIL-X Conduct frees you from the challenges of data silos and gives you a consolidated view of employee conduct risk across the enterprise.

With SURVEIL-X Conduct, managers get the full picture of risk based on summarized data from upstream systems and analytics. This includes out-of-the box analytics for various conduct issues, ranging from front running, spoofing and insider dealing (for Markets Surveillance) to bragging (Communications Surveillance).

SURVEIL-X Conduct can also ingest alerts from your firm's self-service analytics, created via SURVEIL-X Studio. Using NICE Actimize's Anomaly Detection technology, it can bring risks to light that you never knew you had. Machine Learning compares new trends in transactions and alerts to historical behavior over time. For example, is a trader suddenly sending fewer emails in an attempt to fly under the radar? Or has a trader's daily profit increased drastically without a valid explanation? Anomaly Detection processes thousands of transactions and communications to identify these and other trends.



2. Visualize



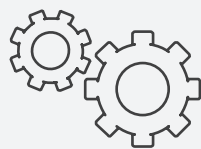
With SURVEIL-X Conduct's data visualization dashboards, C-level executives get timely insights, and the big picture of risk across the entire organization – so they instantly know where the greatest risks lie, whether or not current controls are working, and where more resources need to be allocated.

Summary level data is presented in an intuitive, graphical, easy-to-read format, enabling executives to view business risk on a global, divisional, regional, and even employee level. Executives can see how different types of conduct risk are trending (based on numbers of alerts), and where risk is coming from (e.g. Markets Surveillance, Communications Surveillance, Sales Practices and Suitability, etc.), and even drill down to the employee level data to identify the biggest offenders.

SURVEIL-X Conduct's dashboards also synthesize a firmwide-view of operational effectiveness based on global data. Executives get insight into how compliance analysts are spending their time, relative to where the highest levels of risk reside in the organization, so they can make faster, better informed decisions about reprioritizing compliance workloads or reallocating resources. It can also highlight negligence when analysts avoid investigating high risk alerts.

Because the dashboards use roles-based permissions, business level managers only see the information they need to manage their respective teams and business areas.

3. Automate



Leveraging the built in workflows in the ActOne case management platform, SURVEIL-X Conduct automates many of the processes around administering and tracking certifications, as required by SMCR, and captured information is fully auditable should regulators come knocking. The certification process leverages Robotic Process Automation capabilities to automate the manual task of extracting data from multiple systems and consolidating it in a single location.

Thanks to SURVEIL-X's application program interface (API), the system is also able to ingest data from Learning Management systems regarding when individuals complete training and certification milestones, so that data doesn't have to be entered manually. Alerts are automatically generated when regulated employees and business units fall out of compliance, and relevant managers are notified, saving time and ensuring conformity with regulations. Alerts can also be generated based on employee risk audits and assessments.

SURVEIL-X Conduct also automates the collection and tracking of whistleblower complaints in a secure way, using encryption to protect the anonymity of whistleblowers.



SURVEIL-X Conduct Benefits



Mitigate Conduct Risks

- Provides a comprehensive view of conduct risk across the organization with the ability to drill down for added context
- Helps identify both known and new forms of conduct risk using underlying NICE Actimize analytics and anomaly detection
- Minimizes personal risk for financial services firms' executives
- Ability to drill down from big picture view to employee level conduct information identifies repeat offenders



Improve Workflow and Efficiency

- Enables firms to prioritize and allocate compliance resources to greatest areas of risk
- Facilitates proactive tracking and management of conduct risks to reduce reputational damage, fines, etc.
- Provides automation through ActOne's robotics and workflow capabilities
- Saves time by automating compliance processes
- Leverages upstream market-leading technologies from NICE Actimize but can also ingest data and alerts from third party systems



Comply with Conduct Regulations

- Auditable processes and workflows give firm the ability to prove compliance to regulators
- Encourages a positive culture at all levels of staff and personal responsibility for actions and ensures compliance with all regulations that govern standards of conduct
- Facilitates anonymous reporting and tracking of whistleblower complaints, as required by regulation

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About NICE Actimize

NICE Actimize is the largest and broadest provider of financial crime, risk and compliance solutions for regional and global financial institutions, as well as government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers and investors assets by identifying financial crime, preventing fraud and providing regulatory compliance. The company provides real-time, cross-channel fraud prevention, anti-money laundering detection, and trading surveillance solutions that address such concerns as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence and insider trading.

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