

**NICE** · ACTIMIZE



**SURVEIL-X**<sup>TM</sup> for Wealth Management

True Holistic Surveillance and Suitability for Wealth Management Firms

# Wealth Management Surveillance Monitoring Revolutionized

As regulatory bodies around the world step up enforcement of market abuse and investment suitability regulations, wealth management firms are increasingly finding themselves in the spotlight for questionable surveillance and suitability practices. With reputations and multimillion-dollar fines on the line, vigilant supervision of regulated users is essential.

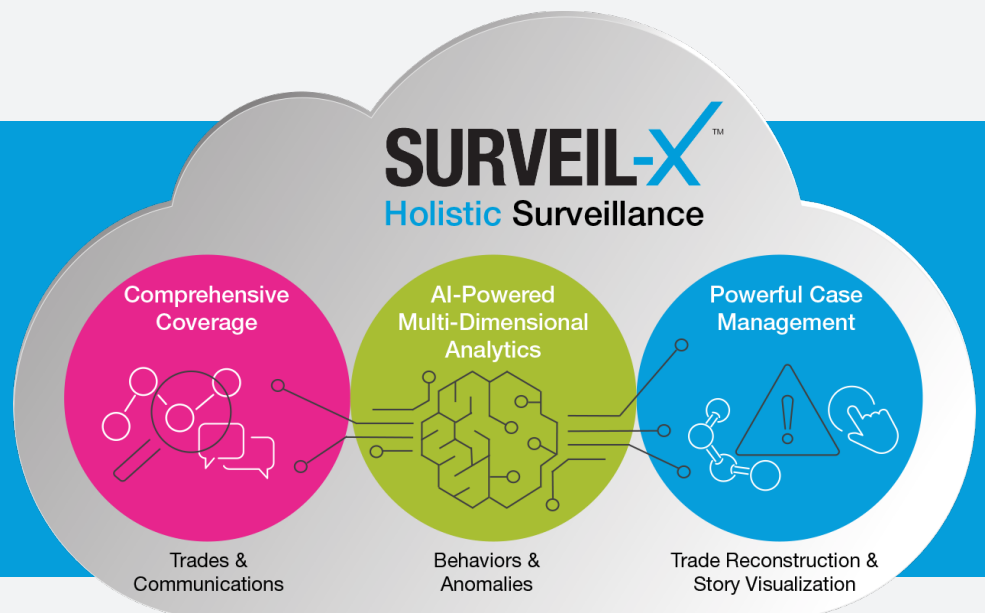
For Wealth Managers, a slew of regulations worldwide – including MiFID II, FINRA Rule 2111 and 3110, Dodd-Frank, IIROC 1300 and many others – are exerting pressure on firms to monitor regulated employees; detect market abuse and prohibited sales practices; review investment recommendations, transactions and accounts for suitability and undue risks; and ensure mandated disclosures are communicated. With the introduction of Regulation Best Interest (Reg BI) in the United States, the bar is being raised further on investor protection, compounding these compliance demands.

## Introducing SURVEIL-X: The Future of Surveillance is Here

SURVEIL-X is the only complete, integrated, turnkey solution designed to address all of these regulatory requirements and more. SURVEIL-X uniquely combines complete surveillance coverage, AI-powered analytics, and award-winning case management capabilities to help your compliance analysts identify, investigate and mitigate risk.

SURVEIL-X provides coverage for broad range of surveillance and suitability issues and ensures investment recommendations are consistent with each client's investment objectives and suitability profiles. With SURVEIL-X your firm can automate oversight and supervision of sales practices, drive down costs and eliminate resource drain, while avoiding regulatory breaches, fines and reputational damage.

- Multi-Dimensional Analytics Using Trades & Communications
- Events Reconstructed to Demonstrate True Intent
- Discovers Previously Unknown Risk
- Cloud Agility and Cost Savings
- Provides Full Global Regulatory Coverage



# The SURVEIL-X Advantages for Wealth Management



## Complete Surveillance Coverage

**All-in-One Turnkey Solution:** Complex regulations like Reg BI require traditionally disjointed systems – for example, communications surveillance, market surveillance and sales practices & suitability – to all work together. SURVEIL-X combines all of these capabilities in one turnkey solution. By correlating trade and communications data in one system, firms can even go beyond the obligations of regulations (such as Reg BI) to perform targeted reviews of orders for high risk products to ensure that proper disclosures were given.

**Analyzes All Data Sources to Detect Known and Unknown Risk:** Most current surveillance technology is limited by its ability to generate an alert using only one data set. SURVEIL-X goes beyond simple detection rules and thresholds to analyze and make sense of connected actions across all of your data sources, generating a single alert when risk is detected. Compliance analysts spend time reviewing what really matters, rather than chasing false positives.

**More Data Sources:** SURVEIL-X can connect to, ingest and analyze data from 180+ data sources including voice and eComms, order management systems, level two market data, news and sentiment analysis, trades, transactions, KYC (Know Your Customer) data (including risk tolerance, investment profiles, etc.), and details related to accounts, products, investment advisors, and positions. Analyzing this data together is key to determining investment suitability and detecting market abuse and prohibited sales practices. SURVEIL-X also connects to third party e-Comm archiving engines including Symphony, Proofpoint and others.

**Surveils All Communications:** Today, your advisors have more ways than ever to communicate; your surveillance and suitability solution needs to adapt to all of these modalities too. Surveillance gaps can make it difficult to link and analyze recommendations and disclosures and sequences of interactions. Additionally, monitoring eComms and voice in isolation can obscure the true intent of employee actions. SURVEIL-X monitors 100% of advisor communications across all channels, including email (with or without attachments) and voice.

**One Solution for All Asset Classes:** With SURVEIL-X you get one solution for all asset classes, from equities and OTC to FX, Futures and Cryptocurrency. Cover all of your bases while lowering overhead, training and maintenance costs.

**Cross-Market/Cross-Product Manipulation:** SURVEIL-X can also detect manipulation involving related instruments, and instruments traded on different venues.

**Comprehensive Regulatory Coverage, Including Reg BI:** SURVEIL-X provides coverage for a broad range of regulations, including key obligations under Reg BI. A multi-faceted regulation, Reg BI imposes heightened obligations on broker-dealers, including requirements to: 1) provide timely disclosures to retail clients; 2. exercise diligence (care) in making investment recommendations; and 3. maintain and enforce compliance procedures. SURVEIL-X addresses all of these areas.





## AI-Powered Analytic Techniques

**Multi-Dimensional Analytics:** SURVEIL-X's AI-powered multi-dimensional analytics go far beyond looking at one-time events, calculations and thresholds to analyze and correlate all of your communications, trade and related data streams, for much deeper analysis and insights. Instead of being barraged by alerts from every direction, your compliance analyst gets one alert with all associated data for a complete view of what happened. No more manually piecing data together from different systems.

**Natural Language Understanding:** SURVEIL-X combines traditional rules-based approaches with advanced Natural Language Understanding (NLU) techniques to ensure that nothing falls through the cracks. SURVEIL-X's NLU understands and analyzes communications in 45 different languages, automatically detecting people, places, products, companies, trades, assets classes and conversation topics to reveal what really happened. By analyzing the content and context of communications, NLU can also identify intent of market manipulation, as MiFID II requires. For firms looking to avoid complications of cross-border solicitation, NLU can also catch improper solicitation attempts.

Additionally, SURVEIL-X's NLU can accurately identify communications where recommendations occurred and look back through previous communications to determine if proper disclosures were made (whether verbally, in writing, in attachments, or in notes in a CRM system), as required by Reg BI and other global regulations. It can also marry these findings with analytics that assess whether specific recommendations or transactions were in a client's best interest.

SURVEIL-X also looks for aggression, confusion and hesitation when discussing products. Risky communications are automatically flagged, scored and prioritized for review and investigation.

**Broad Range of Out-of-the-Box Risk Detection Models for Wealth Management:** No other surveillance solution offers a broader array of out-of-the-box risk detection models for Wealth Management. The models focus on tell-tale signs that advisors are deviating from rules – for example with respect to suitability of a portfolio or trade, asset concentrations, missed breakpoints, hybrid switching, or excessive broker commission to equity ratios. OOTB models can also detect other common misconduct scenarios like layering, spoofing and more.

SURVEIL-X also incorporates Reg BI centric models that analyze trans-action risks, rewards, costs and other factors, together with a client's investment profile, to determine if a broker-dealer's recommen-dation (and/or transaction or series of transactions) were in the client's best interest. SURVEIL-X even incorporates a 'Best Product Alternative' analytics model which can analyze, highlight and display products that would have been more suitable for the broker-dealer to recommend, given a client's investor profile.

With SURVEIL-X's DIY analytics, you can even develop custom models and build additional checks into the system (for example, to identify broker-dealers with excessive alerts who should be under heightened supervision).

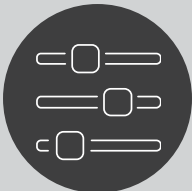
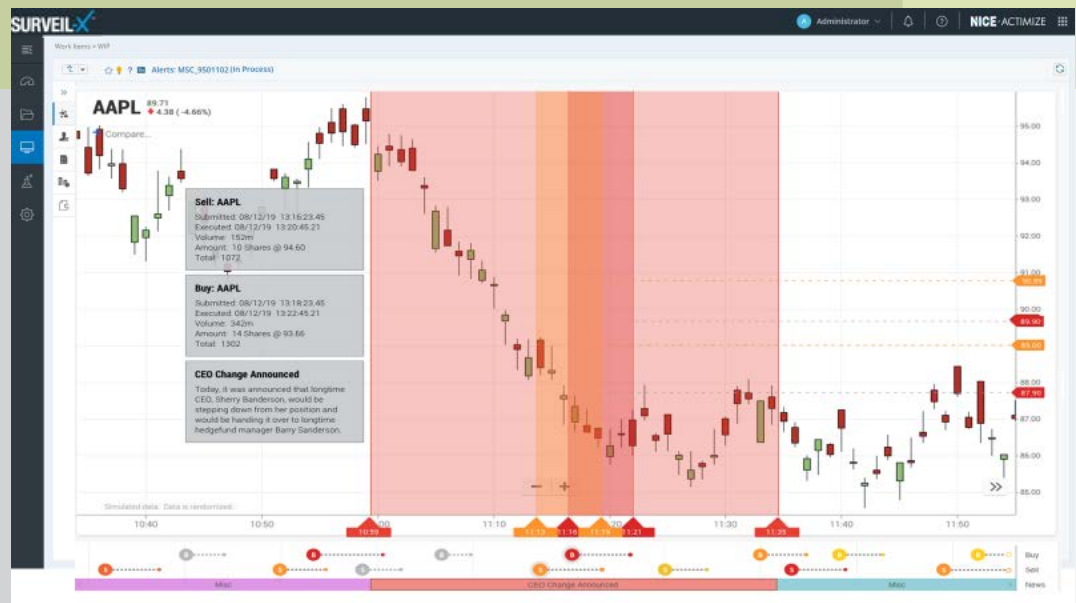
**Model Fine-Tuning:** SURVEIL-X's multi-dimensional analytics tuning goes a step further toward ensuring client suitability and best interest by automatically adjusting for individual account profiles. For example, while other surveillance and suitability systems might alert to unusually large orders based on a fixed definition (a value threshold), SURVEIL-X can draw upon communication activity and a client's actual account profile (and take that historical activity into account).

## AI-Powered Analytic Techniques (continued)

**Flexible Client Reviews:** Today, most compliance operations struggle to see the complete picture of a client's holdings because their legacy technology cannot link, aggregate and analyze accounts at the household level. SURVEIL-X is different. With SURVEIL-X's flexible client review capabilities, firms can easily manage client risk across households. Clients benefit from optimized portfolio performance and better breakpoint discounts; and firms benefit by being able to align compliance with changing

business models while better serving customer needs.

**Advanced Anomaly Detection:** What you don't know can hurt you. That's why SURVEIL-X's advanced anomaly detection applies unsupervised machine learning to spot otherwise undetectable suspicious behavior patterns, like communications or trading activity that's atypical for a specific account or advisor.



## Powerful Case Management

**Enforcing Processes and Procedures:** Under today's prescriptive regulations, it's not enough to simply establish processes and procedures to ensure compliance; you need to enforce them. SURVEIL-X's automated workflows provide a foundation for standardizing procedures and ensuring they are followed. You can create standardized workflows to automate every stage of the investigation process. And because all actions are tracked, they're also fully auditable.

**One Place to Work:** Are your compliance analysts working in multiple case management solutions? With SURVEIL-X they can do all of their work in one system, and complete investigations in record time. Does your firm employ one compliance unit to support different business lines and review various types of alerts (e.g. Market Abuse vs. Supervision & Suitability)? Now, every alert and investigation can be managed from one system, saving your firm time, money and resources. Alerts are automatically enriched with correlated communications and transaction data, so analysts get a complete understanding of the chain of actions.

## Powerful Case Management (continued)

**Visualization and Risk Dashboarding:** To be able to act on information, you need to be able to put it into proper context and visualize the story behind it. With SURVEIL-X analysts are able to intuitively visualize all of the information they need to understand and evaluate risks, and quickly connect the dots, draw conclusions and make decisions. For example, with SURVEIL-X's Broker Risk Dashboard, analysts can instantly visualize risk posed by individual brokers.

**Integrated Trade Blotter:** With SURVEIL-X's Trade Blotter branch managers can perform risk-based transaction reviews and electronically review and sign-off on all trades. SURVEIL-X's ability to aggregate data at the household level also ensures that branch managers focus their time and energy reviewing truly risky transactions. Finally, role-based permissioning cuts down on information clutter by separating out transactions from compliance alerts, so branch managers can focus squarely on the task at hand.



## Cloud Platform-as-a-Service

SURVEIL-X cloud-native platform-as-a-service means your firm also benefits from faster deployment, and lower infrastructure, operational, training and maintenance costs, as well as hassle-free upgrades, seamless scalability, and improved resiliency and security.

Join the revolution and take your surveillance to a whole new level  
with SURVEIL-X

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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