SymphonyAI

Guide to AI for Sanctions Screening

Hugely reduce false positives with AI

Introduction

Enforcing sanctions continues to be a hugely difficult area for banks and financial institutions. $3.8 billion of fines were issued globally due to regulation breaches in 2025, with the US Treasury's Office of Foreign Assets Control levying $265 million for sanctions breaches. Although the global figure is an 18% drop from 2023, the H1 figure saw a 417% increase year-no-year, before falling away dramatically in the next six months. As such, it's a hugely volatile regulatory landscape.

For many reasons, no financial service wishes to fall foul of sanctions regulations. The most obvious is that they do not want to be fined alongside the productivity decrease as they cooperate with an investigation. Another reason is that they wish to avoid facilitating criminal behavior.

As a result, organizations often set their risk thresholds too low in order to capture as much activity as possible. This potentially leads to many false positives as well as disguised true positives. Incredibly, up to **97% of sanctions alerts are false positives**. This is far too many alerts for financial crime investigators to operate effectively.

To combat this, SymphonyAI offers its AI-led screening solution. An AI overlay, it can be used with existing sanctions violation detection software to reduce false positives dramatically. In a recent case study, the product has seen a **91.8% reduction in false positives in name and transaction screening** and **saw 100% true positive retention.**

In this guide, we intend to explain a bit more about sanctions compliance in banking, dig into the SymphonyAI product offering in more detail, and showcase exactly why introducing AI into sanctions screening is what the industry needs right now.

Up to 97%
of sanctions alerts are false positives

What is sanctions compliance in banking?

To understand how SymphonyAI is leading the way in screening, it first makes sense to explain how abiding by sanctions regulations currently works in financial compliance.

All financial institutions must abide by the laws and regulations of the countries in which they operate. For global banks, that means keeping on top of hundreds of regular updates to documentation worldwide.

Due to the volume and scale of such an operation, financial institutions use third-party software to help in their efforts to comply. F**ailure to comply can result in banks facing long-running investigations that, if found guilty, can result in large fines.** Such an outcome is not only bad for a bank's balance sheet (the fine itself and lost productivity of staff helping with the investigation), but also a **loss of trust within the industry and with customers for, in effect, helping to facilitate criminals and their nefarious acts.**

How does sanctions compliance currently work?

Existing systems for sanctions compliance use a rules-based matching system. The easiest way to understand this is to think of a game of matching pairs. Does the information provided to the bank match a name on a sanctions list? If yes, it is seen as a match in the rules-based system and flagged for further investigation by the software.

When flagged, a human investigator will examine the reasons why and either recommend the case for further investigation or mark it as a false positive and allow the transaction to proceed.

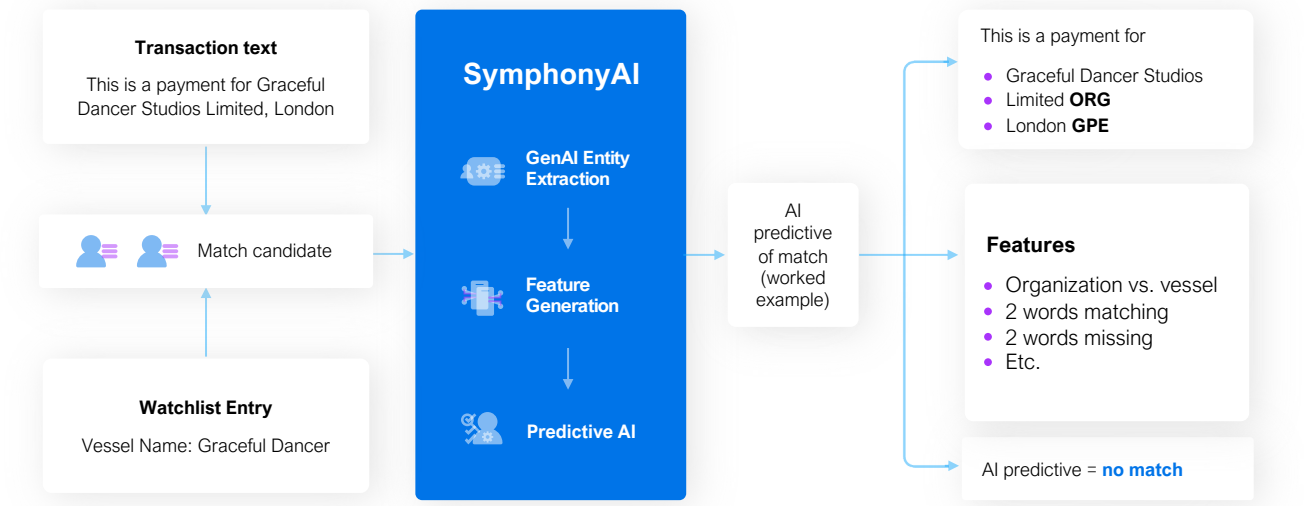
This takes a lot of time and manpower: **an incredible 97% of sanctions alerts are false positives.** That is a lot of wasted productivity for the bank.

The reason for this is because failure to comply with sanctions regulations has such high consequences. As such, **most banks, insurers, etc. set their rules-based system to an extremely low risk.** This means that most matches will be flagged, even if it is obvious upon i nvestigation that there was never really any possibility of the transaction being a problem.

Consider the example of an entertainment company called Graceful Dancer Ltd. based in London. Elsewhere, as part of the ongoing sanctions against Russia, a Russian vessel used for transporting goods is sanctioned. It happens to have the name ‘Graceful Dancer’.

Despite the entertainment company clearly not being involved in global cargo, it may still fall foul of sanctions software. But how?

The main reason is that **software often doesn’t (or, more likely, can’t) differentiate between pieces of information due to unstructured data.** It simply detects a sanctioned company name and flags it as a match without considering the context (addresses, company directors, etc.) Because text is sometimes held in free text format, other false positives may arise too. For example, a road name that matches the name of a sanctioned individual.



The challenges of effective screening are therefore clear to understand: too many false positives, risk thresholds being set too low, and data that is unstructured or of poor quality. This leads to stretched resources to combat the ever-changing regulatory pressure in countries all over the world.

All these factors add up to a timely, costly process for financial institutions, which is where SymphonyAI’s screening solution comes in.

What is SymphonyAI's screening solution?

SymphonyAI augments your existing detecting solutions to enhance matching capabilities using gen AI, predictive AI, and agentic AI. The result is the AI Overlay for Screening, a **real-time AI upgrade for screening** with a seamless, streamlined process.

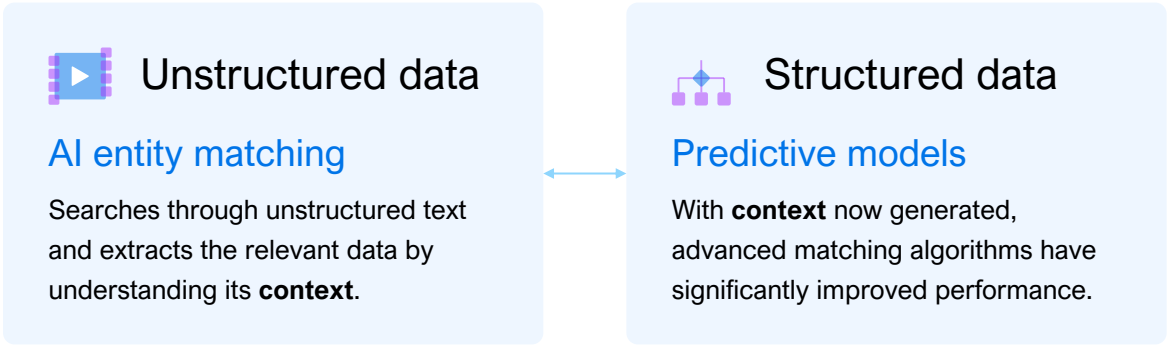
A customer's existing screening solution provides a 'match candidate' to the SymphonyAI engine. A 'match candidate' contains information about both the text that has been matched and the watchlist entry that it has been paired with.

For fast and efficient deployment, the software has already been trained on proprietary synthetic data, meaning it knows what genuine and false matches looks like. The result is that businesses immediately see benefits in the form of intelligent match scores that relate to their own data.

To analyze the match candidate, SymphonyAI's proprietary, industry standard model performs on two levels:

1. **Using a language model to perform named entity extraction.** SymphonyAI structures the unstructured text, calculating a broad range of features about the match candidate (for example, sorting name from address, cargo ship from dance studio etc.)

2. A**pplying a pre-trained predictive AI model** which, by balancing all the information provided, calculates the probability of a match vs. no match.



A response is provided to the customer's existing solution. The response contains:

- **The named entities identified** by our language model
- **The values and importance of the features calculated** by the model
- **The prediction (score and explanation)** of our predictive AI model (including a breakdown of how individual features contributed to the model score)

It's a simple, fast, and effective way to **boost sanctions compliance without having to start from scratch** with new software.

The AI Overlay for Screening can maximize investigator effectiveness

The AI Overlay for Screening augmentation can **maximize investigator effectiveness in four keyways:**

1. **By automating level 1 triage** — Alerts identified as false-positives can be auto-hibernated, speeding up investigative processes
2. **Prioritizes high-risk alerts** — a high match score helps investigators to easily prioritize alerts carrying a high risk, which can be presented at the top of the queue in the case manager
3. **Seamless workflow integration** — For each alert, an AI Score is displayed, presented within existing investigator case manager screens
4. **Easy-to-understand match explanations** — Readily accessible natural language explanations are provided with every AI score, allowing for easy understanding of why an AI action has been taken on each alert

The early results from using the overlay show that it is transforming sanctions screening efficiency and maximizing financial institution compliance.

A recent case study yielded a 91.8 % reduction in false positives alongside 100% true positive retention.

100% true positive retention
in a recent POC

SRI Agents enhance the sanctions screening process

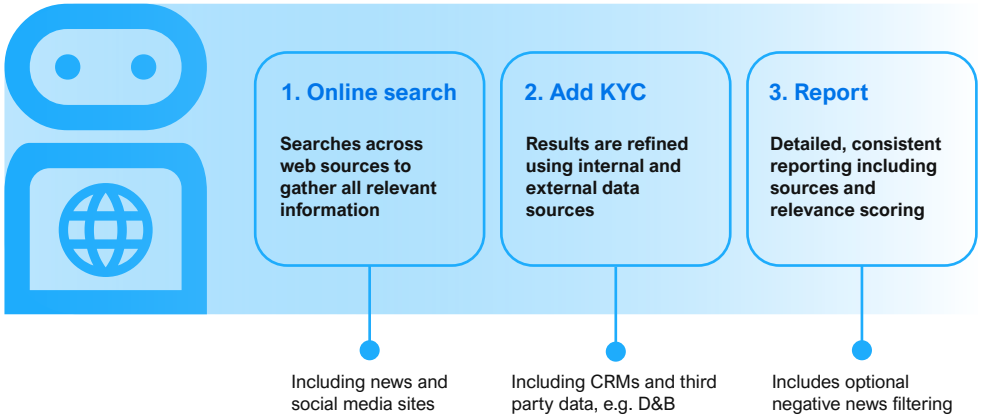
SRI Agents help financial institutions start enjoying the many benefits that agentic AI provides. Designed to work in combination with existing platforms, the result is intelligent workflow automation that truly speeds up financial crime prevention, making for a safer, more reliable approach to preventing bad actors globally.

SRI Agents learn using foundation model learning, reinforcement, instruction tuning, and goal-oriented planning techniques. Over time, these efforts create agents that have been precision-made for their intended purpose. They employ:

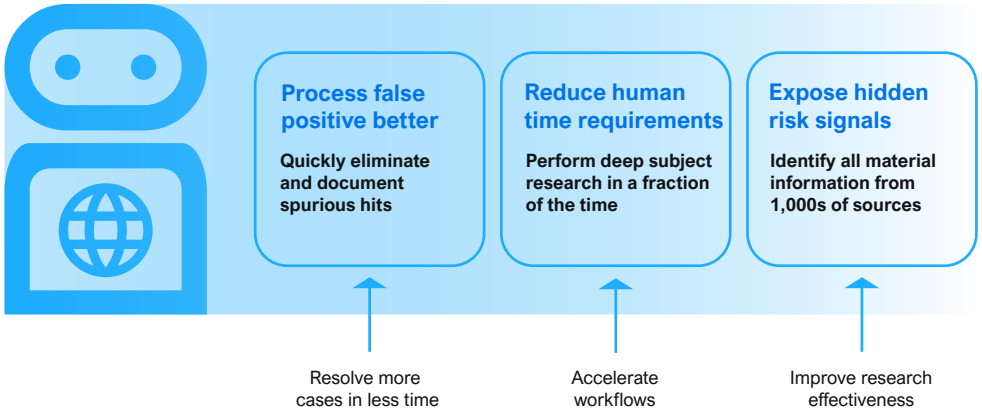
- **Industry know-how** – Agents are pre-trained on industry terms, typologies, and skills.
- **Internal policies and procedures** – SRI Agents are then trained on your company information, ensuring that they align to your processes and risk appetite.
- **Continuous learning** – SRI Agents adapt and improve over time using your organization's data.
- **Testing and quality assurance** – Agents continue to improve via self-learning and human feedback.
- **Strong and robust model governance** – Intuitive UI to manage and assess agent performance.

Responsible AI is also at the heart of development with each SRI Agent being designed, trained, and maintained according to these core principles.

The SRI Web Research Agent is a great example of streamlining the screening process, automating comprehensive background checks via online searches. Connecting to third-party sources and internal databases, the Agent delivers a detailed report which includes sources and relevance scoring. The benefits are numerous and include faster processing of false positives, significant time savings for teams, and the exposure of hidden risk signals from multiple sources.



How the SRI Web Research Agent works



Benefits of the SRI Web Research Agent

With more agents coming available from SymphonyAI all the time, and the option for financial institutions to use their own or third-party agents within the software, it all adds up to a modern and productive approach to sanctions compliance.

The AI Overlay for Screening is part of Symphony Risk Intelligence

The AI Overlay for Screening is a component of Symphony Risk Intelligence (SRI), a cloud-native, AI-led anti-financial crime platform designed to reduce the total cost of compliance by embedding predictive, generative, and agentic AI into financial crime workflows. By intelligently automating and optimizing end-to-end processes, SRI empowers institutions to manage financial crime risk more efficiently and effectively, reinventing the compliance operating model. Respond rapidly to regulatory change, enhance detection, and drive faster business growth with a next generation risk and compliance platform.

A modular product, SRI allows for automating 50% of the workload with intelligent, scalable AI with build-your-own agent capabilities, freeing up human investigators to put their expertise into higher value areas. Able to integrate and augment from any data source, standardize and centralize data asset management, provide self-serve risk models, and unify operations, it is an evergreen platform that futureproofs your tech stack.

Frequently Asked Questions

How can I access the AI Overlay for Screening?

The AI Overlay for Screening is available via API as part of the latest version of the SymphonyAI product suite. It can also be deployed separately and is available on the Microsoft Marketplace.

From here, users can enjoy a containerized service, either single tenant hosted or deployed to a private Azure cloud environment.

Does the AI Overlay for Screening augment with other case management systems?

Yes, the AI Overlay for Screening is designed to work with any case management system that your organization is currently using.

Can I test the AI Overlay for Screening?

Absolutely, a testing mode is provided. It is straightforward to upload a historic dataset to run a DIY match test. Access the results and see the benefits for yourself!

What is the recommended initial approach to working with the AI Overlay?

SymphonyAI recommends a step-by-step approach to working with the AI Overlay:

1. **Offline simulation** — see the proof of value immediately by running an offline simulation against historical data. Integrate these insights into your operational workflow
2. **Low-impact use-case** — start using the AI Overlay with something low impact, such as prioritization
3. **Establish governance and modelling** — Monitor ongoing performance in a live environment, noting performance and iterating on results
4. **Notice the savings** — Enact processes based on your established governance, such as auto-closing low-priority alerts
5. **Ongoing optimization** — Enhance capabilities via updates and model performance improvements

The AI Overlay for Screening is designed to overlay with any case management system that your organization is currently using.

Can the AI Overlay for Screening work as soon as its installed?

Yes, the AI Overlay for Screening works immediately. This is because it has been rained on proprietary software for this exact use case. The AI Overlay for Screening does not need familiarity with your existing data to be effective.

What proprietary data has the AI Overlay for Screening been tested on?

The AI Overlay for Screening is pre-trained on 25+ years' worth of proprietary sanctions data so matching models can work to provide accurate AI match scores immediately.

How does the AI Overlay for Screening differ from a rules-based approach?

The key difference from a rules-based approach is that the Overlay is working with unstructured data where using rules wouldn't be possible.

SymphonyAI uses gen AI entity extraction to analyze the unstructured data and assign it structure based on all the information the AI has learned from training data (historic results, books, web searches, etc.)

What are the key benefits to the AI Overlay for Screening?

The key benefits are as follows:

- It shows a dedicated commitment from your organization in screening sanctions effectively in a difficult, changing landscape
- Demonstrates commitment to regulators
- There is no need for a large investment to your existing solutions; the AI Overlay for Screening is an overlay that works with your current products and can begin working immediately
- Cost and resource efficiencies can be met thanks to better matching, which in turn means the possibility of raising risk thresholds and reducing false positives (as seen in recent POCs)
- Maximizes investigator effectiveness, providing additional context to cases and surfacing results in real-time
- Exceptionally easy to deploy

It's easy to see how and why the AI Overlay for Screening is set to revolutionize sanctions processes within finance.

The AI Overlay for Screening is pre-trained on 25+ years' of proprietary sanctions data.

Get in touch to find out more

About SymphonyAI Financial Services

SymphonyAI's trusted solutions for financial fraud and compliance, built on 20+ years of industry expertise, are used by more than a third of the world's 100 top banks. The award-winning, innovative SymphonyAI product portfolio brings world-leading predictive and generative AI to financial crime detection. The end-to-end portfolio includes KYC/CDD, transaction monitoring, payments fraud detection, entity resolution, sanctions, PEP, and adverse media screening.

About SymphonyAI

SymphonyAI is building the leading enterprise AI SaaS company for digital transformation across he most critical and resilient growth verticals, including retail, consumer packaged goods, finance, manufacturing, media, and IT/enterprise service management. SymphonyAI verticals have many leading enterprises as clients. Since its founding in 2017, SymphonyAI has grown rapidly to 3,000 talented leaders, data scientists, and other professionals. SymphonyAI is an SAIGroup company, backed by a $1 billion commitment from Dr. Romesh Wadhwani, a successful entrepreneur and philanthropist.

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