

NovaPay – Document 06: Sanctions Screening Program

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Purpose

Prevent engagement with sanctioned parties and embargoed jurisdictions; comply with OFSI, OFAC, EU, UN, and FINMA rules.

Scope and Lists

Customers, UBOs, directors, agents, and all payments are screened. Lists: UK HMT (OFSI), OFAC SDN/SSI, EU consolidated, UN, Swiss FINMA. Daily automated updates via ComplyAdvantage.

Technology and Frequency

ComplyAdvantage with real-time onboarding/payment screening, daily batch re-screening, and retroactive checks within 24 hours of list changes. Fuzzy threshold 85%.

Volumes and Performance (Q3 2025)

~1,270 alerts/month; 2% true positives; 98% false positives. SLAs: payment blocks 4 hours (96%), batch 24 hours (94%), list updates <24h (100%).

Process

Alert → analyst validation → sanctions specialist escalation → decision (freeze/close/false positive) → regulatory notification (OFSI within 24h) → SAR if suspicion.

Weaknesses

High false positives causing fatigue; 85% fuzzy threshold misses creative spellings; manual steps in a legacy EU remittance path; limited indirect relationship screening; PEP screening excludes family/close associates.

Planned Improvements

ML-based alert scoring (Q2 2026); adaptive thresholds 82–88% (Q1 2026); ownership link analysis (Q3 2026); full automation of legacy path (Q4 2025).

Training and QA

Annual training (96% completion); monthly QA 10% sample; Internal Audit (Mar 2024) noted excessive false positives—remediation in progress.

Conclusion

Program is strong on coverage and timeliness yet inefficient due to noise; planned analytics should reduce fatigue risk.