



PEPs and Sanctions Screening Guide

The key insights into Anti-Money Laundering (AML) regulatory standards and how to stay compliant with iDenfy's automated AML tools

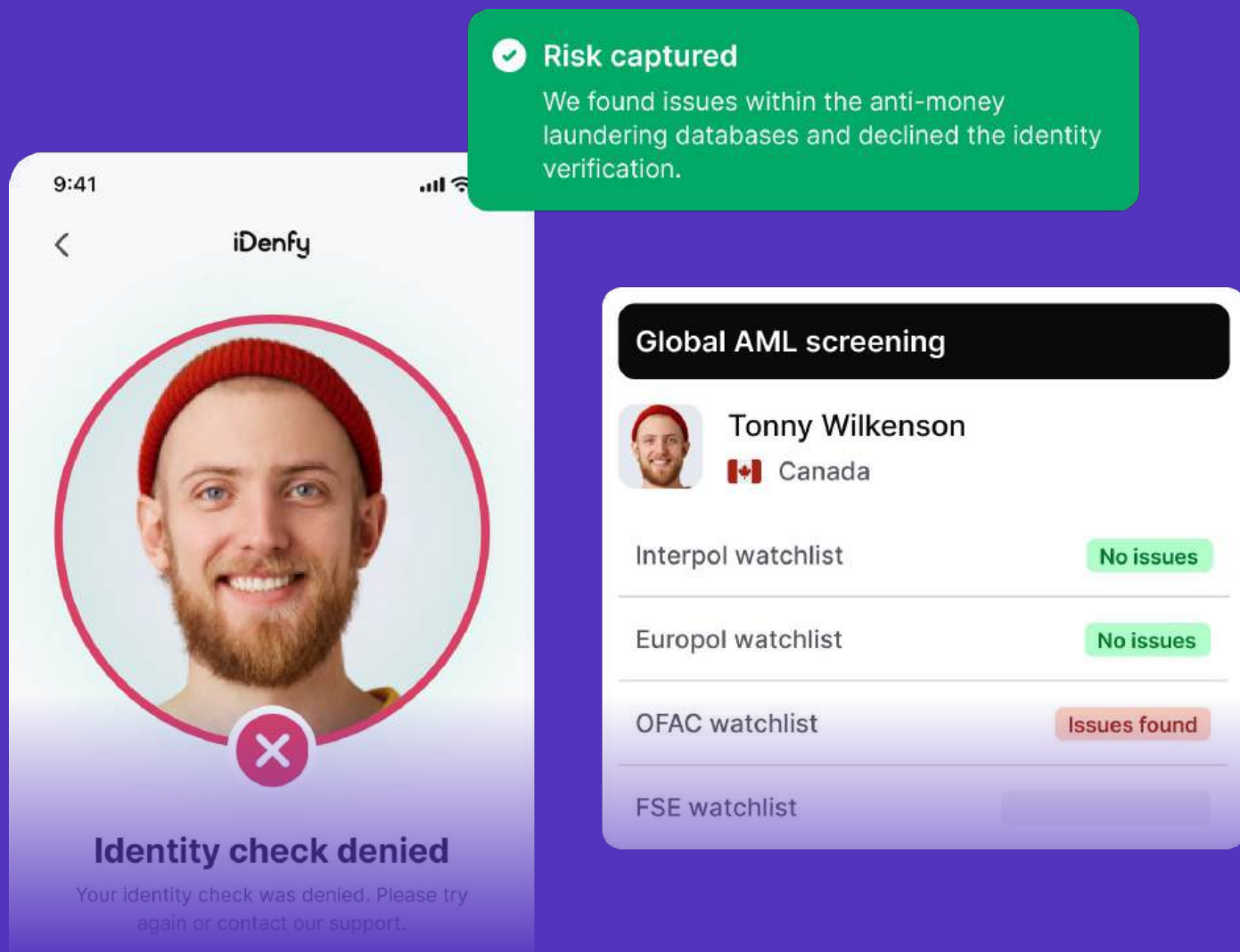


Table of Contents

03

Understanding PEPs and Sanctions Screening

06

The Main Challenges of AML Screening

08

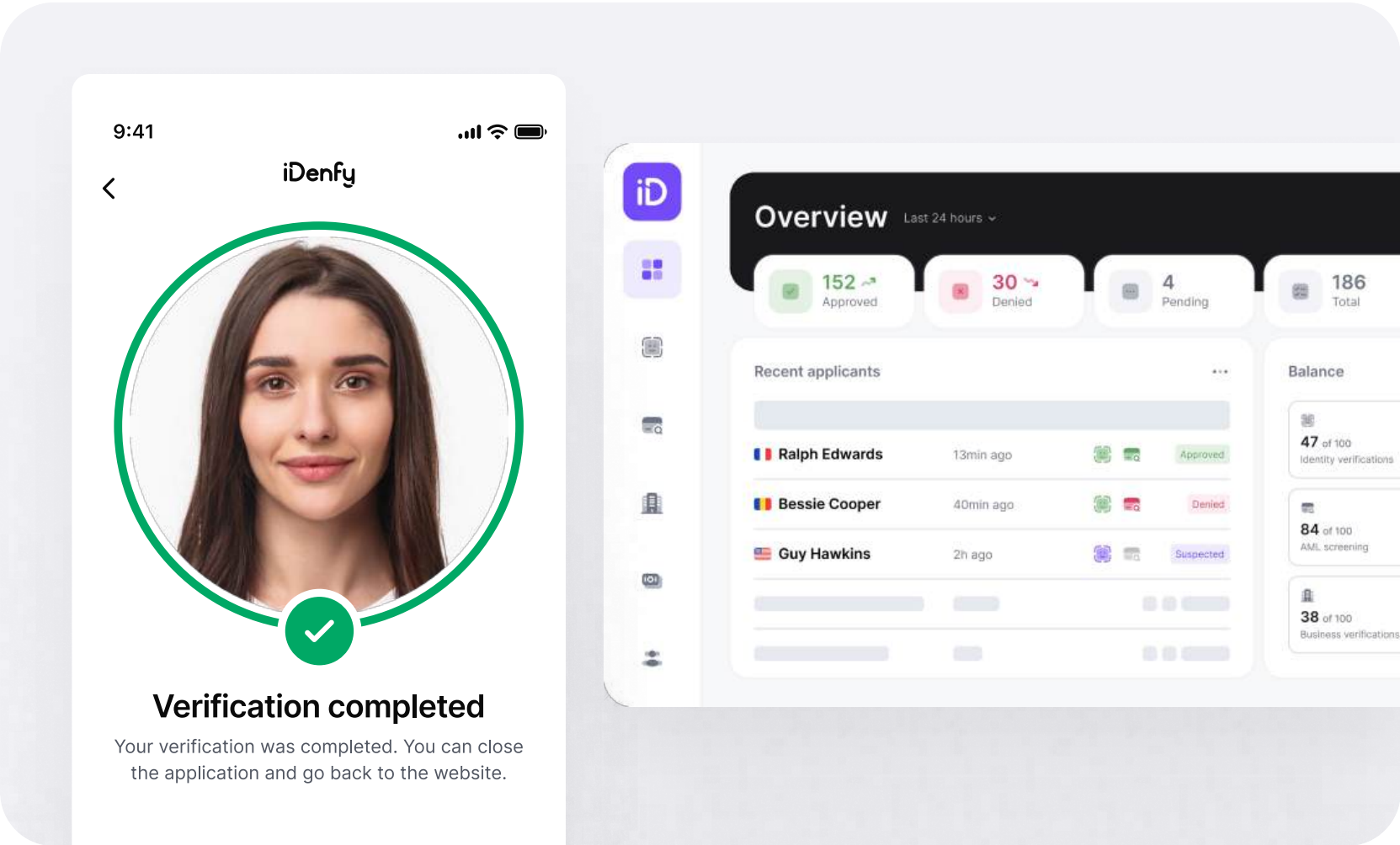
iDenfy’s Methods for Effective PEPs and Sanctions Screening

11

How to Get Started with iDenfy

17

Contact us



Understanding PEPs and Sanctions Screening

Politically Exposed Person (PEP) screening in AML compliance is required to identify customers who fall under the PEP status since they are considered to be higher risk due to their prominent status and vulnerability to corruption. This process is done by automatically scanning various PEP databases, such as government registries.

The same principle is applied to **sanctions screening**. All businesses that deal with financial transactions should assess their partners, third-party suppliers, or affiliated companies and linked individuals to determine whether there are any sanctioned bodies. In many jurisdictions, working with such entities is considered illegal and a non-compliance risk.

01

Customer identification

Gathering personal data and documents verifying the client's identity or status.

02


KYC verification

Verifying their identity through KYC measures, such as document verification and biometric verification.

03

AML screening

Checking PEPs and sanctions lists to detect high-risk individuals and applying EDD if needed.

 This process helps identify potential threats **during onboarding** and allows you to let the users through immediately and, alternatively, flag or block them.

 **Existing customers** should be monitored and screened against AML databases as well.

Instead of manually looking up names in a search tool, proper sanctions screening is **fully automated**, with databases scanned regularly and in real-time to prevent data inconsistencies. This ensures updates align with changes in the geopolitical environment and other factors affecting PEP and sanctions lists. In general, PEPs and sanctions screening is a complex process involving deep research, web scraping, and different databases, which iDenfy's [AML screening solution](#) uses to find a match between an individual or company.

iDenfy's AML Screening Solution

During the PEP screening process, our system scans the World Wide Web, such as government databases and other sources, as a quick verification method, helping you determine if the person being verified is a PEP. The same method is used for sanctions screening. When iDenfy's software performs the sanctions check, it screens multiple global and national databases to identify both sanctioned individuals and companies.

The AML screening results are based on two statuses: either the person is **"Suspected"** or **"Not Suspected"**.

01

Next to the status result, you'll find a link to the official sources.

02

If multiple findings occur, our system returns and tracks them.

03

Compliance officers can log notes and track changes in customer profiles.

iDenfy's AML Screening Solution



Provides PEPs & sanctions and adverse media results in seconds.



Seamlessly integrates with your existing KYC and KYB processes



Is fully compliant with global AML auditing and reporting policies

Supported AML database examples:

- UK financial sanctions list
- United Nations Sanctions list
- European Union Sanctions list
- World Bank Sanctions list
- UK's HM Treasury
- USA Denied Persons list
- FBI's Most Wanted list
- Lithuanian Sanctions list
- & others

Our solution is compatible with Know Your Customer (KYC), Know Your Business (KYB), and AML compliance requirements. We also offer built-in adverse media screening on our dashboard.

You can read more about how our AML screening solution works [here](#).



The Main Challenges of AML Screening

While it's theoretically possible for compliance teams to manually review data and scan PEPs and sanctions lists, this approach is inefficient. It can expose companies to the risk of engaging with sanctioned entities. Naturally, other challenges, such as the complexity and frequent updates to PEP and sanctions databases, make it difficult to maintain accurate data. If outdated sources are used, the process of PEPs and sanctions screening isn't possible.

Other issues commonly linked to AML screening include:

- **The sheer volume of data** that needs to be screened, increasing the chances of errors or delays and backlog.
- **False positives, false negatives, and duplicate results**, which require accurate identity verification of sanctioned entities while minimizing unnecessary alerts.
- **Varying regulatory requirements** across different countries and industries that add further complexity.

Why Automation is the Answer

Efficiency, cost, and reliability are the key points when we talk about our AML sanctions & PEP assessment solution. For example, our AI-powered solution offers **custom flows**, catering both to individual customers and corporate clients, helping you examine customer backgrounds and detect unusual red flags.

Built-in multiple AML database screening with accurate, real-time data

Ensured compliance with AML requirements, including reporting and auditing

Support of different names, languages with automation for translation and fuzzy matching

Minimized volume of manual reviews or chances of having a backlog

Identification of any sort of financial crimes, despite rapidly evolving fraud techniques

Reduced number of false positive alerts

An AI-powered AML screening service can solve all the most important data accuracy and integrity issues. Automated AML screening helps identify risks faster and apply enhanced due diligence (EDD) measures based on the software results. For example, this can include additional re-verification, extra adverse media checks, and Source of Funds (SOF) verification, among other measures, depending on your particular use case.

» Our experience with working with multiple partners has shown that companies can **save up to 30% of costs** on AML process management when using our automation solutions.

AML Check results

Download PDF

Status	Company name	Country	Check ID	Date
Suspected	GoPayments	-	HTDFGDFG1DFGDF15G9DGD1	2024-02-07 14:41:23

Company findings 1

Company name	Nationality	Reason	List name	Score	ACT	WL
GoPayments LTD	United Kingdom	Dummy data	OFAC	100		

Automation configuration

Type

Select the type of automation.

Select type

AML check

Conditions

Select the condition that must be met to proceed with the action.

Select conditions

No flags

Action

Select which automation action to take if the submitted company matches the rule.

☐ Do nothing

☒ Flag

☐ Block

Recheck automation setting

Rechecks are performed when the KYB form is submitted after Request more or after manual company recheck.

☐ Proceed once

☒ Always proceed

☐ Proceed if changed

Create automation

iDenfy's Methods for Effective PEPs and Sanctions Screening

No good PEP and Sanction screening solution works well without legitimate national and international data sources, including extra features that not only prove the solution's efficiency but also actually help the business maintain its AML compliance requirements.

iDenfy's AML software helps



Ensure compliance

by generating AML reports required by local auditors to meet regulatory requirements.



Screen automatically

against local and global PEPs and sanctions lists, including all four PEP risk levels, with weekly updates.



Access adverse media

and screen individuals and other companies against sanctions lists with custom filters to exclude non-criminal records.

Some companies only care about performing PEP and sanction screenings for their country or region, but we offer global coverage by applying our know-how and technical expertise to help you scale in different countries:

Individual PEPs and Sanctions Checks

There are two ways to perform PEP and sanctions screening for individuals:

- **Automated Screening** – this method is integrated into the identity verification process. Once automation is set up, the system automatically conducts a PEP and sanctions check when a user undergoes identity verification.
- **Manual Screening** – this method allows you to perform checks at any time by manually entering the necessary individual details of the person you are checking.

Both methods are simple and efficient. For automated screening, once the setup is complete, the system seamlessly performs checks without additional input. For manual screening, you can enter the required information and initiate a check as needed.

Regardless of the option you choose, the screening process is significantly faster compared to traditional manual reviews.

Company Sanctions + Individual PEPs & Sanctions Monitoring

The company or individual checks are one-time checks. In the meantime, you can set up monitoring for either the companies or individuals. Having a set-up PEP and sanction monitoring flow allows you to quickly evaluate and flag or block individuals or companies that go against your company policies or have a higher threat level your company may not tolerate.

Company Sanctions Check

Our company sanctions check enables you to identify potentially sanctioned companies by scanning our globally sourced databases. This process can be integrated into your Know Your Business (KYB) workflow either through automation or manual checks, depending on your risk appetite.

AML Screening Results on Another Company for KYB

- | | | |
|---|---|---|
| → Name → Company name of the subject with a finding. | → Last updated → Date of the last update. | → List name → The list where the AML match was detected. |
| → Nationality → Country of the company's origin. | → Score → Fuzzy score indicating accuracy. | → List number → Specific list reference number. |
| → Reason → Cause of the AML finding. | → ACT → Status of the subject on the sanctions list. | → Other information → Additional relevant details. |

With automation, the system seamlessly retrieves and analyzes data, ensuring a streamlined and efficient screening process. Alternatively, if you prefer manual checks, your compliance officers can conduct reviews as needed. Regardless of the method chosen, the time required to assess potentially sanctioned companies is significantly reduced. Your compliance team no longer needs to search through multiple databases — everything is compiled to be accessed within a few clicks.



How to Get Started with iDenfy

Let's say you'd like to perform a manual AML check on a person. In this case, you must either **a) provide the individual's personal details** or **b) use a verification scan reference** if the person has already completed their identity verification earlier.

» At iDenfy, both **single-check** and **monitoring** options are easy to enable and function similarly.

How to enable the AML Single Check feature:

01

Ensure that this AML option is turned on for your company.

02

Select whether to perform a person (for individuals) or company (corporate clients) AML check.

03

Use the scan ref or, alternatively, enter the person's name, date of birth, etc., manually.

04

Once you complete these steps, select "Check" to access the AML screening results.

AML Check

Type

Person

Verification

Data

Verification scan ref

123-test-scan-ref-321

☒ Person check

☒ Adverse media check

▶ Check

Cancel

AML Check

Type

Person

Verification

Data

Full name

John Doe

Date of birth

10/07/1992

Nationality

USA - United States

☒ Person check

☒ Adverse media check

▶ Check

Cancel

For example, you can find out the date when the PEP information was last refreshed in the database, the classification of political exposure (with Level 1 for high-ranking PEPs, such as presidents and Level 4 for government officials), and whether the PEP status is still active.

Result Analysis Example

The system returns with two outcomes: **Suspected** or **Not Suspected**.

Status	Check ID	Full name	Nationality	Date of birth	Check date
Suspected	D13419FDa1F	John Doe	USA	10/07/1992	20/04/2025

PEP findings (0)

Sanctions findings (7)

Name	Surname	Nationality	Last updated	Date of birth	PEP level	Score	ACT
No results found							

In this case, the person doesn't have a PEP status, but they appear in **seven sanctions lists**.

- By opening the "Sanction findings" section, you can review the **related information** and evidence against the individual.
- In some cases, there's also an option to immediately access and review the **original data source**.

	Name	Surname	Nationality	Last updated	Date of birth	Score	ACT
▼	John	Doe	USA	2016-12-14	1992-07-10	100	✓
▼	Annie	White	UK	2017-12-30	1996-02-14	100	✓

- Four fields contain personally identifiable information: **name, surname, nationality, and date of birth.**
- The "Last updated" field indicates **when the database entry was last modified.**
- The "ACT status" shows **whether the sanction is currently active.** If the sanction is no longer in place, the person is no longer considered sanctioned, and the result will not appear in future screenings.

Challenges in Data Interpretation

Interpreting AML screening outcomes can be challenging when governmental, national, or international data sources contain **incomplete or partial information**. In this case, your compliance team should follow internal AML processes and conduct additional cross-checks using extra data sources.

For example, if a sanction screening flags an individual as sanctioned by OFAC, the verification process would involve:

- Visiting the [OFAC website](#).
- Entering the subject's full name (which may be split across multiple fields).
- Locating the relevant entry on the sanction list.
- Confirming details such as date of birth, nationality, or aliases to ensure accuracy.

Keep in mind that we can't control how data is stored in these official databases, but our solution is designed to simplify AML screening and reduce the risk of misinterpretation while efficiently navigating all steps.

» Keep in mind that AML screening can be performed on the **identity verification flow**. All you need to do is to have the **"Check fraud"** feature enabled and have sufficient credits.

Check fraud

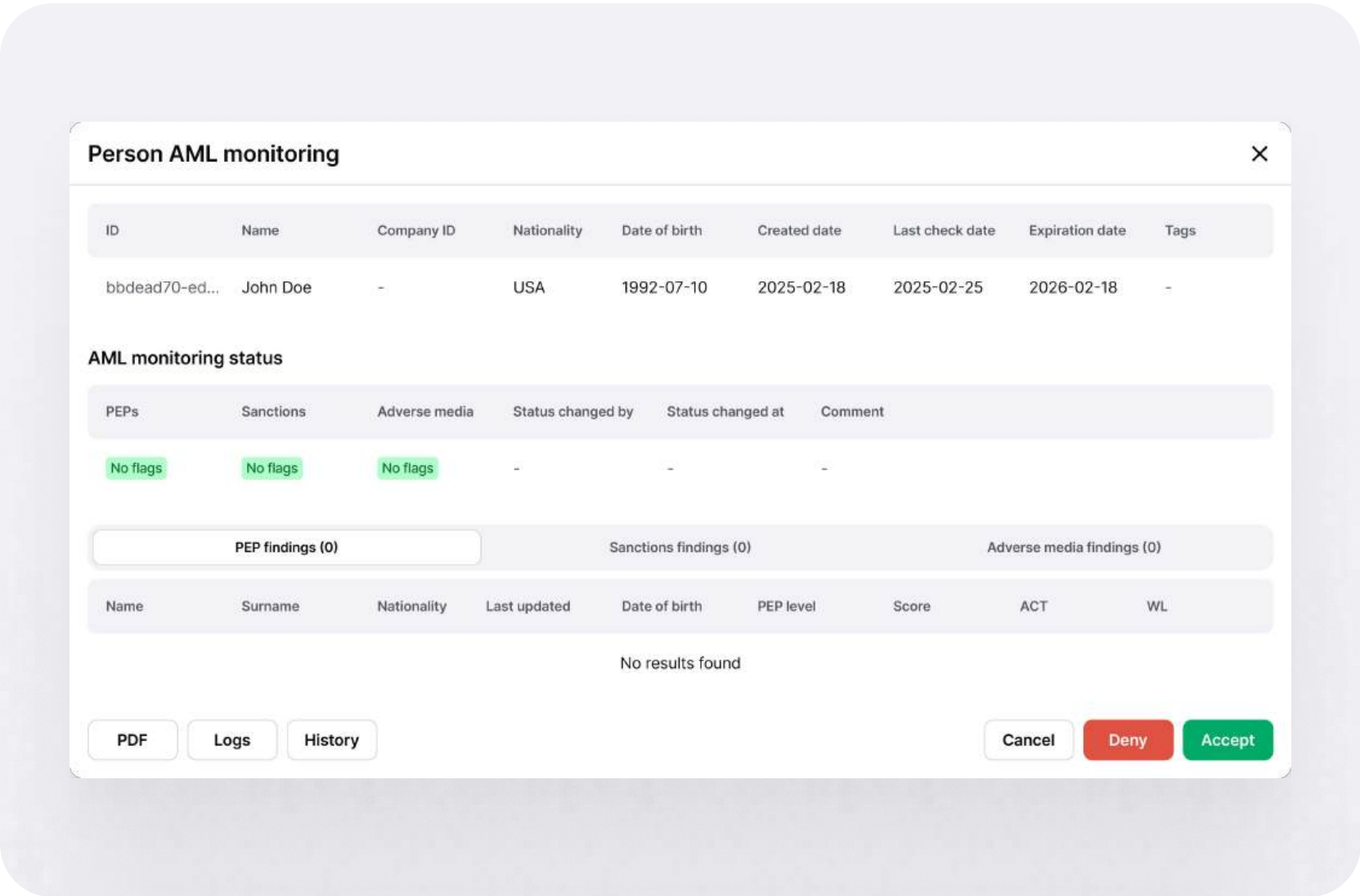
Indicates whether to check fraud services (AML, Adverse media, LID) during identity verification process. Only approved verifications are checked.

☒ Check fraud

How to enable the AML Monitoring feature:

If you choose to initiate AML Monitoring, the flow is similar.

- You need to provide the **individual details** or **use the scan reference** if the person has already performed an identity verification.
- Once the details are selected, click “**Create**,” and the AML Monitoring will be initiated in the system.
- At this point, you can view the status anytime by clicking on the “**View**” button in the dashboard.
- If you choose the “**Accept**” option, the individual or the company that’s being screened **will be whitelisted**.



Contact us



★★★★★
4.9 / 5



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Recent case studies

payset

- 82% reduction in onboarding time
- < 2 minutes each customer to access services



Liquid Noble

- 86% of verifications completed first-time
- 2x cut KYC data processing time



mano.bank

- 85% of new clients approved in an average of 2 minutes
- 12x increase in users verified per hour