

Going Beyond Compliance:

How Descartes Visual Compliance™ Aligns with and Exceeds Wolfsberg Sanctions Screening Guidance



What are the Wolfsberg Principles?

Sanctions compliance is no longer a checkbox exercise, it's a regulatory expectation and competitive differentiator. The Wolfsberg Principles define global best practices for screening programs. Descartes Visual Compliance not only meets these standards, but helps institutions go further embedding risk-based, technology-driven, and auditable compliance into daily operations.

The [Wolfsberg Group's Sanctions Screening Guidance](#) outlines best practices for designing and operating effective sanctions screening programs. These principles are broadly adopted across global financial services and multiple other industries and influence regulatory expectations in the US, UK, EU, and other jurisdictions. Their purpose is to ensure that screening systems are risk-based, technology-informed, and embedded in broader compliance frameworks.

The guidance covers 16 key areas, ranging from risk assessment and governance to screening logic, alert handling, and use of enhanced data sources. Adherence to the Wolfsberg principles is seen as a marker of compliance maturity.

Why it Matters

Regulators in the US, UK, EU, and beyond are raising expectations. Legacy systems and manual processes are no longer enough. With increasing global scrutiny organizations are expected to demonstrate sanctions compliance maturity. The Wolfsberg Principles represent the global benchmark for sanctions screening. The principles were originally developed for financial institutions but they are increasingly referenced and adopted in multiple industries as a benchmark. Their purpose is to ensure screening systems are:

- Tailored Risk - this means not one size fits all but is based on the risk your organization faces
- Intelligent Technology – Legacy systems and static lists fall short. Your technology should be able to use advanced matching and data handling
- Built into Operations – processes should be built into your company for robust governance, traceability and control structures

That's exactly what Descartes Visual Compliance™ is built for.



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How Descartes Visual Compliance Exceeds Wolfsberg Guidance

Descartes Visual Compliance™ goes beyond ticking boxes, it delivers a configurable, transparent, and scalable platform whose existing functionality supports the core tenets of the Wolfsberg Principles, along with broader compliance needs, making it a valuable solution for financial institutions, multinational corporations, and government contractors. The solution integrates government and enhanced risk content (e.g., Dow Jones, Kharon) and provides advanced matching logic, auditability, and workflow management.

Wolfsberg Principle	Descartes Visual Compliance Alignment Summary	Status
Risk-Based Approach	Custom list selection, search logic tuning, and profile-specific controls.	Fully aligned
Programmatic Financial Crime Compliance Integration	Embedded into screening and adjudication workflows with full traceability.	Fully aligned
Governance & Internal Controls	Role-based access, audit logging, and review workflows.	Fully aligned
Technology Fit-for-Purpose	Supports exact, fuzzy, phonetic, weighted, and Multi Oriented Text Recognition (MOTR) logic with tuning controls.	Exceeds
Reference Data Screening	Screens against regulatory and enhanced lists for all entity types and relationships.	Fully aligned
Transaction Screening	Supports Application Programming Interface (API) and batch transaction screening with elective field logic.	Fully aligned
Screening Scope & Timing	Covers onboarding, daily rescreening (dynamic), and event-driven triggers.	Fully aligned
Match Quality	Fuzzy levels, phonetic matching, stemming, thesaurus, and MOTR supported.	Exceeds
Productive Alerts	AI Assist confidence scoring and customizable alert logic reduce false positives.	Exceeds
Alert Adjudication	Full match resolution workflow with status tracking and audit logs.	Fully aligned
Metrics & Reporting	Dashboards and exports for alert trends, resolution timing, and usage stats.	Exceeds
Independent Testing	Auditable logs, rescreening tools, and full match rationale available for validation.	Fully aligned
List/Data Management	Auto-updates for lists, conditional activation, inclusions and exclusions.	Fully aligned
Sectoral Sanctions Risk	Dow Jones and Kharon content fully integrated to detect sectoral exposure.	Exceeds
Enhanced Risk Lists	Support for Sanctioned Control and Ownership (SCO) Politically Exposed Person (PEP), Military End User (MEU), Special Interest Entity/Person (SIE/SIP) and Control data from Dow Jones and Kharon.	Exceeds
Non-Traditional Data	Supports screening of International Securities Identification Numbers (ISINs), vessels, addresses, and domains.	Fully aligned

What Alignment Looks Like in Practice

The Wolfsberg Sanctions Screening Guidance recommends a structured, risk-based, and technology-enabled approach to sanctions screening. Based on a comparison of Descartes Visual Compliance and each principle, the solution demonstrates complete or enhanced alignment across the board. Below are key observations of how the solution fulfills the Wolfsberg expectations:

- Enables user-defined list selection, fuzzy/phonetic/exact search levels, elective fields, and conditional screening to ensure risk-based screening is aligned to the business and jurisdictional risk profile.
- Supports real-time and batch screening with flexible integration options (API, Secure File Transfer Protocol (SFTP)), embedding the process in customer, transaction, and third-party workflows.
- Provides search tuning options such as fuzzy logic (1–4), phonetic algorithms, weighted search, stemming, thesaurus, MOTR, and field-specific filters to enhance match quality.
- Compliance Manager Workflow functionality delivers complete alert adjudication, audit trail reviews, resolution status tracking, and team assignment.
- Includes reporting dashboards for match rate trends, usage metrics, unresolved alert tracking, and batch activity to support internal monitoring and audit readiness.
- Supports independent testing and validation through transparent search logic, artificial intelligence (AI) scoring explanations, and traceable match documentation.
- Enhanced risk data from Dow Jones and Kharon—including Specially Designated Nationals, control/ownership intelligence, Military End User (MEU) data, and Watchlists to extend Descartes Visual Compliance capabilities beyond regulatory lists including sectoral sanctions detection and reputational risk identification.

The only area traditionally seen as a limitation in list-based screening—sectoral sanctions detection—has been addressed through optional enhanced content subscriptions. With Dow Jones SCO/MEU and Kharon Control datasets embedded, Descartes Visual Compliance customers are equipped to identify sanctions exposure based on ownership or control relationships, filling critical gaps associated with OFAC’s 50% rule and EU/UK sectoral sanctions programs.

In conclusion, Descartes Visual Compliance helps you meet global standards, avoid regulatory gaps, and lead with confidence by offering a comprehensive, auditable, and risk-informed screening framework that not only meets but exceeds the Wolfsberg Guidance, particularly when paired with optional enhanced risk content.



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How Descartes Visual Compliance Aligns at Every Level

1. Programmatic, Risk-Based Screening

The Wolfsberg Principles emphasize a risk-based approach considering jurisdiction, customer type, transaction volume, and product risk.

Descartes Visual Compliance supports conditional list screening, field-specific filters, and profile-based search tuning including enhanced fuzzy logic, noise words, and elective field configuration—allowing organizations to calibrate screening rules to their specific risk exposure.

2. Technology and Configuration Transparency

Wolfsberg encourages understanding strengths and limitations of the screening technology and mandates configuration documentation.

Descartes Visual Compliance allows detailed configuration via:

- Fuzzy/phonetic/exact search tuning options
- Confidence-based AI for low-quality hit suppression
- Multi-layered alert levels (1–4) to reflect match granularity
- Conditional screening list activation by elective field inputs
- Custom inclusions and hot words for internal policies

3. Auditability and Testing

Wolfsberg recommends strong audit trails, metrics, and testing frameworks.

The solution's Compliance Manager Workflow includes:

- Audit logs with match rationale, timestamps, and reviewer comments
- Bulk actions and rescreening
- Resolution status tracking (including "True Hit", "CRI Auto Clear")
- Dashboard analytics (e.g., hit rates, match rate trends, usage)





4. Data Governance and List Management

Wolfsberg calls for accurate list ingestion, data integrity, and risk-aware list selection.

Descartes Visual Compliance provides:

- Access to an extensive catalog of global lists including OFAC, BIS, United Nations, Interpol, and many more
- Optional lists and list grouping for precise compliance alignment
- Internal inclusions/allow lists and automated allow list logic

5. Alert Handling and Escalation

Wolfsberg underscores the need for clear workflows, alert adjudication, and risk-based suppression logic.

Descartes Visual Compliance features:

- “Quick Review” and “Full Review” modes with alert triage
- Email escalation tools and lock logic
- I support to auto-clear low-confidence hits and train on true hit

6. Independent Validation & Controls

Wolfsberg stresses independent testing and model validation.

Descartes Visual Compliance supports this through full model transparency, including explainable AI scoring, detailed configuration logs, and auditable match history provides a strong foundation for independent review and validation.

Discover how Descartes helps leading institutions exceed global expectations.

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About Descartes Systems Group

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, security and sustainability of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, track and help improve the safety, performance and compliance of delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

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Uniting the People & Technology That Move the World.