

# Meet the Intelligent Agent: The AI-Powered Future of Communications Compliance

Delivering higher efficiency and  
deeper risk insights through AI

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# Executive summary: Smarsh Intelligent Agent

## *Transforming compliance supervision and surveillance with scalable, AI-driven intelligence*

Most communications surveillance programs struggle to balance operational efficiency with detection accuracy. Up to 99% of communications reviewed contain no risk, and over 65% of risks go undetected, resulting in labor costs reaching up to \$500 per monitored employee.

This is not due to a lack of compliance vision or execution. The issue lies in inadequate technology. Lexicon-based systems are simply not sufficient for modern businesses' needs.

Smarsh Intelligent Agent introduces breakthrough AI-powered compliance fully integrated into Smarsh Enterprise Conduct.

### **Key benefits**

- **Reduced labor spend:** Achieve a high-impact ROI by significantly reducing false positives using contextual AI filtering to focus on real risks.
- **Spot real risks faster:** Find three to five times more actual risks using built-in tools designed to catch serious financial and noncompliance misconduct.
- **Address global regulatory gaps:** Identify risks across key channels and languages by adding multilingual tools to cover all your communications.

### **What makes Intelligent Agent different?**

Smarsh has been running AI and ML in production for a decade. Intelligent Agent builds upon these lessons while markedly improving on solutions of the past. This includes:

- Unique industry partnerships to study the judgments of real-world compliance analysts
- Domain-adapted large language models (LLMs) with broader context to maximize quality
- Use of large-scale generative methods for accurate domain modeling
- The industry's best "team of experts," with more than eight publications on AI.
- Addressing AI concerns via better determinism and no third-party data processing

### **Getting started**

Smarsh Intelligent Agent enhances your current compliance program by making it more accurate, scalable and globally aware. A typical compliance journey with this solution includes:

- Reducing false positives using Contextual AI Filtering, cutting noise by up to 50%. This works seamlessly with both lexicons and ML-driven Scenarios.
- Increasing risk coverage through the Detect capability, surfacing what matters most. Customers typically uncover three to five times more actionable risks by leveraging 11 pre-built ML Scenarios.
- Expanding global oversight by adopting additional Detect Scenarios and enabling multilingual capabilities, helping teams manage risks across diverse regions and communication styles.

Achieve a highly impactful return on investment by lowering review costs, reducing missed risks, and freeing up valuable analyst time, all while improving audit defensibility and regulatory readiness.

# Challenges in modern communications surveillance

Organizations in the financial industry face increasing complexity in monitoring employee communications. Despite significant investments in surveillance technologies, most solutions struggle to balance detection accuracy with operational efficiency, resulting in considerable compliance and reputational risks. As a surveillance professional, you also grapple with the challenge of “doing more with less” as budgets for your program remain stagnant.

## ***Excessive false positives***

Industry averages indicate that as many as 95 to 99% of alerts reviewed contain no risk, known as “false positives.” This overload burdens surveillance teams and supervisors at a high cost, often with little or nothing to show. Violations are easy to overlook due to fatigue or resource limitations.

## ***Critical risks going unnoticed***

At the same time, unsurfaced risks remain a significant blind spot for many compliance programs. Our data suggests that more than 65% of risks go undetected, often because legacy systems struggle to understand context, intent, or nuance. Many legacy tools also fail to support multilingual monitoring, a critical capability for global organizations operating across diverse regions and languages.

## ***Expanding data volumes, stagnant budgets***

Compliance teams are being asked to do more with less. Rising labor costs, limited budget increases, and high annual review spending per employee are prompting firms to seek more innovative and scalable solutions.

Meanwhile, the volume and complexity of communications are surging. Mid-sized financial firms now manage five to 15 million messages per day. At the same time, large enterprises can see traffic exceeding 50 million messages daily across email, chat, collaboration tools, voice-to-text, and an ever-growing list of new digital channels. In today’s hybrid work environment, adapting to these new modes of communication is critical. Surveillance systems must evolve to meet this scale without sacrificing detection quality.

## ***Persistent regulatory pressure***

Regulatory scrutiny remains elevated. Authorities, such as the SEC and CFTC, have issued billions in fines over the past two years for failures to monitor off-channel communications.<sup>1</sup> In parallel, European regulators such as the FCA and ESMA emphasize the need for proactive surveillance that captures messages and demonstrates effective risk identification and governance.<sup>23</sup>

Collectively, these issues point to a widening gap between compliance obligations and the capabilities of traditional surveillance tools. Bridging this gap requires a new generation of solutions that integrate intelligence, scalability, and regulatory alignment, while alleviating operational burdens on compliance teams.

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<sup>1</sup>SEC Announces Enforcement Results for Fiscal Year 2024. November 22, 2024. <https://www.sec.gov/newsroom/press-releases/2024-186>

<sup>2</sup>FCA Business Plan 2024/25. April 9, 2025. <https://www.fca.org.uk/publications/business-plans/2024-25>.

<sup>3</sup>ESMA Strategy and Work Programme, ESMA Strategy 2023-2028. <https://www.esma.europa.eu/about-esma/internal-organisation/strategy-and-work-programme>

# Introducing Intelligent Agent: AI That Lowers Costs and Improves Risk Detections

***Cut your review costs in half. Actively derisk your company and customers.***

Smarsh changed market surveillance in 2015 with the introduction of machine learning –and we’re doing it again. Intelligent Agent utilizes next-generation AI to minimize manual effort, de-risk your firm, and work across languages. Fully integrated with Smarsh Enterprise Conduct, Smarsh Intelligent Agent offers the most proven, widely deployed machine learning in the industry and the broadest, most mature set of tools you need.

***Cutting the noise: low risk, high reward***

You’ve heard horror stories of failed AI projects that take years. Industry surveys show that 88% of projects fail.<sup>4</sup>

That’s why we’ve made getting started easy. Intelligent Agent Filter is designed to enhance your existing workflows, not replace them. This fast, high-impact win reduces review costs by up to 50%, unlocks early ROI and lays the groundwork for broader AI adoption.

Using Contextual AI powered by industry-adapted LLMs, the system evaluates each message in context, distinguishing meaningful conversations from low-value content such as disclaimers, marketing messages, spam, or routine alerts. Irrelevant messages are automatically removed from review queues, reducing noise and saving valuable analyst time.

***Surfacing risk: safer firms have happier shareholders***

Many firms choose to channel cost savings into better protection. Intelligent Agent Detect analyzes content for meaning, not keywords. It surfaces high-risk behaviors across languages, with advanced resiliency to misspellings. Multilingual by default, you no longer need to worry about managing and translating large lists of lexicons.

The result? Increase accurate risk identification by three to five times compared to traditional lexicon- and keyword-based systems across global borders. The journey doesn’t stop there. The rich portfolio of Smarsh offerings grows with your company and your compliance program.

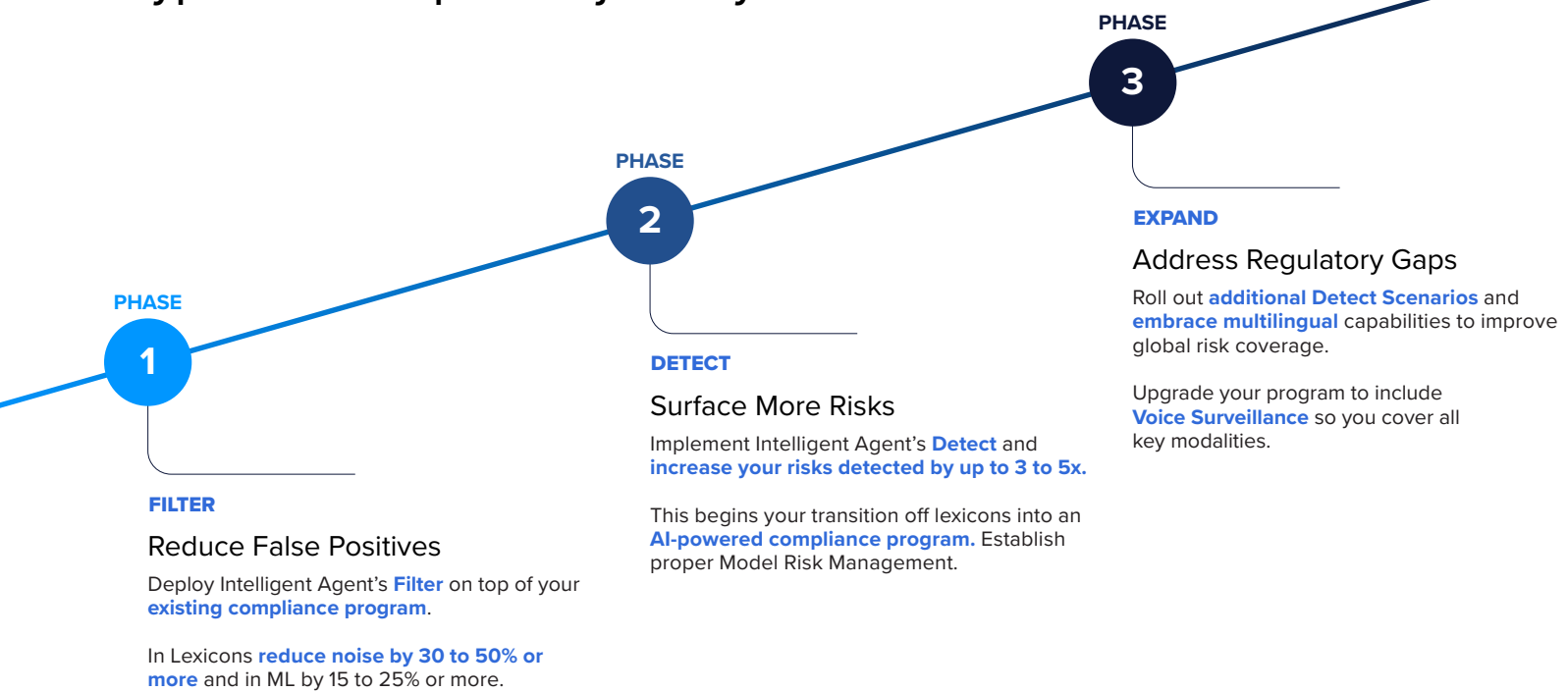
***Smarsh ensures regulatory audit readiness and robust model risk management by embedding transparency, control, and accountability into every layer of its AI-powered solutions.***

Smarsh AI solutions are built with clear model documentation, versioning, and audit trails to support regulatory reviews. We conduct rigorous model validation, testing for bias and drift, and provide explainability features that allow compliance teams to understand how AI-driven insights are generated. This ensures our clients can meet the highest standards of regulatory scrutiny while leveraging AI to detect risk, maintain oversight, and stay ahead of evolving compliance requirements.

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<sup>4</sup>88% of AI pilots fail to reach production — but that’s not all on IT. March 24, 2025.

# A typical AI compliance journey



# Case study snapshot: A global investment firm reduces workload by 77% using Intelligent Agent

## Customer profile

**Type:** Leading Global Investment Bank

**Revenue (2024):** \$54B+

## Solution deployment

Intelligent Agent

## Overview

The firm was already running an industry-leading ML compliance program but wanted to explore what new Smarsh technology could do. Smarsh tested Intelligent Agent in a controlled, monitored population of employees.

## Outcomes and KPIs achieved

Reduced false positives by an additional 70%+ while retaining 98% of escalated alerts. This held true for both lexicons and machine learning models.

**70%+**  
reduced false positives

**98%**  
escalated alerts retained

## What makes Smarsh's Intelligent Agent different?

Built in partnership with the largest global financial service firms, Smarsh addresses the most pressing challenges commonly associated with AI, including bias, lack of transparency, and limited governance. Our AI models are developed with direct input from compliance and risk professionals to ensure they align with real-world regulatory expectations. Combined with the most comprehensive and mature communications intelligence platform available, Smarsh enables firms to adopt AI with confidence and accountability.

Smarsh has been running AI and machine learning in production for over a decade. Intelligent Agent builds on those hard-won lessons while delivering significant advancements over past solutions. It leverages unique industry partnerships to study the real-world judgments of compliance analysts, employs domain-adapted LLMs that process broader context for higher quality, and uses large-scale generative methods to model the domain with greater accuracy. Backed by the industry's most accomplished team, boasting more than eight publications on AI and LLLMs, Intelligent Agent also addresses common AI concerns with improved determinism and a commitment to zero third-party data processing.



# Smarsh: The AI-Driven Partner for Modern Supervision and Surveillance

✓ - included

Intelligent Agent

AI - AI & ML

Whether you're modernizing your compliance program or scaling to meet new demands, Smarsh delivers the AI-driven tools, insights, and trust you need. Smarsh Enterprise Conduct is our end-to-end solution that helps surveillance teams cut through noise, surface real risk, and stay ahead of emerging threats, powered by explainable, adaptable AI. It enables financial institutions to do the following with tools built to help you:

## Take control without code

- **Scenario Builder:** Easily build and refine detection logic with powerful no-code configuration. ✓
- **Scenario Evaluator:** Test and optimize scenarios, no coding required. ✓

## Detect real risk with smarter insights

- **Standard Scenarios:** Built-in lexicon policy catalog with regex and logic-based detection. ✓
- **AI: Intelligent Agent – Multilingual Detect:** Purpose-trained models to monitor risks across multiple languages. AI
- **Marketing Comms Risk:** Identify and address stale research and other marketing compliance issues as they arise.
- **Control Room:** Dynamically manage “over-the-wall” communications and run historical lookbacks.

## Scale with extensible tooling

- **AI: Data Science APIs:** Bring your own models and plug into our platform with full SDK and API support. AI

## Cut the noise and focus on what matters

**AI: Intelligent Agent – Contextual Filter:** LLM-powered filtering that understands the context of messages and removes noise:

- Message deduplication
- Echo cancellation
- Statistical filtering
- Exclusion lexicons
- Automated messages
- Disclaimers and blacklists
- Marketing chatter
- Spam, scams, and low-risk noise
- Market color and research
- Quote detection

AI

## Expand compliance programs, without expanding headcount

- **AI: Multilingual Voice:** Transcribe and analyze voice communications at scale, including speaker ID and sentiment. AI
- **OCR:** Turn images and message attachments into searchable, actionable text for risk detection.
- **Bring Your Own Signals:** Deploy your AI in-house and upload alerts to Smarsh for unified supervision. AI



As communication channels expand and regulatory pressures increase, legacy tools become inadequate. With Enterprise Conduct, Smarsh provides AI-powered clarity, more intelligent risk detection, and comprehensive surveillance built to adapt as quickly as your business evolves. Modern risks demand modern tools. With Smarsh, you're prepared.

## Conclusion

In today's fast-moving, high-risk communication environment, the cost of inaction is high. High volumes of false positives, missed risks, regulatory penalties, reputational harm, and the drag of outdated surveillance tools far outweigh the investment required to modernize.

Forward-thinking organizations recognize that upgrading compliance and communication surveillance is no longer optional; it is essential for long-term resilience and strategic advantage. Smarsh AI brings the insight, experience, and advanced technology you need to turn compliance into a true competitive edge. The time to build that edge is now.

With Intelligent Agent, Smarsh sets a new standard for AI in compliance, combining deep industry expertise, cutting-edge technology, and a clear focus on explainability, trust and transparency. It's not just an evolution of past solutions. It's a more innovative and responsible approach built for the real-world challenges compliance teams face today.



**Are you ready to rethink surveillance?  
See what Intelligent Agent can do for your  
firm. Speak with a Smarsh expert today  
to receive a customized ROI snapshot.**

**TALK TO SALES**



Smarsh® enables companies to transform oversight into foresight by surfacing business-critical signals from the most in-demand communications channels. Regulated agencies of all sizes rely upon the Smarsh portfolio of cloud-native digital communications capture, retention and oversight solutions to help them identify regulatory and reputational risks within their communications data before those risks become fines or headlines.

Smarsh serves a global client base spanning the top banks in North America, Europe and Asia, along with leading brokerage firms, insurers, registered investment advisers and U.S. state and local government agencies. To discover more about the future of communications capture, archiving and oversight, visit [www.smarsh.com](http://www.smarsh.com)

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