

How financial services organizations can streamline compliance with anti-money laundering “know your customer” regulations*

Are you effectively managing “know your customer” information?

Financial services organizations are being inundated by anti-money laundering rules and “know your customer” (KYC) regulations. The US Patriot Act and other regulations require institutions to implement KYC policies that include customer due diligence risk evaluations. While these regulations are not new, compliance seems difficult if not impossible, especially when companies are forced to rely on multiple systems to collect and analyze customer data. Even worse, some companies implement “quick fixes” that rely on manual data collection and paper-based workflow processes, which can introduce inconsistencies in customer risk scoring and due diligence procedures.

A streamlined new technology solution simplifies the collection and use of KYC information and enables efficient compliance requirements. This single, user-friendly application identifies risks, accurately collects information and blends compliance with day-to-day business operations.

PwC’s Customer Due Diligence tool streamlines and simplifies data collection and remediation through several key functions:

- One application handles multiple tasks, streamlining the data collection process and accelerating customer approvals or rejections.
- Real-time monitoring, tracking and reporting give transparency into the data collection and customer approval process.
- “Know your customer” (KYC) and KYC remediation implementations allow institutions to efficiently and effectively improve their existing KYC information.
- Gaps in KYC information are identified to help streamline remediation.

How PricewaterhouseCoopers can help

PricewaterhouseCoopers (PwC) understands how challenging it is to successfully develop and maintain a sufficient KYC program. Our highly experienced team of specialists created the Customer Due Diligence (CDD) tool. It is a secure web-based solution that streamlines the collection of anti-money laundering KYC information while ensuring proper due diligence for new customers and accounts. And since no two institutions’ needs are alike, we designed the tool to be customizable so companies can tailor it to support their particular business rules, unique due diligence processes and risk scoring methodologies.

The CDD tool acts as the single data entry point for all customer and account information, which allows institutions to calculate real-time anti-money laundering risk rating, minimize data quality issues and improve the overall efficiency of the due diligence process. The program can be adapted for any type of financial institution, allowing users to add and edit information collected for each customer. The CDD tool also integrates workflow capabilities to control and streamline the approval or rejection process for customers and/or accounts. Additionally, the tool helps standardize the application of the risk assessment methodology while preserving customer, product and geographic differentiators.

Key CDD features include:

- Provides data versioning to quickly and easily centralize and track customer and account updates
- Contains a built-in risk rating engine to calculate customers’ current risk ratings
- Performs real-time calculation of risk, which supports aggregate and individual risk rating reporting of the entire customer population
- Enhances compliance workflow by streamlining customers’ approval or rejection based on their determined risk profile

Contact:

Bruce Roland, Partner
(410) 659-3310
bruce.roland@us.pwc.com

Deven Swim, Director
(617) 530-7875
deven.c.swim@us.pwc.com

- Collects related-party information, highlighting relationships and connections among customers and other parties of interest
- Supports web service interfaces with major core banking systems and/or anti-money laundering monitoring applications
- Creates a built-in audit trail of customer data changes
- Integrates with Customer Identification Program checklist, including uploading documents
- Allows customized searches
- Supports multi-jurisdictional rules
- Supports interfaces to third-party research engines, such as the tools used for determining Office of Foreign Assets Control compliance and performing Politically Exposed Person (PEP) Checks
- Supports multiple languages
- Allows users to export review information and supporting documents to various file formats
- Allows grouping or assignment of customers to portfolios and specific business lines or bank personnel
- Provides for in-house installations or hosting
- Integrates with PwC's Computer-Assisted Subject Examination and Investigation Tool (CASEit™) to allow for an all-in-one customer information management approach

For more information and web product demonstrations, please visit www.pwc.com/amitools

Additional Benefits

- Supports compliance with the Customer Account Record rule
PwC's CDD tool can be customized to streamline compliance with the SEC's Customer Account Record rule by collecting key data points, such as name, date of birth, tax identification number and other facts, when new accounts are opened, helping to quickly identify data problems or red flags.
- Supports consistency between investment policy statements (IPS) and asset allocation

The CDD tool can create consistency with the IPS by collecting and analyzing specific customer information, such as age, goals, risk tolerance and liquidity requirements, to drive proper asset allocation.

Relying on multiple solutions and cumbersome programs to keep up with “know your customer” rules is time consuming and problematic. The Customer Due Diligence application is your solution. This powerful new technology lets you immediately and accurately know your customer — making compliance effortless and effective.