

# DESCRIPTION KYC RECORDS

**Contact:** Luka Müller [mueller@kyc.ch](mailto:mueller@kyc.ch), Peter Schäuble [schauble@kyc.ch](mailto:schauble@kyc.ch), KYC Support [support@kyc.ch](mailto:support@kyc.ch)

**Reference:** kyc-records-description-en-v2\_200701.docx

This document describes KYC Records and is intended for customers and partners who use or want to use

- KYC Online ([www.kyc.ch](http://www.kyc.ch)) and/or
- eCPM (eCompliance Process Management) from Eurospider (IT-Provider of KYC Spider)

together with KYC Records.

KYC Records contain the relevant sanctions lists, profiles of politically exposed persons (PEP) and other compliance-relevant information in accordance with the AMLA.

## TABLE OF CONTENTS

1. BASICS FOR KYC RECORDS.....	2
2. KYC RECORDS BASIC PRINCIPLES.....	3
3. KYC RECORDS METHODOLOGY .....	5
4. KYC RECORDS SOURCES .....	5
5. STRUCTURE OF THE KYC RECORDS .....	6

## 1. BASICS FOR KYC RECORDS

- Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector [Money Laundering Act, AMLA; SR 955.0] of 10 October 1997 (as at 18 February 2020)
- Ordinance on Combating Money Laundering and Terrorist Financing, [MLO; SR 955.01] of 11 November 2015 (as at 1 January 2020)
- Ordinance of the Swiss Federal Gaming Board on the Due Diligence Requirements of Casinos to Combat Money Laundering and Terrorist Financing [SFGB Money Laundering Ordinance, MLO SFGB; SR 955.021] of 12 November 2018 (as of 1 January 2019)
- Ordinance of the FDJP on the Due Diligence Obligations of Organisers of Major Games to Combat Money Laundering and Terrorist Financing [FDJP Money Laundering Ordinance, MLO-FDJP; SR 955.022] of 7 November 2018 (as of 1 January 2019)
- Ordinance of the Swiss Financial Market Supervisory Authority on Combating Money Laundering and Terrorist Financing in the Financial Sector [FINMA Money Laundering Ordinance, MLO-FINMA; SR 955.033.0], dated 3 June 2015 (status as at 1 January 2020)
- Agreement on the Swiss Banks' Code of Conduct on Due Diligence [CDB 20] between the Swiss Bankers Association ("SBA") on the one hand and the signatory banks ("banks") on the other hand of 13 June 2018
- International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation - the FATF Recommendations, February 2012, as amended June 2019
- Federal Act on the Enforcement of International Sanctions [Embargo Act, EmbG, SR 946.231] of 22 March 2002 (Status as of 1 August 2004)
- Council of the European Union: sanctions <https://www.consilium.europa.eu/en/policies/sanctions/>
- United Nations Security Council <https://www.un.org/securitycouncil/sanctions/information>
- FATF Guidance: Politically Exposed Persons (Recommendations 12 and 22), June 2013

## 2. KYC RECORDS BASIC PRINCIPLES

With access/search in KYC Records, the extended identification obligations of the financial intermediary according to AMLA (as of 1 January 2016) are fulfilled. The financial intermediary recognises client relationships with sanctioned persons/organisations (i.e. data in accordance with Art. 22a AMLA) and PEP background (i.e. qualification characteristics in accordance with Art. 2a para. 2 AMLA). In addition, KYC Records display references to further recognisable and clarificationrelevant information. In addition, KYC Records enable traceable documentation of the clarification.

### **KYC Records is based on the following specifications:**

1. The financial intermediary consults with the public in an intelligent and efficient way accessible data sources and databases;
2. Entries in sanctions and terrorist lists (i.e. data and lists pursuant to Art. 22a para. 2 GWG) must be found (if necessary with different spellings);
3. Foreign PEPs must be found (possibly with different spellings) (Art. 2a Para. 1 No. a AMLA);
4. Domestic PEPs, PEPs for intergovernmental organisations and PEPs for international sports associations must be found (possibly with different spellings) (Art. 2a Para. 1 Nos. b and c MLA);
5. Persons who are close to the PEPs (Art. 2a Para. 2 AMLA) must be found (possibly with different spellings);
6. Companies which are controlled by a PEP (Art. 2a para. 3 AMLA) must be notified if there is any indication of this;
7. PEPs are only displayed as long as necessary (domestic PEPs are only displayed until 18 months after the function has been discontinued) (Art. 2a para. 4 AMLA);
8. Indications of a connection with a criminal offence under Article 260<sup>ter</sup> para. 1 StGB or 305<sup>bis</sup> StGB, with a crime, participation in a criminal organisation (Article 260<sup>ter</sup> para. 1 StGB) or terrorist financing (Article 260<sup>quinquies</sup> StGB) must be reported.

**KYC Records differentiates between the following risk criteria:**

- **Sanctions:** e.g. UN, EU, SECO, OFAC, etc.
- **PEP:** Persons who are or have been entrusted with leading public functions abroad (politically exposed persons) in accordance with Art. 2a para. 1 AMLA
- **CH-PEP:** Persons who are or have been entrusted with leading public functions at national level in politics, administration, the military and the judiciary in Switzerland, as well as members of the board of directors or management of state-owned enterprises of national importance (domestic politically exposed persons) in accordance with Art. 2a para. 1 lit. b MLA
- **Foreign PEP:** Foreign PEPs pursuant to Art. 2a para. 1 lit. a AMLA
- **INT-PEP:** Persons who are or have been entrusted with a special function by an intergovernmental organisation or international sports federations in accordance with Art. 2a Para. 1 lit. c MLA
- **CTRL-ORG:** Legal entity (organisation) which is ultimately controlled directly or indirectly by a PEP within the meaning of Art. 2a Para. 3 MLA.
- **PEP-RCA:** Relatives or related persons of a PEP within the meaning of Art. 2a Para. 2 MLA.
- **CRIME:** Persons with a connection to criminal acts according to Art. 305bis StGB, Art. 260ter StGB (criminal organization) or Art. 260quinquies (financing of terrorism)

### 3. KYC RECORDS METHODOLOGY

1. KYC Records continuously (24h) includes publicly accessible and compliance-relevant information. The data is prepared for the compliance check.
2. KYC Records optimises the prepared data for intelligent name matching for different spellings.
3. KYC Records visualises the result as a KYC Records profile and additionally as a KYC Search Result; both can be traced and documented.
4. KYC Records does not maintain its own so-called "black lists" for data protection reasons.
5. KYC Records can be extended with internal or external databases

### 4. KYC RECORDS SOURCES

1. **Sanction lists/terrorist lists (Art. 22a GWG):** Sanctioned persons and organisations are compared daily with the KYC records from the relevant websites. The collected records cover several hundred national and international sanctions lists. The most important are UN, SECO, OFAC, HMT, CSL and FU.
2. **Politically exposed persons (PEP):** The lists of PEP, CH-PEP, INT-PEP, CTRL-ORG and PEP-RCA are also constantly updated. The sources are official government websites, Websites of intergovernmental organisations, WikiData and special lists (rulers.or, CIA World Leaders, etc.) Commercial register for CTRL-ORG.
3. **Additional Compliance Relevant Information (CRIME):** The CRIME list is also continuously updated. The sources are Wanted Lists (e.g. Interpol Red Notices), Media, Wikidata, Internet (e.g. blogs).

Allocation to the KYC Records profile **Crime** must be limited to membership of criminal and terrorist organisations in accordance with Art. 260<sup>ter</sup> para. 1 StGB or Art. 260<sup>quinquies</sup> StGB as well as a current or reliable indication of a connection with a predicate offence/crime in accordance with Art. 305bis StGB money laundering related crime.

## 5. STRUCTURE OF THE KYC RECORDS

A KYC Record is a profile of a natural or legal person that may contain the elements listed below. Please note that an element such as the date of birth, for example, can occur more than once:

- Date of birth (for a person) / date of foundation (for an organisation)
- Place of birth (for a person) / place of foundation (for an organisation)
- Date of death (for a person) / dissolution date (for an organisation)
- Citizenship (for a person)
- Residence (for a person) / Headquarters (for organisations)
- Pictures
- Address (maximum 6 lines each)
- Identification
- Additional information
- Collection
- Gender (only for person)
- Name
- Role (only for a person)

*This document has been translated from the [German original](#).*