

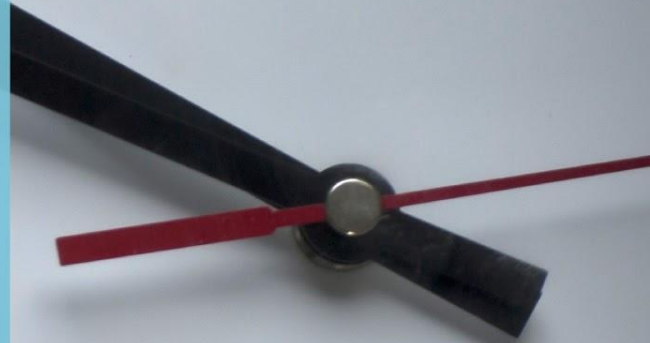
WEBINAR

KYC remediation

don't let outdated customer information
expose your business to risk

with **David Deane** banking industry advisor to **encompass**

webinar brought to you by  **encompass**



Housekeeping



Today's Speaker



David Deane

CEO
OPSMATiX

- CEO – OPSMATiX Ltd : Intelligent Process Automation Technology Company
- Industry Advisor – Encompass Corporation

- Formerly Global Head (MD) Client & Data Services – Tier 1 Bank
 - Client On-Boarding / KYC Due Diligence
 - Established Global KYC Remediation Programme

A 'loose' definition;

“the cleaning up of a mess”

- Remediation in context is the large scale cleansing and correction of client KYC files and related Data to bring them up to Regulatory and Enterprise standards
- Usually results in the wholesale 'repapering' or re-performance of KYC Due Diligence to a new standard, and acquisition of new data elements

Genesis

- **Regulatory Bite 2010** – KYC becomes the top of most CEO's agendas
- New Regulations for Client & Tax Classification;
 - **Dodd Frank, EMIR, FATCA, CRS, MiFID2** etc...
- Policies / Risk methodologies / Process / Data Sources often found to not be fit for purpose
- Duplicate / Incomplete KYC files → Lack of Confidence
- Bad Data / Poor Housekeeping / Multiple-duplication / No Proactive Offboarding



Reaction

- Panic! unprecedented **Regulatory Fines and Pressure**
- Rush to satisfy Regulators needs led to large scale over-commitment
- Existing organisations split to meet dual needs of RtB and new formed **Remediation programmes**
- Teams quickly retrained in existing KYC policies and procedures
- Large scale data remediation programmes commenced



Result

- Firms try to solve themselves, underestimating effort & Run the Bank (RtB) impact
- Firms **inadequately informed** on potential solution providers ie. encompass
- Multiple false starts
- KYC remediation gets combined with Reg and Tax Classification collection
- **Common mistakes;**
 - Inadequate attention to ensuring policies are updated correctly
 - Inadequate staff training
 - Same process, same people, same result
 - Inadequate preparation in Sales / RM, needs dedicated and committed teams to manage client interfaces / doc collection



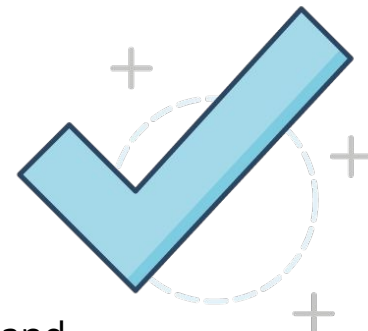
Solutions

- Big 4 – Set up **Remediation factories** in Near / Off-shore ie
- Accenture – Newcastle & Mumbai
- PWC – Belfast & Poland
- BPO's – Set up Offshore Remediation factories
- **Leverage own tech** (usually) and lots of poorly trained, high attrition people
- Utilities – Reinvented after poor progress in New / PR processes
- KYC.com – IHS Markit & Genpact
- Thompson Reuters – Combo of Clariant & **KYC as a service**



Success

- Policy and **Risk Methodology is up to date**, considers 4 & 5MLD
- Senior / Board level sponsorship – long, tough & expensive journey ahead
- Be **realistic**, not heroic about time & effort required, Regulators do understand
- Understand your end to end process and who can help along the way ie Encompass
- Select your partners wisely, ensure that they do have **experience and capability**, test it and don't just take their word for it
- You need to be organised front to back, not just the Remediation team;
- Account Owners
- **Client Outreach**
- Compliance Capacity
- Offboarding - those that fail to meet new KYC standards, or generate insufficient revenues need to be offboarded





any questions?

thank you!

LONDON

NEW YORK

TOKYO

webinar brought to you by  encompass

WEBINAR

KYC remediation

don't let outdated customer information
expose your business to risk

with **David Deane** banking industry advisor to **encompass**

webinar brought to you by  **encompass**

