

D.L.

High – Level Workshop "National and Regional KYC Utilities – from concept to implementation"

Riga, 23.11.2018





D.K.

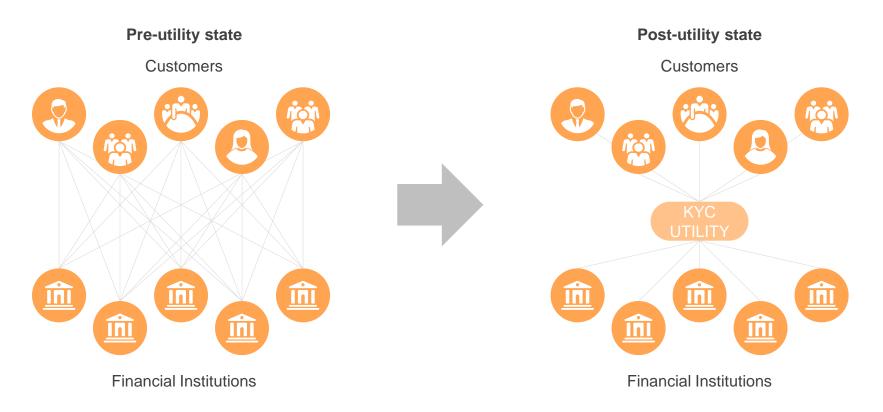
KYC Utilities

 trends, key
 benefits and
 challenges

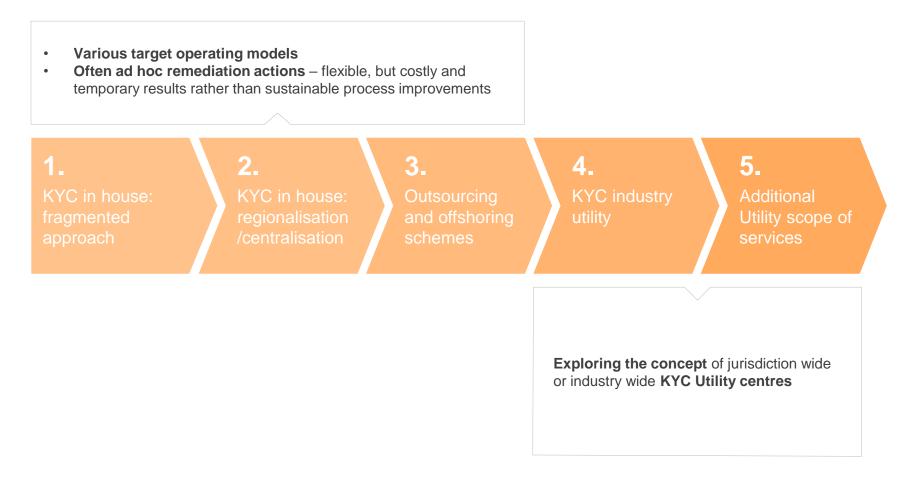


### KYC utility - definition

A KYC utility is a managed service activity that streamlines the collection, verification, storage and sharing of data and documents required to support a financial institution's KYC procedures amongst participating Financial Institutions



## Evolution of KYC services – from Front Office to comprehensive industry KYC utility service



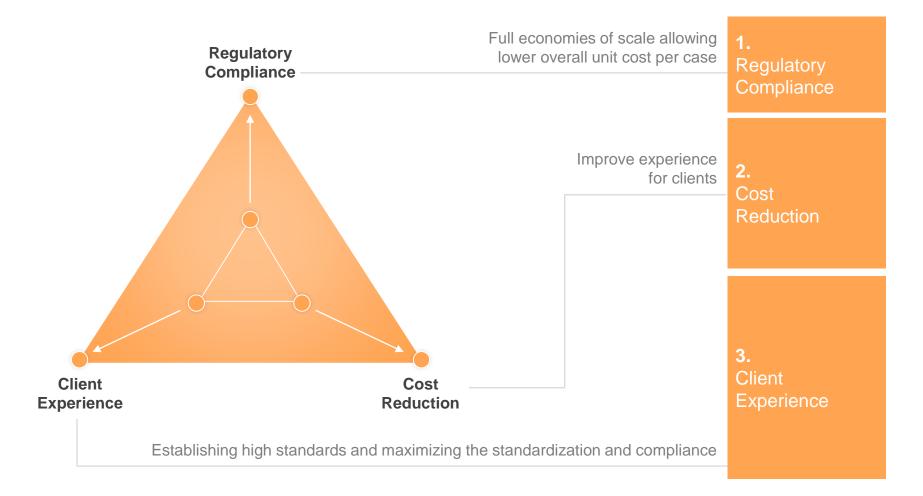
## Evolution of KYC services – from Front Office to comprehensive industry KYC utility service



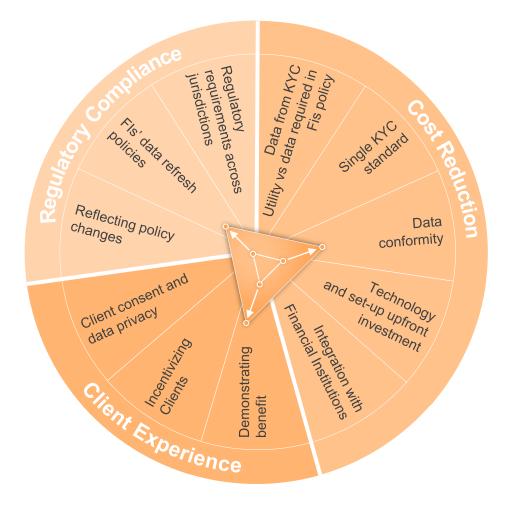
## *KYC* utility – clear regulatory and economic benefits to be achieved

Increased standardization of KYC quality and compliance		1.
Imposing marketwide compliance standards	<b>«</b>	Regulatory Compliance
Reducing work duplication	<b>«</b>	<b>2.</b> Cost Reduction
Leveraging centralised content and technology advances	<b>«</b>	
Shortening onboarding times	<b>«</b>	
Rapid and uniform customer acceptance decisions process	<b>«</b>	<b>3.</b> Client Experience
Customer touch points	<b>«</b>	
Reducing the client administrative burdens	<b>«</b>	
Reducing the need for clients to provide the same documents to every financial institution with which they engage		

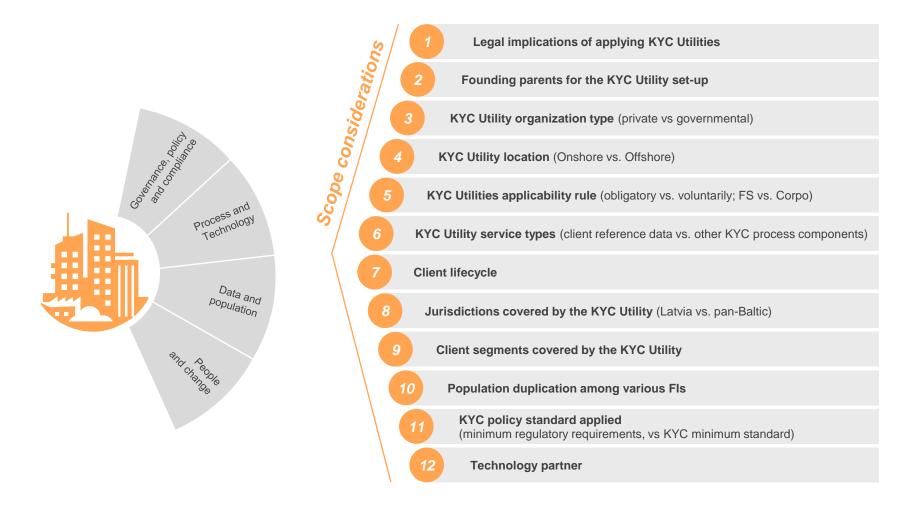
## Setting up a KYC Utility – finding a balance between three key goals



### Setting up a KYC Utility – challenges



### Setting up a KYC Utility – selected critical design considerations





A.K.



### eID and digital on-boarding – good examples

#### Germany

The verification of a natural person identity could be done by a post office



#### United Kingdom

The verification of identity could be checked by credit agencies

#### Belgium

Which has a mandatory national eID cards (NeID) which could support remote verification using eID software

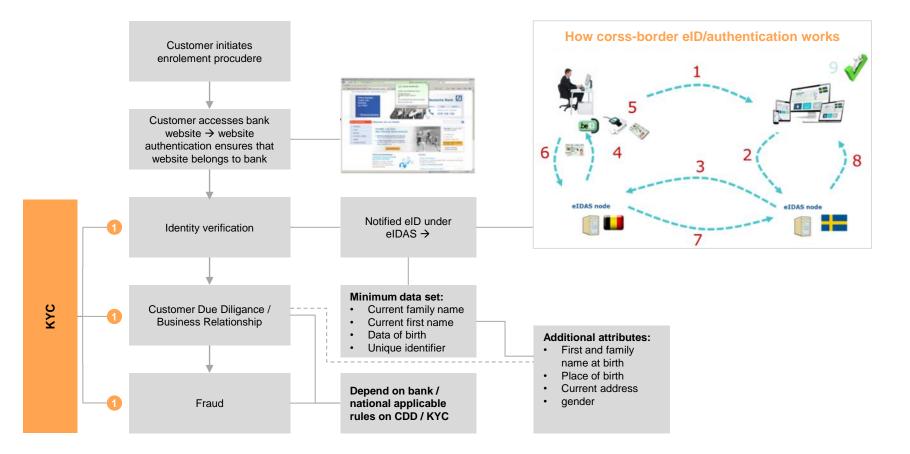
#### Estonia

Established a regulation defining the required digital provisions on how to use the mandatory NeID for the identification and verification of a persons' identity

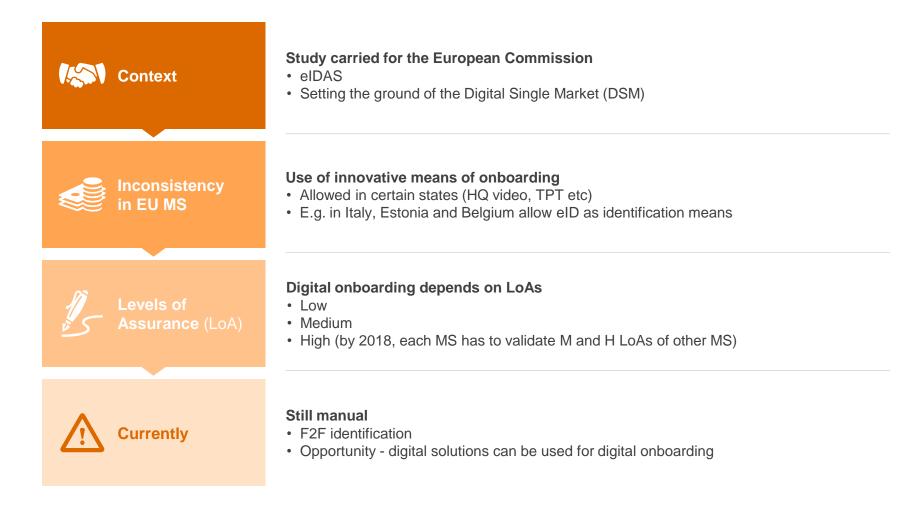
#### Sweden

Financial institutions can issue eID for their customers (i.e. BankID15) which can be used as an eID solution for onboarding into other financial institutions or to perform other online activities, such as online shopping and eGovernment services

### eID and digital on-boarding – workflow for establishing relationship with a customer online



### eID and digital on-boarding – high level conclusions



# Thank you!

pwc

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwC Polska sp. z o.o., its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2018 PwC Advisory spółka z ograniczoną odpowiedzialnością sp.k. (former: PwC Polska sp. z o.o.) All rights reserved. In this document, "PwC" refers to PwC Advisory spółka z ograniczoną odpowiedzialnością sp.k. (former: PwC Polska sp. z o.o.) which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

#### 14