

Treasury Essentials: SWIFT's KYC Registry in 60 seconds

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As every treasurer knows all too well, banks face a proliferation of on-boarding and periodic review challenges when carrying out Know Your Customer (KYC) processes. SWIFT founded its KYC Registry in 2014 to help address these requirements which were becoming ever more complex.

The Registry was developed in consultation with 18 global banks, which have continued to take an active role in its development and adoption round the world. Over 5,500 banks in 200 plus territories have registered and integrated the KYC Registry as their main source of correspondent banking KYC information. Its principal function is to facilitate the exchange of documentation to support the identification and verification processes, which can become extremely time-consuming and labour-intensive. Member banks are able to exchange standardised data and documentation with one another, and SWIFT independently verifies the data and stores it securely.

Even with the increasing adoption of international standards, there are still many variations around the world, but the KYC Registry sets its own global standards in consultation with a user group of large, globally-active banks. The information collected is mainly focused on five areas: identification of the customer; ownership; type of business; compliance; and tax. All the information which is supplied is owned and controlled by the bank supplying the data, which includes several hundred data points and some 40 documents that together provide a comprehensive and evolving registry. Banks provide their information in a standardised format, based on community-defined requirements, so that there is a significant reduction of the time spent filling in different forms.

The SWIFT KYC Registry also provides an audit trail for all requests, approvals and rejections, ensuring complete transparency throughout the process; an alert system helps banks to keep abreast of any changes in the risk profiles of their correspondents and clients. Its major benefits are the provision of secure, online verified and standardised KYC information and a reduction of the administrative burden of documentation requests. Compliance teams can thus focus their efforts on qualitative risk assessment, while security and General Data Protection Regulation (GDPR) compliance are enhanced. Finally, and very importantly, it has resulted in improved customer experience.

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SWIFT's belief that the factors which have led to the success of the KYC Registry are also applicable to major corporates led them to open it to corporates this year. From Q4 2019, all 2,000 SWIFT-connected corporate groups have been able to join the Registry and use it to upload, maintain and share their KYC information with their banks. Major corporations use a range of banks in different jurisdictions round the globe, with whom they need to exchange information to enable KYC checks. Data is held in different places and is often incomplete or out of date, so the introduction of multinational treasuries to the Registry enables corporates to upload standard information to it as well as to exchange other KYC-relevant documents that are requested by their banks. Banks will benefit by having access to corporates' information through the same central repository they use for their correspondent KYC checks - a win/win situation, one might say!

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