

Simplifying and standardising
counterparty due diligence

The SWIFT KYC Registry

At the start of 2014, Barclays became a pilot bank for SWIFT's Know Your Customer (KYC) Registry initiative, with the intention of helping to develop a centralised utility to collect and distribute up-to-date standardised KYC information required by banks as part of their due diligence processes. In this article, Brendan Reilly, Global Head of Client and Market Execution at Barclays, updates on what the registry will mean for your business.

The KYC Registry from SWIFT went live on schedule, in December 2014, and Barclays' pilot followed suit at the beginning of March 2015. As one of the first pilot banks to launch, we are strong supporters of the initiative, and as we work together to refresh your KYC information, we hope that you will join us in participating in the Registry.

KYC Registry

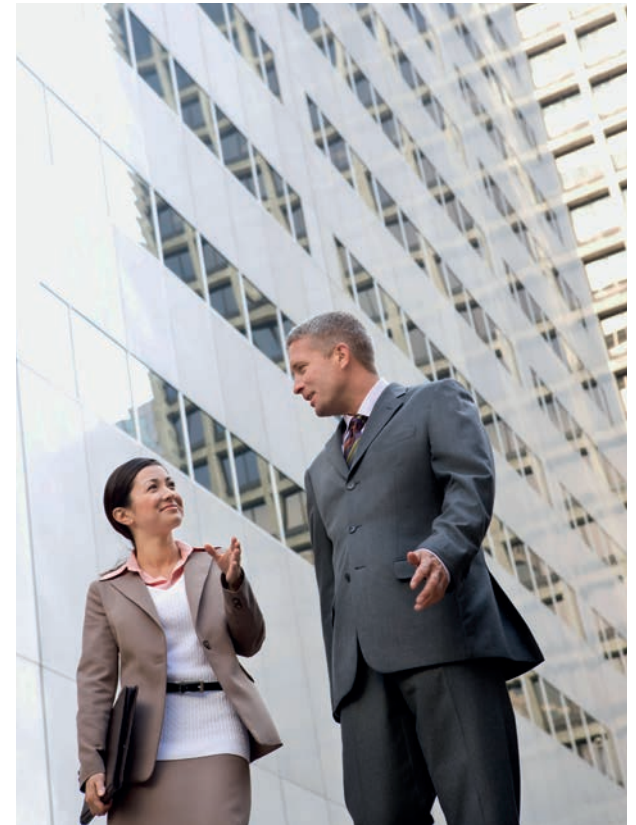
The KYC Registry dataset consists of 130 data points and core documents, including ultimate beneficial owners (UBO) and director and shareholder identification and qualifying data. Not only is it a solution that will help support banks in meeting KYC standards, but it should also reduce duplication of efforts and bring cost savings to SWIFT members through economies of scale.

There is widespread support across the banking industry for The KYC Registry. It is supported by a variety of development banks, including African Development Bank, Inter-American Development Bank and the International Finance Corporation. Asian Development Bank has demonstrated its support through press interviews on the subject, and the World Bank has directly mailed their members to encourage them to register.

At present, The KYC Registry lists over 204 entities across 77 countries, and SWIFT is in advanced discussions with over 1,100 banks globally, working towards a target of having 25% of the SWIFT bank network listed by the end of 2015.

To support their ambitions and to help promote the Registry, SWIFT has over 300 global events planned for 2015. These include a mixture of industry events (the Association of Certified Anti-Money Laundering Specialists and the *Financial Times*), client-led events or SWIFT forums. Furthermore, the banking associations of Singapore, Denmark, FELABAN (Federación Latinoamericana de Bancos) and the UAE are also either supporting SWIFT-hosted events, or mailing member banks, in order to drive local adoption.

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In addition to these banking associations, central banks and regulators are also supportive of the Registry, with the Central Bank of Tunisia being the first central bank to sign up and list their own data.

The central banks in Panama, the Dominican Republic and Indonesia have assisted SWIFT in hosting events to promote The KYC Registry and encourage regional adoption, while the Australian regulator, APRA, has been consulted directly on The KYC Registry initiative, and provided positive feedback.

The benefits The KYC Registry will bring to the industry are clear, with the simplification of the important KYC process resulting in universal savings of both time and expense. Some have voiced concerns surrounding the initial task of inputting data, but the effort involved in this process is no greater than the protocols currently in place – the difference is that the effort is only required at the outset, and keeping the data up-to-date is so much simpler. In addition, there's no cost to join or to contribute data, the only direct cost is based on consumption and is volume-driven. The decision is not *whether* to participate in the Registry but more the *extent* to which one participates, i.e. contribution only or contribution and consumption.

The Registry is helping to streamline how KYC is gathered initially, and then vastly reducing the effort involved around refresh, because in the end refresh is not a periodic exercise, it's BAU. But the success of this service is entirely dependent on uptake by the industry. Alongside the many organisations mentioned within this article, we will continue to actively encourage clients to join, providing you with information and support to make uptake as easy as possible.

You can also find out more on the independent SWIFT website: betterkyc.com, or request immediate contact through emailing kyc.registry@swift.com

“The simplification of the important KYC process will result in universal savings of both time and expense.”

It is important to note that with The KYC Registry in place, now is a great opportunity to reconsider your operating model. This is something that Barclays is considering, through the consolidation of our KYC process on a global scale.

About the author



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Brendan has global responsibility for the Proposal team, and client implementation and internal training within the Cash Management team at Barclays. In this role he is responsible for setting global implementation strategy, driving continuous improvement in processes, controls and MI, and improving the effectiveness of training.

With 20 years of cash management experience, Brendan has previously had product responsibility for multicurrency payments and receipts, Euro Clearing, specialist broker/dealer services, liquidity management tools, bulk file high-volume low-value payments, UK clearing services, international information reporting and third-party Continuous Linked Settlement (CLS) services.

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March 2015.