



Standard Chartered Bank aims for a shared future with The KYC Registry

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Background

“Know your customer compliance has been a key focal area for us for quite a while,” says Vishal Oberoi, Executive Director, Head of Change Management and Strategic Programmes, Standard Chartered Bank, discussing his bank’s ongoing change process. “Of our own volition, and of course in accordance with regulatory requirements, we are looking to make sure that we have done sufficient due diligence on our own affiliates, in addition to our clients. That squarely ties in with The KYC Registry, of which we are founding members.”

Standard Chartered receives some 100 KYC questionnaires from counterparties per month – thus, more than 1,000 per annum. The bank has been working to simplify the processes around KYC information-sharing, gathering and management. KYC processing with specific counterparties was handled by the appropriate relationship manager in the relevant country, until the overall process was centralised in January 2015.

“Our main objective is to standardise the KYC process, to make it both time and cost effective,” says Selwyn Pires, Director, Global Affiliates Program, Standard Chartered Bank.

Choosing and implementing The KYC Registry

“It’s a natural progression to use SWIFT,” says Oberoi. “The KYC Registry is a natural build-on to what SWIFT already provides for banks and correspondent-banking services in general. When SWIFT came to us with the proposal for The KYC Registry, we felt this was an industry imperative and one that made a lot of sense given the work we already do together.”

Standard Chartered already uses SWIFT for transaction processing, and as both Oberoi and Pires comment, there is such wide acceptance of SWIFT standards in the market that The KYC Registry is the obvious choice for its purpose. The vision is for Standard Chartered and its clients and counterparties alike to benefit from providing and sharing their KYC information via The KYC Registry.

“As for implementation, we are beginning to gain momentum,” explains Selwyn Pires. “What we’ve done is to try to map the SWIFT KYC standards to our internal standards. We have subsequently identified areas that need attention and are working to bridge the gap.” The team is sourcing the documents that will be needed and bringing them into a central repository. “We’ve invested in a new dedicated team to lead this effort to help maintain the profiles’ quality,” says Pires.



SWIFT's baseline standards for The KYC Registry are "pretty stringent", as are the criteria for acceptance of information onto The KYC Registry. "For example, we have to get a lot of documents certified. While this increases the time and effort, the authentication of documents raises the standard of the profile," Pires says. Once the certification process is completed, Standard Chartered will be able to move onto the next stage of adoption – which is promoting The KYC Registry to counterparties and clients, for mutual benefit.

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KYC is all about sharing

Going forward, the Standard Chartered team expects to prioritise promotion of the Registry to FI clients in markets that yield the greatest numbers of incoming KYC questionnaires. "We are trying to get as many of our profiles published onto The KYC Registry as soon as possible, so that we can then direct our counterparties to the Registry for them to access the information directly," says Pires.

Part of the solution will be for Standard Chartered's team to promote the use of The KYC Registry for wider storage and exchange of information. "Transaction banking could benefit from the KYC information provided here for their counterparty due diligence," says Pires. "The front-line relationship managers in particular could find it useful. Compliance would also be able to use it, of course, if they were reviewing another bank."

Features of The KYC Registry include an effective segregation of categories whereby a user with a specific requirement can readily isolate the appropriate information. "Whether you're looking at ownership information, compliance, or tax, or management information, for example, you can readily find what you want," says Pires. The KYC Registry is also "user-friendly".

On the right track for the future

"We are looking into how many banks have already published profiles on The KYC Registry and the extent to which we can rely on it for our internal process," says Pires. "That knowledge will be useful for streamlining our internal KYC processes and those of our clients."

How would the Standard Chartered team respond, if a correspondent or counterparty asked them about The KYC Registry? "We would definitely want to promote it and encourage them to become part of it for our mutual benefit," says Pires. "We would be more than willing to share our experience with them on how useful it will be. We look forward to all SWIFT members becoming a part of The KYC Registry."

Those conversations are already beginning to happen. Vishal Oberoi says: "Some of our correspondent banks have already reached out to us. They've asked for our feedback and we've provided it."

David Fleet, Managing Director, Client Onboarding and Management at Standard Chartered Bank, concludes, "The KYC Registry will be a key differentiator in ensuring the correspondent banking industry increases the accuracy and efficiency around its KYC process. This is not a 'nice to have' but rather an imperative and will only succeed if we all work together. Standard Chartered is pleased to have partnered with SWIFT from the beginning in developing the Registry, and is taking a leading role in its adoption and promotion. However, we also recognise that there is still a lot more that needs to be done to rally and educate the industry around its benefits. An immediate priority will be to encourage anyone looking for KYC data to retrieve this from the Registry."

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About Standard Chartered Bank

Standard Chartered Bank is a leading international banking group, with more than 86,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East, where we earn around 90 per cent of our income and profits. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.