

The KYC Registry

New global registry from SWIFT makes managing KYC compliance for Funds simpler



Simple, secure, standards-driven approach to KYC compliance

Benefits

- Single, standardised point of reference for KYC documentation
- Automated alerts on changed or expired information
- Simplify and reduce costs when onboarding new counterparties
- Full access control over your data
- Validated, up-to-date information in a central source
- Shared central service for better risk management and operational efficiency

Regulatory compliance with customer due diligence obligations such as Know Your Customer (KYC) has developed into one of the greatest challenges for fund managers, promoters, fund service companies, and intermediaries. It is not only an operational pain point, but also the greatest single source of expenditure. Managers are now looking for efficient global solutions to reduce manual processes and paper-based workflows. SWIFT has developed a global KYC Registry to help with this challenge.

The lack of a single, standardised source for qualified, up-to-date KYC information leads to massive numbers of document exchanges, and a huge amount of duplicated effort and unnecessary cost.

As the secure, global financial network SWIFT is the natural partner for helping the industry address the need for a cross border single source KYC solution.

To reduce KYC-related effort and cost, SWIFT has developed The KYC Registry to enable users to address regulatory requirements in a standardised and efficient manner. Participation in The KYC Registry is voluntary, and SWIFT will remain a neutral information provider throughout the entire KYC process.

Contribute, access and exchange KYC information

The KYC Registry performs three key functions. First, it enables financial institutions to contribute their own KYC information to a single entity – SWIFT – rather than needing to exchange documents with each of their correspondents. Second, it creates a single, central source for institutions to access qualified, up-to-date KYC information. Third, the Registry facilitates efficiency and transparency, as teams at each user institution have access to the same standardised data, regardless of their location.

.....
“SWIFT’s KYC Registry will help users reduce the cost, effort and risk related to KYC compliance.”
.....

SWIFT checks the completeness and accuracy and qualifies key aspects of submitted documentation, whilst users retain ownership of and responsibility for their information.

SWIFT hosts the KYC Registry and manages its data according to SWIFT’s strict security and data protection policies. Access to the Registry is upon registration only and users will always retain full control of which data they provide to their correspondents. Registry data is stored in Europe.



KYC Registry scope

Financial crime compliance regulations tend to be driven by regulators in a handful of markets, but affect all financial institutions doing business in or with those markets. SWIFT has worked with global and regional institutions across the world to develop a standardised approach for the KYC Registry.

The KYC Registry includes documentation covering identification of the customer, ownership and management structure, types of products and services, types of clients, geographical presence, as well as compliance and tax information. Examples of documents include certificates of incorporation; banking licenses / proof of regulation; ownership structure; list of directors; and responses to the Wolfsberg AML Questionnaire and USA Patriot Act Certification.

A full list of relevant documentation has been defined in collaboration with the industry, bearing in mind differing regulations about what type of KYC information is required, and what information institutions are allowed to share.

SWIFT has no involvement in any type of judgmental activities such as due diligence, screening, risk scoring, or recommendations about the closure of business relationships. These remain the responsibility of the financial institutions that use the Registry.

All SWIFT users can access the information in the Registry. Non-SWIFT users will not have access to the KYC Registry.

Up-to-date information

SWIFT's KYC Registry will help users reduce the cost, effort and risk related to KYC compliance. SWIFT will send reminders if and when documents expire and encourage institutions to update their information on a recurring (yearly) basis, to help ensure a high level of quality when performing recurring customer due diligence.

The KYC Registry also includes an alerting mechanism by which firms that have been granted access to a specific institution's KYC information will be informed of any changes to that institution's data.

How to join

If you are involved in KYC-related activities, The KYC Registry can make your life easier. In order to consider use of the Registry:

- Determine who is responsible for maintaining your institution's own KYC data and providing it to your counterparties: they will probably be the ones to provide this information to SWIFT.
- Identify who is responsible for gathering and maintaining data about your counterparties: they will probably want to access this information from The KYC Registry in the future.
- Look at and potentially adapt your KYC best practices to reflect the fact that you will have a single, secure source for KYC information in the future.

About SWIFT

SWIFT is a member-owned cooperative through which the financial world conducts its business operations with speed, certainty and confidence. As the global provider of secure financial messaging services, more than 10,800 financial institutions and corporations in 200 countries and territories trust us to exchange millions of standardised financial messages every day.

With the industry facing unprecedented pressure to comply with regulatory obligations, SWIFT is making financial crime compliance services a key strategic focus. We are developing our compliance services offering in close collaboration with our community, leveraging our 40-year track record of security, reliability and operational excellence, working with the industry and expert partners.

For more information, please contact your SWIFT account manager or visit www.swift.com.