

Blacksmith Brings Financial Counterparty KYC Intelligence to ING with LexisNexis® Bankers Almanac API Solution

Requirements

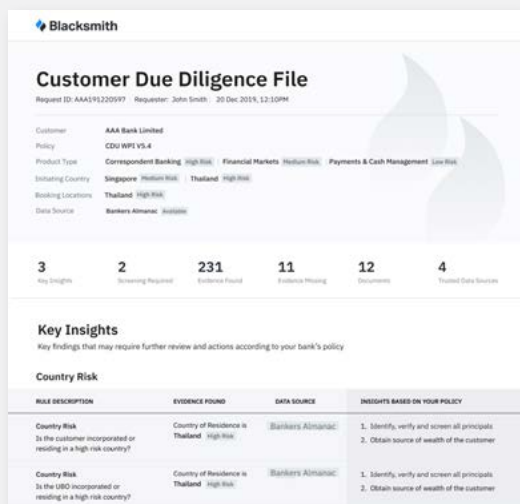
Know Your Customer (KYC) is crucial for protecting the financial system against crimes such as money laundering, tax evasion and financing terrorism. To fulfill Financial and Economic Crime (FEC) legislation requirements, banks apply their KYC policy to the following:

-  **Accurate KYC information regarding clients and financial counterparties worldwide**
-  **Full ownership structures and personnel of its clients and financial counterparties**
-  **Up-to-date due diligence documents to add to reports and audit trails**

The retrieval of data and application of policy are generally done manually by KYC analysts, leading to inefficiencies in the process of creating KYC Client Due Diligence (CDD) files.

Product

Bankers Almanac Counterparty KYC API



Customer Due Diligence File
Request ID: AAA5122097 | Requester: John Smith | 20 Dec 2019, 12:10PM

Customer: AAA Bank Limited
Policy: CDU WPI V3.4
Product Type: Correspondent Banking (High Risk) | Financial Markets (Medium Risk) | Payments & Cash Management (Low Risk)
Initiating Country: Singapore (Medium Risk) | Thailand (High Risk)
Banking Locations: Thailand (High Risk)
Data Source: Bankers Almanac (Available)

3 Key Insights | **2** Screening Required | **231** Evidence Found | **11** Evidence Missing | **12** Documents | **4** Trained Data Sources

Key Insights
Key findings that may require further review and actions according to your bank's policy

Country Risk

RULE DESCRIPTION	EVIDENCE FOUND	DATA SOURCE	INSIGHTS BASED ON YOUR POLICY
Country Risk Is the customer incorporated or residing in a high risk country?	Country of Residence is Thailand (High Risk)	Bankers Almanac	1. Identify, verify and screen all principals 2. Obtain source of wealth of the customer
Country Risk Is the USD incorporated or residing in a high risk country?	Country of Residence is Thailand (High Risk)	Bankers Almanac	1. Identify, verify and screen all principals 2. Obtain source of wealth of the customer



Blacksmith's Background

Blacksmith is a venture incubated at ING Labs in Singapore, built in close collaboration with stakeholders in the KYC ecosystem such as KYC analysts and compliance officers. Blacksmith enables banks to digitally manage their KYC requirements with its best in class Digital Policy Manager (DPM). These digital policy settings are automatically applied to data imported from trusted sources to quickly generate tailored CDD files. For KYC information regarding financial institutions, Blacksmith relies on a simple API integration with trusted public data sources, such as Bankers Almanac. Blacksmith doubles the productivity of the KYC analysts by automating the creation of CDD files. After the launch at ING, Blacksmith is now ready to bring its solution to market and welcomes other banks to use it.

The Challenge

Banks manage thousands of client relations worldwide. All banks have vast and unique sets of policies and requirements that dictate the data and documents needed for their KYC process. Analysts are tasked with determining the exact requirements based on a range of factors including client location, regulatory body, red flags, and more. The determination of these requirements is done manually – a time-consuming and tedious process that leaves analysts little time to focus on the actual risk assessments they need to conduct. Moreover, banks need to continuously change their company policies to meet regulatory changes. As policies are detailed in lengthy documents, it can take a bank up to a couple of months to implement policy changes.

KYC analysts build a CDD file every time a new client is onboarded; these files are then reviewed periodically. Building CDD files is a time-consuming task: KYC analysts can spend hours importing and annotating all the correct data and documents into their report before they can start to assess risks.

Finally, KYC analysts also face information overload, and the result is that many analysts reach out to clients directly to try and source information that is already available to them.

“Our developers were quickly able to connect The Bankers Almanac Counterparty KYC API to Blacksmith because the data set is straightforward, without pollution. Bankers Almanac data is accurate and unmatched in its coverage of financial institutions. We receive this data via APIs, which makes it easy.”

-Nynke Postma, Founder of Blacksmith

The Solution

Blacksmith has built a best-in-class KYC platform that automatically applies KYC requirements to data and documents, creating CDD files in a few clicks – ready for analysts to review.

Data and documents are available within the platform, via the LexisNexis® Bankers Almanac KYC API. The API provides the right endpoints for Blacksmith to instantly retrieve accurate KYC data, documents, and ownership links regarding more than 200,000 financial institutions, including 21,000 banks worldwide.

“We were quickly able to connect the Bankers Almanac Counterparty KYC API because the data set is very straightforward, without pollution. It is clean, and usable for us,” said Nynke.

At ING, analysts can simply select the client and Blacksmith builds the CDD file by applying the right policy settings. This doubles analyst productivity and can save hours of work per file. In fact, the entire process runs more quickly and efficiently due to better quality data being used from the start.

To handle regulatory updates, compliance officers can change a risk setting or a rule in the Blacksmith Digital Policy Manager (DPM). Once approved, this is automatically applied to all the subsequent CDD requests and all the files that are created with the Bankers Almanac data. That helps both quantitatively, in terms of throughput time, and qualitatively, by making the jobs of the analysts and compliance officers easier.

“Blacksmith, with its Bankers Almanac integration, helps banks stay up to date with changing regulatory requirements, make better use of data, and increase the quality of their KYC assessments,” said Nynke.

“**We got strong feedback on usability – just three or four clicks and you have your Customer Due Diligence file. After looking up the right client, Blacksmith selects the relevant company policy and automatically imports all the KYC, data, documents, and ownership information via the Bankers Almanac Counterparty KYC API. What used to take analysts over five hours can now be done in a couple of clicks.**”

-Nynke Postma, Founder of Blacksmith

Financial counterparty information provided directly through the Bankers Almanac Counterparty KYC API include:



Due diligence PDF documents



Regulatory bodies



Direct and indirect ownership links



Organisation structure including departments



Ultimate beneficial ownership



Key personnel and contact details



Financials



For more information, visit risk.lexisnexis.com/FCC

About LexisNexis Risk Solutions

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