

Numeracle



On a mission to establish trust in the communications industry.

KYC Fundamentals

Intro to development of KYC programs



What Is KYC?

Know Your Customer (KYC) - the overall set of processes and policies used by the CSP to evaluate the **identity** and communication **intent** of its customer throughout the customer lifecycle. The goal of KYC is to effectively evaluate the risk level of the customer, apply the appropriate treatment to the customer's traffic, and comply with applicable laws, regulations, and rules.



Customer Due Diligence (CDD)- specific reviews performed by a CSP throughout the customer lifecycle to gather customer information, evaluate risk, and monitor activity.

Why Perform KYC?



We know the risks for poor KYC

- Enforcement actions
- Litigation
- Reputation loss
- Fraud losses
- Bad debt/uncollectible revenue



Consider the other benefits

- Increased operational effectiveness
- Identifying revenue opportunities
- Improved customer satisfaction
- Enhanced understanding of one's business and customer portfolio
- Opportunities to use trusted identity information in the pathway of a call to enhance consumer trust



Sure, but what do I do?



Developing a Risk-Based KYC Program

- Start with business leadership
- Decide YOUR risk priorities, and set associated criteria
- If your goal is to eliminate all risk and all fraud - you will not succeed
- One size does not fit all, nor should it
 - Providers supporting medical offices to make appointment reminder calls will have very different risk priorities than providers supporting telemarketing dialers
- Align your entire business around your KYC goals

KNOW YOUR CUSTOMER



Customer Onboarding

- Gather adequate customer info
- Verify & authenticate customer info



Customer Due Diligence

- Conduct Risk Assessment
- Apply Risk Rating



Continuous Monitoring


- Continue to review customers (approval gates, triggers, scheduled reviews, and reporting)
- Customize reviews based on risk level



What Do I NEED To Review

At a minimum:

1. The customer's business identity
 - a. Business name and registration information
 - i. *GLEIF (Global Legal Entity Identifier Foundation) Legal Entity Identifiers (LEIs) could help make this process easier*
 - b. Contact info - website, address, phone, contact email domains, etc
2. The nature of the customer's business and use of services
3. The nature of the relationship and whether the customer will be using services as a reseller/service provider
4. Any red flags identified by staff



How can validated customer information be used to increase trust in communications?