



# KNOW YOUR CUSTOMER

Anti-money laundering due diligence requires insight and speed

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**Your problem:** Customers intent on co-opting your services to launder money or fund illegal activities are hardly going to be forthcoming. They will go to great lengths to muddy the truth—with bogus companies, multiple accounts opened in multiple countries and much more. The penalties for doing business with customers performing these misdeeds can be severe—both financially and to your reputation—so you need to be sure you know your customers and their business activities are legitimate.

**Software AG solution:** Your institution can incorporate your due diligence efforts into your customer on-boarding processes with a process-driven Know Your Customer (KYC) solution from Software AG. You gain a single, golden source of truth containing information about each customer, their relationships, their accounts and more, which enables deep visibility into even the most complex organization. You gain tools to keep your analysis of each customer current, too, ensuring you can show, at any time, you really do know your customers.

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## Problem details

Gone are the days when a handshake was enough to ensure trust between a banker and his or her business clients. It's not even "trust, but verify" today—it's verify first, then trust.

And there's a reason for this: Each year, efforts are made to launder somewhere between \$800 billion and \$2 trillion. These funds come from and support illegal activities, rogue states and conflict regions, even terrorist organizations. Governments around the world are committed to thwarting these organizations, and disrupting the money laundering infrastructure is a crucial part of that effort.

As a financial institution, that puts you in a singular position. You present the means for these shadowy clients to make dirty money appear clean, which means that you must be particularly vigilant and able to show that you are not doing that—even inadvertently. If you want to avoid the penalties that arise from money laundering—which are severe—hitting both your balance sheet and your reputation, you need to be sure that you know your customers.

You need to do this quickly, too, and not just to be able to determine whether there are bad actors who are trying to pull one over on you. The majority of your customers are legitimate, and you want them to have memorably positive experiences with your institution from the start.

## What's the Software AG difference?

A globally scalable KYC solution designed so you can validate the bona fides of your customers quickly, thoroughly and painlessly—both in an on-boarding scenario as well as in an ongoing scenario in which due diligence must be continuously maintained:

- Rely on a single customer record in all your dealings with a customer
- Initiate due diligence efforts as part of the on-boarding process
- Facilitate ongoing updates of customer information
- Trigger automated responses to suspicious activities
- Insulate investigations from leakage and tip-offs

## Software AG's solution

### Rely on a single version of the truth

- Normalized customer data eliminates inconsistencies
- Misleading information becomes visible

### Initiate due diligence efforts as part of the on-boarding process

- A process-oriented approach facilitates inquiry
- Due diligence efforts can commence immediately

### Facilitate ongoing updates of customer information

- Quickly re-validate customers against new risks, sanctions and politically exposed persons lists
- Ensure customer risk profiles are current
- Re-analyze customers per updated regulations

### Trigger automated responses to suspicious activities

- Real-time analysis of customer data can trigger alerts
- Alerts can trigger other actions, including investigations

### Insulate investigations from leakage and tip-offs

- Keep track of who knows what during an investigation
- Know who edits or interacts with a customer record
- Alert law enforcement officials at the appropriate time

There's ample evidence that a customer's experience during those first few months will determine how much more business the customer will bring to you. Performing the requisite due diligence quickly, thoroughly and painlessly becomes crucial to that outcome.

A process-driven KYC solution from Software AG can help you meet all these requirements. You can initiate your KYC efforts from the very start of a new relationship because the solution is designed to integrate directly into your customer on-boarding processes. Optimize your on-boarding processes end to end to provide an excellent customer experience while concurrently gathering data and screening for red flags, thanks to business process analytics in the solution.

Capture, analyze and manage a single, comprehensive record for each of your customers. The KYC solution can link all your customers' subsidiaries and divisions—even across different geographic boundaries. You can link information from all of your distinct divisions, subsidiaries and affiliates, too. All these connections make it much harder for a company striving to launder money to

use ostensibly separate business divisions or entities to obscure its activities.

It's easier for you to screen for anomalies and become aware of activities that might otherwise go unnoticed because the KYC solution interacts closely with Software AG's Transaction and Activity Monitoring solution. Your assessment of their legitimacy remains up-to-date even long after you have brought them on-board because the solution facilitates a recurring review of your customers' bona fides, too. If ever approached by regulators or an investigative body, you can show that you have done the due diligence required to determine that your customers really are who they say they are.

Count on all the internal security, auditing and safeguard mechanisms you would expect, typical of Software AG's proven portfolio of Governance, Risk and Compliance (GRC) solutions. Automatically keep track of precisely who knows about an alert, who is overseeing an investigation and who is performing different actions related to an investigation. This helps you control illegal information leaks while helping you to manage all aspects of the investigation itself.

## Critical aspects of a KYC solution

- 1 Facilitates the performance of requisite due diligence quickly, thoroughly and painlessly
- 2 Enables a global—rather than a local—view of customers
- 3 Triggers alerts and investigations automatically when encountering anomalies
- 4 Ensures process security and integrity
- 5 Accommodates evolving local and global regulatory requirements
- 6 Integrates tightly with other GRC controls

## ABOUT SOFTWARE AG

Software AG offers the world's first Digital Business Platform. Recognized as a leader by the industry's top analyst firms, Software AG helps you combine existing systems on premises and in the cloud into a single platform to optimize your business and delight your customers. With Software AG, you can rapidly build and deploy digital business applications to exploit real-time market opportunities. Get maximum value from big data, make better decisions with streaming analytics, achieve more with the Internet of Things, and respond faster to shifting regulations and threats with intelligent governance, risk and compliance. The world's top brands trust Software AG to help them rapidly innovate, differentiate and win in the digital world. Learn more at [www.SoftwareAG.com](http://www.SoftwareAG.com).

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