

How to document the KYC

Examples of good and poor practices

- > How to draft comprehensively and effectively the sections of the KYC related to the client's wealth (origin, evolution, composition), his income and his activity?
- > How to document the purpose of the account and the expected transactions?
- > How to control the plausibility and the consistency the clients' key data points at onboarding?



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KYC OF THE WEALTH, BUSINESS AND INCOME OF THE CLIENT

14.00 Regulatory reminder and root causes of FINMA enforcement cases

- Regulatory reminders and explanations
- Overview of root causes to FINMA enforcement cases
- Key KYC process: establishment, plausibility check, corroboration check, critical review of the KYC file

14.15 Origin of the wealth of the client: good and poor practices

- Obligation to explain the Source of the Wealth of clients:
 - examples of incomplete drafting's not allowing a third party to understand.
 - examples of good drafting which meet the regulatory expectations.
- Obligation to explain the Source of Funds of clients including his income:
 - examples of incomplete drafting's not allowing a third party to understand.
 - examples of good drafting which meet the regulatory expectations.
- Understanding the Journey of Wealth – a picture of a film over time of the client's wealth? Which indispensable information should be collected? Documentation, logic and cross-reference verifications
- (Sensitive) Business activities and (sensitive) business geographies involved with the client? which indispensable information should be collected?

EFFECTIVE DOMICILE, FAMILY, EDUCATION

15.00 How to corroborate the effective domicile of the UBO?

- Let's understand first what is meant with the concept of "effective domicile"
- Documentation and verifications – different practices e.g. Swiss versus Anglo-Saxons practices
- Examples of good versus poor practices observed on the market

15.15 Family members of the client and education of the client: what do we need to know and what for?

- Indispensable information: understanding of the family tree or specific family members? How far shall we understand the family tree?
- Is the educational background of key information?

15.30 Coffee break

PURPOSE OF THE ACCOUNT AND TRANSACTIONS

15.50 Documenting the purpose of the account: good and poor practices

- What do we need to know and what for?
- How to draft the section of the KYC relative to the purpose of the account
- How to check the plausibility of the purpose of the account declared by the client?
- Observed practices on the Swiss market
- Examples of deficient explanations (lack of precision, incomplete information)
- Examples of satisfactory explanations

16.10 Documenting the purpose of the expected transactions: good and poor practices

- What do we need to know and what for?
- How to draft the section of the KYC relative to expected transactions
- How to check the plausibility of the expected transactions declared by the client?
- Observed practices on the Swiss market
- Examples of deficient explanations (lack of precision, incomplete information)
- Examples of satisfying explanations

DOMICILIARY COMPANY: REASON OF USE?

16.30 Documenting the reason for the use of a domiciliary company: good and poor practices

- Explaining /justifying why the client opens an account for which the contracting partner is a domiciliary company.
- Understanding why the client established a Trust that owns the domiciliary company.
- Observed practices on the Swiss market.
- Examples of plausible motivations
- Examples of less plausible motivations
- Examples of non- versus compliant drafting

HOW TO CONTROL THE PLAUSIBILITY OF THE DATA AND TO IDENTIFY POTENTIAL INCONSISTENCIES

16.50 « Red flags » and controls of plausibility at onboarding

- Which controls should be performed? Which conclusions should be drawn and which actions should be taken on the basis of these conclusions? Which questions should be raised in a critical spirit and to apply a certain intellectual curiosity?
 - Tangibility and plausibility of the data provided by the client and corroboration.
 - Consistency between age and wealth: when is it not plausible? How to go further if it is not plausible?
 - Consistency between education and wealth
 - Consistency between wealth and income
 - Consistency between wealth and activity/business
- Researching in databases or on the web: what does the absence of information mean for a wealthy person?
- Do we know sufficiently the market in which the client operates? Do we have the sufficient linguistic resources to make the enquiries on the client?
- Observed practices:
 - Neglected red-flags
 - Deficient controls of plausibility
 - Insufficient clarifications
 - Examples

17.30 End of the seminar

ZURICH, THURSDAY 7 MARCH 2024, 14.00-17.30, ZURICH SHERATON HOTEL / ONLINE

INFORMATION & REGISTRATION

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FEE

620 CHF + VAT (8.1%)
Additional participants from the same company: -50%

PAYMENT

An invoice will be sent to you by email following registration. Payment is made by bank transfer or credit card

I register to the seminar "How to document the KYC" on thursday 7 March 2024.

I will attend in the conference room I will attend online on Zoom.

Full name

Position Company.....

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