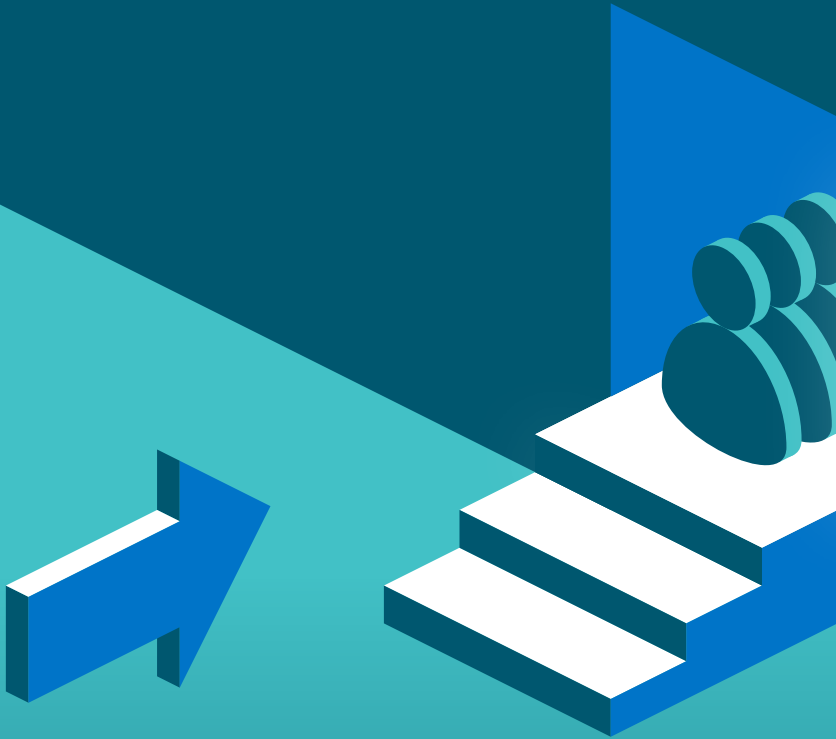




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WHITEPAPER

# 6 steps to optimize and automate your KYC

6 optimization steps and tips for automation

# An easier way to handle your customer onboarding

The client onboarding process, also known as the Know-Your-Customer process, requires a lot of work. You have to validate all kinds of data. You need answers to questions like:



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Does the customer legally exist?



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Is the customer financially healthy?



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Who are the customer's beneficial owners?



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Do the beneficiaries appear on PEP or sanctions lists?

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Needless to say, you want to be sure you're not doing business with malicious entities. As a compliance professional, you are responsible for ensuring that your organization complies with regulations set by the government, for example KYC guidelines and AML legislation.

The client onboarding process can be delayed if your organization does not have the required internal resources or specific compliance knowledge. Another reason for delay: having to rely on different sources of information to get the required data. Good news: the entire KYC process can be easier and faster.

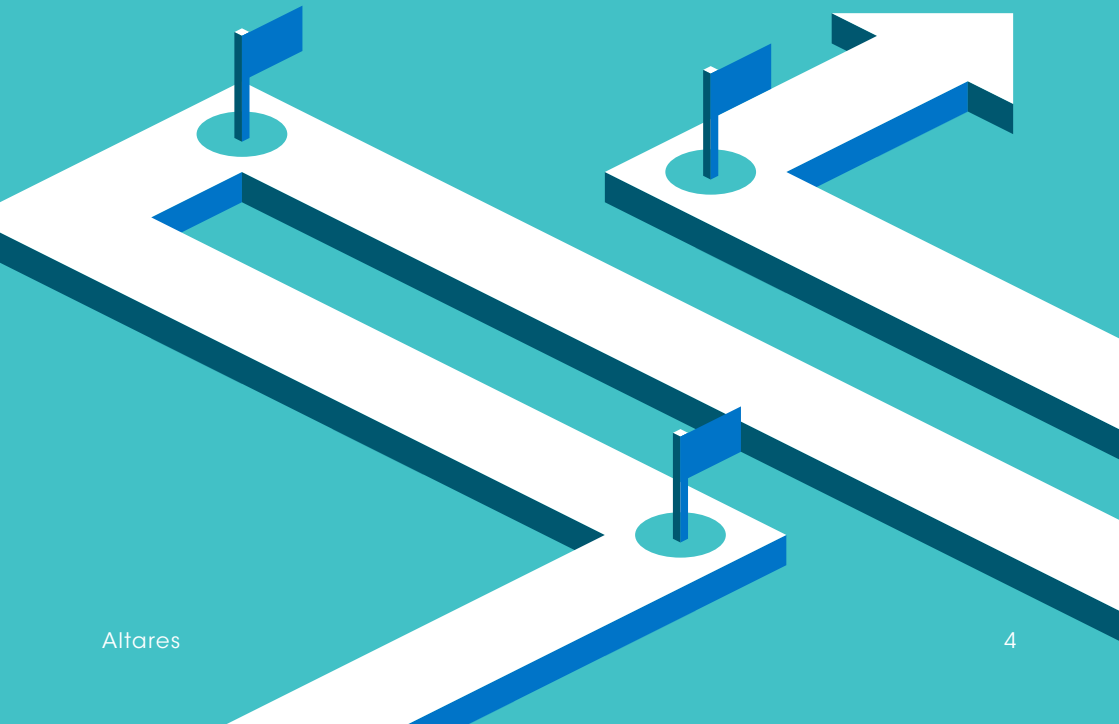
In this guide, we present a step-by-step plan to organize your customer acceptance process as efficiently as possible. We also explain the challenges you can tackle with a properly organized customer acceptance policy. Finally, we discuss how you can use automation and external data to adopt a future-proof compliance approach.

[Directly to 6 steps](#)

[Directly to automation](#)

# Why a properly organized KYC process is so important

Meeting laws and regulations is probably one of the main reasons why you want a solid KYC process. If you are not accurate enough or if your documentation is not up to standard during an audit, you could face fines or other penalties. But there are many more reasons why you as an organization should have a properly organized customer acceptance process.



# We have listed the most important reasons:

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## Ethical business

Money laundering, tax evasion, child labor and slavery. As an organization you do not want to be involved in any of these activities. That's why you don't do business with a customer who can be linked to any of this. By performing a UBO check within your KYC process, you prevent yourself from indirectly contributing to these malpractices.

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## Manage reputational risk

A good client acceptance policy can prevent you from doing business with malicious parties that could damage your good name. Parties you work with may lose confidence in your organization if it turns out that your business operations are not sound.

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## Financial security

Prevent late and non-payers by looking at your customer's financial situation in advance. If you design your customer acceptance process to include looking at financial risk, you can determine payment terms in advance. Then you can set the payment terms in advance. This prevents a lot of reminders and lawsuits.



## Uniformity

A well-designed process that is clear and enforced in the same way by everyone creates uniformity. This will ensure that you have a uniform approach to customer acceptance. This eliminates the possibility of one compliance specialist being milder or stricter in his assessment than another.

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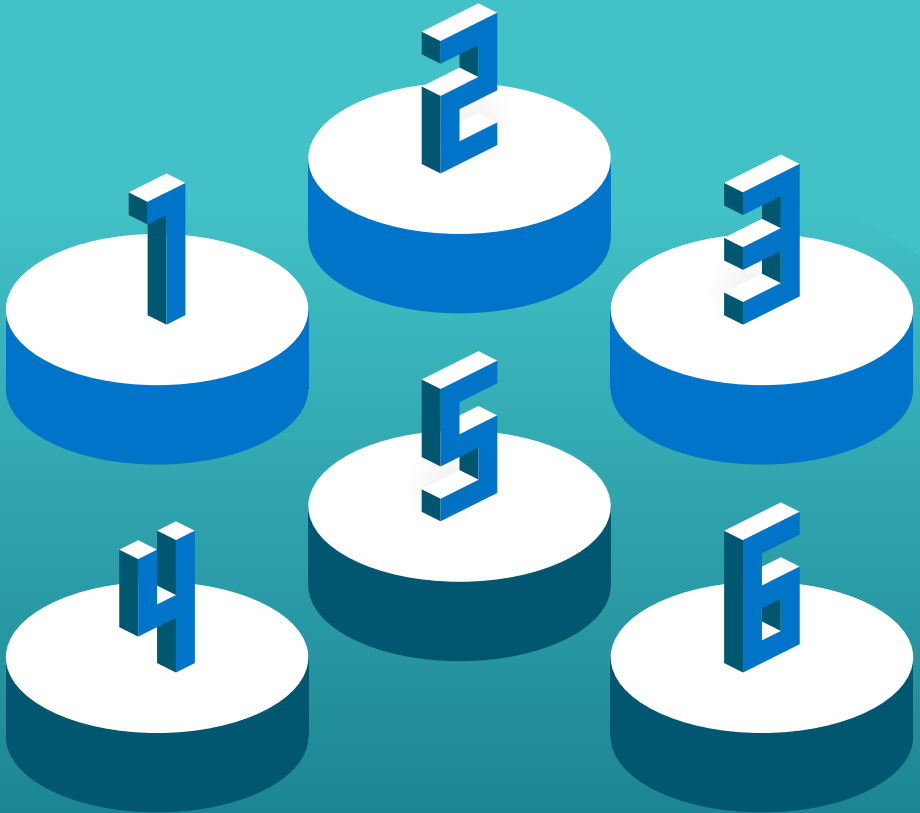


## Saving time and money

Customer acceptance is a time-consuming process because you need to collect a big amount of information about your customer. It is a **myth** that this always requires you to burden your customers with tons of questions. By automating part of your process, you can save time at all stages of the process. We'll come back to this later in the paper.

# An efficient KYC process in 6 steps

By following these 6 steps, you ensure that you are following a properly organized and compliant KYC process for your client onboarding.



1

# Establish the client's identity

First, you need to establish the client's identity. This includes asking the following questions: What is the client's official name, what is its official address? What are its operations, and do they align with the rest of the information? Are you sure that your business partner is in fact an existing entity?

The first factor that you need to know is whether the client is a legitimate business. You can do this by checking the following:



Confirm the entity's identity

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Check whether the company is listed in the local trade register

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2

# Check the risks

Once you have verified that the organization is a legitimate business, you also need to know whether the client is stable and which risks come with doing business with them.

Assess the risks, focusing on the following:



Establish how large the company is and how long ago it was formed



Check its financial health



Analyze its financial statements

Altare's Dun & Bradstreet's credit reports show you at a glance how large, how old and how healthy your client is. Also, it is important to consider:



Sector/industry risks



The country risks where the organization is established

3

# Find out who you are doing business with



Uncover the UBO structure behind your client's organization. This will tell you who it is that you are doing business with, allowing you to better assess the risks.

A UBO, or ultimate beneficial owner, is essentially someone who ultimately holds or controls more than 25% of the shares or voting rights in a company, or otherwise has control over the company or its management. As many organizations are made up of multiple parents and subsidiaries on different levels, it can be complicated to find out exactly who the company's UBO is. You might even be dealing with a [UBO in a foreign country](#). An external data source can help you to map out this information.



Who are the directors/managers?

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Who are its UBOs?

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Is the client part of a corporate group?

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Are the connections legally formalized?

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Does the client have licensed operations, is it a franchise?

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Is the company's parent its only owner?

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Who are the parent's UBOs, and what other subsidiaries do they have?

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4

## Screen the UBOs and the company's reputation

Once you have found out who the UBOs and directors are, the next step is to perform a screening. This allows you to screen the "roots" of this entity, underlying parties and individuals on all sanctions and PEP lists worldwide. This enables you to quickly determine whether the potential relationship poses a risk to your reputation.



Check whether the management and the UBOs appear on PEP and/or sanctions lists



Find out if the UBOs or the organization are mentioned negatively in the news

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Identifying and verifying UBOs has become a vital part of the onboarding process. If your organization falls within the scope of the Dutch Money Laundering and Terrorist Financing (Prevention) Act (Wwft), you have a legal obligation to determine the identities of your business partners' UBOs.

Another important reason to [identify and screen UBOs](#) is to make sure that you are not doing business with criminals. Nevertheless, finding the UBO is often a difficult process: If the client is part of a corporate group consisting of multiple organizations you might be dealing with numerous different UBOs, and if you discover that one or more of the UBOs are based abroad you will need to take a different approach also.

Identifying and screening UBOs is the most time-consuming part of this process. Fortunately, tools such as [D&B Onboard](#) and [indueD](#) can do much of the work for you.



5

## Keep a record of your audit

Gather all the data and audit them. Document all your findings and all the official information so that it is available on a moment's notice, in case you need it for legislative or regulatory inspections.

### Tip

Use a solution that allows you to store your audits in an online environment. An even better option is to organize the audits by category, making them easy to find during inspections.



## 6

## Monitor your clients

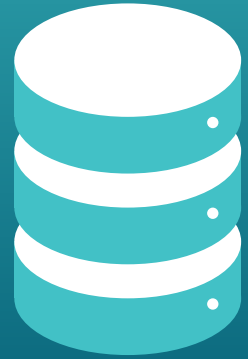
After client onboarding, monitoring begins. Because companies change on the fly, you have to keep screening on an ongoing basis. We call this monitoring. If you look at all the compliance, financial, strategic and reputation risks, continuous monitoring is a bitter necessity for every organization. After all, you want to limit these risks and therefore it is important to know who you are really doing business with. Not just today, but also tomorrow.

This is a time-consuming business, and involves repeating each of the steps described above. You can choose to automate the monitoring process and be alerted of any changes and developments in your portfolio, to stay in control of any risks.



# Future proof your KYC through automation

Want to reach that next level?  
We'll show you how with the use of  
external data and automation



By using external data, organizations can obtain a significant portion of the required information without having to bother the customer in the process. Questions, if any, can be limited to the information that is actually needed at that stage. This can significantly reduce delays and the pressure on a new customer. And meanwhile, you still collect all the data you need.

If you choose an external data source, you can also immediately speed up a number of steps by automating. Imagine: All data is automatically retrieved from the right sources and verified, after which a score is made. Based on all available information and the score, a decision is made. In this way you make better decisions, avoiding risks. In addition, in the monitoring phase you no longer need to perform a check at a certain frequency, but you can set up alerts that will keep you informed of any changes with your customers. Sounds great, right?

Automation ensures a future-proof approach: you stay up-to-date on any changes that could pose a risk. Additionally, you save an enormous amount of time compared to manual decisions. So as a compliance officer you will have more time to focus on the more complex compliance issues.



# What automation of your KYC process will look like:



Get verified, up-to-date information about your customer.



Verify the entity, international corporate structure and UBOs with one click.



Screen both companies and individuals on all sanctions lists worldwide.



Get access to documentation of mentions in the news or court rulings.



Easily store audits in a safe online environment.



Monitor your client portfolio automatically and receive alerts on important changes.

# The benefits of external data and automation in your KYC process:

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- 1 Save time at every stage of customer acceptance process;

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  - 2 Stay compliant in an efficient and cost-effective way;

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  - 3 Eliminate numerous administrative tasks;

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  - 4 Reduce risk of human error;

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  - 5 Significantly reduced time required to prepare for audits;

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  - 6 A unified approach for the entire compliance team;

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  - 7 Compliance teams can focus their attention on more complex, higher risk cases.
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## Tip

Make sure that you work with a real-time data source that contains up-to-date company information. Information that contains errors or is out of date can cost you time and money.

# What automation looks like in real life: Our customer cases

## ABN AMRO reduces compliance risk with faster, customer-centric approach

“ABN AMRO has hired Altares Dun & Bradstreet for the possibilities that it offers to clean up data and set up a Global Beneficial Ownership database. Altares Dun & Bradstreet has increased ABN AMRO’s screening options also, by adding advanced and more custom-designed monitoring. The setup combines data, intelligence, and analyses to monitor risks and trigger alerts.”

[Go to case](#)

## Data is the lubricant of the digital transformation at SHV Energy

“We know that we can rely on the knowledge and expertise that Altares Dun & Bradstreet brings as our strategic partner. I am very pleased with our relationship with Altares Dun & Bradstreet. They understand the data and the business. Together we are moving forwards to a sustainable future.”

[Go to case](#)

# indueD: An efficient and airtight compliance process

Altares Dun & Bradstreet's compliance tool indueD lets you automate the entire compliance process. indueD gives you the world's most revolutionary web-based compliance solution available on the market, a tool that handles the entire screening and monitoring process for you.

indueD draws on the world's most comprehensive collection of sanction lists, bad press, PEPs, and country risks. You choose what factors are important, and how much weight to assign each, giving you a compliance rating that is aligned perfectly with your organization's needs and policies.

Onboarding is not all that indueD does. It sends you an alert whenever a change occurs in your portfolio. This allows you to proactively monitor your focus dashboard and shows what further action you need to take. indueD helps you to do the impossible: manage the complexity of compliance while still realizing ethical growth.

[Find out more about indueD](#)

OUR VISION

# Smart insights to shape your future

**WE** believe data  
is only valuable  
when it has a  
purpose



**WE** guide you  
through this ever-  
expanding data  
universe



**YOU** create a  
company culture  
where data is  
empowered to be  
a strategic growth  
change-driver

Would you like to find out how we can help your organization to organize an efficient client onboarding process?

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