D&B Solutions for
Know Your Customer
Compliance

for financial institutions

Know Your Customer
• Provide assurance of regulatory compliance
• Protect the reputation of your brand
• Prevent potential regulatory fines
• Increase the efficiency of your account on-boarding and ongoing approval process
• Avoid doing business with risky customers
• Build profitable customer relationships
The power of confident
Know Your Customer Compliance

*D&B Solutions for Know Your Customer Compliance* represent the most powerful and rigorous business practices for enabling confident regulatory compliance.

Our solutions further validate the identity of your accounts and policy holders by leveraging more than 165 years of experience in identifying businesses. We apply our unique and robust compliance assessment risk profile, hierarchical family tree insight, and unparalleled screening against international government control lists to enable confident compliance.
A Question of Compliance

- Can you verify that your customers are who they say they are?
- Is the entity opening an account with you a legitimate and active business?
- Are the business names, addresses, and other identifying data complete, accurate, and up-to-date?
- Do you know which of your customers are potentially high compliance risks and should be monitored for suspicious activity?
- Are any of your customers on a list of known or suspected terrorists? Is anyone in their corporate families on such a list? Are they doing business in a sanctioned country?

In today’s complex regulatory landscape, companies and financial institutions need a single, integrated, and efficient process to demonstrate and document that the organizations they do business with are legitimate, truthful, and viable to help meet regulatory requirements. These requirements are set out in the USA PATRIOT Act, OFAC regulations, the Bank Secrecy Act, FSA Money Laundering Directives, and other global regulations.

Financial institutions that do not perform and document such verifications not only face enforcement actions and regulatory penalties, but also risk significant damage to their reputation and customer dissatisfaction.

The cost of ignoring the rules...

Fined: $41M
Bank fined by the OCC for violating anti-money laundering laws by failing to report suspicious activity in its embassy banking division (i.e., allegedly routing money to 9/11 terrorists).

Fined: $80M
Financial institution fined by FinCEN for poor monitoring that allowed $3.2B to move from Russia to U.S. shell companies. Wire transfers to sanctioned countries were also uncovered.

Fined: $40M
Bank fined by FinCEN for failing to report suspicious activity related to an illegal AML scheme and lacking appropriate controls.

D&B Solutions for Know Your Customer Compliance offer the robust and easily integrated approach that financial institutions need to help meet today’s regulatory requirements with efficiency and confidence. Knowing who you do business with and following these guidelines and best practices will help you drive revenue growth for your business.
A Confident Know Your Customer Solution

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D&B’s KYC capabilities go beyond other solutions on the market today. We validate the identity of the new accounts by matching customer input data against D&B’s global reference matching file, which includes 220 million active, inactive, and historical records. We leverage our patented NextGen matching capability and ‘confidence codes’ to enable true identification. The D-U-N-S® Number is then used as the unique CIP.

D&B customers then build a compliance risk assessment profile on each account. We use the D&B Global Database to corroborate the existence of the business, and use our powerful and proprietary Compliance Risk Index to evaluate the risk a business poses based on high risk indicators.

D&B screens against government control lists or banned entity lists such as the OFAC list, Bank of England list, Terrorist Exclusion List, and other international lists. D&B’s unique hierarchical linking can also screen all members of a corporate family, not just the individual account.

Our solutions fully satisfy audit requirements: the data is time-stamped, an archival history is maintained, and the risk indicators support activities around new accounts.

### A Stepwise Approach

To mitigate the risks associated with non-compliance, the USA PATRIOT Act and similar international regulations specifically state that all financial institutions must comply with these guidelines for new customers (following these guidelines for existing customers is a best practice):

<table>
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<th>Step 1</th>
<th>Know Your Customer (KYC)</th>
<th>Authenticate and verify the identity of existing customers and new customers at account opening and associate them with a unique customer identifier (CIP).</th>
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<td>Step 2</td>
<td>Risk-Based Approach</td>
<td>Take a risk-based approach toward verifying the identity of those existing customers and new accounts.</td>
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<td>Step 3</td>
<td>Screening</td>
<td>Ensure that existing customers and new accounts are not on lists of suspected terrorist organizations or located in a sanctioned country.</td>
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<td>Step 4</td>
<td>Audit Trail</td>
<td>Document processes, keep records, and monitor high-risk customers.</td>
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### Risk-Based Approach

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### Screening

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### Audit Trail

Our solutions fully satisfy audit requirements: the data is time-stamped, an archival history is maintained, and the risk indicators support activities around new accounts.
Seamless Implementation and Delivery

Powerful and feature-rich, D&B Solutions for Confident Compliance can be integrated across existing systems and applications with minimum investment and without disrupting work flow. Easy-to-use File Transfer Protocol (FTP) or standard Internet language (XML) batch versions integrate seamlessly with your applications, and the solutions can also be delivered in real time through dnb.com (as illustrated in Figure 1) or the D&B Data Integration Toolkit to provide more immediate access to critical compliance information.

Contact your D&B Relationship Manager today or e-mail us at ERandC@dnb.com and start building a more streamlined and confident approach to compliance.

800.234.DUNS
www.dnb.com/compliance

Know Your Customer

A Proof of Right Count of 6 implies a high corroboration factor of business existence
B Compliance Risk Index Class of 68 implies high risk
C This match was found on the SDN list

DUNSRight® and the D&B Global Database: The core of the solution

DUNSRight is the most comprehensive and rigorous process that transforms business information—yours and ours—into decision-ready insight.

Our patent-pending DUNSRight process includes more than 2,000 automated and manual information quality assurance checks and is continuously enhanced and updated through annual investments of more than $250 million. Customers use the decision-ready insight produced by DUNSRight to establish and maintain a 360-degree view of their accounts, policy holders, customers, and suppliers, enabling more confident business decisions. DUNSRight is built on our unique capabilities driven by our widely accepted and recognized business identifier, the D-U-N-S® Number.

The D&B Global Database is the largest single source of local and global business information and decision-ready insight.

The D&B Global Database, which is updated more than 1.5 million times a day, provides insights on more than 115 million business records. It is the single source for information and decision-ready insight offering global coverage with local breadth and depth.

Figure 1 illustrates a sample Know Your Customer Compliance Report delivered through dnb.com. Note that it contains basic identity data, key compliance risk indicators, and results of screening. In this example, the possible match against the Specially Designated Nationals and Blocked Persons (SDN) list requires additional due diligence on this particular account.
D&B Solutions

Risk Management Solutions
Sales & Marketing Solutions
Supply Management Solutions
E-Business Solutions

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