



Digital on-boarding

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KYC (by BASEL)

- Acceptance
 - **Identification**
 - Monitoring
 - Risk management
-
- in accordance with defined risk appetite and applying risk based approach



„Classical“ on-boarding

- Preferably face-to-face
- Presenting identification document
- Providing:
 - Address
 - Phone number
 - E-mail
 - Field of activity
- PEP status
- Source of wealth
- Structure of management and ownership
- Reasoning for customer relationship
- Beneficial owner
- ...



FinTech approach

- Risk assessment
- Risk based approach
- Gradual KYC:
 - Sign-up and verification of contact information (phone and/or e-mail)
 - Low threshold and low risk activities:
 - first payment from „regular“ bank
 - copy of ID document
 - Increased activity – full (digital) KYC
 - High risk – EDD
- Monitoring



On-boarding

- On-boarding:
 - Through app in smartphone
 - Automatic verification of phone/e-mail
 - Copy (picture) of ID document
 - Outsourcing of verification
- Identification:
 - Digital signature (EC No 910/2014)
 - Video identification
 - Certified documents (notaries and similar)
 - Face-to-face identification
- Concentrating on monitoring (usage of new analysis methods)



Challenges



- Who's the Gatekeeper?
- Fragmented view on financial profile:
 - for financial institutions
 - for FIU, police and for other state authorities
- Different (uneven) application of supervision
- Rapid evolution of financial services
- Jurisdiction in modern world of services
- Proper usage of technology



Regulatory framework

- FATF new and revised 40 recommendations 2012
- EU 4th AML/CTF Directive 2015
- Local legislations 2017-2018
- The Electronic Identification and Trust Services Regulation (eIDAS) 2014
- 5th Directive 2018



Thank You for your attention