BE AT THE FOREFRONT OF KYC TRANSFORMATION

ACCELERATE YOUR JOURNEY TO PERPETUAL KYC
WITH A PARTNERSHIP-LED SANDBOX

Integrating perpetual KYC (pKYC) into the regulatory roadmap can help financial institutions reduce cost, enhance efficiency and productivity, and improve risk mitigation. With a partnership-led technology sandbox, you can implement pKYC safer and sooner.

Financial institutions and regulators view KYC as the most important part of an anti-money-laundering (AML) program, as it's integral to all other stages, including transaction monitoring, suspicious activity report (SAR) filings, and sanctions screening. But the traditional KYC approach is costly and can overwhelm a financial institution's resources and internal controls. A static KYC process struggles to keep pace with modern money laundering activity and puts the organization at risk of not being able to identify suspicious activities in a timely manner. This can lead firms to perform below industry standards and fall short on regulatory expectations.

The move to pKYC

The future of KYC is a process known as "perpetual KYC" (pKYC) – the continuous, trigger-based risk monitoring of customers, which provides financial institutions with the ability to rapidly respond to customer behavior changes. pKYC proactively alerts financial institutions to significant milestones in a customer's life that affect their AML risk level and their overall risk exposure.

Perpetual KYC provides a multitude of important benefits:

- Updating customer risk profiles in a timely manner to achieve a state of continuous compliance
- Enhancing overall data quality, which allows for accurate decision-making
- Reducing false positives and negatives
- Attaining smart customer onboarding (including a customer portal for outreach, automated screening, and digital identity verification)
- Improving operational efficiencies (such as automation of much of the client's KYC refresh work) to lessen/eliminate due diligence review backlogs

The industry is moving steadily in the direction of pKYC, but for most financial institutions, the shift is proving difficult to implement. The technology landscape is fragmented and confusing, with multiple Regulatory Technology (RegTech) providers claiming to offer an "end-to-end" solution.

However, most of these solutions don't address one or more of the critical requirements to achieving real-time KYC.

A network of partners

The optimal approach for financial institutions lies in creating an ecosystem of partners, each of whom brings critical expertise, resources, and experience to the effort. Working together, they provide financial institutions a technical sandbox that offers a controlled testing environment wherein the institutions (and their supervisors) can visualize the entire pKYC process in action and assess the interaction of the technologies needed. Financial services companies are able to test data in the sandbox in a secure, confidential manner, and derive insights from viewing an end-to-end pKYC journey.

Visualize your journey to pKYC with our 6-in-a-box sandbox

Capgemini

End-to-end transformation, change management, and risk advisory services

| Trigger Event Detected | | | | | | | To Perpetual KYC |

| Trigger Event Monitoring | External Data Enrichment | Entity Resolution / Materiality Assessment | Dynamic Risk Assessment | Rules Engine / Customer Screening | Alert Management / Case Investigation | Risk Assessment / AI Risk Summary |

quantexa	encompass *the full picture. fast*	WorkFusion — Putting AI to work.	PEGA	Google Cloud
Event monitoring, dynamic entity resolution, materiality and dynamic risk assessment and KYC network creation.	KYC profile creation, public and premium data integration and normalization, UBOs, attribute lineage and hierarchy, and source documents.	KYC unstructured data handling, adverse media screening and name screening alert disposition through AI Digital Workers.	Orchestration layer, alert and case management, customer contact and risk assessment workflows.	Google Cloud infrastructure hosting and Generative AI.

Financial institutions must be able to demonstrate to regulators that the new pKYC process works, that it meets their various expectations, including explainability, auditability, transparency, proper data management and security, compliance with privacy requirements, provenance, and governance, appropriate model risk management, and metrics to demonstrate effectiveness, and that it provides clear benefits such as a higher level of compliance, proactive risk management, a better customer experience, and greater efficiencies and productivity combined with lower costs.

Join us in the sandbox

Six world class companies – each with best-in-breed capabilities in their respective areas of expertise – are partnering to introduce an industry-first pKYC sandbox available to clients to help transform pKYC into a reality.

This unique and powerful six-in-a-box team of companies includes:

encompass the full picture, fast	With a dynamic KYC process automation platform, extensive data connections, and industry expertise, Encompass helps banks globally create and maintain real-time digital risk profiles of all the institutions' customers.
Google Cloud	Google Cloud provides end-to-end infrastructure with the ability to support latest tools for generative AI and machine learning to empower financial institutions to drive data powered transformation, cost savings, continuous innovation, and scale.
PEGA	With its industry-leading low-code platform for AI-powered decisioning and workflow automation, an automated KYC rules engine, and advanced case management, Pega streamlines onboarding processes, automates customer journeys, and reduces the costs of managing highly regulated KYC and client lifecycle processes.
quantexa	Quantexa's Decision Intelligence Platform delivers a 360-degree view of customer data to help financial institutions deliver personalized customer experiences and enhance privacy and security through confident data-driven decisions for a digitally resilient ecosystem.
WorkFusion Putting AI to work.	WorkFusion is the creator of AI Digital Workers, purpose-built for financial services organizations. Its Digital Workers are true knowledge workers that effectively augment existing teams in functions like AML, sanctions, customer onboarding, KYC, and customer service.

In a world of growing complexity, we see collaboration as an increasingly crucial accelerator. Capgemini is your partner to a build a partner-based technology sandbox that offers best-in-class pKYC capabilities.

Static KYC environments, make it difficult for financial institutions to meet their regulatory requirements and their customers' expectations. The pKYC sandbox is a unique opportunity to make the shift safely, smoothly, and with minimal disruption to operations.

To view our sandbox in action, or learn more, contact us at banking@capgemini.com.

About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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