

Oracle Financial Services Know Your Customer

Financial institutions are constantly working to identify and prevent customers who are perpetrating financial crimes and non-compliant activities and are using the financial institution to meet their illegal goals. Know your customer (KYC) policies mandated by regulators globally are important to prevent identity theft, fraud, money laundering and terrorist financing. Institutions are looking to their KYC controls to not only meet regulatory requirements, but also cut down their fraud losses and improve overall customer relationships. Oracle Financial Services Know Your Customer provides cost effective measures to identify and prevent financial crimes, allowing banks to meet regulatory requirements and improve overall customer relationships.

A comprehensive Know Your Customer platform

A comprehensive customer risk-scoring module for both batch and real time with flexible and extensible risk-scoring module helps meet diverse KYC regulatory requirements across global institutions. It has the capability to perform end-to-end onboarding process to foresee the risk the prospect would pose to the institution when he becomes a customer. Differentiating features of this platform are:

Comprehensive risk scoring model

- Globally accepted risk model, which is pre-defined and available out of the box.
- Risk model supports multi-country, multi-jurisdiction as well as different businesses like retail, corporate, wholesale, etc.
- Two types of out-of-the box risk models. One is a weighted risk model with multiple risk factors. The other is considered as auto high rule-based model where specific values against a rule can be monitored for review of the customer profile.
- Risk factors/parameters and rules are enabled through the user interface.
- Provide risk scores for each of the values for a risk parameter on just one user interface.
- Utilizes internal tools to create, modify and update the risk model. The tool is transparent, flexible for defining new parameters as required.
- Aids in tweaking risk scores, risk weights, and rule values with its capability of the data structure during risk scoring process.

Key features

- Comprehensive and extensible risk scoring model
- Extension of risk scoring model is through a User Interface, reducing the need of having a technical person
- Continuous monitoring of the customer population to ensure up-to-date assessment of risk
- Extensible data and risk models, reducing implementation time and costs for both batch and real-time
- On-boarding service which can easily be integrated with origination/onboarding systems
- Onboarding service caters to all aspects of CIP verification, screening, scoring and decision of onboarding with just one REST-based API integration
- An advanced, enhanced due diligence process to enable quality

- The application empowers users and information technology partners to configure business rules that meet their local and global KYC requirements.

Continuous ongoing review – 360° review of customer

- OFS KYC provides extended configuration for accelerated re-review for escalation of a change in customer profile. OFS KYC identifies the re-review process in multiple ways.
- Periodic review: OFS KYC reviews the customer based on the review period configured for each range of the risk scores for a jurisdiction and customer type.
- Alert/event-based triggers: As OFS KYC is integrated with behavior detection platform, KYC can look at the alerts/events of a particular configured pattern and trigger re-review of the customers.
- Change in information: By default all risk factors, which are out of the box, comes with pre-defined change log process and review process inbuilt. It is configurable and extendable via user interface and configurations.
- Change in the risk scores/rule values.

Capturing the beneficial owner's information

As a part of KYC, regulations knowing customer's beneficial owners are mandatory for existing and new customers. OFS KYC has extended the data capture of beneficial owners who can be

- customer of the institution or
- non-customer of the institution,

As per the new rule imposed by FinCEN on Beneficial Ownership. Most of the beneficial owners are not customers of the institution; therefore, OFS KYC captures the required data of the beneficial owners like name, date of birth, address and identity documents. This data is further processed for watch list during risk scoring of the primary customer.

Efficient Enhanced Due Diligence investigation process

Oracle Financial Services Know Your Customer offers an efficient and cost-effective way for institutions to conduct enhanced due diligence (also known as customer due diligence) processes using the underlying case management platform's investigation capabilities. Risk assessments that meet specific thresholds are escalated for due diligence. Investigators and analysts have easy to use, yet powerful, investigative tools to adjudicate a customer's risk assessment. Differentiating features of the application that help the due diligence process are:

- Ability to review risk parameter attributes that contribute to the risk score.
- Support for risk score override to modify the score if required as a part of investigation. Also, indicate the expiration date for the override risk score vs system score.
- Support for providing manual next re-review date for customer's profile.

investigations without increasing costs

- Standard integration with other Oracle Financial Crime and Compliance Management applications

Key benefits

- Meet local and global AML/CFT regulatory requirements with standard risk scoring models
- Employ efficient due diligence processes and enable multi-jurisdiction, multi-country customer risk scoring using a single instance
- Simplified, Configurable, Transparent On-boarding process flow.
- One Integration with Onboarding systems takes care of all KYC aspects
- Reduce customer risk exposure on the front lines and enhance customer relationships
- Achieve end-to-end compliance by leveraging core capabilities with Oracle Financial Services applications
- Pre-integrated with OFS ECM for case investigation and OFS CS for screening of customers matches
- Utilize standard interfaces to exchange information with third party systems
- Capable of integration with all REST-based service providers by quick configurations

- Comprehensive audit history to understand past customer behavior and the risk assessment output. Graphs embedded for analysis of previous risk scores.
- Network graph of relationships for visualization, relationships includes customer-to-customer, customer to account and customer to beneficial owners.
- Configurable workflow for resolution of the case.
- Correlating same risk assessments to existing open cases than creating a new case.
- Enablement of ad hoc search for due diligence like watch list and news search by simple configurations.
- Support for manual case creation with user provided risk score
- Manual promotion of risk assessments to cases for further investigation of the customer with the system provided risk score.

Facilitates customer and account onboarding processes

A majority of the global institutions are utilizing their KYC processes to improve account and/or customer on-boarding processes. Financial institutions are required to perform KYC checks when starting a new relationship with a customer, not only to ensure they are entering a profitable relationship but also to provide a valuable customer experience during the process. Oracle Financial Services Know Your Customer utilizes sophisticated information exchange formats to easily maintain and share data across existing systems, enabling financial institutions to perform real-time checks against their new customer. These checks help the customer/account on-boarding process by identifying the risk exposure of the customer without compromising the customer experience.

Additionally, KYC-related information also helps relationship managers to maintain a profitable and healthy relationship with their customer base. By providing access to KYC information, organizations can empower front line relationship managers with a 360° view of the customer profile. The Oracle Financial Services Know Your Customer solution plays a critical role in achieving these objectives.

Standard integrations support end-to-end compliance

Oracle Financial Services Know Your Customer is delivered with standard information exchange interfaces to facilitate integration with related compliance solutions. The application comes pre-configured with Oracle Financial Services Anti Money Laundering and Oracle Financial Services Fraud applications. This helps institutions to automate an end-to-end compliance process.

The Oracle Financial Services Know Your Customer solution is designed to interact with the following interfaces:

- **Onboarding service:** This is the service, which enables quick and smooth onboarding process. This is a REST-based service exposed to onboarding system by OFS KYC.
- **Customer and account reference data interface:** This reference information is used to capture the customer and account information for further processing of risk assessments. Currently the KYC system refers the data, which is fed into AML system from the staging area.
- **Watchlist interface:** The watch list data is used to screen customers against internal and external watch lists, which are uploaded by the financial institutions through the DIS file. This interface is applicable for batch and online. The interface is for internal watch list and OFS CS watch list as well.
- **Risk score feedback interface:** The information exported from this interface can be updated into other front and back office systems. As part of closure of a risk assessment through batch mode, the risk score is also made available for consumption of other back office systems.
- **AML and fraud alert interface:** The AML and Fraud alert data is used to initiate an accelerated re-review of the customer as well as used as a factor that contributes to the overall risk score.
- **Capability of external data source interface:** Capability of interfacing with external systems for performing ID verification, negative news providers, etc. The infrastructure is available for REST-based services by configuring the input and the output as required for external verifications

“Future-proof” your compliance investment

Oracle Financial Services Know Your Customer operates within the Oracle Financial Services Analytical Applications (OFSAA) suite for Financial Crime and Compliance Management, the first comprehensive set of applications to meet the particular needs of the financial services community. This solution is composed of Oracle’s best-in-class Oracle Financial Services risk and compliance behavior detection applications for Anti Money Laundering, Fraud, FATCA Management, and Trading and Broker Compliance. Oracle Financial Crime and Compliance Management provides end-to-end applications that leverage a robust data model and comprehensive dashboard capabilities to deliver a single transparent, holistic view of all financial crime and compliance related activities across the enterprise.

Oracle Financial Services helps you to identify operational inefficiencies that increase noncompliance risks and overall compliance costs. The unified Oracle Financial Crime and Compliance Management suite of applications helps financial institutions tackle today's tactical risk and compliance problems while future-proofing compliance spent across regulatory mandates. By establishing a strategy to address future risk and compliance initiatives, a financial institution can respond to changing business and regulatory conditions while leveraging existing business, functional, and technology components thereby improving the consistency and effectiveness of data, increasing business performance, improving time to production and strengthening competitive advantage, all while controlling overall compliance costs.

About Oracle Financial Services Analytical Applications

Oracle Financial Services Analytical Applications bring financial institutions best-of-breed capabilities to proactively manage Financial Crime, Compliance, Risk, Treasury, Finance and the Front Office. The applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data model, analytical computations, a Metadata driven “R” modeling platform, and the industry-leading Oracle Business Intelligence platform.

A single, unified data model and infrastructure provides one version of the analytical “truth” to business users throughout the entire enterprise. This enables financial services institutions to confidently manage performance, governance, risk and compliance. Shared data, metadata, computations and business rules enable institutions to meet emerging business and regulatory requirements with reduced expenses and the unified platform helps financial institutions to leverage existing investments.

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