



Bankers Almanac: Due Diligence

Why do I need to know who my correspondent bank is?

Over the past 30 years, the financial industry has faced many changes due to new regulations, market dynamics and the impact of significant events on the worldwide economy.

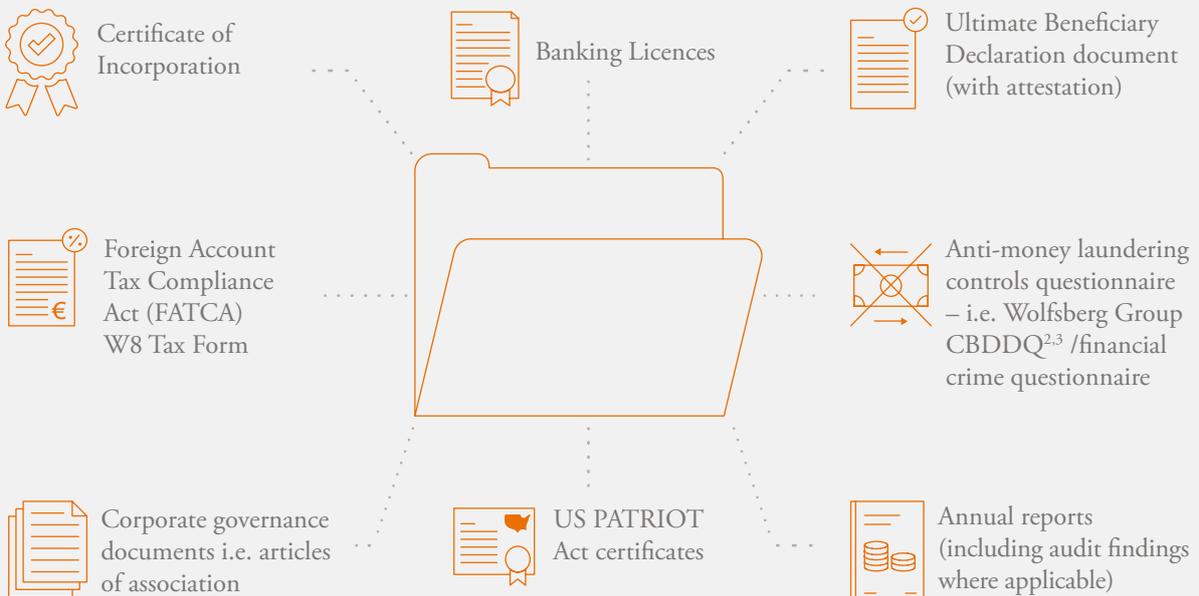
Bodies such as the Financial Action Task Force (FATF – inter government body) and the Financial Crimes Enforcement Network (FinCEN – US Department of Treasury) have previously focused on drug trafficking and money laundering, but after the devastating effects of 9/11, terrorist financing was thrust into the spotlight creating a long-term impact on financial institutions and their governing processes. As a result, industry bodies are moving toward promoting best practices and standards across the banking industry to help avoid de-risking and promote financial inclusion.

An Accuity 2018 research study¹ found that **70%** of respondents still believe that there is significant confusion surrounding the interpretation of complex regulations, leading to banks' incurring additional costs whilst failing to deliver consistent risk assessments.

The implications for those that produce sub-standard risk assessments can be significant and under regulator examination could lead to enforceable actions or penalties (i.e. withdrawal of a banking licence).

What documents are necessary to verify your correspondent banks?

Minimum documentation required includes:



Challenges of sourcing verified documentation



- Sourcing the relevant documentation in a timely manner



- Ensuring the information is coming from a primary source (e.g. originating from a bank or regulator)



- Knowing whether the information you collated is correct and up-to-date



- Wasting highly skilled resources on non value-adding tasks

How can Bankers Almanac support you?

Bankers Almanac provides you with quick and easy access to 630,000+ pre-verified documents covering current and archived files (with date stamp) that cover all key documentation, including the Wolfsberg Group CBDDQ.

How we maintain quality data:

Information is uploaded into Bankers Almanac direct from primary sources, by our team of 140+ data analysts, covering 20 languages. We proactively liaise with primary sources such as banks and regulators to request key documentation and provide a quality control check, before it is uploaded. All data and documentation is then reviewed in ongoing cycles that are event driven.

Helping you reduce the time, effort and risk involved in meeting your KYC obligations by:



- Removing the need to collect documentation from counterparties directly



- Supporting a reliable audit trail by providing date stamped documentation from a credible source



- Providing you with insight into potential risk of new or existing counterparties



- Supporting your event driven reviews with alerting and bulletin boards to highlight changes to data and documentation

¹Accuity 2018 Financial Counterparty KYC Survey.

²The Wolfsberg Group, 2019

The Wolfsberg Group is an association of thirteen global banks which aims to develop frameworks and guidance for the management of financial crime risks, particularly with respect to Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies.

³The Wolfsberg Group have created a Correspondent Banking Due Diligence Questionnaire (CBDDQ) that aims to “set an enhanced and reasonable standard for cross-border and/or other

higher risk correspondent banking due diligence” aligned to current FATF Guidance. As such over time this will create greater transparency and insight into banks AML & KYC processes and help standardise the industry practice globally.

To find out more about Bankers Almanac: Due Diligence, or discuss upgrade options, please contact your Accuity account manager. You can also visit accuity.com to discover our full range of solutions.