

RISK & COMPLIANCE

2022

J A A R C O N G R E S

“De rol van de poortwachter anno 2022; publieke versus private sector”



Donderdag **16 juni 2022** - Landgoed Groot Kievitsdal, Baarn

Break Out Sessies

A



 LexisNexis®

Andrew Hoffmanns

B



Deloitte.

Yolanda van Setten

C



protiviti®
Global Business Consulting

Remke Schermer

RISK & COMPLIANCE

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RISK AND COMPLIANCE CONGRESS

June, 2022

Yvonne, Remke, Silungile & Owen

PRESENTERS



Owen R. Strijland

Managing Director

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Owen Strijland is responsible for the Financial Services and Fintech industry solutions for Protiviti Benelux and leads the Risk and Compliance solution. His focus is on bringing the right people, technology, and partners to his clients to really solve challenges. Owen is a Design Thinking facilitator and founded the Dutch Chapter of ACFCs. Since 2014, he has a seat in the Dutch Management Team of Protiviti.



Remke Schermer

Director Risk & Compliance

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Remke Schermer is sinds juli 2021 Directeur Risk & Compliance van Protiviti Nederland. Voordat zij bij Protiviti in dienst kwam was zij Head Program Management Global Privacy en Head Program Management CDD/AML/CTF bij de Rabobank. Eerder, tot december 2016, was Remke o.a. werkzaam bij ABN Amro Bank als Senior Implementation Project Manager.



Silungile Mlambo

Manager Financial Economic Crime

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Silungile Mlambo is Manager at Protiviti since June 2022, and she is responsible for Financial Economic Crime and regulatory compliance. Over the past 10 years, Silungile has worked on KYC remediation projects, Customer Due Diligence, Privacy, Sanctions, Fraud and Anti-bribery and Corruption projects (to name a few). Throughout her career, Silungile has worked in several sectors, including, Banking, Insurance, Payments as well as for public organizations.



Yvonne van der Schoot

Manager Risk and Compliance

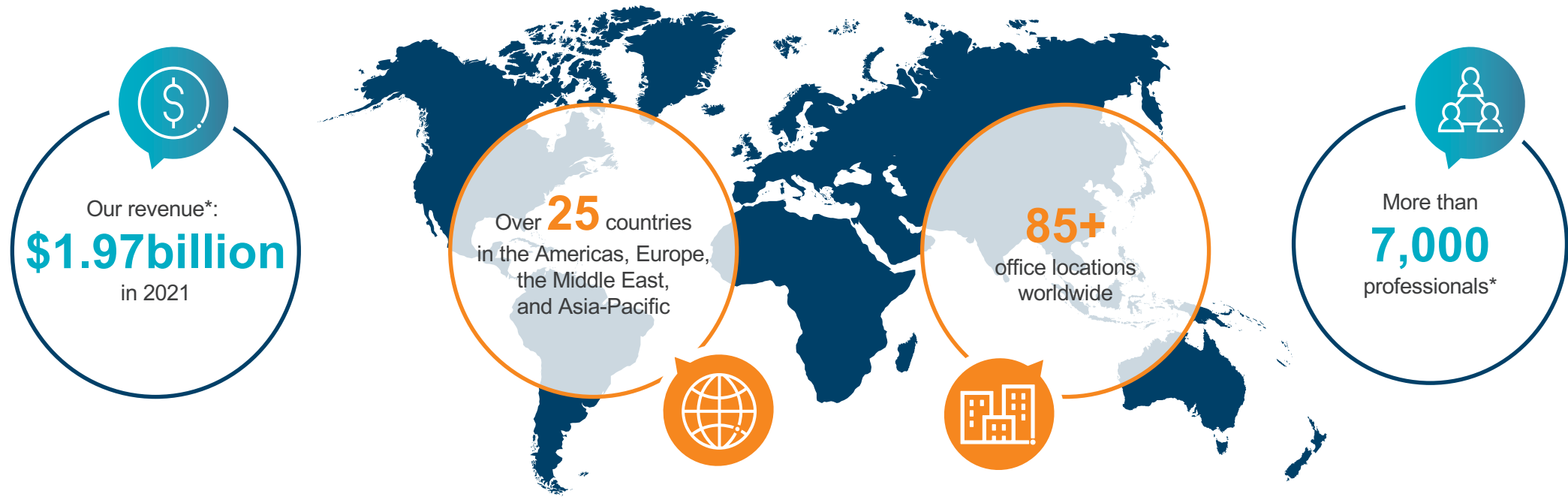
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Yvonne.vanderschoot@protiviti.nl

Yvonne van der Schoot started in January 2016 and is now a manager Risk and Compliance at Protiviti The Netherlands. Over the last years Yvonne has worked for several clients and different types of Industries in the Risk and Compliance domain. She has done several implementation projects in the financial sector, lease and Retail industry.

PROTIVITI

Who we are



*Inclusive of Protiviti's Member Firm network

PROTIVITI AND YOUR CHANGING ORGANIZATION

Benefits through enhancing your operation

People & Organization

- Optimized and efficient KYC Operating Models.
- Oversight and governance commensurate with the scale and breadth of KYC program.
- Stronger culture of compliance and accountability.
- Alignment of resource capacity.
- Timely, periodic training for AML staff and relevant resources.

Impact:

Organization built to scale that is designed to reduce regulatory risk.

Risk Systems & Data

- Onboarding platforms that are fit for purpose and adaptable.
- Intelligent machine powered customer screening and risk scoring tools.
- Optimized data flows and governance.
- Advanced analytics for improved customer segmentation.
- Single view of customer record.

Impact:

Robust data and systems governance allows for integrated platforms working with a centralized customer view to mitigate customer risk.



Process & Controls

- Alignment of global and regional Policies & Procedures with regulatory requirements.
- Effective, precise process workflows.
- Risk and Control Matrices commensurate with the evolving organization, including products, and services.
- Embedded Intelligent Process Automation.

Impact:

Streamlined processes relying on digital enablers to reduce operational costs.

Operationalise & Customer Experience

- Supporting your KYC organisation, temporarily/ workload
- Real-time customer identity verification.
- Shortened client onboarding and periodic review cycle times.
- Enhanced customer experience by streamlining requests for information and minimizing disruptions.

Impact:

Release your own employees to manage change. Decreased onboarding costs and improved customer experience creates a competitive advantage; less time spent on RFIs and collecting customer information.

PROTIVITI AND TECHNOLOGY

Benefits through technology



Process Mining

Automate process understanding and identify patterns / trends in any process with an electronic fingerprint



Robotic Process Automation

Software automation of otherwise manual routine, rules based tasks to free up time and improve quality



Machine Learning

Strengthen analysis and testing with advanced algorithms that become more accurate through continuous learning and experience



Natural Language Processing

Accelerate testing of both structured and unstructured data by extracting key elements to reconcile into one single dataset to review



Advanced Analytics and Testing Tools

Dynamically analyze large volumes of data and rely on advanced tools to strengthen accuracy of analysis and testing

INTRODUCTION:

A game where there are no winners and losers



Background

While sticking with the theme for the congress, which is - 'The role of the gatekeeper in 2022; public vs private sector', our focus for the breakout room will be on the private sector gatekeeper – banks in particular. As gatekeeper to the financial system, Banks and other obliged entities under the Anti-Money Laundering Directive (AMLD) are mandated to have measures in place to prevent money laundering and terrorist financing. The ability for banks to carry out this responsibility contributes to global security and ensures reliability in the financial system. Although banks bear the gatekeeper responsibility, the customer may carry some administrative load and, until recently, also the costs associated with the Customer Due Diligence (CDD) checks. During the break-out session we will discuss the cost implications for the customer and as well as ways to limit the cost to the customer. The following topics will be discussed:

Topics:

1. Who should pay for the mounting AML/CFT compliance costs, the bank or the customer?
2. What happens when the customer refuses to pay?
3. Are there other ways for banks to manage their gatekeeper responsibility without the customer carrying the cost?

Why the game – 'Over de streep'?

We encourage you to think by picking a side, however, through dialogues we hope to show you that there are always two sides to the story.

Why join this break-out session?

So that, together we can come up with ways that work both for the customer and the banks.

JOIN THE CONVERSATION?



Yvonne

VS

Silungile



QUESTION ONE: STATEMENTS

Who should pay for the mounting AML/CFT compliance cost?



Yvonne

1. Customers should not pay for their own compliance costs, it's like a barber asking you to sweep your own hair after a haircut, or a restaurant asking you to clean your own dishes after a meal.
2. Dutch banks can team up and work closely together to make KYC costs lower, that way the customer does not have to foot the bill.



Silungile

1. It makes sense that customers pay for their own AML/CFT checks, after all, this is becoming unbearable for financial institutions (i.e. payment methods being offered are increasing).
2. Unfortunately, the risk of 'keeping money safe' has become bigger with money laundering and terrorist financing. The client can no longer be exempted from these costs.

QUESTION TWO: STATEMENTS

Should banks terminate accounts for client who refuse to pay for their own CDD checks?



Yvonne

1. No, FI's (banks) cannot terminate customer accounts based on their refusal to pay for their CDD checks, because they have duty of care towards customers.
2. If CDD costs increase exponentially over the next couple of years, customers may not be able to keep up with these payments. This will mean that people without sufficient financial means will be left out of the financial system, and therefore this is not fair.



Silungile

1. 'Duty of Care' implies that Banks must be reasonable and fair towards the customer, banks may still terminate the customer's account if they refuse to pay based on their contractual obligation.
2. Banks can and should still terminate customer accounts; however, government needs to steps in to create a solution for this matter and ensure no one is left out of the financial system. (e.g., house prices increasing, subsidies for starters)

QUESTION THREE: STATEMENTS

Should banks terminate accounts for client who refuse to pay for their own CDD checks?



Yvonne

1. Yes, Automation is a good idea, we start to rely greatly on technology, so it makes sense that we also automate this process as much as possible.
2. Full automation allows banks to handle large volumes of customers and therefore fulfil their gatekeeper obligation. Without automation banks have backlogs, which also poses a risk on the integrity of the financial system.
3. Technology is advancing, we will get to a point where the KYC process is fully automated, this is unavoidable.



Silungile

1. Automation is not a good idea; it comes at a price for the environment (i.e., more energy waste), moreover, the cost of automation is still not cheap for Financial institutions.
2. We cannot have full automation as an answer, because KYC/CDD process will always involve manual intervention. (i.e., QA is done by humans even when most of your onboarding process is automated).
3. That is indeed a possibility, but KYC compliance analysts are highly specialized, therefore there may not be a time when such skill is not required