

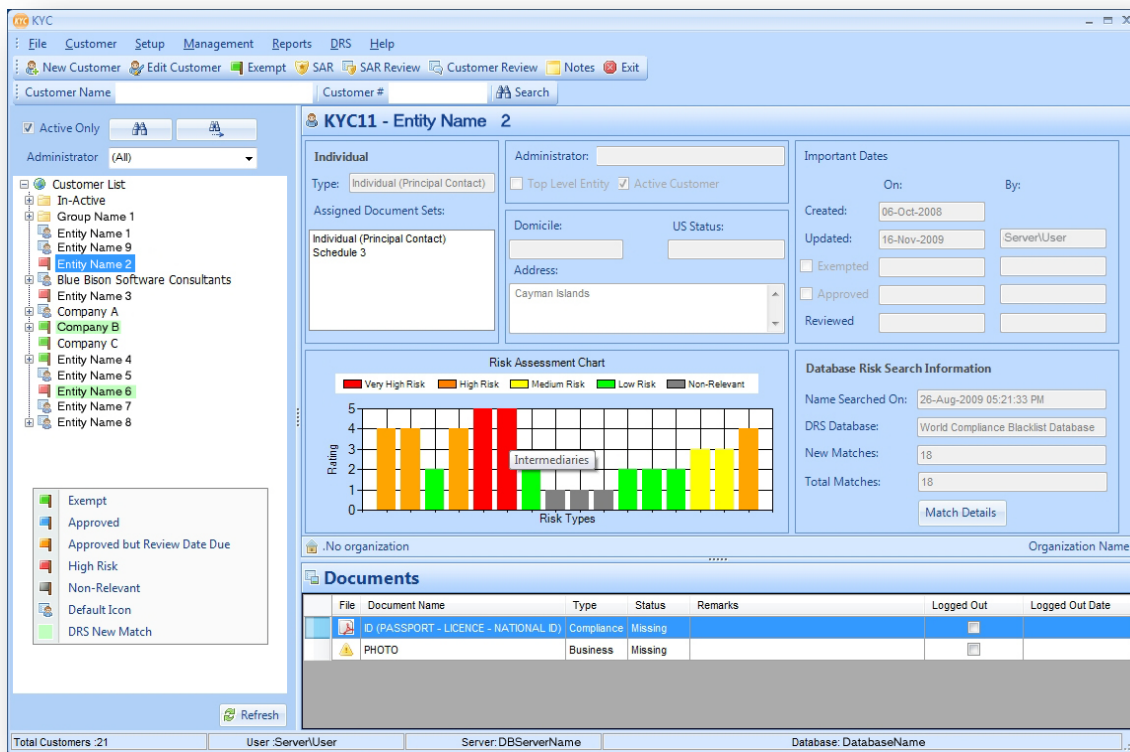
Risk Assessment

Overview

Blue Bison has increased the functionality of the KYC application by introducing the new Risk Assessment module.

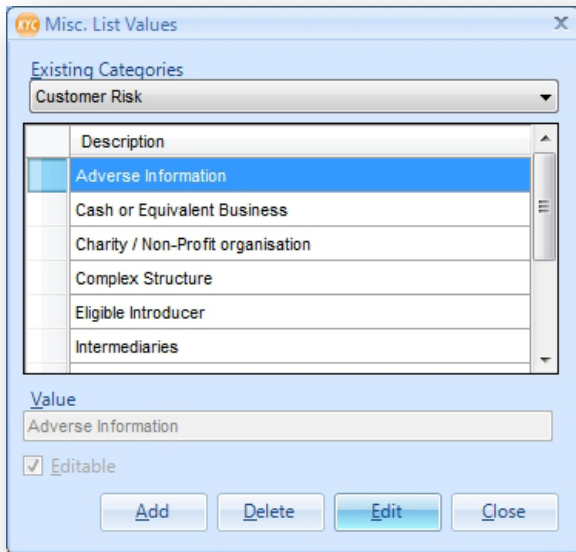
Users are able to assign Risk Criteria (such as “Complex Structure” or “Intermediaries”) to Risk Categories (such as “Geographic Risk” or “Customer Risk”) and then assign levels of risk (1-to-5) to each individual entity. The application records any changes made to risk levels with an associated notes field for audit capability.

The Risk Assessment is shown clearly on the entity details page when scrolling through the list of entities. Full reporting is also available in the KYC application.



The screenshot displays the KYC application interface. The main window is titled 'KYC11 - Entity Name 2'. The interface includes a menu bar (File, Customer, Setup, Management, Reports, DRS, Help) and a toolbar with options like 'New Customer', 'Edit Customer', 'Exempt', 'SAR', 'SAR Review', 'Customer Review', 'Notes', and 'Exit'. A search bar is present for 'Customer Name' and 'Customer #'. On the left, there is a 'Customer List' tree view showing various entities, with 'Entity Name 2' selected. Below the tree is a legend for risk levels: Exempt (green), Approved (orange), Approved but Review Date Due (yellow), High Risk (red), Non-Relevant (grey), and DRS New Match (light green). The main content area is divided into several sections: 'Individual' information (Type, Administrator, Assigned Document Sets), 'Important Dates' (Created, Updated, Reviewed), 'Database Risk Search Information' (Name Searched On, DRS Database, New Matches, Total Matches), and a 'Risk Assessment Chart' showing a bar chart of risk levels for different risk types. The chart has a legend: Very High Risk (red), High Risk (orange), Medium Risk (yellow), Low Risk (green), and Non-Relevant (grey). The chart shows 'Intermediaries' with a High Risk rating. At the bottom, there is a 'Documents' table with columns for File, Document Name, Type, Status, Remarks, Logged Out, and Logged Out Date. The table contains two rows: 'ID (PASSPORT - LICENCE - NATIONAL ID)' with status 'Missing' and 'PHOTO' with status 'Missing'. The status bar at the bottom shows 'Total Customers: 21', 'User: Server\User', 'Server: DBServerName', and 'Database: DatabaseName'.

Customer Risk



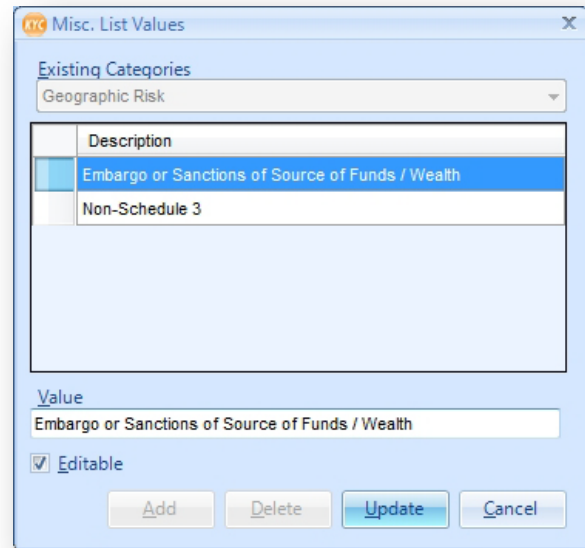
Description
Adverse Information
Cash or Equivalent Business
Charity / Non-Profit organisation
Complex Structure
Eligible Introducer
Intermediaries

Value: Adverse Information

Editable

Buttons: Add, Delete, Edit, Close

Geographic Risk



Description
Embargo or Sanctions of Source of Funds / Wealth
Non-Schedule 3

Value: Embargo or Sanctions of Source of Funds / Wealth

Editable

Buttons: Add, Delete, Update, Cancel

The user is able to manage (add/edit/delete) Risk Criteria. Each Risk Criteria is assigned to one of the Risk Categories

Default Risk Categories:

1. Customer Risk
2. Geographic Risk
3. Product Risk

Default Risk Criteria:

1. Adverse Information
2. PEP
3. Intermediaries

4. Eligible Introducer
5. Complex Structure
6. Cash or Equivalent Business
7. Unusual Business Relations
8. Sufficient Commercial Rationale
9. Undue Levels of Secrecy
10. Verification of Source of Funds/Wealth
11. Charity / Non-Profit organisation
12. Non-Schedule 3
13. Embargo or Sanctions of Source of Funds / Wealth
14. Services that seek anonymity or layers
15. Services that involve banknotes and precious metal trading
16. Services that CIMA identifies as high risk

Default Assignment:

1. Customer Risk (category)
 - a. Adverse Information
 - b. PEP
 - c. Intermediaries
 - d. Eligible Introducer
 - e. Complex Structure
 - f. Cash or Equivalent Business
 - g. Unusual Business Relations
 - h. Sufficient Commercial Rationale
 - i. Undue Levels of Secrecy
 - j. Verification of Source of Funds/Wealth
 - k. Charity / Non-Profit organisation
2. Geographic Risk (category)
 - a. Non-Schedule 3
 - b. Embargo or Sanctions of Source of Funds / Wealth
3. Product Risk (category)
 - a. Services that seek anonymity or layers
 - b. Services that involve banknotes and precious metal trading
 - c. Services that CIMA identifies as high risk

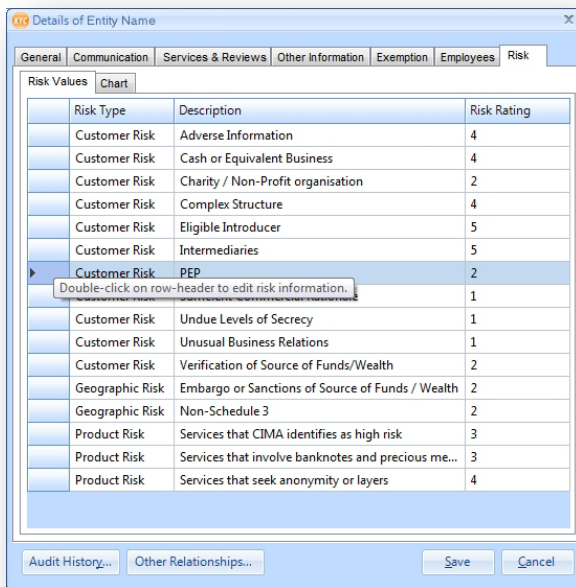
Assigning Risk values to Entities

The KYC user selects the “Risk” tab to edit the risk attributes of an entity in the KYC application.

The user can print the risk chart by simple right-clicking on the chart.

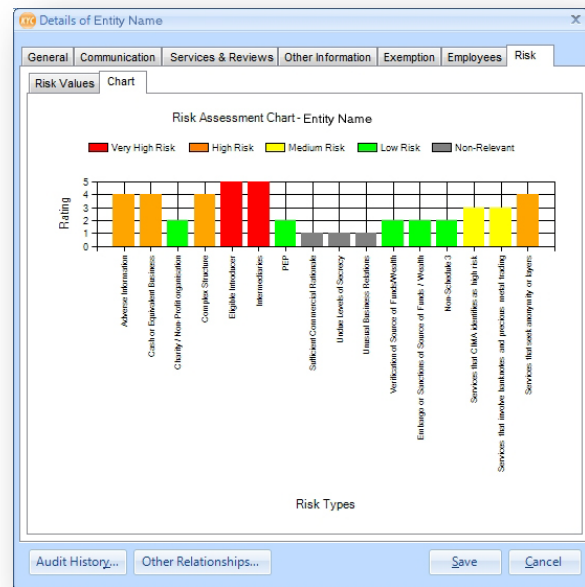
The user can modify any of the Risk Rating values by simply double-clicking on the desired rows.

Risk Assessment Values



Risk Type	Description	Risk Rating
Customer Risk	Adverse Information	4
Customer Risk	Cash or Equivalent Business	4
Customer Risk	Charity / Non-Profit organisation	2
Customer Risk	Complex Structure	4
Customer Risk	Eligible Introducer	5
Customer Risk	Intermediaries	5
Customer Risk	PEP	2
Customer Risk	Undue Levels of Secrecy	1
Customer Risk	Unusual Business Relations	1
Customer Risk	Verification of Source of Funds/Wealth	2
Geographic Risk	Embargo or Sanctions of Source of Funds / Wealth	2
Geographic Risk	Non-Schedule 3	2
Product Risk	Services that CIMA identifies as high risk	3
Product Risk	Services that involve banknotes and precious me...	3
Product Risk	Services that seek anonymity or layers	4

Risk Assessment Chart

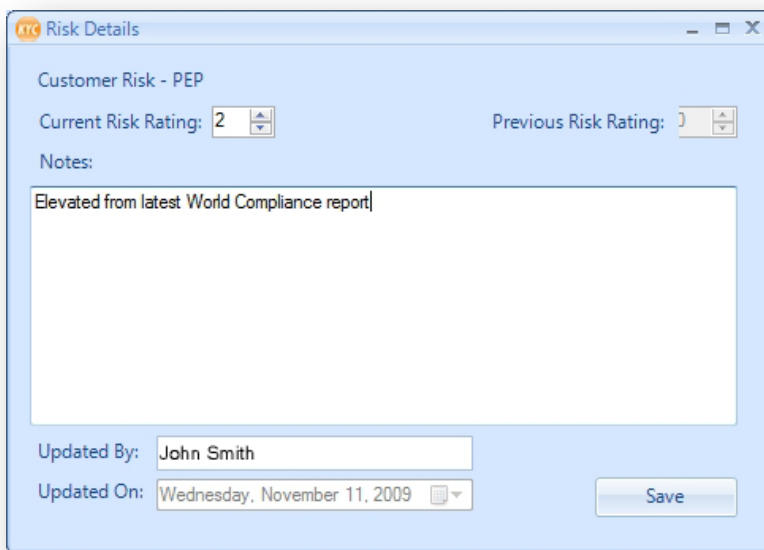


Risk Assignment Update Audit

After selecting a Risk Rating, by simply double-clicking the row, the user is presented with a dialog box to modify the Risk Rating value.

The dialog box shows the previous rating and also allows the user to enter a comment in the Notes field.

All details are recorded including the User name and date of modification.



Risk Details

Customer Risk - PEP

Current Risk Rating: 2 Previous Risk Rating: 1

Notes:
Elevated from latest World Compliance report

Updated By: John Smith

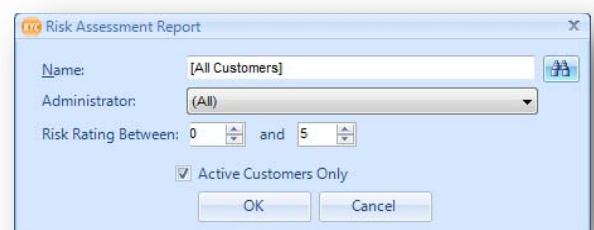
Updated On: Wednesday, November 11, 2009

Save

Risk Assessment Report

Detailed Risk Assessment reports are available to the KYC user.

Filtering of the results can be performed on Entity Name, Administrator and Risk Rating levels.



Risk Assessment Report

Name: [All Customers]

Administrator: (All)

Risk Rating Between: 0 and 5

Active Customers Only

OK Cancel



KYC
know your customer

KYC Risk Assessment Report

	Rating	Previous Rating	Notes	UpdatedBy	UpdatedOn
KYC11-Entity Name 1					
Customer Risk					
Adverse Information	4	3		John Smith	16-Nov-2009
Cash or Equivalent Business	4	3		John Smith	30-Oct-2009
Charity / Non-Profit organisation	2	0		John Smith	11-Nov-2009
Complex Structure	4	0		John Smith	11-Nov-2009
Eligible Introducer	5	0		John Smith	11-Nov-2009
Intermediaries	5	0		John Smith	11-Nov-2009
PEP	2	0		John Smith	11-Nov-2009
Sufficient Commercial Rationale	1	0		John Smith	11-Nov-2009
Undue Levels of Secrecy	1	0		John Smith	11-Nov-2009
Unusual Business Relations	1	0		John Smith	11-Nov-2009
Verification of Source of Funds/Wealth	2	0		John Smith	11-Nov-2009
Geographic Risk					
Embargo or Sanctions of Source of Funds / Wealth	2	0		John Smith	11-Nov-2009
Non-Schedule 3	2	0		John Smith	11-Nov-2009
Product Risk					
Services that CIMA identifies as high risk	3	0		John Smith	11-Nov-2009
Services that involve banknotes and precious metal trading	3	0		John Smith	11-Nov-2009
Services that seek anonymity or layers	4	3		John Smith	11-Nov-2009
Average Risk Rating:		2.81			

KYC8-Entity Name 1

Customer Risk					
Adverse Information	0	0			30-Oct-2009
Cash or Equivalent Business	0	0			30-Oct-2009