



# Know Your Customer

Product Functions and Features



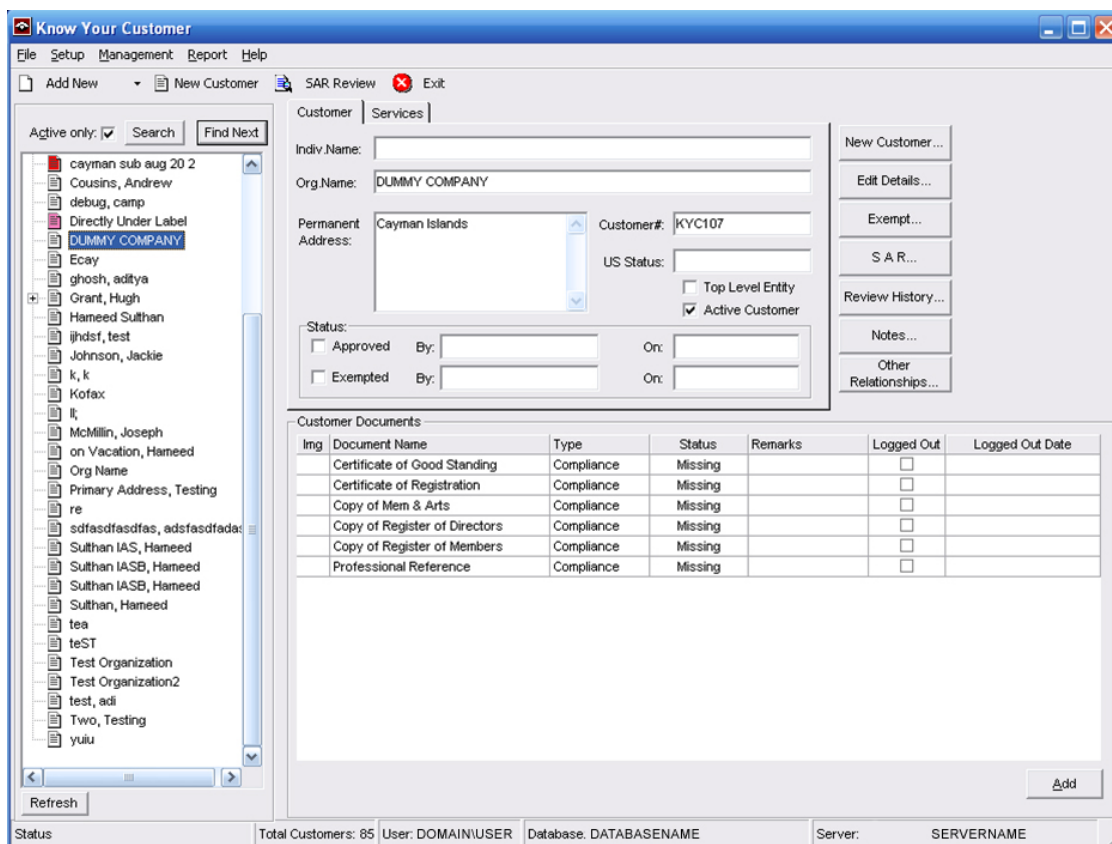
E-Mail: [info@bluebison.ky](mailto:info@bluebison.ky)  
Phone: 345.949.8292  
Fax: 345.949.8291

DotCom Centre, Industrial Park  
382 Dorcy Drive  
P.O. Box 11890  
Grand Cayman KY1-1011  
CAYMAN ISLANDS

## Software Program Summary

The Know Your Customer application (KYC) is designed to assist firms in collecting, managing, and storing their customer identification documents. KYC is an integrated customer database and digital document management application. Built-in business rules enforce responsible procedures for documenting evidence of customer identity. Firms will be assured of maintaining their records to a standard acceptable to the Cayman Islands authorities.

At it's simplest, KYC is offered as a self-contained multi-user application, storing its data in an integrated relational database. KYC can also be incorporated into an existing customer information system that uses a standard SQL database, such as MS SQL Server, Oracle, or Sybase.



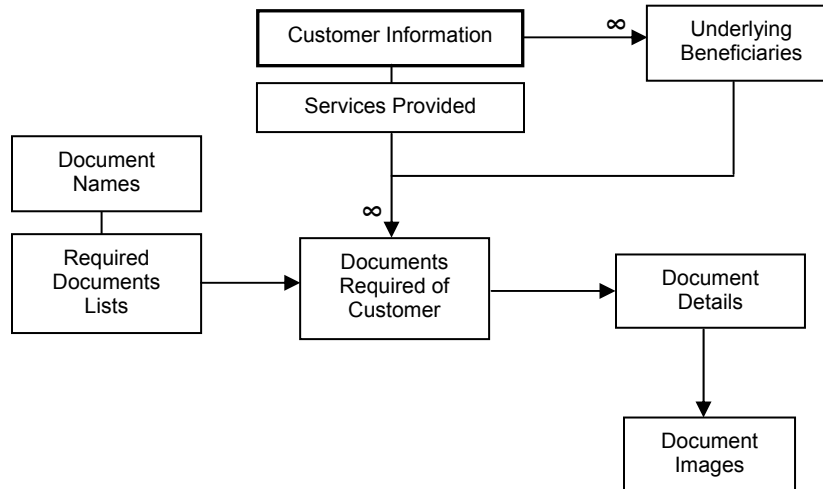
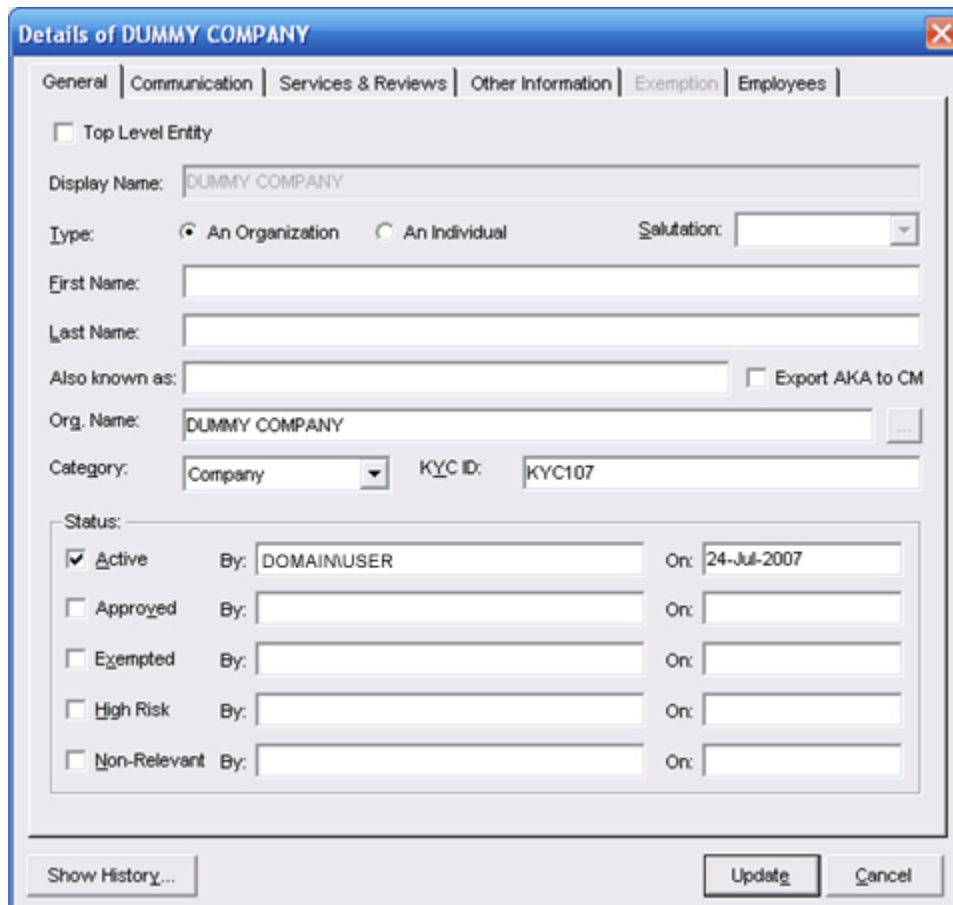
The screenshot displays the 'Know Your Customer' application window. The interface includes a menu bar (File, Setup, Management, Report, Help) and a toolbar with buttons for 'Add New', 'New Customer', 'SAR Review', and 'Exit'. A left-hand pane shows a tree view of customer records, with 'DUMMY COMPANY' selected. The main area is divided into two tabs: 'Customer' and 'Services'. The 'Customer' tab contains several input fields: 'Indiv. Name', 'Org. Name' (filled with 'DUMMY COMPANY'), 'Permanent Address' (filled with 'Cayman Islands'), and 'Customer#' (filled with 'KYC107'). There are also checkboxes for 'Top Level Entity' and 'Active Customer'. Below these are status selection options: 'Approved' and 'Exempted', each with 'By' and 'On' date fields. A 'Customer Documents' table is visible at the bottom, listing various documents and their compliance status.

Img	Document Name	Type	Status	Remarks	Logged Out	Logged Out Date
	Certificate of Good Standing	Compliance	Missing		<input type="checkbox"/>	
	Certificate of Registration	Compliance	Missing		<input type="checkbox"/>	
	Copy of Mem & Arts	Compliance	Missing		<input type="checkbox"/>	
	Copy of Register of Directors	Compliance	Missing		<input type="checkbox"/>	
	Copy of Register of Members	Compliance	Missing		<input type="checkbox"/>	
	Professional Reference	Compliance	Missing		<input type="checkbox"/>	

The status bar at the bottom shows: Status, Total Customers: 85, User: DOMAIN\USER, Database: DATABASENAME, Server: SERVERNAME.

### Overall Program Structure

Know Your Customer has the following general structure.

**Details of DUMMY COMPANY**

General | Communication | Services & Reviews | Other Information | Exemption | Employees

Top Level Entity

Display Name: DUMMY COMPANY

Type:  An Organization  An Individual Salutation: [v]

First Name: [ ]

Last Name: [ ]

Also known as: [ ]  Export AKA to CM

Org. Name: DUMMY COMPANY [ ]

Category: Company KYC ID: KYC107

Status:

Active By: DOMAINUSER On: 24-Jul-2007

Approved By: [ ] On: [ ]

Exempted By: [ ] On: [ ]

High Risk By: [ ] On: [ ]

Non-Relevant By: [ ] On: [ ]

Show History... Update Cancel

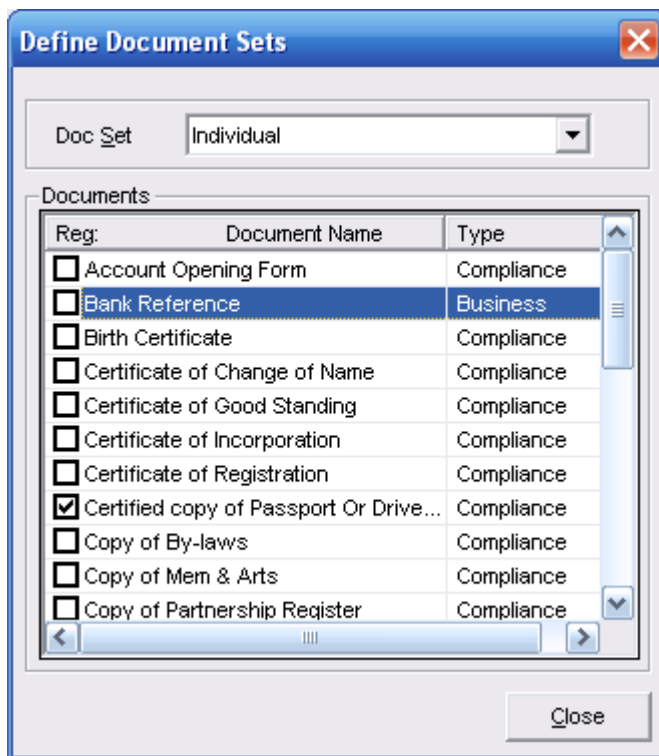
## Functionality

### Required Documents

The program is designed to automate business rules established by the firm, while still being flexible enough to allow for any due diligence situation. A customer's list of required documents can be made up in a variety of ways:

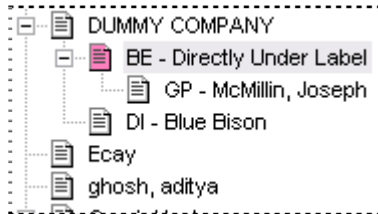
- A set of required documents may be assigned automatically based on the customer type, domicile or services provided.
- Further sets of required documents may be assigned by the user, such as an additional requirement for large volume customers.
- Single "one-off" documents can be assigned to a specific customer, such as a copy of the customer's second passport.

The sets of required documents are maintained centrally. Any changes to these sets are reflected in the document lists of all customers assigned to them.



### ***Underlying Beneficiaries***

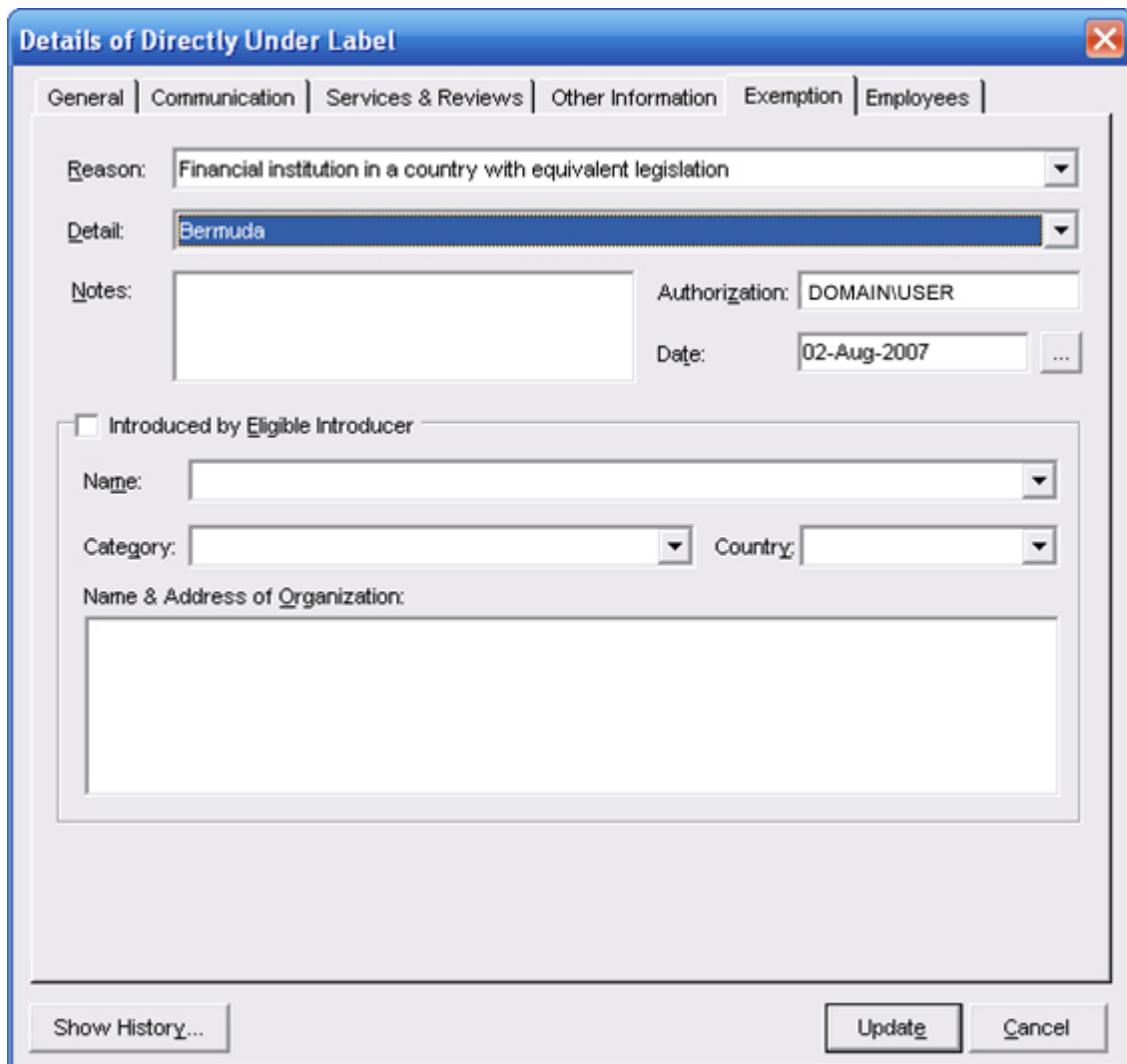
To record due diligence efforts for Underlying Beneficiaries of your customer, there are multiple levels to the customer list. A customer can have an unlimited number of underlying beneficiaries, displaying as child branches in the customer tree view. Each underlying beneficiary follows the same rules as the top-level customer, having its own list of documents and stored information.



### ***Exempting Customers from Documentation***

In situations where documentation of the customer's identity is not required under Cayman Islands regulations, management can override the automatic assigning of required documents. The name of the authorizing manager, the reason for exempting the customer, and notes about the decision are recorded in the system.

Reasons for exemption that are allowed under the CIMA<sup>1</sup> Code of Practice are stored in the database and can be amended by an authorized user. The program also maintains lists for officially recognized Countries & Territories with Equivalent Legislation, and Approved Markets and Exchanges.



The screenshot shows a software window titled "Details of Directly Under Label" with a close button (X) in the top right corner. The window has several tabs: "General", "Communication", "Services & Reviews", "Other Information", "Exemption", and "Employees". The "Exemption" tab is currently selected. The form contains the following fields and controls:

- Reason:** A dropdown menu with the selected value "Financial institution in a country with equivalent legislation".
- Detail:** A dropdown menu with the selected value "Bermuda".
- Notes:** A large empty text area.
- Authorization:** A text field containing "DOMAIN\USER".
- Date:** A text field containing "02-Aug-2007" and a calendar icon (three dots).
- Introduced by Eligible Introducer**
- Name:** A dropdown menu.
- Category:** A dropdown menu.
- Country:** A dropdown menu.
- Name & Address of Organization:** A large empty text area.

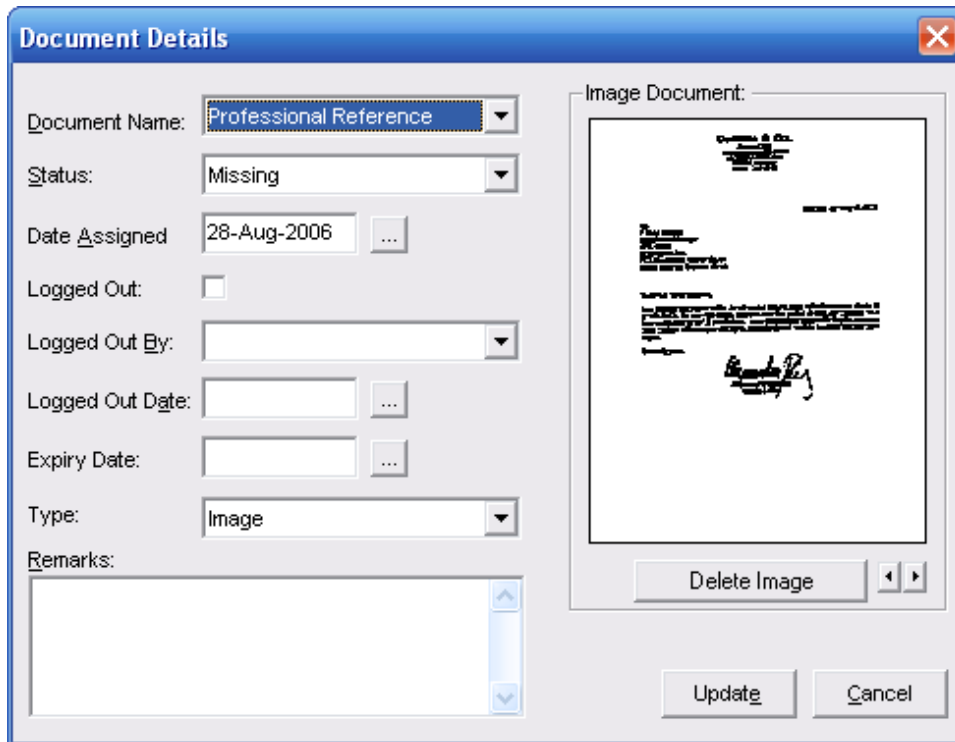
At the bottom of the window, there are three buttons: "Show History...", "Update", and "Cancel".

<sup>1</sup> CIMA – Cayman Islands Monetary Authority

### ***Document Images***

The required documents for each customer are imaged through the program and stored in sub-folders. A Scan Documents screen will work with any TWAIN compatible scanner. Multiple-page documents are stored as a single document image using the TIFF Group 4 format.

From the document list, any imaged document can easily be viewed. A Document Viewer screen displays the image and includes zooming and image manipulation features. Printing of the imaged documents can be accomplished from the Document Viewer or by various reports, with appropriate margin notes.



The screenshot shows a 'Document Details' dialog box with the following fields and controls:

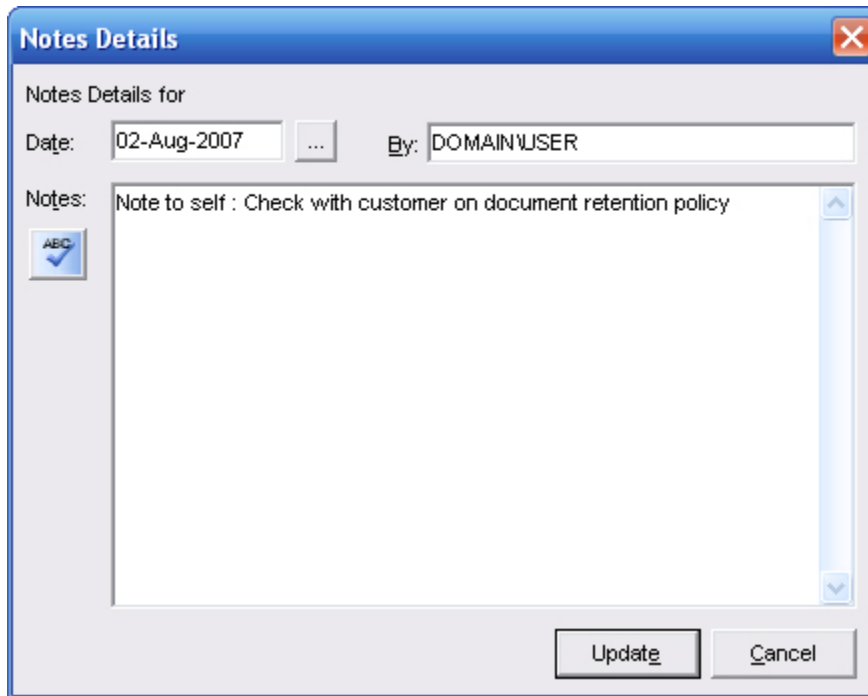
- Document Name:** Professional Reference (dropdown menu)
- Status:** Missing (dropdown menu)
- Date Assigned:** 28-Aug-2006 (text field with calendar icon)
- Logged Out:**
- Logged Out By:** (empty dropdown menu)
- Logged Out Date:** (empty text field with calendar icon)
- Expiry Date:** (empty text field with calendar icon)
- Type:** Image (dropdown menu)
- Remarks:** (empty text area)
- Image Document:** A preview window showing a scanned document with text and a signature. Below the preview are 'Delete Image' and navigation arrows.
- Buttons:** 'Update' and 'Cancel' at the bottom right.

### ***Control of physical originals***

As an optional feature, the original physical customer documents can be monitored by using the Log Out function. It allows users to record the date and identity of the person logging out the original document.

### **Customer Notes**

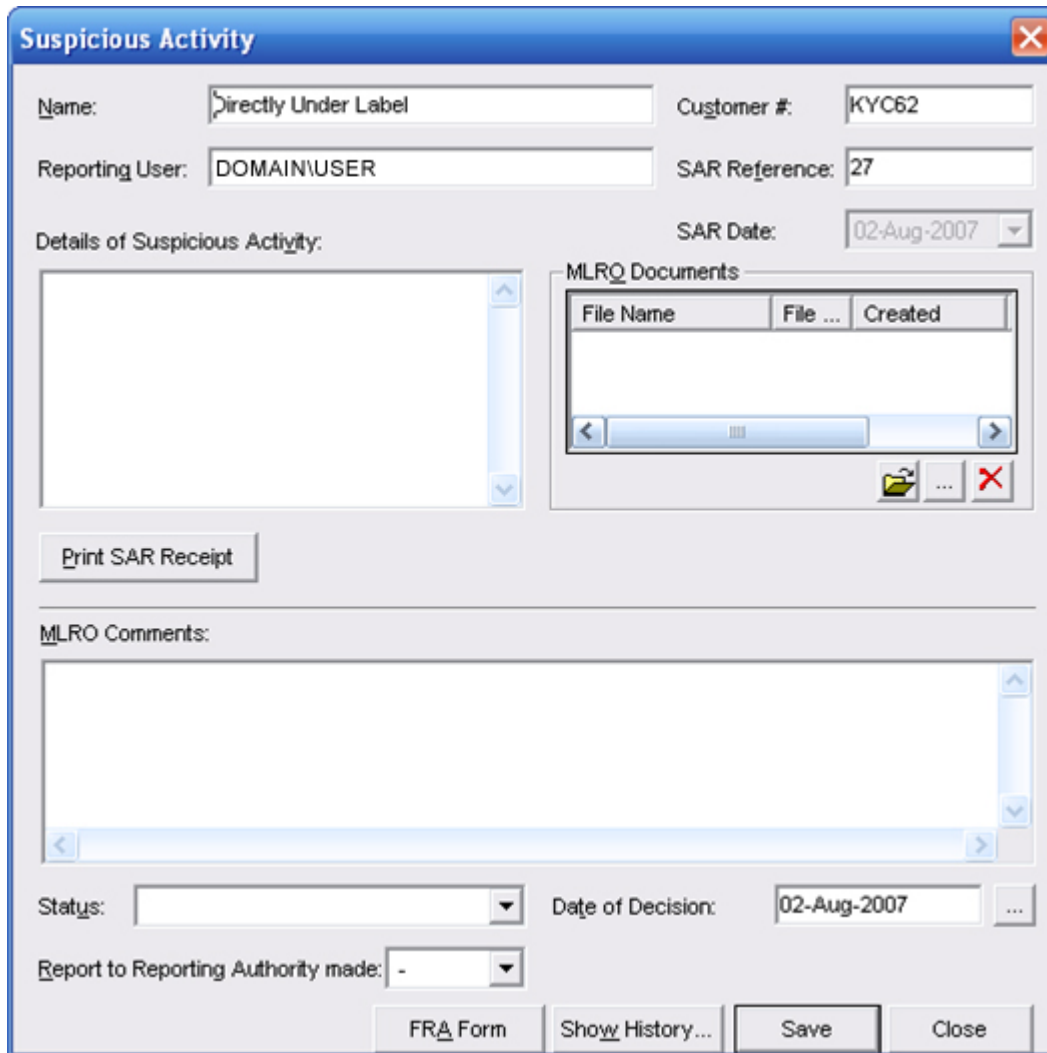
On the customer level, an unlimited number of notes can be stored.

A screenshot of a software dialog box titled "Notes Details". The dialog has a blue header bar with a close button (X) in the top right corner. Below the header, it says "Notes Details for". There are two input fields: "Date:" with the value "02-Aug-2007" and a calendar icon (...), and "By:" with the value "DOMAIN\USER". Below these is a text area labeled "Notes:" containing the text "Note to self : Check with customer on document retention policy". To the left of the text area is a small icon with "ABC" and a blue checkmark. At the bottom of the dialog are two buttons: "Update" and "Cancel".

**Suspicious Activity Report and MLRO's SAR Review**

This feature allows recording of any suspicious behaviour for internal MLRO's review by the firm. When an internal report of suspicious behaviour is entered, the program will store management's response. If a decision is made to notify a Reporting Authority, a report in the recommended format can be generated with all relevant details about the customer, including copies of imaged documents.

Every time a suspicious activity report is created KYC automatically sends email to the MLRO Users requesting them to review the suspicious action.



The screenshot shows a software window titled "Suspicious Activity" with the following fields and controls:

- Name:** Directly Under Label
- Customer #:** KYC62
- Reporting User:** DOMAIN\USER
- SAR Reference:** 27
- SAR Date:** 02-Aug-2007
- Details of Suspicious Activity:** A large empty text area.
- MLRO Documents:** A table with columns "File Name", "File ...", and "Created". Below the table are navigation arrows and icons for file operations.
- Print SAR Receipt:** A button.
- MLRO Comments:** A large empty text area.
- Status:** A dropdown menu.
- Date of Decision:** 02-Aug-2007
- Report to Reporting Authority made:** A dropdown menu.
- Buttons:** FRA Form, Show History..., Save, Close.

### ***Periodic Review***

Offshore Jurisdiction regulations recommend periodic reviews of identification documents for customers. KYC tracks the date of each customer's last review and produces a report indicating customers who need to be reviewed, based on a user-defined time period (default of once per year).

### ***Security***

Use of the KYC program will be password-protected, following a user-group structure. The program maintains user names and passwords, with each user belonging to one of three groups. Each group has different rights in the program:

<u>Group</u>	<u>Rights</u>
Guest	View customer info and documents.
Administrator	View and edit customer info, create Suspicious activity report, create documents, scan images.
Manager	Administrator privileges, plus ability to exempt customers, make a customer active, create Suspicious Activity report, and add/remove users.
MLRO	All privileges, privileges to create user, review suspicious action, write MLRO comments, setup documents, create document sets, create introducers, etc.,

### ***Reports***

The application comes with the following four reports. Additional reporting can be included in a custom integration or enhancement module.

- Customer Identity Report: single customer's detailed information, optionally including copies of imaged documents. Images can be 1, 2 or 4 per sheet.
- Periodic Review Report: report listing customers that are due for periodic review in the next 30 days.
- Missing Documents Report: report of customers who have at least one document with a status of "Missing" in their list, showing customer information and names of missing documents.
- Suspicious Activity Report: shows all customers who have had a suspicious activity logged, within a date range.

***NB: The above is not an exclusive list of features.***