

# FSG Anti-Money Laundering (AML) Task Force

AML Tech - Regulatory  
Tickbox Or Great  
Experience?

Webinar

Wednesday 16 September 2020



Financial Services  
Group of Livery  
Companies



FS Club

# A Word From Today's Chairman



**Graeme Gordon**

CEO Praxity

Chair of FSG AML  
Task Force

# TODAYS PANELLISTS



**Dan Johnson**

Vice President, Digital Identity

Mastercard



**Michael Harriss**

Co- Founder & Head of  
Commercial

TruNarrative



**Rob Kotlarz**

Co-Founder & President

Digital Identity Net



# TODAYS AGENDA

- 12:00 – 12:05 Chairman's Introduction
- 12:05 – 12:15 Keynote Address - Dan Johnson
- 12:15 – 12:25 Keynote Address - Michael Harriss
- 12:25 – 12:35 Keynote Address - Rob Kotlarz
- 12:35 – 12:45 Panel Discussion
- 12:45 – 13:00 Audience Questions & Answers

# FSG AML TASK FORCE “PURPOSE”

- To Strengthening and Simplifying Anti-Money Laundering within the UK
- The City of London & UK is “Open For Business”
- Engage with major financial Institutions, ensure they realise the benefits to themselves of implementing revised AML procedures, if not already in place
- Galvanize relevant Trade Bodies to not only support the initiative and promote it well beyond the end of this year
- Galvanize all the Livery Companies of the City to promote and support the initiative in the best ways they feel they can
  - Webinars
  - Website
  - Seminars
  - E-Newsletters

# AML TASK FORCE 2020 SCHEDULE

➤ 23 Mar	Webinar	Best practice AML implementation
➤ 18 May	Webinar	The Professions
➤ 25 June	Webinar	The Controls
➤ 16 Sep	Webinar	AML & Technology
➤ TBD Oct/Nov	Round Table	Clarifying The Issues [subject to COVID-19]
➤ TBD Oct/Nov	Webinar	Simplifying The Processes and Changing The Culture
➤ TBD Nov	Seminar	Lessons Learned
➤ TBD Nov/Dec	Launch	Protocol, Sign-Up





## FSG Anti-Money Laundering (AML) Task Force

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# AML Reg Tech

Regulatory Tickbox or Great Experience

Dan Johnson  
16<sup>th</sup> September 2020



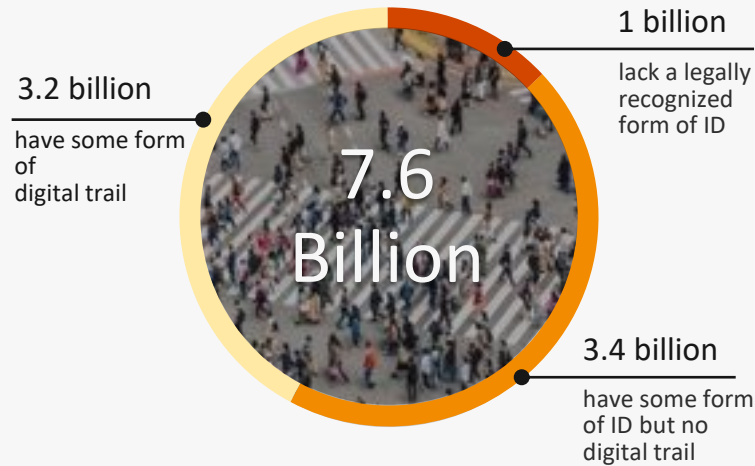


# Digital identity is a large global opportunity to grow the world economy



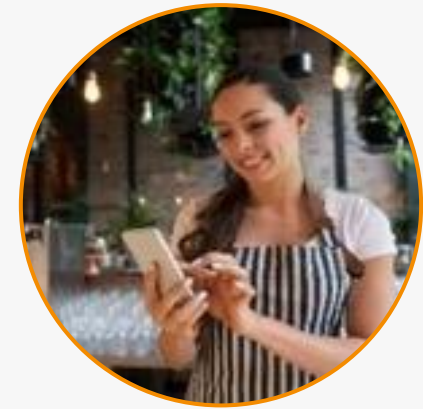
↑ 13%

GDP could increase up to 13% by 2030 in countries implementing digital identity<sup>1\*</sup>



58%

More than half of the world's population don't have a digital identity and may not be able to participate in the digital economy<sup>1</sup>



↓ 90%

Organizations could reduce customer onboarding costs by 90% with digital identity<sup>1</sup>

1. McKinsey Global Institute, *Digital identification: A key to inclusive growth*, April 2019.

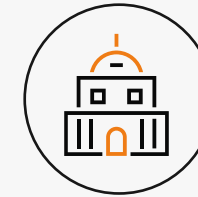
\*Based on Brazil, China, Ethiopia, India, Nigeria, the United Kingdom, and the United States.

# Digital Identity and the Single Customer View



## Consumer Needs

- Easy to use with reduced friction
- Seamless on-boarding and response to periodic review
- Can be reused whenever it's needed
- Peace of mind as they control their data—no data oversharing
- Better and more personalised customer experience across channels
- Comply with KYC/AML regulations



## Financial Services Needs

- Access up-to-date and verified information to maintain accurate customer data
- Improve and speed up onboarding new customers and applications for new services, products
- Reduce costs for maintenance and onboarding
- Connect user records across multiple internal systems
- Increased 'stickiness' and personalisation
- Reduction in fraud through improved trust and shared signals


## Regulatory Environment

- Digital Identity acceptance in regulation and legislation (e.g. 5<sup>th</sup> AMLD)
- Legislative changes to support broad utility of Digital Identities

# Reusable Digital Identity as a convenient way to access services





A service by 

Convenient. Secure. Smart.

For updates, our thought leadership papers, press releases, event participation, FAQs, and more, visit [www.IDservice.com](http://www.IDservice.com).



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# AML Tech -

Regulatory Tickbox or Great Experience?

# A RegTech Story...

## Timeline

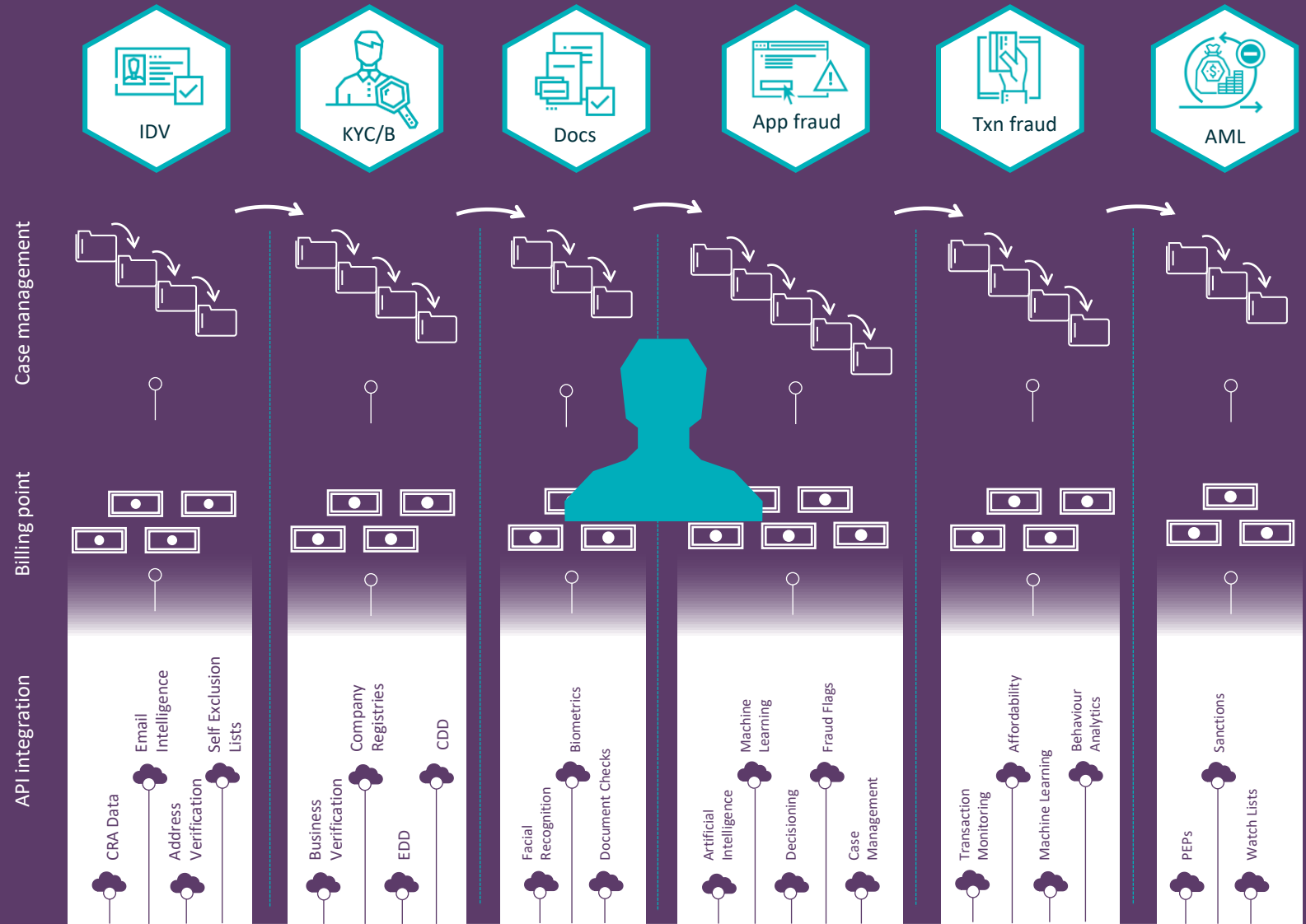
- **2003-2005:** electronic identity verification (eIDV) introduced to support real-time KYC. First Reg Tech??
- **2006:** JMLSG guidelines introduced and includes the option for electronic verification
- **c. 2011:** Gartner research publishes recommendation for 'Layered Approach'
- **2016:** TruNarrative incorporated
- **2020:** Not much has happened this year.....
  - Covid 19 accelerates digital transformation programmes
  - Gartner adds "Orchestration" as a "critical requirement"



# Current state

## Challenges

- Manual and siloed processes creates inefficiencies
- No single view of the customer or entity creates operational and conduct risk
- Poor customer outcomes and inability to scale
- Technical debt and compliance becomes a burden



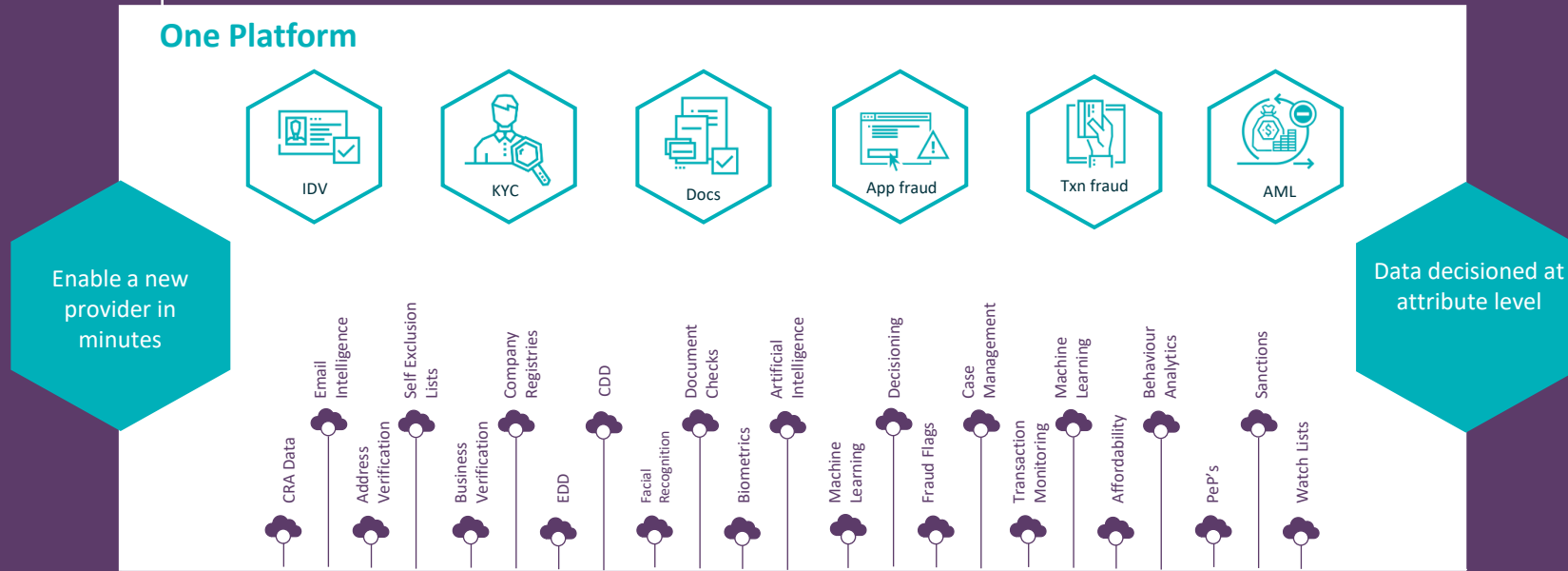
# Ideal state

Our 50+ apps deliver 200 countries of B2C and B2B data and biometric authentication.

No internal IT dependency; TruNarrative delivers an Open Platform which allows you to fully customize the configuration journey with zero coding.

With all insight in one place, our engine moves data seamlessly. Having the full story from on-boarding means better decisions are made on transactions.

Decisions are made due to a high level of insight. This reduces the number of false positives and achieves a highly accurate narrative of individual.



# The results





trunarrative

# Thank you

Michael Harriss

TruNarrative Co-founder

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07393327940



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Digital Identity Net



AML and customer experience

Changing the game empowering  
citizens with an assured digital  
identity

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# ROB KOTLARZ

DIGITAL IDENTITY NET



President & Co-  
Founder



# Digital Challenges



## Increased Fraud

UK forecasts 4.6 Billion GBP increase



## Consumer Frustration

52% frustrated with existing onboarding processes



## Lost Sales

Online abandonment rates over 80%

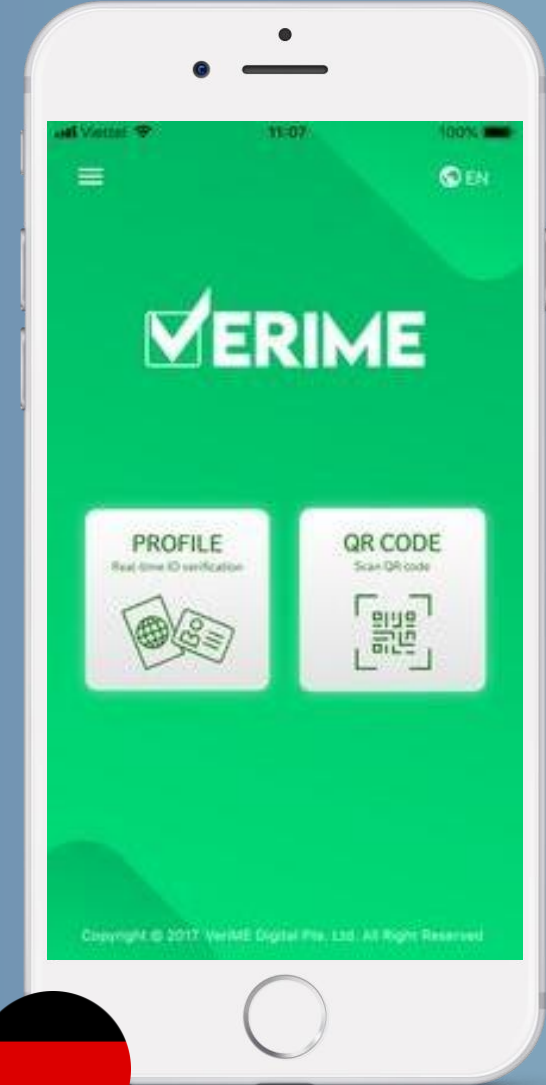


# Stakeholders

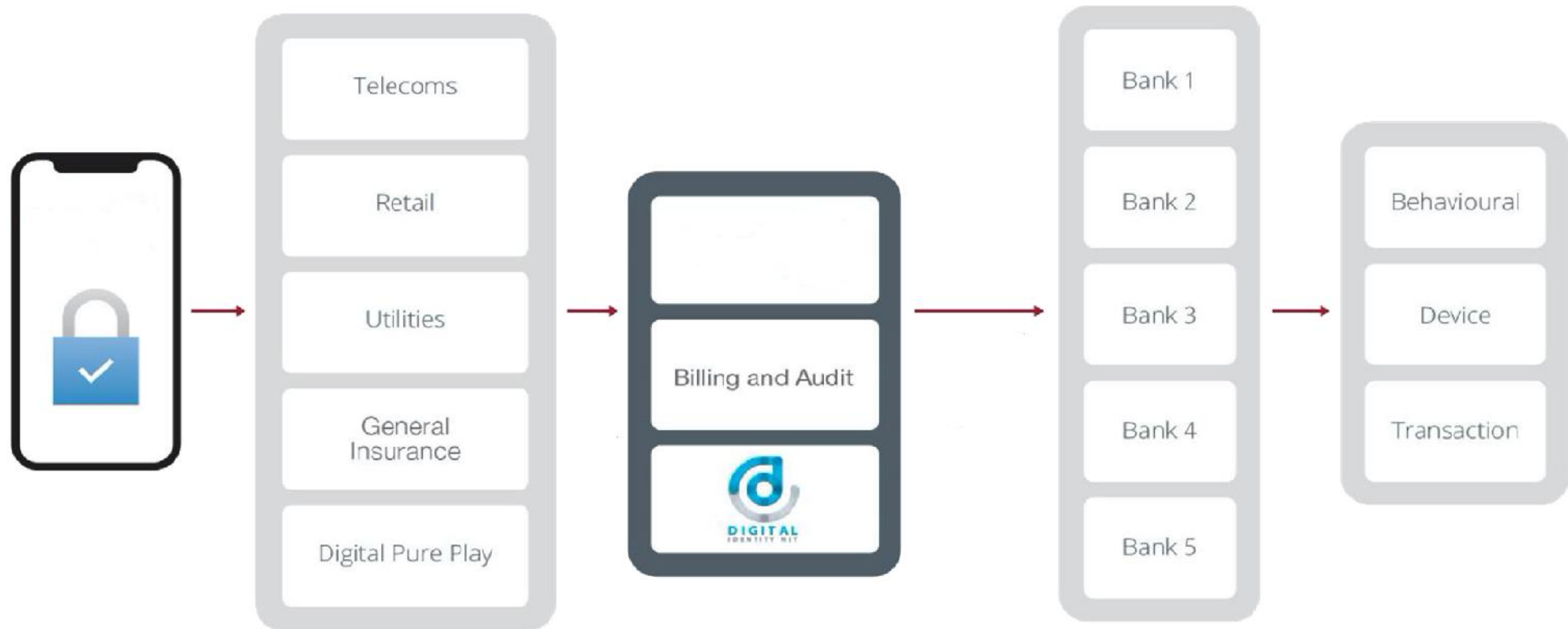


# Other markets...

Banks in other markets have recognized the value and importance of supporting a single reusable ID scheme for consumers with over 75% uptake in the Nordics.



# Digital Identity Net Platform pilot



# PANEL DISCUSSION

1. Given legacy technology, systems and processes, what is in your opinion the lowest hanging fruit for an average financial services firm?
2. Investments into large solutions is expensive and can cause issues in integration. What's the most prudent option for showing the value of regtech solutions regarding AML and KYC?
3. How will banking and FS need to evolve in the digital age to retain customers and also meet regulatory requirements?
4. A lot of focus is on KYC in AML, but is there any tech option on ongoing monitoring with a significant ROI? If so, what is stopping this being adopted?

# QUESTIONS & DISCUSSION, ANSWERS?



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# THANKYOU FOR LISTENING

- |               |             |  |
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