

GLOBAL INVESTIGATIONS AND COMPLIANCE

CDD SOCIALIZATION

Tim O.L.: Well, we're on the CDD road again. We've talked about the work that needs to be done with information technology in our previous stop. We've also talked gap analysis and project plan. Now let's discuss the next top on the road, which is socializing the new rule.

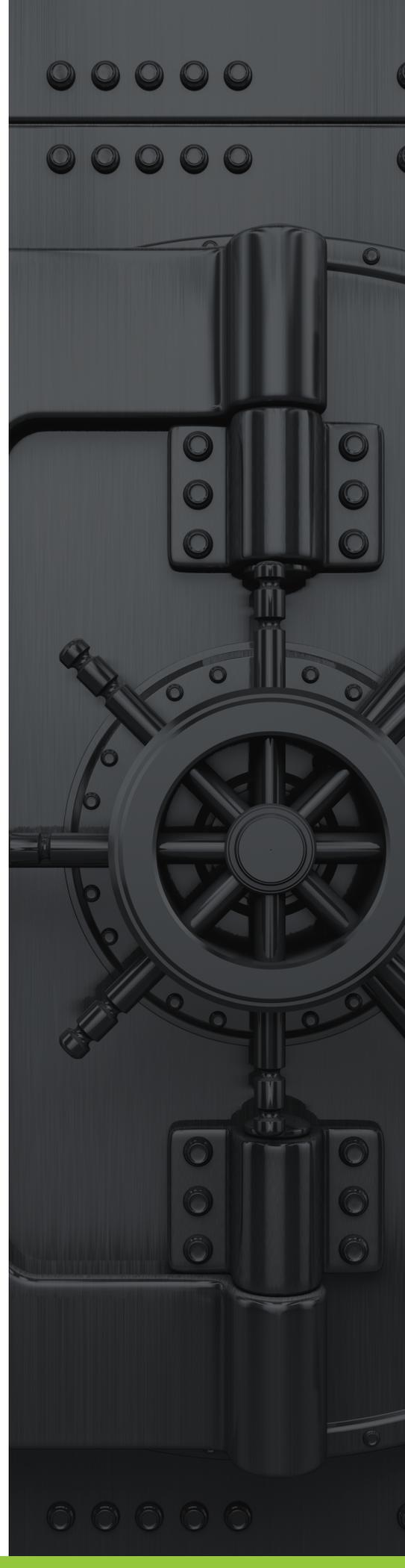
Tim O.L.: Compliance officers need to socialize the new CDD rule with senior compliance, with business management, but also with those responsible for planning, budget, technology, as well as on the front line with the customer. The business needs to be able to talk to both existing customers and new customers, and provide them with an understanding of what the new rule means, and what the impact to them might be.

Tim O.L.: Remember, we all did this when the CIP rule first came out several years ago. Employees of the firm as well as the board should be provided with an overview of the new CDD rule.

Tim O.L.: Stakeholders should be provided with regular updates of what the institution is doing to get ready to comply with the new rule this May 2018. Stakeholders should also be kept apprised on what changes are being implemented within the firm, and more importantly how those changes will impact what they do, or the way in which they do it, particularly in the area of onboarding. Other parts of the firm, not just compliance, are going to be impacted by this new rule.

Tim O.L.: Think about this. Cybertechnology, where personal information is collected and stored, is it secure? Are third party vendors being used to collect any of this information? Are they equipped to collect, maintain and protect the information? Who opens proprietary accounts in your institution? Are you tied to a larger, foreign financial institution? Does that network management group know how to handle the question from another U.S. financial institution?

Tim O.L.: Consider educational outreach to the bankers, brokers, those handling the client relationship as well as operations, KYC onboarding personnel, technology and others. The more you talk about the new CDD rule, the more people will be aware of the upcoming applicability date, and the more prepared your institution will be for success.



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Tim O.L.: Client identification as we talked about last time is key again here. Help the client understand why they're being asked to provide certain types of information.

Tim O.L.: We're getting close to our final destination on the road. Tune in again next time as we continue towards the next stop in our CDD rule roadmap.

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