



# AML / KYC Use Case

#AML #KYC  
#KNOWYOUR  
CUSTOMER  
#BLOCKCHAIN

AML, or Anti-Money Laundering, refers to a set of procedures, laws or regulations designed to stop the concealment of the origins of illegally obtained money. KYC, or Know Your Customer, is the process of a business identifying and verifying the identity of its clients. AML/KYC use cases generally focus on monitoring transactions, transparency of information, security of customer identification, and general risk management.

## Use Cases

### Use Case 1: AML / KYC Registry

**What is it?** Shared ledger for consensus of updates to client information across internal departments and potentially externally parties

**Who uses it?** Auditors, Commercial Bank, Property Valuer

**Pros:**

- Reduces unnecessary duplication of information, increases transparency, improve customer satisfaction, and simplifies administrative processes

**Cons:**

- Requires an extra layer of confidentiality permissions to implement
- Generally focuses on internal organizational use due to sensitive information

### Use Case 2: Internal KYC Data Sharing

**What is it?** Internal mechanism for managing and verifying customer identity between users in the company

**Who uses it?** Retail banks, Insurance firms, and Consumer Credit issuers, e.g. Credit Mutuel Arkea

**Pros:**

- Guarantees data not tampered, enables efficient lower-cost Asset Quality Reviews (AQRs)
- Consistent and singular version of the truth

**Cons:**

- Implementation of AML is labor intensive
- Switching costs are high

### KYC Example:



**What is it?** Operational permissioned Blockchain network as a cross-business KYC platform providing employees with a consolidated view of all documentary evidences collected

**How was it done?** IBM Studio in Paris used Design Thinking methods, Open source Hyperledger project fabric, and expertise from the GBS teams

**Who uses it?** Retail Banks, Protection / Life Insurance firms, and Consumer Credit Lenders

