

KYC Policy (Sample)

1. Purpose & Scope

This policy defines the minimum standards for Know Your Customer (KYC), Customer Due Diligence (CDD), and Enhanced Due Diligence (EDD) activities to prevent financial crime, including money laundering, terrorist financing, fraud, bribery, and sanctions evasion. It applies to all employees, contractors, and third parties who interact with customers or customer data.

- Compliance with applicable laws and regulations (e.g., FATF, local AML/CFT, data protection).
- Risk-based approach aligned with product, channel, geography, and customer segment.
- Periodic policy review at least annually or upon material regulatory changes.

SAMPLE

2. Roles & Responsibilities

- First Line: Owns customer onboarding and ongoing monitoring; ensures data quality.
- Second Line (Compliance): Sets standards, performs oversight, executes QA and thematic reviews.
- Third Line (Internal Audit): Provides independent assurance on design and effectiveness.

SAMPLE

3. CDD / EDD Standards

- Customer identification and verification (CIP) prior to account activation.
- Beneficial ownership ($\geq 25\%$) identification and verification for legal entities.
- EDD triggers: PEPs, high-risk geographies, unusual business models, adverse media flags.
- Ongoing monitoring: transaction surveillance, periodic refresh, event-driven reviews.

SAMPLE

4. Record Keeping & Data Protection

- Maintain KYC records for ≥ 5 years post relationship termination (jurisdiction dependent).
- Encrypt sensitive data at rest and in transit; enforce least-privilege access controls.
- Support data subject rights consistent with privacy regulations.

SAMPLE