Impact Analysis

ABC fintech company is introducing new KYC (Know Your Customer) verification regulations.

## 1. Affected Stakeholders

| **Stakeholder** | **Impact** |
| --- | --- |
| **Customers (Loan Applicants)** | May need to provide more documents (ID proofs, address verification, income proof) → longer onboarding time. |
| **Loan Officers / Underwriters** | Increased workload in verifying additional KYC documents, possibly requiring new training. |
| **Compliance Team** | Must ensure processes meet updated regulations and maintain audit records. |
| **IT / Development Team** | Required to integrate new KYC verification APIs, update forms, and enhance document security features. |
| **Customer Support** | May receive more queries about documentation requirements and verification delays. |

## 2. Affected Systems

| **System** | **Impact** |
| --- | --- |
| **Loan Processing System** | Needs new fields and workflows for KYC data collection and validation. |
| **Document Management System** | Must securely store additional KYC documents with encryption and access controls. |
| **CRM (Customer Relationship Management)** | Updates to capture KYC status and history for each applicant. |
| **Third-party KYC Verification API** | New integration or upgrade to handle stricter checks (e.g., biometrics, PEP/AML screening). |

## 3. Potential Process Changes

| **Process Step** | **Change** |
| --- | --- |
| **Application Submission** | Additional fields for KYC details; mandatory document uploads. |
| **Verification Stage** | Integration with upgraded KYC verification tools; possible manual review for flagged cases. |
| **Approval Stage** | Loan decision-making linked to successful KYC clearance before approval is finalized. |
| **Audit & Compliance** | More detailed logging and audit trails of KYC verification for regulatory reporting. |
| **Customer Communication** | Automated notifications for missing or invalid documents. |

## 4. Risks & Considerations

* **Operational**: Longer processing time if verification is slow.
* **Compliance**: Risk of penalties if KYC steps are skipped or incomplete.
* **Customer Experience**: Possible frustration due to extra requirements — mitigated by clear instructions and fast verification tools.

## 5. Before-and-after loan approval process flow diagram A diagram of a customer application AI-generated content may be incorrect.