

## Industry Overview

Anti-Money Laundering (AML) regulations require Payment Service Providers (PSPs), lawyers, auditors, financial services firms and other AML obligated firms to not only identify but also to verify their customers. This includes persons with significant control, ultimate beneficial owners (UBOs) and officers of entities that participate in the delivery chain of AML regulated services.

### The EC's Fourth Directive mandates the following customer due diligence measures for PSPs:

- (1) identifying and verifying the customer's identity based on data from a "reliable and independent source,"
- (2) identifying the beneficial owner and "taking reasonable measures to verify his identity,"
- (3) assessing and obtaining information on the "purpose and intended nature of the business relationship" and
- (4) conducting ongoing monitoring of the business relationship to ensure transactions are consistent with knowledge of the customer's "business and risk profile" and ensuring that data maintained is kept up-to-date.

Existing manual approaches used to identify an individual generally take between 7 to 21 days, AML obligated firms can therefore significantly benefit from the efficiencies of an online, automated KYC verification process.

## EU, UK & Australian UBO Registers

Australia and the UK already have registers identifying persons with significant control of companies. The introduction of an EU wide UBO register provides the basis for identifying UBOs and persons with significant control of EU merchants and entities, including merchants, corporates, trusts, clubs and associations. Once a person is identified, the Paydentity Console can be utilised to remotely verify the person's identity, completing the regulatory requirement to identify and verify the person.

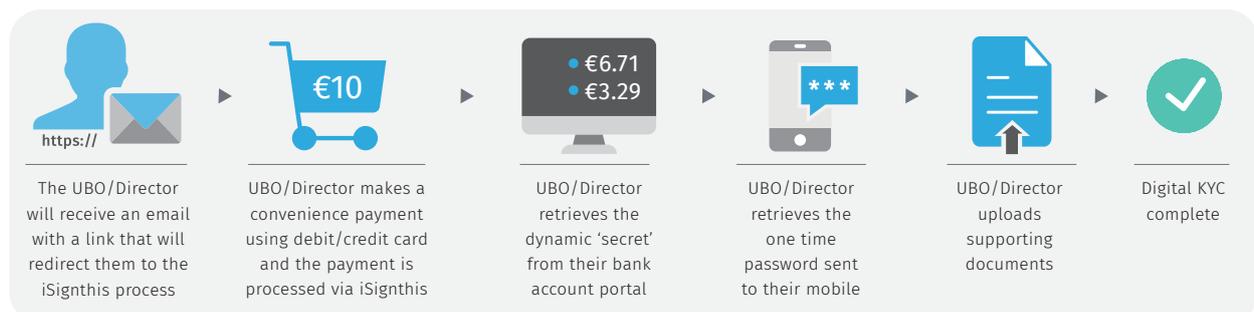
## Paydentity Console: UBO Verification Service

Paydentity Console offers AML obligated firms a fast and efficient way to verify UBOs and persons with significant control of entities. Whilst many third-party providers can identify the legal structures and UBOs of entities, the verification of the individuals behind them is often time consuming and costly. The automation behind Paydentity Console leads to significantly faster and simplified remote on-boarding of the person behind the entity, taking only 3 to 5 minutes of participation by the person being identified.

### BENEFITS

- ✓ Remotely verify individuals associated with the merchant, including key controllers, officers & UBOs.
- ✓ Meet incoming AML/CFT requirements such as the 4th AMLD.
- ✓ Global reach that can identify individuals by use of their credit or debit cards as a primary basis.
- ✓ Automated, remote and self-service on-boarding of 3 to 5 minutes to verify individuals.
- ✓ Desktop console service, connected to ISXPay or your acquirer

## How it Works



Multiple Patents granted in North America, Europe, Australasia, Asia and Africa for our dynamic secret, authentication and verification technologies