

IMPLICATIONS TO CONSIDER WHEN CREATING A GAP ANALYSIS

- Tim O'Neal L.:** There are other implications that need to be considered during this phase of the gap analysis. The CDD rule requires inputs that either "feed" or "direct" your program. For example, the legal entity exemptions are handled differently than current CIP exemptions. How will you incorporate these new exemptions into program and make sure that those two rules aren't mixed up or confused by the staff responsible for day to day KYC processing?
- Tim O'Neal L.:** Another example is the FFI exception. Does your firm maintain a list of jurisdictions where the regulator of those FFIs maintains beneficial ownership information regarding the FFI? How often is that list updated? How is that information connected to your KYC workflow? Consider your firm's data quality and integrity. This is a huge area of import with respect to the new rule.
- Tim O'Neal L.:** How will issues of missing or conflicting information be addressed? Is there room for any new data that's gathered or that needs to be collected? Is that systematic? Are there approaches in place to address, as an example, missing passport information for one of the beneficial loaners? Staffing is also a critical consideration. How many additional resources are you going to need to do this work? And where will the first and second lines of defense be impacted the most?
- Tim O'Neal L.:** Has budget been allocated for these additional resources? Has budget been allocated for system enhancements or changes? Technology is again a critical aspect of this new rule. Thank you for joining us on our first stop today. Please tune in again when we discuss our next destination point on this road for tips on how to create a plan to remediate the gaps that you've identified.

About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the firm primarily serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at navigant.com.