

# International Regulatory Newsletter

March 2019



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# INTRODUCTION

Mayer Brown LLP and Pegasystems welcome you to the International Regulatory Newsletter, which we hope will keep you informed of developments in onboarding and account maintenance areas of the financial services sector.

The International Regulatory Newsletter provides an overview of topical developments, updates and news stories from around the financial world that may be of interest to you. We highlight due diligence developments and other regulatory updates from the European Union, United Kingdom, United States, Hong Kong and Singapore, as well as news stories that are global in scope. The overviews are arranged geographically and with the most recent developments appearing at the beginning of each section.

For more information on any of the topics mentioned herein, feel free to contact our editors, Nicolette Kost De Sevres ([nkostdesevres@mayerbrown.com](mailto:nkostdesevres@mayerbrown.com)) and Bradley A. Cohen ([bacohen@mayerbrown.com](mailto:bacohen@mayerbrown.com)). Your feedback is important to us as we aim to provide a valuable resource to all of our readers. If you have any comments or suggestions for future issues, we would be very glad to hear from you.



# EUROPEAN UNION

## Onboarding and CDD Developments

*EU Council reaches preliminary agreement regarding proposal to strengthen the EBA's role in combatting AML/CFT within the EU's financial sector*

On December 19, 2018, the EU Council agreed on its negotiating position regarding a [proposal](#) to reinforce the role of the European Banking Authority (EBA) with respect to money laundering and terrorist financing risks in the EU's financial sector. The reform seeks to address concerns that AML/CFT rules are not consistently and effectively supervised and enforced across the EU, creating reputation risks for the EU financial sector and financial stability risks for EU financial institutions. Under the agreement, the EBA would be tasked with:

- Collecting information from national competent authorities (i.e., AML/CFT regulators in each EU Member State).
- Enhancing the quality of supervision through standardization by and coordination among national supervisory authorities.
- Performing risk assessments on competent authorities to evaluate their AML strategies.
- Facilitating cooperation with non-EU countries on a cross-border basis.
- Directly address decisions to individual banks as a last resort if national authorities fail to act.

The reforms follow several AML failures at EU banks over the past year, due in part to a lack of consistent and effective AML supervision and enforcement across the EU. The European Parliament must now consider the measures before reaching a final compromise with the EU Council.

*EU Council adopts AML action plan to improve monitoring of money laundering and terrorist financing*

On December 4, 2018, the EU Council [adopted](#) conclusions on an action plan for improving the EU's monitoring of money laundering and terrorist financing. The conclusions set forth several short-term, non-legislative actions for the European Supervisory Authorities, and prudential and AML/CFT supervisors, to undertake in order to address the following eight key objectives:

1. Identify the factors that contributed to recent money laundering cases in EU banks, as well as potential actions to address them.
2. Map relevant money laundering and terrorist financing risks and the best prudential supervisory practices to address them.
3. Enhance supervisory convergence and better take into account AML aspects in the prudential supervisory process.
4. Ensure effective cooperation between prudential and AML supervisors.
5. Clarify aspects related to the withdrawal of a bank's authorization in case of serious breaches.
6. Improve supervision and information-sharing between relevant authorities.
7. Share best practices and find grounds for convergence among national authorities.
8. Improve the European supervisory authorities' capacity to utilize existing powers and tools.

Additionally, the action plan establishes specific tasks, as well as a timeline for action through 2020. The European Commission may report on progress made toward implementing the action plan every six months, beginning in June 2019.

## Other Regulatory Developments

### *European Banking Authority calls on financial institutions to take additional action with respect to customer communications related to Brexit*

On December 17, 2018, the EBA issued a [call](#) for action by financial institutions in their customer communications related to the withdrawal of the United Kingdom from the European Union (*i.e.*, Brexit). The call for action, which follows the EBA's June 2018 *Opinion on financial institutions' preparedness for the UK withdrawal from the EU*, reminds financial institutions affected by Brexit to maintain their planning and communication efforts with respect to the impact of Brexit on their customers. The EBA urges affected financial institutions to promptly advise consumers on specific Brexit-related implications.

### *Council of the EU endorses package of legislative measures designed to reduce risks in the EU banking sector*

On December 4, 2018, the Council of the EU [endorsed](#) a package of legislative measures aimed at reducing risk in the EU banking sector. The measures – which include amendments to the bank capital and liquidity requirements and recovery and resolution rules – are intended to implement global reforms agreed to following the 2007-2008 financial crisis. The package aims at strengthening the banking sector and addressing the remaining challenges to financial stability. They include elements agreed to by the Basel Committee on Banking Supervision and the Financial Stability Board.

### *EBA publishes the results from its 2018 EU-wide stress test assessing resilience of EU banks to adverse market conditions*

On November 2, 2018, the EBA [published](#) the results from its 2018 EU-Wide Stress Test, along with Frequently Asked Questions. The stress test provides supervisors, banks and other market participants with a common analytical framework for assessing the resilience of EU banks to adverse market developments and shocks. The 2018 stress test covered a sample of 48 banks in 15 countries in the EU and European Economic Area at the highest level of consolidation, including 33 banks from euro-area countries and 15 banks from Denmark, Hungary, Norway, Poland, Sweden and the UK. The primary changes to the methodology as compared with

the 2016 EU-Wide Stress Test are related to the credit-risk framework to account for the International Financial Reporting Standard (IFRS) 9.

### *European Commission adopts regulation establishing standards for assessing the impact of an institution's failure on the financial markets*

On October 25, 2018, the European Commission [adopted](#) a Delegated Regulation setting forth the regulatory technical standards ("RTS") specifying the criteria for assessing the impact of an institution's failure on financial markets, on other institutions and on funding conditions. The Commission was empowered with adopting the RTS under Article 4(6) of the Bank Recovery and Resolution Directive (2014/59/EU) (BRRD).

### *Joint Committee of European Supervisory Authorities publishes its 2019 work program*

On October 9, 2018, the Joint Committee of European Supervisory Authorities (ESAs) [published](#) its 2019 work program (JC 2018 56) ("Work Program"). In the Work Program, the Joint Committee of ESAs states that, in 2019, it will, among other things, continue to provide an important forum for identifying current and emerging AML/CTF risks, and exchanging information and best practices regarding the supervision of credit and financial institutions. The EBA also commits to publish updated joint guidelines on risk factors to take account of the Fifth Money Laundering Directive (Directive 2018/843) and work on enhancing the framework for cooperation between AML/CTF and prudential supervisors and improved supervision of AML/CFT.

### *EBA publishes report summarizing results from the most recent Basel III monitoring exercise*

On October 4, 2018, the EBA published a [report](#) summarizing the results of the latest EU Basel III Monitoring Exercise, which is based on data as of December 31, 2017. The report assesses the impact on EU banks of legislation implementing the Basel III reforms, including analysis related to capital ratios and capital shortfalls, credit and operational risk, leverage ratio frameworks, as well as the introduction of the aggregate output floor. The report used a sample of 101 banks, comprising 38 Group 1 banks (*i.e.*, those with Tier 1 capital in excess of EUR 3 billion and which are internationally active) and 63 Group 2 banks (*i.e.*, all other banks).



# UNITED KINGDOM

## Onboarding and CDD Developments

*UK publishes package of transparency and anti-corruption measures to address abuse of Scottish Limited Partnerships*

On December 10, 2018, the UK [released](#) a package of transparency and anti-corruption measures aimed at addressing the abuse of UK limited partnerships, including in their Scottish form (*i.e.*, Scottish Limited Partnerships), for money laundering purposes. The measures are intended to bring greater transparency and more stringent checks to those registering a Limited Partnership, as well as to increase annual filing requirements on all UK limited partnerships. The measures were published as part of the UK government's response to a consultation on the reform of Limited Partnership Law, which set out a range of proposals to strengthen the legal framework governing LPs. The UK government will now develop legislation to give effect to the measures.

*FATF publishes its Mutual Evaluation Report assessing the AML/CFT measures in place in the United Kingdom*

On December 7, 2018, the FATF [published](#) its Mutual Evaluation Report assessing the UK's AML/CFT system. The assessment involves a comprehensive review of the effectiveness of the UK's AML/CFT measures and whether they comply with the FATF Recommendations. The assessment concluded that the UK has a well-developed and robust AML/CFT regime. In particular, the assessment found that the UK has been highly effective in investigating, prosecuting and convicting an array of terrorist financing activity and has led the effort to designate terrorists at the UN and EU level. Additionally, FATF found that the UK routinely and aggressively identifies, pursues and prioritizes money

laundering investigations and prosecutions. Nevertheless, FATF identified certain areas of weakness, such as supervision and the reporting and investigation of suspicious transactions.

## Other Regulatory Developments

*UK government publishes regulations to ensure bank recovery and resolution regime functions effectively following Brexit*

On December 20, 2018, the UK government [published](#) the Bank Recovery and Resolution and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (SI 2018/1394) ("Regulations"), which are designed to ensure that the regime established under the Bank Recovery and Resolution Directive (2014/59/EU) functions effectively following Brexit. A draft of the Regulations was previously published on October 23, 2018. The majority of the provisions contained in the Regulations will enter into force on the day the UK exits the EU.

*FCA publishes latest EU Withdrawal Impact Assessment examining how Brexit may impact its objectives*

In November 2018, the Financial Conduct Authority (FCA) [published](#) its latest EU Withdrawal Impact Assessment assessing the impact of the UK's pending exit from the EU (*i.e.*, Brexit). The assessment examines how the UK's withdrawal from the EU might affect the FCA's strategic objective of ensuring that markets function well, and the operational objectives of protecting consumers, enhancing market integrity and promoting competition.



# UNITED STATES

## Onboarding and CDD Developments

### *FINRA issues report on examination findings identifying unsuitable recommendations to retail investors*

In December 2018, the Financial Industry Regulatory Authority (FINRA) published a [report](#) detailing findings from its examination of broker-dealers. Among its observations, FINRA found situations where registered representatives did not satisfy their suitability obligations for retail products. Specifically, FINRA found instances where registered representatives did not adequately consider the customer's financial situation and needs, investment experience, risk tolerance, time horizon, investment objectives and other investment profile factors when making recommendations. For example, in some cases, unsuitable recommendations involved complex products (e.g., exchange-traded funds), while in other cases, they involved overconcentration in illiquid securities, variable annuities, switches between share classes, and sophisticated or risky investment strategies.

FINRA also observed challenges among firms in terms of their compliance with AML compliance program requirement (FINRA Rule 3310), as well as the Bank Secrecy Act and U.S. Department of the Treasury regulations. Specifically, FINRA noted the following issues at certain firms with respect to AML compliance: (i) questionable ownership status of foreign legal entity accounts; (ii) no documentation of investigations of potential suspicious activity; and (iii) irregular and undocumented 314(a) searches.

Additionally, FINRA continues to observe issues with the adequacy of some firms' overall AML programs; allocation of AML monitoring responsibilities; trade monitoring responsibilities; data integrity in AML automated surveillance

systems; firm resources for AML programs; and independent testing of AML monitoring programs.

### *FinCEN reissues and expands coverage of Geographic Targeting Orders requiring disclosure of beneficial owners in certain real estate transactions*

On November 15, 2018, the Financial Crimes Enforcement Network (FinCEN) [announced](#) the issuance of revised Geographic Targeting Orders ("GTOs") requiring title insurance companies to identify the natural persons (i.e., ultimate beneficial owner(s)) behind shell companies used in all-cash purchases of residential real estate in certain counties within the following major U.S. metropolitan areas: Boston; Chicago; Dallas-Fort Worth; Honolulu; Las Vegas; Los Angeles; Miami; New York City; San Antonio; San Diego; San Francisco; and Seattle. The purchase amount threshold, which previously varied by city, is now set at \$300,000 for each covered metropolitan area. The GTOs were originally issued in July 2016.

### *FinCEN issues advisory on jurisdictions identified by FATF as having AML/CFT deficiencies*

On October 31, 2018, FinCEN issued an [advisory](#) to inform financial institutions of updates to the Financial Action Task Force's (FATF) list of jurisdictions with strategic AML/CFT deficiencies. These jurisdictions are outlined in two documents updated by the FATF on October 19, 2018: (1) the "FATF Public Statement" which identified jurisdictions that are subject to the FATF's call for countermeasures and/or EDD due to their strategic AML/CFT deficiencies and (2) "Improving Global AML/CFT Compliance: Ongoing Process" which identified jurisdictions that the FATF has determined to have strategic AML/CFT deficiencies. The updated list may impact U.S. financial institutions'

obligations and risk-based approaches with respect to the relevant jurisdictions.

## Other Regulatory Developments

### *[FinCEN and federal banking agencies issue joint statement encouraging innovative industry approaches to AML compliance](#)*

On December 3, 2018, FinCEN and the federal banking agencies (the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency) (collectively the “Agencies”) issued a [joint statement](#) encouraging banks to adopt innovative approaches to combating money laundering and terrorist financing. In the joint statement, the Agencies acknowledge that private sector innovation, including new technologies, can enhance banks’ BSA/AML compliance programs and help them identify and report money laundering, terrorist financing, and other illicit financial activity.

### *[OCC report discussing key risks for the federal banking system notes elevated compliance risk associated with money laundering](#)*

On December 3, 2018, the Office of the Comptroller of the Currency (OCC) [published](#) its *Semiannual Risk Perspective for Fall 2018*, which reports on the credit, operational, compliance, and interest rate risks associated with the federal banking system. The report notes that compliance risk is elevated as financial institutions manage money laundering risks and comply with amended consumer protection requirements. In particular, the report describes how complex and dynamic methods of money laundering and terrorist financing pose challenges to banks in complying with their BSA/AML requirements. The OCC observed that the majority of BSA/AML-related deficiencies identified at banks stem from issues related to CDD/EDD, customer risk identification, as well as processes related to suspicious activity monitoring and reporting. The report is intended to serve as a resource to the financial services industry, bank examiners and the public regarding the threats posed to financial institutions regulated by the OCC.

### *[Senate Banking Committee holds hearing on combatting money laundering and other forms of illicit finance](#)*

On November 29, 2018, the Senate Banking Committee held a [hearing](#) titled “Combating Money Laundering and Other Forms of Illicit Finance: Regulator and Law Enforcement Perspectives on Reform”. The hearing included testimony from Kenneth A. Blanco, Director of FinCEN; Steven D’Antuono, Chief of the FBI’s Financial Crimes Section; and Grovetta Gardineer, Senior Deputy Comptroller for Compliance and Community Affairs of the OCC. In his remarks, Blanco highlighted the multipronged approach to the following three key priorities: (1) understanding BSA value; (2) promoting responsible innovation; and (3) fostering information-sharing, including through public-private partnerships. Blanco also referred to promoting responsible innovation and creative AML/CFT solutions as one of his highest priorities.

### *[US federal banking agencies publish proposals to modify enhanced prudential standards for large banking organizations](#)*

On October 31, 2018, the Board of Governors of the Federal Reserve System (“Federal Reserve Board” or “FRB”) released two notices of proposed rulemaking (“NPRs”) to modify enhanced prudential standards (“EPS”) for large U.S. banking organizations. The NPRs were issued pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act, which amended certain provisions of the Dodd-Frank Act. The first [NPR](#) proposes establishing four categories of EPS for large banking organizations (*i.e.*, total consolidated assets of \$100 billion or more). The second [NPR](#), jointly issued with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation, proposes amending capital and liquidity requirements. The NPRs are intended to reduce the regulatory burden on large U.S. banking organizations without increasing the amount of risk in the U.S. banking system. The public comment period for both NPRs will close on January 22, 2019.



# HONG KONG

## Onboarding and CDD Developments

*Hong Kong Monetary Authority and Hong Kong Association of Banks publish a new set of FAQs regarding AML/CFT*

On October 19, 2018, the Hong Kong Association of Banks, in consultation with the Hong Kong Monetary Authority (HKMA), [published](#) a set of AML/CFT-related frequently asked questions (FAQs). The FAQs do not form part of the HKMA's Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Authorized Institutions) (AML/CFT Guideline), but rather it is intended to be read in conjunction with the AML/CFT Guideline. Authorized financial institutions are expected to be familiar with the FAQs and to consider them with respect to satisfying their AML/CFT legal and regulatory obligations. Additionally, the HKMA has consolidated into the new set of FAQs two existing sets of FAQs: the FAQs on Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance published in March 2012, and the FAQs on Customer Due Diligence updated in May 2017. The HKMA further clarifies that the FAQs published in 2012 and 2017 are superseded with immediate effect.

*Hong Kong Securities and Futures Commission publishes consultation conclusions on proposed amendments to AML/CFT guidelines*

On October 12, 2018, the Hong Kong Securities and Futures Commission (SFC) [published](#) consultation conclusions on proposed amendments to the (1) Guideline on Anti-Money Laundering and Counter-Terrorist Financing and (2) Prevention of Money Laundering and Terrorist Financing Guideline Issued by the Securities and Futures Commission for Associated Entities. According to the conclusions paper, the majority of respondents were supportive of the proposed

amendments, which were designed to keep the guidelines in line with the latest Financial Action Task Force (FATF) standards, offer increased flexibility under the risk-based approach, and provide additional guidance on existing requirements. The major comments received and responded to by the SFC were grouped into the following categories: (a) keeping in line with the latest FATF standards; (b) client onboarding using a non-face-to-face approach; (c) persons purporting to act on behalf of the customer; (d) politically exposed persons; (e) identity verification of natural persons, legal persons, trusts and other similar legal arrangements; (f) beneficial owners; and (g) connected parties and trusts. After taking the comments received into account, the SFC adopted the amendments with several modifications to provide additional clarity and better reflect its regulatory intent.

## Other Regulatory Developments

*Hong Kong publishes loss-absorbing capacity requirements for financial institutions in the banking sector*

On October 19, 2018, the Hong Kong government [published](#) in the *Gazette* the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (the Rules) and the Inland Revenue (Amendment) (No. 6) Bill 2018. The Rules are closely related to international standards for loss-absorbing capacity, as set forth in the Financial Stability Board's Total Loss-Absorbing Capacity Term Sheet. The Rules entered into effect on December 14, 2018, upon negative vetting by the Legislative Council.



# SINGAPORE

## Onboarding and CDD Developments

*AML/CFT industry partnership publishes paper on the use of data analytics in the fight against financial crime in Singapore*

On November 29, 2018, the Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Industry Partnership (ACIP) [published](#) a paper encouraging greater adoption of data analytics solutions by financial institutions. The paper compiles the experiences of banks using data analytics techniques to combat financial crime and provides an understanding of the current state of such solutions in the AML/CFT space. Additionally, the paper concludes that financial institutions could potentially improve the effectiveness of various AML/CFT measures and approaches, including: (i) the high false positive rates in both name screening and transaction monitoring; (ii) the difficulty of applying rule-based transaction monitoring where rules are complex and rigid, and where typologies change rapidly; and (iii) manual processes and decision-making. ACIP is a private-public partnership established in April 2017 to bring together the financial sector, regulators, law enforcement and other government entities to identify, assess and mitigate AML/CFT risks in Singapore. The Monetary Authority of Singapore serves as one of the co-chairs of the partnership.

## Other Regulatory Developments

*Monetary Authority of Singapore publishes response to feedback received on its proposal to enhance the resolution regime for Singapore financial institutions*

On October 26, 2018, the Monetary Authority of Singapore (MAS) published its [response](#) to feedback received on *Proposed Regulations to Enhance the Resolution Regime for Financial Institutions in Singapore*. The response includes comments received, and responses provided by MAS,

concerning: (1) temporary stays on termination rights; (2) the statutory bail-in regime; (3) the creditor compensation framework; and (4) resolution funding arrangements. According to the response, the Monetary Authority of Singapore (Control and Resolution of Financial Institutions) Regulations 2013 will be replaced with two new separate regulations, the Monetary Authority of Singapore (Control of Financial Institutions) Regulations 2018 and the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018. Additionally, the Monetary Authority of Singapore (Safeguards for Compulsory Transfer of Business, and Exemption from Moratorium Provisions) Regulations 2018 will also be revoked and the relevant provisions will be incorporated into the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018. These changes took effect on October 29, 2018.



# GLOBAL

## Other Regulatory Developments

### *Financial Stability Board publishes fifth progress report on its action plan to assess and address the decline in correspondent banking*

On November 16, 2018, the Financial Stability Board (FSB) [published](#) its fifth progress report on the initiative to address the decline in correspondent banking. The FSB originally launched a four-point action plan in November 2015 to assess and address the decline in correspondent banking relationships, coordinated by a Correspondent Banking Coordination Group (CBCG). The progress report examines progress since the FSB's last progress report from March 2018, including the following actions: (i) further examining the dimensions and implications of the issue; (ii) clarifying regulatory expectations, including through guidance by Financial Action Task Force (FATF) and the Basel Committee on Banking Supervision (BCBS); (iii) domestic capacity-building in jurisdictions that are home to affected respondent banks; and (iv) strengthening tools for due diligence by correspondent banks. The progress report determined that the international components of the action plan are now largely in place. The next steps primarily involve ensuring that the solutions proposed by international standard-setting bodies and industry organizations are implemented in practice by national authorities and banks. The FSB will now turn its focus toward monitoring of implementation and of developments.

### *Basel Committee on Banking Supervision publishes progress report on adoption of the Basel III regulatory framework*

On October 26, 2018, the Basel Committee on Banking Supervision ("BCBS") [published](#) its 15th progress report on the implementation of Basel III among BSBC members. The report examines the adoption of Basel III standards for each member jurisdiction as of the end of September 2018. As of this date,

all 27 member jurisdictions have implemented risk-based capital rules, Liquidity Coverage Ratio (LCR) regulations and capital conservation buffers. Additionally, 26 member jurisdictions have finalized rules for the countercyclical capital buffer and the domestic systemically important bank (D-SIB) requirement.

### *Basel Committee on Banking Supervision publishes report updating stress testing principles*

On October 17, 2018, the BCBS [published](#) the final version of its updated stress testing principles. The BCBS originally published stress testing principles in May 2009 to address weaknesses in stress testing practices highlighted by the global financial crisis. The BCBS undertook a detailed review of the stress testing principles given the rapid evolution of stress testing since their original publication. While the stress testing principles are formulated with a view towards large, globally active financial institutions, the BCBS encourages smaller banks and government authorities to consider the potential impact of adverse scenarios on their businesses.

### *Basel Committee on Banking Supervision publishes report summarizing aggregate results of its Basel III monitoring exercise*

On October 4, 2018, the BCBS published a report summarizing the aggregate results of its Basel III monitoring exercise, using data as of December 31, 2017. The report shows significant improvement in the capital levels of large global banks as compared with year-end 2015. Data was provided by a total of 206 banks, including 111 large internationally active banks, defined as those with more than €3 billion or more of Tier 1 capital. The BCBS has regularly reviewed and reported on the implications of such exercises since 2012. The October 2018 report is the first to assess the effects of the finalized Basel III reforms. The Basel III minimum requirements are expected to be implemented by January 1, 2022, and fully phased in by January 1, 2027.

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# ABOUT PEGA

Pegasystems (Pega) develops strategic applications for sales and onboarding, marketing, service and operations. Pega’s applications streamline critical business operations, connect enterprises to their customers seamlessly in real time across channels and adapt to meet rapidly changing requirements. Pega’s Global 500 customers include the world’s largest and most sophisticated enterprises. Pega’s applications, available in the cloud or on-premises, are built on its unified Pega 7 platform, which uses visual tools to easily extend and change applications to meet clients’ strategic business needs. Pega’s clients report that Pega gives them the fastest time to value, extremely rapid deployment, efficient reuse and global scale. [www.pega.com](http://www.pega.com).



Source: Chartis 2017 RiskTech Quadrant® for Know Your Customer (KYC) systems

## PEGA CLIENT LIFECYCLE MANAGEMENT (CLM) & PEGA KNOW YOUR CUSTOMER (KYC)

The Pega CLM and Pega KYC applications provide the only globally scalable solution for large, complex financial institutions to manage multijurisdictional, multiproduct onboarding with predefined industry best practices across all lines of business. Pega KYC is a robust, industry-leading, rules-driven application, allowing global banks to manage and drive complex regulatory requirements as part of onboarding and client life cycle management. Pega KYC allows for specialization of due diligence requirements by region, line of business, and risk. It has extensive out-of-the-box functionality, and comes with preconfigured AML/CTF rules covering 60 major jurisdictions as well as CRS, FATCA, Dodd-Frank, EMIR, FINRA, IROCC, and MiFID II, that are developed and updated quarterly in cooperation with a global team of lawyers, ex-regulators, industry experts, and policy makers. Pega KYC uses driver data (booking jurisdiction, customer type, product, risk) to select the right KYC types at the right time, reusing due diligence where available. Through zero-coding, Pega KYC allows banks to stay compliant with the constantly evolving regulatory landscape, while improving onboarding time and time-to-revenue.

Fully integrated with Pega KYC, Pega CLM manages complex, multijurisdictional and multiproduct onboarding. CLM was developed using best practices from more than 10 years of experience delivering onboarding and complex orchestration solutions. It simplifies very complex onboarding, ensuring parallel processing of hundreds of cases for multiple functional areas, such as KYC, Credit, Legal and Operations. CLM comes preconfigured with customer journeys from onboarding through to offboarding, providing a global experience for the bank and client. Pega’s global team of experts has deployed and built onboarding and KYC solutions for more than 40 of the world’s largest financial institutions. Pega CLM encompasses the best in RegTech solutions including RPA, transparent and inherent, AI, and comes with a Blockchain Innovation kit for the exchange of data and documents among permissioned institutions across the industry. For more information, visit

[www.pegaonboarding.com](http://www.pegaonboarding.com).

# ABOUT MAYER BROWN

Mayer Brown is a global legal services organization advising clients across the Americas, Asia, Europe and the Middle East. Our presence in the world's leading markets enables us to offer clients access to local market knowledge combined with global reach.



We are noted for our commitment to client service and our ability to assist clients with their most complex and demanding legal and business challenges worldwide. We serve many of the world's largest companies, including a significant proportion of the Fortune 100, FTSE 100, CAC 40, DAX, Hang Seng and Nikkei index companies and more than half of the world's largest banks. We provide legal services in such areas as banking and finance; corporate and securities; litigation and dispute resolution; antitrust and competition; US Supreme Court and appellate matters; employment and benefits; environmental; financial services regulatory and enforcement; government and global trade; intellectual property; real estate; tax; restructuring, bankruptcy and insolvency; and wealth management.

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