

Q&A KYC-DATABASE

1. Is this tool obligatory?

No. The use of the KYC-database is not mandatory, nor prescribed by the FPS Economy. However, note that the Belgian law asks you to identify and verify your clients and to perform a risk-analysis.

In this view, AWDC offered the KYC-database as a tool to help you with these AML-obligations.

Note that our sector is considered high risk by governments and international organizations. The lawmakers ask us to protect our sector against money laundering activities by performing thorough customer diligence and notify suspicious activity to the CFI.

2. Is this a system made especially for the diamond sector?

No. Bureau Van Dijk services many other sectors, including large banks and corporations which pay large amounts of money to be able to access the system. AWDC also invested a considerable amount in the database of Bureau Van Dijk in order to offer this one-year trial to all Belgian registered diamond traders for free. For the moment this is the best system on the market for KYC information. If the use of the database can be considered a success, the use can be extended to a second year, but conditions may vary.

We did customize the system for the diamond sector by adding the AWDC questions (see hereunder nr. 6) and by adding a search on countries of the Kimberley Process as well as FATF high risk country lists.

If you have any ideas to customize the system, please contact us at trst@awdc.be or dorien.vandersanden@awdc.be.

3. Can everyone see my search results?

Absolutely not. The result of your KYC-checklist and your search history will be completely **individual and anonymous**.

It will be visible if a potential match is already accepted or declined by another company, but the company name will remain **anonymous** and you can decide for yourself if you accept or decline a potential match and thus change the verifications that were already done by another company.

4. Do I have to make a print-out of the results?

Making a print-out is not obligatory, but it can help you proving to the FPS Economy in case of control that you took the necessary identification and verification measures. In case of printing, it is recommended to print out the full report. It is also possible to export the report to a folder on your computer and store it there.

5. Does this database mean that I don't have to ask any more documents from my clients and I don't have to do a risk analysis anymore?

Firstly the database does not contain copies of ID-cards nor bylaws which you still have to ask your client. Also the database is not always complete (for example it is possible that not all directors, UBO's are published for a certain company), nor shall the information always be correct. Bureau Van Dijk works with local information providers in countries worldwide and the correctness and completeness of the data depends on the information they deliver. Of course this information is updated constantly and if you notice something incorrect or incomplete information, please notify Bureau Van Dijk jolien.heylen@bvinfo.com about this. They will contact their local information providers and assess if updates must be done.

The KYC-database can be very helpful to double check the information given to you by your client, for example the names of board of directors, shareholder structure, ultimate beneficiaries (UBO's) and give you more information on the company that you are dealing with, since the company and its directors and UBO's are being matched against sanction lists, PEP lists (Politically Exposed Persons), adverse media, etc...The system will also inform you if your client is located in a country that is part of the Kimberley Process and if your client is located in a country that is on the FATF high risk country list. All this gives you extra assurance on the company that you are dealing with.

A search in the KYC database is especially helpful when you have a client abroad that has provided you with limited information. An easy way of working with the database, is by sending the information (=the shareholder structure, UBO's and names of board of directors) you found on the database to your client and ask him to confirm by e-mail if the information is correct.

6. Why do I have to answer the AWDC questions before I get my search result? Is this mandatory?

These questions were added just to remind you of other potential risks concerning the transaction. If you can answer all these questions in a positive way, you will notice that your answers will get a green color in your overview page, which means that your transaction is low risk and an extra assurance for you to do the transaction in a safe way. You will have to answer these questions to get your end result. But of course the answers to these questions are purely personal, and for your own use. The answers to these questions only get relevant when you decide to show these results during a control of the Ministry of Economy. But this is at your own discretion.

7. What do the green, orange and red colors mean?

If your search result colors entirely green, this means that the system has found no matches with blacklists, PEP list. This means also that your client is located in a country that is part of the Kimberley Process and not on the FATF high risk country list. This means also that you have answered your AWDC questions in a positive way.

If you get an orange result (for example a match with a PEP list), this means that there is a medium risk, and you should first verify if the system has matched correctly. It is possible that the system says that Mr. X that is a director in your client's company is also a PEP, but you should check if it is indeed the same Mr. X. It is easy to check if it is the same Mr. X since the database contains pictures.

If indeed your client is a PEP, you can still do the transaction, but be extra vigilant for other risk factors.

If you get a red result (for example a match with a sanction list), this is a high risk. Again : first verify the match. If indeed your client is on a sanction list (chances are small), you should withhold from doing the transaction.

Note that the decision if something is a green, orange or red result is based on FATF guidelines and legislation, and is not a random decision of AWDC or Bureau Van Dijk.

8. If I don't like a company, can I put the directors or the UBO's of the company on the blacklist?

Absolutely not. It is only possible to accept or decline a match with a blacklist when one of the directors or UBO's has a potential match assessed in first instance by the system of Bureau Van Dijk. A potential match can always be reviewed and changed by another company. Every company thus decides for itself if they accept or decline a potential match.

9. What do I do when I notice something suspicious?

Please contact the CFI : Belgian Financial Intelligence Processing Unit (CTIF-CFI) : info@ctif-cfi.be or AWDC Security Office 03/222.05.72

10. What if one of the directors or ultimate beneficiaries is on the PEP-list? Can I still close the transaction?

For PEP's you will get an orange result, which means that you can still do the transaction, but you will have to be extra vigilant. Note that the result that you get from the database is not a binding advice.

11. I have an extensive client list, can Bureau van Dijk help me to check all these clients via the database?

This is possible but against a certain fee. Please contact Ms. Jolien Heylen of Bureau Van Dijk (jolien.heylen@bvdinfo.com) for more details.

12. Do I also need to use this database for Belgian clients?

If your client is a Belgian registered diamond trader, an outprint from the website www.registereddiamondcompanies.be is sufficient. For unregistered Belgian clients or private persons you can use the database as an extra tool of verification.

13. What if I want more information about my own company displayed on the database?

You can send the official documents, such as statutes to Bureau Van Dijk (jolien.heylen@bvdinfo.com) and the necessary adjustments can be made.

14. What if I can't find a company?

It is possible that you can not find a company in the database.

Please send an e-mail to AWDC (dorien.vandersanden@awdc.be or trst@awdc.be) with the contact details of the company, we will try our best to trace the company and add it to the database.

Thanks to your cooperation, the database will grow and strengthen and hopefully after one year, more (diamond)companies can be found on the database.

15. What if the information on a company is incomplete

Bureau Van Dijk works with local information providers in countries worldwide and the correctness and completeness of the data depends on the information they deliver. Of course this information is updated constantly and if you notice something incorrect or incomplete information, please notify Bureau Van Dijk jolien.heylen@bvdinfo.com about this. They will contact their local information providers and assess if updates must be done.

16. I would like to have access to more detailed financial info, is this possible?

Yes, this is possible but against a certain fee. Please contact Ms. Jolien Heylen of Bureau Van Dijk (jolien.heylen@bvdinfo.com) for more details.

17. I am not a registered diamond trader but I would like to access the database?

This is possible but against a certain fee. Please contact Ms. Jolien Heylen of Bureau Van Dijk (jolien.heylen@bvdinfo.com) for more details.

18. I don't understand the system and need help?

You can always contact AWDC (dorien.vandersanden@awdc.be or trst@awdc.be – tel : 03/222.05.06 or 03/222.05.03) in case of a specific problem that can't be found in the user manual.