What is Know Your Customer (KYC)?

Know Your Client (KYC) · https://help.law.com.sg/faq/what-is-know-your-customer-kyc/

KYC, or Know Your Customer, refers to the regulatory and legal framework used by financial institutions and other regulated companies to verify the identity of their clients. The process helps to ensure that their services are not misused. The primary goal of KYC is to prevent identity theft, financial fraud, money laundering, and terrorist financing.

KYC processes are crucial for understanding and managing risks effectively. They involve collecting and verifying information about prospective clients before or during the time of starting a business relationship. This includes verifying personal details, understanding the nature of the client's activities (to ensure that the source of their funds is legitimate), and assessing money laundering risks associated with that customer for ongoing monitoring and reporting.