



**Customer Management SIG (CMS)  
JWG CMS 17: RTC - AML registry data project  
Skype meeting**

**3 March 2020, 16:00-17:30**

**In attendance:**

Phil Triggs	Barclays	Logan Simpson	Morgan Stanley
Roger Luxton	BMO	Corrina Stokes	JWG
Ted Datta	BvD	PJ Di Giammarino	JWG
Peter Drake	Citi	Alex Chadwick	RBS
Anna Morrison	Credit Suisse	Leven Li`	Railsbank
Gordon Chapple*	FCA	Kevin Byrne	SEI
John Bakowski	HSBC		

Apologies: Anna De Winton, BNP, Sian Lewin, BlackRock, Stuart Wilson, BNY Melon,

\*\*The meeting was held under the Chatham House Rule\*\*

**Meeting materials**

Participants we provided with the overview of the RegTech Council, AML registry data overview, RegTech Council Constitution

**Meeting objectives**

Members discussed plans for an AML registry data project under the auspices of the RegTech Council to address 5MLD registry data challenges with Companies House, Trusts and Bank Accounts and their equivalents in other jurisdictions.

**Key points of discussion**

- ▶ Registry data project background. The firms leading the RegTech council AML efforts described how the group has **engaged with the FCA TechSprint, UK Business, Energy and Industrial Strategy (BEIS), ICO, JMLSG and HMT/UK Finance's AML Innovation working group** over the last year to align interests in a public/private effort in 2020.
- ▶ Public sector priority. The FCA has had two TechSprints on the AML topic. The second involved collaboration with the ICO and Companies House. The FCA is also on record as saying it thinks technology can make a significant difference in the fight against financial crime. The second sprint tested PETs and team Citadel won (it is significant that the FCA chose to award a winning team. Since then, the FCA is on record about creating a digital sandbox and the RTC would enable a multi-disciplined collaboration across many public and private participants and would **support the FCA's stated aim of supporting the journey from proofs of concept into proofs of value and production**. The strength of this proposal is that it is driven by the regulated firms and therefore has more probability of getting to scale when successful.



- ▶ Regulatory engagement. **If the RTC proposal is supported by the firms the FCA has indicated that it would like to participate** in that it can contribute regulatory SME expertise and help coordinate with the other public sector bodies.
- ▶ Leveraging Citadel. In a nutshell, Citadel used homomorphic encryption, fuzzy logic and machine learning have proven to help identify discrepancies between firms' data for the same customer through an API-based architecture. The **opportunity is to extend this architecture** to the 'Companies House 2.0', BAR and Trust registries which are on the drawing boards now.
- ▶ Deliverables. The group was in broad agreement with the proposed deliverables: best practices, system FRDs and template RFPs. These will **enable standards and protocols which are necessary to enable safe development of new, common AML practices** which leverage new technology and conform with data management and AI obligations (i.e., making it safe to scale the Citadel PoC across the firms and the registries).
- ▶ Top business drivers for participating. A poll at JWG's February 2020 RegTech conference confirmed that establishing **API-enabled feedback loops** with registries and transforming AML operations to conform with **digital best practices** are top priorities for MLROs. The group agreed and highlighted the opportunity to help **reduce manual practices** and move from 'ticking the box' to **ensuring better outcomes** was a key value driver from this programme. Phil Triggs and Ted Datta agreed to work with PJ to create a pro forma business case for a reference firm which could be reviewed at the next meeting.
- ▶ Benefits of the AML project. It was generally agreed that the benefits of the programme were: **Mutualised interpretation/** agreement to **common practices**, decreased **time to market**, the ability to set **quality expectations** and the ability to come to consensus on **solution requirements**.
- ▶ International extension. It was noted that **international alignment** would be critical to the firms that have many registries to report to. The group discussed how this project would be a great example of UK leadership in helping to create **global standards** and that they should look to explore how to **broaden the stakeholder group** to include international organizations (e.g., FATF). PJ agreed to discuss this with public sector colleagues and put a proposal forth at the next meeting.
- ▶ Next steps. PJ let the group know that the next step for the RegTech council was for firms to indicate their continued interest to commit resource and help shape the projects as well as the membership agreement details. Participants were asked to **let JWG know if they do not intend to continue by 13 March**. The next meeting will be scheduled for early April.