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Overview:

? Know Your Customer (KYC) is a process designed to verify the identities of users engaging with financial services on the Stellar blockchain. It is crucial for preventing fraud, money laundering, and other illicit activities.

2. Key Objectives:

- ? Identity Verification: Ensuring that users are who they claim to be by verifying their identities through various means.
- ? Fraud Prevention: Identifying and blocking malicious actors from accessing financial services.
- ?? Regulatory Compliance: Ensuring that financial services providers comply with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations.
- ? Enhanced Security: Protecting the financial system by allowing only legitimate users access to services.

3. Major Components:

- ? User Identification: Collecting and verifying user information such as name, address, and government-issued identification.
- ?? Risk Assessment: Evaluating users' risk levels based on profiles and activities, and mitigating identified risks.
- ? Ongoing Monitoring: Continuously monitoring user activities to detect suspicious behaviour and respond promptly.
- ? Data Security: Protecting user data from unauthorised access and breaches.

4. Benefits of KYC:

- ? Enhanced Security: Verifying identities significantly reduces the risk of fraud and abuse within financial services.
- ?? Regulatory Compliance: Ensuring adherence to AML and CTF regulations helps protect the platform.
- ? Trust Building: KYC fosters trust among users and investors, assuring them of the platform's security and compliance.
- ? Reduced Fraud: Effective KYC procedures help identify and block fraudulent actors, safeguarding the financial system's integrity.

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