

TANUSHREE DABRAL KNOW YOUR DISTRIBUTOR (KYD)



Know Your Distributor (KYD) is the leading RegTech solution for Australian Fund Issuers and Distributors to exchange due diligence information, taking the pain out of processes and reducing costs for all.

THE PROBLEM



The Design and Distribution obligations (DDO) impose requirements on Issuers to oversee the distribution of their funds. This process is largely undertaken using paper-based forms exchanged between Issuers and Distributors by email. This proves it is cumbersome, manual and time consuming. The information collected is provided in different formats and to varying degrees of completeness. This makes analysis and comparability of the data difficult in addition to the operational risk of record retention and currency of the information.

HOW WE SOLVE IT



KYD provides an easy-to-use SAAS based platform for Fund Issuers and Distributors to seamlessly exchange due diligence information securely. KYD is a low touch and free of charge solution for Distributors to share meaningful due diligence information. Product Issuers can collect, view, assess and record due diligence records using KYD. Data is collected in a consistent format from Distributors regarding internal controls and governance practices. This allows Fund Issuers to assess the capacity to meet distribution conditions and distribute in line with target market determinations, as required by the DDO.

The KYD platform is ISO9001 and ISO27001 certified and hosted on AWS servers. The technology which underpins KYD is used in over 75 countries, covers more than 1000 Distributors globally, and is used by clients managing over \$1 trillion in assets.

OUR CUSTOMER IMPACT



- KYD solution could save Product Issuers over 80% in person days compared to performing the activity manually.
- The questionnaire includes industry standard plus additional better practice counterparty due diligence questions to provide a better end to end view.
- Data is validated by KYD against independent sources such as ASIC corporate records, AFSL database, AFCA register and media screens.
- KYD is not just a technology platform but also provides clients with a managed service to on-board Distributors and follow up responses.
- Optional independent review service further reduces the impact on Fund Issuers.

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CASE STUDY



Perpetual Group is a global financial services company specialising providing asset management, private wealth, and trustee services. With a rich history dating back to 1886, Perpetual manages assets worth over \$200 billion, serving a diverse clientele across Australia. Perpetual Corporate Trust is the third-party Responsible Entity business which issues Funds For over 90 investment managers making it one of the largest Fund Issuers in Australia.

The Objectives

- To reduce the manual effort and time required for due diligence, allowing for a deeper focus on assessing Distributor practices.
- To ensure robust compliance with regulatory obligations in a rapidly evolving financial landscape.

The Solution

KYD provided PCT with a hands-on support to ensure Distributors are onboarded and completed due diligence questionnaires are available to PCT. The platform's industry-specific questionnaire allowed Perpetual to gather detailed information on Distributors' governance, controls, and business practices. The centralised record keeping, and audit trails facilitated easy tracking and assessment of responses, significantly reducing the administrative burden, and demonstrated ongoing compliance.

The Result

PCT experienced a marked improvement in the efficiency of their Distributor due diligence process, with a reduction in time and resources required for Distributor onboarding and on-going oversight.

- The company was able to shift its focus from data collection to a more meaningful analysis of Distributor practices, enhancing the quality of their oversight.
- KYD's solution ensured that Perpetual remained compliant with regulatory standards while minimising operational risks associated with Distributor oversight.

Client Testimonial

"KYD continues to be an invaluable partner in our Distributor oversight providing meaningful data that we can use in our internal governance."

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