

Ceviant on the Power of the LEI in KYC & Customer Onboarding

Introducing [Ceviant](#)

Ceviant is a UK-based financial technology company that delivers a broad range of treasury and trade solutions to our large and diversified client base, including corporates & multinationals, SMEs, importers, and exporters. Our goal is to provide treasurers with a unified view that encompasses their bank account data, payment requirements and trade finance functions. Ceviant gives them the tools to help manage their financial resources, all from one portal.

We capture LEIs as part of our KYC documentation and, as a Registration Agent in the Global LEI System, we can help our clients access the network of LEI Issuers, if they do not yet have an LEI.

The Challenge

All our clients must pass through standard client onboarding procedures before we can offer them financial products. Our Know Your Customer (KYC) process - a key part of these procedures - requires a level of due diligence determined by a combination of the client's risk profile and that of the product(s) being offered. Our client onboarding is strictly digital and automated.

Client onboarding times vary depending on the client and the product. If clients have all documents at hand, it may take them 30 minutes to complete. For large corporates or offshore clients, however, it can take us up to 48 hours to complete the required documentation review. Nonetheless, this automated, digital KYC processing and onboarding is much faster than traditional, manual processing.

It is often difficult to find an up to date and verified source of company and/or individual data, especially relative to emerging markets, which is our key focus. This makes automated onboarding especially difficult, as we rely on up to date, accurate data to eliminate the need for manual checks. 75% of our customers are multinational corporates who do business globally, and they often run into KYC related issues when acquiring new businesses in these markets. The LEI presents a ready-made solution to this problem.

The core of this challenge is that we require several data points for each client, and these points are not available from a single source. Complexity is also a major challenge. Identifying the beneficial ownership of the legal entity, for example, can be both difficult and time consuming. The job of identifying organizational structures, which can be inclusive of complex ownership hierarchies, for example, can also be a significant drain on resources.

The Power of the LEI

Already, the LEI plays an important role in demonstrating an entity can be trusted. For example, when Ceviant worked with a Nigeria based entity, it was able to supply its LEI which offered a level of trust and confidence rarely seen in the region.

Ceviant recognizes that industry-wide use of the LEI can bring maximal benefits in KYC and client onboarding processes, but this can only be achieved if regulators mandate its use. Without such a mandate, no financial institution will want to take the first step to require the LEI for its clients.

Future value at Ceviant

We strongly advocate use of the LEI, as it helps to optimize KYC processing by providing greater transparency and access to detailed identifying data. This commitment to delivering increasing detail and transparency has recently been demonstrated through the [mapping of the LEI to the OpenCorporates database](#). As we facilitate cross border activities as well as trade finance activities, the Global LEI System is a foundational starting point with the globally unique identifier and open data.

The LEI will also save a significant amount of processing time especially when deployed in holding company structures. We estimate that we could easily save 25% of the time required to onboard a client simply by structuring the information via the holding company, with all related companies having an LEI. As the LEI becomes more widespread, the time saving capabilities offered by the LEI are only set to increase.

Ultimately, we believe the LEI should be mandated for all businesses when they are incorporated. Alongside this, networks for payments transactions, such as SWIFT, should require all entities to have an LEI and reference the LEI in their network transactions to ensure LEI use is spread even more broadly across the world. Widespread use of the LEI, supported by a regulatory mandate, will help Ceviant onboard clients in a more efficient manner, improve overall KYC and client onboarding processes, and improve the overall client experience.