

REGTEK (Beijing) Technologies on the Power of the LEI in KYC and Corporate Onboarding

Introducing [REGTEK \(Beijing\) Technologies](#)

[REGTEK \(Beijing\) Technologies](#) is a Beijing-based company dedicated to providing regulatory technology. Adhering to the concept of integrating regulation and compliance with the goal of comprehensively utilizing advanced information technologies to enhance financial innovation service and risk prevention capabilities, it provides regulatory technology solutions for policymakers, regulators, financial institutions, and industrial organizations.

This helps all parties build consensus, deepen collaboration to form synergies, effectively implement financial stability and development strategies, and improve financial innovation service capacity and risk prevention capabilities.

The Challenge

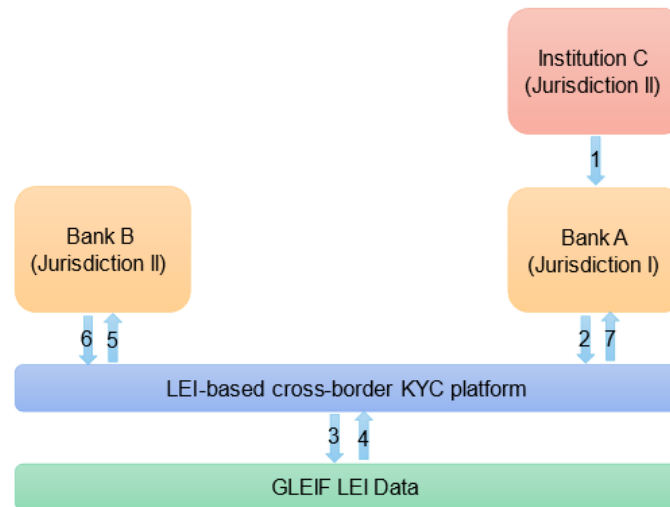
Due to variations in the legal systems and degree of information disclosure required in differing countries, jurisdictions or regions, 'onboarding agents' are often required in cross-border Know Your Customer (KYC) scenarios to navigate the significant complexity. Yet this process can be time and cost-intensive, resulting in an onboarding process for cross-border corporate clients that takes over a month.

To address this challenge of sharing and enhancing KYC information for corporate account opening or customer onboarding across different jurisdictions, REGTEK (Beijing) Technologies has designed an LEI-embedded KYC platform for cross-border financial service scenarios. Using the platform, a financial institution can provide corporate client-related information when onboarding. This generates significant efficiencies and reduces the onboarding process time to under two weeks.

The LEI-embedded platform provides a rapid, low-cost information access channel, which helps financial institutions understand their customers throughout the onboarding process:

//Steps

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- Step 1: Institution C applies for an account at Bank A (providing its LEI code and other application materials);
- Step 2: Bank A submits Institution C's LEI code to the platform;
- Step 3: The platform leverages the Global LEI Index for Institution C's LEI reference data;
- Step 4: Relevant information is verified against the Global LEI Index;
- Step 5: The platform queries Bank B for Institution C's KYC information.
- Step 6: Bank B provides the platform with cross-border information that is approved in both Jurisdiction I and II.
- Step 7: Combining the information from Steps 4 and 6, all the information is fed back to Bank B, aiding in enhancing the KYC verification for Institution C during the account opening / onboarding process.

The Power of the LEI

As the only established universal entity identifier globally, the LEI is uniquely positioned to enable legal entity identification across borders. LEI reference data provides comprehensive "Who is Who" and "Who Owns Whom" information. In other words, it reveals a company's corporate structure and indicates its beneficial ownership. This is as an effective tool to combat money laundering and terrorist financing since it reveals the chains of corporations. It also facilitates financial institutions and regulatory authorities to gain access to KYC-required information for both onshore and offshore corporations.

Using the LEI-embedded platform, a financial institution is also able to exchange KYC information with its domestic and cross-border counterparties. This further improves credit enhancement in the client onboarding process.

Future value at REGTEK (Beijing) Technologies

REGTEK (Beijing) Technologies strongly endorses the use of LEI to assist in helping financial institutions understand their customers in the client onboarding process.

The key to the LEI's ongoing development is designing cross-border scenarios and applications to benefit users. In this process, the first use of simple and small-scale applications will provide a good demonstration of the potential that can be realized through the large-scale promotion of the LEI.

Looking ahead, wider and more consistent use of the LEI can unlock automated KYC and client onboarding processes for financial institutions. This means more efficiency for financial institutions, reduced counterparty risks, lower operational costs, and increased client satisfaction.

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