Entity Exchange accelerates buy-side onboarding to improve regulatory compliance & client service.

ONBOARDING CAUSES TRADING DELAYS
A variety of global regulations require sell-side institutions to demonstrate that they understand with whom they are doing business, the scope of which includes proof of ownership, source of funds, legal structure and associated persons. Firms must also screen counterparties against sanctions and watch lists. Known collectively as Know Your Customer (KYC), these requirements are designed to detect criminal activity and protect banks from regulatory scrutiny, fines and reputational risk.

For broker-dealers and other sell-side organizations, addressing KYC routinely involves regulatory interpretation, implementation of compliance frameworks and managing large teams to handle initial as well as ongoing data collection and due diligence. As sales and trading desks request immediate onboarding of their clients, onboarding teams must quickly acquire the information and documents critical to risk evaluation. This process tends to be manual, typically using email to communicate.

While KYC requirements differ for each type of client, buy-side firms present unique onboarding challenges. Lack of transparency into ownership, management and associated persons can often lead to delays in onboarding — resulting in frustrated clients. Both sell-side firms and their buy-side clients need a way to complete the onboarding process faster and more securely without compromising client service.

ENTITY EXCHANGE OFFERS SPEED & TRANSPARENCY
To accelerate onboarding, Bloomberg has developed a new way to request and exchange this sensitive and critical information.

Entity Exchange is a centralized, web-based platform designed to facilitate the exchange of data and documentation between sell-side firms and buy-side clients. The sell-side firm can easily request KYC onboarding documents, critical document updates, regulatory-driven certificates and custom forms from buy-side clients using a streamlined workflow. Requests are delivered through the Entity Exchange platform, which automatically matches each item requested to documents and data that buy-side firms have already uploaded to a secure Company Profile. This ensures that sell-side firms receive high-quality, accurate, primary-source information as quickly as possible. In addition, all data points that are automatically populated within forms include links to original source documents.
An optimal onboarding and data collection workflow

Submit data and documents to central platform.

Communications occur through the platform to increase speed. An audit trail itemizes the points of interaction.

Access to the platform requires secure authentication. Data and documents are made available to select sell-side counterparties.

EXTENSIVE CAPABILITIES

The Entity Exchange solution provides the capabilities sell-side firms need to complete the onboarding process as rapidly as possible, including:

- Transparency into buy-side entity ownership and control structures
- Policy-agnostic framework — any document/form can be requested/collected
- Push notifications when buy-side firms change or update critical information
- Electronic signature capabilities
- Ability to manage remediation projects for policy and/or regulatory changes
- Client profile and dashboard reporting
- Click and send buy-side-initiated invites facilitate communication with sell-side counterparts

BLOOMBERG FOR ENTERPRISE

To succeed today, financial institutions must respond to challenges that are not addressed by traditional approaches. They require world-class solutions that integrate people, processes, information and technology for the front office, middle office and operations. Bloomberg partners with these institutions to protect and capitalize on data, manage risk, deliver transparency and control costs. Through enterprise-level expertise and three decades of deep industry experience, Bloomberg creates real value through the use of innovative technology that turns data into a strategic asset.

TAKE THE NEXT STEP

Learn more about our secure, transparent and efficient solution for buy-side onboarding. Visit bloomberglp.com or reach us at hfcompliance@bloomberg.net.